

WALNUT VALLEY WATER DISTRICT

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



AGENDA

REGULAR BOARD MEETING
MONDAY, DECEMBER 15, 2025
5:00 P.M.

MEETING LOCATION
DIAMOND BAR CENTER, SYCAMORE ROOM:
1600 Grand Avenue
Diamond Bar, CA 91765

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 Kwong

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 Kwong

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 Kwong

A. Discussion	B. Action Taken
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6. [Special Recognition](#) Ms. Shaw
A. [Outgoing President](#)
7. [WVWD Team Milestones & Achievements](#) Ms. Shaw
A. [Congratulations to Darnell Meyers for his promotion to Service Worker II](#)
B. [Congratulations to Christian Patton for his promotion to Utility Service Lead](#)
C. [Congratulations to Debby Chu for completing the JPIA Operations Certification Program](#)
8. [Special Recognition](#) Ms. Shaw
A. [Special recognition to Jodi Johnson for her 21 years of dedicated service to the District. Her last day with us was December 11. We truly appreciate her contributions and commitment throughout the years.](#)
9. [Conduct a Public Hearing and Consider Adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ](#)
(1) Discussion (2) Action Taken
10. [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 10, 2025](#)
B. [Minutes of the Special Board Meeting held November 13, 2025](#)
C. [Check Register](#)
D. [Employee Expense Reimbursement Report](#)
E. [Community Outreach Update \(Information Only\)](#)
(1) Discussion (2) Action Taken
11. [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
12. [Treasurer's Report](#) Mr. Ning
A. [Financial Dashboard as of October 31, 2025](#)
B. [District Statement of Revenues, Expenses, and Change in Net Positions as of October 31, 2025](#)
C. [District Statement of Net Positions as of October 31, 2025](#)
D. [Summary of Cash and Investments as of October 31, 2025](#)
(1) Discussion (2) Action Taken

COMMITTEE REPORTS

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

13. Public Information/Community Relations/Legislative Action Committee Director Tang
A. [Approval of Agreement with EcoTech Services, Inc. – Project # 25-3872 for Leak Repair Program](#)
(1) Discussion (2) Action Taken
14. Finance Committee Director Lee
A. [Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2025](#)
(1) Discussion (2) Action Taken
B. [City of Industry Wheeling Rate, Wholesale Rate Recycled Water and Potable Water Rate](#)
(1) Discussion (2) Action Taken
C. [Investment Transaction Report](#)
(1) Discussion (2) Action Taken
D. [Revenue Bond- US Bank](#) (Information Only)
15. Engineering and Special Projects Director Woo
A. [Authorize the General Manager to Enter Into Agreements for On-Call Water System Repair and Construction Services](#)
(1) Discussion (2) Action Taken
B. [Project Status Report](#) (Information Only)
C. [Operations Report](#) (Information Only)
16. Personnel Committee President Kwong
▪ There are no items to come to the Board at this time.

OTHER ITEMS

17. TVMWD/MWD Director Hilden
18. P-W-R Joint Water Line Commission Mr. Monk
A. [P-W-R JWL Report for Water Purchases for October 2025](#)
B. Other Items
19. Puente Basin Water Agency Director Lee
20. Spadra Basin Groundwater Sustainability Agency Director Tang
21. General Manager's Report Ms. Shaw
A. [District Activities Calendars for January, February and March 2026](#)
B. [ACWA/JPIA President's Special Recognition Award](#)
C. Other Items

22. Water Supply and Conservation Ms. Shaw
A. [District Water Supply and Conservation Update](#)
B. [Statewide Water Supply Conditions](#)
23. Directors' Oral Reports All Directors
24. Legal Reports Mr. Ciampa
25. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting
26. Board of Directors Business President Kwong
A. [Proposed 2026 Board Workshop Meeting Dates](#)
(1) Discussion (2) Action Taken
B. [Consideration of the Annual Board Reorganization/Appointment of Officers/Committee Selections for Calendar Year 2026](#)
(1) Discussion (2) Action Taken
C. [2026 Key Conferences/ Events](#) (Information Only)
27. Closed Session
A. Conference with Labor Negotiators (Government Code section 54957.6):
Agency designated representatives: James Ciampa
Unrepresented employee: General Manager
28. Reconvene to Open Session
A. Report of Action, if any, Taken in Closed Session
B. Consider Compensation Adjustment, if any, for the General Manager

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 11, 2025

Lucie Cazares, MMC, Executive Services Administrator

Special Recognition to President Kwong



We proudly present this engraved gavel in appreciation of your outstanding leadership and service as Board President. Your thoughtful direction, steadfast commitment, and ability to guide with integrity have left a lasting mark on our organization. This gavel symbolizes the strength and fairness you brought to every decision. Thank you for your dedication and for setting a standard of excellence that will inspire for years to come.

Team Milestones & Achievements



Promotions!



Congratulations
Darnell Meyers for
his promotion to
Service Worker II



Congratulations
Christian Patton
for his promotion
to Utility Service
Lead

Certifications



Debby Chu has completed
the JPIA Operations
Certification Program



November 4, 2025

ACWA JPIA

P. O. Box 619082
Roseville, CA
95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

Core Values

- People
- Service
- Integrity
- Innovation

To: Debby Chu
By: Sheryl Shaw, General Manager
Walnut Valley WD
271 S. Brea Canyon Rd.
Walnut, CA 91789

Re: Completion of the JPIA Professional Development Program
Specialty

Dear Debbie Chu:

I am extremely happy to acknowledge your completion of the JPIA Operations Certification Program. We are pleased that you recognized the value of this Program and are committed to continuing education.

You are to be commended for attending several different classes, providing you with additional skills that make you a valuable asset to your organization.

An engraved plate is presented to you with the appreciation of the JPIA for your district's efforts and support of this Program.

Sincerely,

Adrienne Beatty
Chief Executive Officer

Special Recognition



Farewell, Jodi!

With mixed emotions, we announce the departure of our District family member, Jodi Johnson.



Thank you for your 21 years of dedicated service to the District. Her last day with us was on December 11. We truly appreciate her contributions and commitment throughout the years.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 15, 2025
SUBJECT: Conduct a Public Hearing and Consider Adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ

☒ Action/Discussion

☒ Fiscal Impact

☒ Resolution

☐ Information Only

Recommendation

The Board of Directors:

1. Conduct a public hearing on December 15, 2025, to receive and respond to comments regarding the Energy Services Master Agreement;
2. Adopt Resolution 12-25-749, adopting required findings and the execution of an Energy Services Contract with SitelogIQ; and
3. Authorize the General Manager to execute the Energy Services Master agreement with SitelogIQ

Background

Walnut Valley Water District (District) has been engaged with an energy solutions provider, SitelogIQ, for a potential energy savings project related to the new District headquarters. SitelogIQ has reviewed the District's current electrical usage and costs and proposed a 159kW solar photovoltaic system that would be installed on two shade structures: one in the new employee parking lot and one in the new public parking lot. These shade structures would cover approximately 42 parking spaces for the benefit of employees and the public. In addition, the project would install (6) Level 2 electric vehicle (EV) charging stations to be placed in both the employee and public parking lots. SitelogIQ provides a 30-year warranty on the solar panels and will provide design, installation, and maintenance.

On October 20, 2025, the Board of Directors authorized a Letter of Agreement (LOA) with SitelogIQ for an Energy Services Feasibility study. The LOA is a commitment by the District to cover SitelogIQ's related engineering services. SitelogIQ has developed a viable energy services project and the District decides not to go forward, a development fee of \$12,000 would be owed. If the District decides to move forward with SitelogIQ's project, the \$12,000 would be applied to the overall cost of the project.

Based on the initial assessment, the annual energy consumption for the District headquarters is estimated to be 286,386 kWh and the annual cost is currently \$79,065. It is anticipated that the new Administration Building will lead to an energy usage multiplier of 1.3, totaling \$102,784. It is also anticipated that these costs will increase by a rate of 6% each of the following years, based on forecasted Southern California Edison rate increases. SitelogIQ has performed preliminary estimates and believes the project cost will be \$1,326,245. It is anticipated the District will cash fund this project in lieu of financing. This amount will be paid up front using available Capital Funds within the FY2026 budget. The Inflation Reduction Act (IRA) provides up to a 50% direct pay tax credit for these types of projects, which is estimated at \$693,123 if EV charging stations can be placed in service before June 30, 2026. This funding would reduce the District's cost of program implementation to \$693,123. Any delays in beginning implementation could be detrimental to the District's opportunity of receiving IRA funds and implementing a clean energy program to reduce long-term emissions and utility costs.

Program Implementation Cost:	\$1,326,245
Est. District Direct Costs:	\$60,000
IRA Contribution:	\$693,123*
Net District Contribution:	\$693,123

Total Program Gross Savings: \$3,300,699

Total Program Net Savings: \$1,914,454

Approximate Payback Period: 13 years

* Contingent on placed in service deadline date for EV chargers of June 30, 2026

It is anticipated that the project can be paid for by deferring other capital and/or replacement projects in FY2026.

The public hearing identifies the energy generation and EV charging program to be a cost savings to the District at a payback period of 11.5 years with a total program gross savings of \$3,300,699 and net savings of \$1,914,454 as noted on the attached Financial Performa. The District recommends the Board members adopt Resolution 12-25-749, adopting required findings and the execution of an Energy Services Contract with SitelogIQ and authorizing the General Manager to execute the Energy Savings Master Agreement with SitelogIQ.

Attachments:

SitelogIQ - WVWD Presentation and Financial Performa

Resolution No. 11-25-747

Energy Services Master Agreement

4217 ENERGY SERVICES MASTER AGREEMENT

by and between

Walnut Valley Water District

and

SitelogIQ, Inc

1651 Response Road, Suite 300

Sacramento, California 95815

CA Contractor License #: 1054171

December ~~01~~¹⁵, 2025

Contractor License# 1054171

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DRAFT

ENERGY SERVICES AGREEMENT

This ENERGY SERVICES AGREEMENT ("Agreement"), dated as of December ~~01~~¹⁵, 2025, ("Effective Date"), is by and between Walnut Valley Water District, a California special district, organized and existing under the laws of the State of California ("Owner") and SitelogIQ, Inc, a Delaware corporation ("Contractor") (each a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, Owner wishes to reduce energy consumption and operational expenses through the installation of energy conservation and energy generation technologies;

WHEREAS, California Government Code § 4217.10 et seq. authorizes a special district to enter into agreements, contracts and related documents with private sector entities for developing energy generation and conservation projects upon Owner's finding that the anticipated costs for such services provided under this Agreement, together with any financing costs, will be less than the anticipated marginal energy costs to Owner;

WHEREAS, Owner has assigned specific areas on Owner properties (each one, a "Site") on which the energy generation and conservation measures (each one, a "System") will be constructed;

WHEREAS, Owner wants to engage Contractor, and Contractor desires to provide the design, procurement, and installation of the Systems at each Site all in accordance with the terms and conditions set forth in this Agreement;

WHEREAS, Contractor is a full-service energy services company with the technical capabilities to provide services to the Owner, including, but not limited to, energy and energy system auditing, engineering, design, procurement, construction management, installation, construction, financing, training, monitoring and verification, maintenance, operation, and repair;

WHEREAS, Owner may issue additional work orders from time to time to complete such energy or related projects as long as the project meets the requirements of California Government Code 4217.10 et seq. and does not exceed the Contract Price; and

WHEREAS, Owner's Governing Board, after holding a hearing at a regularly scheduled public hearing and after having provided two weeks advanced notice of such hearing, made all findings requires by Government Code section § 4217.12 for the Owner to enter into this Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. DEFINITIONS.

Unless otherwise required by the context in which any term appears: (a) capitalized terms used in this Agreement shall have the respective meanings set forth in Exhibit A; (b) the singular shall include the plural and vice versa; (c) the word "including" shall mean "including, without limitation," (d) references to "Sections" and "Exhibits" shall be to sections and exhibits of this Agreement; (e) the words "herein", "hereof" and "hereunder" shall refer to this Agreement as a whole and not to any particular section or subsection; and (f) references to this Agreement shall include a reference to all attached Exhibits, as the same may be amended, modified, supplemented or replaced from time to time.

2. CONTRACTOR CERTIFICATIONS

This Agreement includes the following contractor certifications, the forms of which are attached in Exhibit B, which must be completed by Contractor prior to commencement of the work on the Systems:

- 2.1. Drug-Free Workplace / Tobacco-Free Environment Certification (Exhibit B-1)
- 2.2. Asbestos & Other Hazardous Materials Certification (Exhibit B-2)
- 2.3. Iran Contracting Act Certification (Exhibit B-3)
- 2.4. Workers Compensation Certificate (Exhibit B-4)
- 2.5. Prevailing Wage Certification (Exhibit B-5)
- 2.6. Payment Bond (Exhibit B-6)
- 2.7. Performance Bond (Exhibit B-7)
- 2.8. Non-Collusion Declaration (Exhibit B-8)

3. GENERAL

3.1. Scope of Work

- (a) Contractor shall furnish to Owner energy efficiency upgrades and the engineering, design, procurement, construction management, installation, construction, monitoring, and commissioning of energy generation systems installed at various sites (collectively, the upgrades and Systems shall be referred to as the "Project").
- (b) Operations and maintenance are not a part of this Agreement. Owner shall enter into a separate contract for operations and maintenance with Contractor prior to Substantial Completion of the Work.
- (c) Project will be executed by individual Work Orders, detailed in Exhibit C ("Work").
- (d) Work shall be performed in accordance with this Agreement and Exhibits attached hereto.

- (e) If applicable, construction work shall not commence at the Site prior to Owner? DSA approval of the Project plans.

Commented [JC1]: Not sure what "DSA" refers to. It is not defined a term and is not used anywhere else in the Agreement.

3.2. Contract Price

- (a) Contract Price. Subject to adjustments and/or the issuance of additional of Work Orders as set forth in this Agreement, Contractor agrees to perform the Work for the price as defined in each Work Order ("Work Order Price") as detailed in Exhibit C. The total value of this Agreement is the summation of the Work Order Prices ("Contract Price").
- (i) Payment of each Work Order Price shall be made in compliance with the process described in Exhibit C.

3.3. Protective Measures

- (a) Contractor shall be responsible for all injury or damage to individuals or property that may occur as a result of its fault or negligence, or that of its Subcontractors, in connection with the performance of the Work.
- (b) Contractor shall take all reasonably necessary precautions for the safety of its employees and any and all other individuals present on the Site where the System is located and prevent accidents or injury to individuals on, about, or adjacent to the premises where the Work is being performed.
- (c) Contractor shall keep the relevant part of the Site where the System is located and surrounding areas free from accumulation of waste materials or rubbish caused by the Work, and at the end of each Day that the Contractor performs the Work, Contractor shall remove any debris, store such debris in containers at its sole expense, and leave the Site in a clean and orderly condition. Upon Final Completion, Contractor shall remove from the relevant part of the Site where the System is located all waste materials, rubbish, debris, debris containers, tools, Equipment, machinery and surplus materials from the Site and leave the Site in a clean and orderly condition.

3.4. Prevailing Wage

- (a) California Labor Code. Contractor shall comply with all applicable provisions of the California Labor Code, Division 2, Part 7, Chapter 1, Articles 1-5, including (without limitation) the payment of the general prevailing per diem wage rates for public work projects as required by law. In addition, Contractor and each Subcontractor shall comply with Chapter 1 of Division 2, Part 7 of the California Labor Code, commencing with Section 1720, and including Sections 1735, 1777.5 and 1777.6 forbidding discrimination, and Sections 1776, 1777.5 and 1777.6 concerning the employment of apprentices by Contractor or Subcontractor.
- (b) Davis-Bacon Act. If Work under this Agreement is financed partially with federal funds, to the extent required by such financing, Contractor shall also comply with all applicable provisions of the Davis-Bacon Act (40 U.S.C. 3141-48). Specifically, those provisions found at Title 29 CFR 5.5 requiring Contractor to pay the laborers and mechanics employed on the Project, on a weekly basis, no less than the wages and benefits that are prevailing in the area as determined by the Secretary of Labor.

- (c) Certified Payroll Records. This Project is subject to the requirements of Subchapter 4.5 of Chapter 8 of Title 8 of the California Code of Regulations. Contractor and all subcontractors must furnish certified payroll records to the Department of Industrial Relations' Compliance Monitoring Unit at least monthly, or within 10 days of any separate request by the Compliance Monitoring Unit, in the manner required by the Compliance Monitoring Unit.
- (d) Payment Withholding. Pursuant to 8 CCR 16463(e), the Owner may withhold contract payments when payroll records are delinquent or inadequate or as required by the Labor Commissioner. The amount withheld shall be limited to those payments due or estimated to be due to the Contractor or Subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the Labor Commissioner has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the Contractor or Subcontractor whose payroll records are delinquent or inadequate; provided that the Contractor shall be required in turn to cease all payments to a Subcontractor whose payroll records are delinquent or inadequate until the Labor Commissioner provides notice that the Subcontractor has cured the delinquency or deficiency.
- (e) Site Access. Contractor shall provide site access to Department of Industrial Relations personnel upon request.
- (f) Prevailing Wage Notice. On each job site that is subject to compliance monitoring and enforcement by the Department of Industrial Relations, the Contractor shall post at appropriate, conspicuous, weatherproof points at the site the Notice of Projects Subject to Requirements of Subchapter provided in Title 8, section 16451(d) of the California Code of Regulations.
- (g) Prevailing Rate Penalty. Contractor shall, as a penalty, forfeit not less than Two Hundred Dollars (\$200.00) to the Owner for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of the Department of Industrial Relations for such work or craft in which such worker is employed for the Work by the Contractor or by any Subcontractor, of any tier, in connection with the Work. Pursuant to California Labor Code §1775, the difference between prevailing wage rates and the amount paid to each worker each calendar day, or portion thereof, for which each worker paid less than the prevailing wage rate, shall be paid to each worker by Contractor.

3.5. Unanticipated Conditions

Contractor will conduct a full and complete visual inspection of each Site, including (a) the readily apparent surface conditions of any areas where a System will be installed in or on the ground, including areas where utilities are located such as manhole covers, pull boxes, marked underground service areas, etc., (b) all staging, storage, delivery, and other areas necessary to perform the Work, (c) ingress to and egress from each Site for all supplies, personnel and Equipment, and (d) all as-built drawings, Site layout, easement and other documentation provided by Owner to Contractor as set forth in Exhibit C and Exhibit G. Upon request, Contractor will provide documentation associated with the inspection to Owner, including all findings. If any conditions exist, arise, or are discovered at the Sites that differ materially from: (i) the information contained in the documents referenced in Exhibit C and Exhibit G, (ii) the assumption that the soils at the Sites have an allowable vertical bearing pressure of 2,000 psf and a lateral bearing pressure

of 300 psf/ft below natural grade, or (iii) those conditions that Contractor discovered or should have reasonably discovered based on the inspections set forth in the first sentence of this Section 3.5, 2.4, including without limitation, conditions related to Hazardous Materials or archeological findings, soils conditions, or subsurface obstructions of which Contractor was not aware on the date of this Agreement or could not reasonably be expected to anticipate based on the inspection described above, and such conditions involve the incurrence by Contractor of any material expenses to correct or accommodate such conditions (hereinafter, "Unanticipated Condition"), Contractor shall submit a request for approval of a Change Order and payment of the related expenses to Owner. Owner and Contractor may mutually agree to reduce portions of the Work to offset the Change Order request to comply with Owner budget limits.

3.6. Labor

Contractor shall be responsible for all Contractor labor-related delays or disruption of the progress of the Work that result from Contractor's acts or omissions. Contractor shall promptly take any and all reasonable steps that may be available in connection with the resolution of violations of collective bargaining agreements or labor jurisdictional disputes. Contractor shall advise Owner promptly in writing of any actual or threatened labor dispute of which Contractor has knowledge that might materially affect the performance of the Work by Contractor or by any of its Subcontractors. Contractor shall not be responsible for labor disputes, including union related strikes, walkouts, and lockouts outside of Contractor's control.

3.7. Insurance

- (a) Contractor and Owner, at their own expense, shall procure or cause to be procured and maintain or cause to be maintained in full force and effect at all times commencing no later than commencement of the Work at the Site and until Final Completion, all insurance coverage specified in Exhibit E.
- (b) Owner and any lenders to the Owner shall be added as additional insureds under the commercial general liability, automobile liability and umbrella/excess liability insurance procured and maintained by Contractor in connection with the Work. Contractor shall not add Owner or any lender as additional insureds under its worker's compensation insurance policy.
- (c) Each Party shall furnish current certificates indicating that the insurance required under this Agreement is being maintained. Each Party's certificate shall contain a provision whereby the insurer agrees to give the other Party thirty (30) days (or ten (10) days in the event of failure to pay premiums) written notice before the insurance is cancelled.

3.8. Performance of the Work

- (a) Contractor shall supervise and direct the Work, using Contractor's best skill and attention. Contractor shall be solely responsible for all methods, techniques, sequences and procedures, and shall coordinate all portions of the Work. Owner will deal only through Contractor, who shall be responsible for the proper execution of the entire Work. In performing any professional services, Contractor shall perform such services with the care and skill ordinarily

used by members of the subject profession practicing under similar circumstances at the same time in the same locality.

- (b) Contractor agrees to use and agrees that it shall require each of its Subcontractors to use, only personnel who are qualified and properly trained and who possess every license, permit, registration, certificate or other approval required by Applicable Law or any Governmental Authority to enable such Persons to perform their Work involving any part of Contractor's obligations under this Agreement.
- (c) Contractor agrees that all materials and Equipment to be supplied or used by Contractor or its Subcontractors in the performance of its obligations under this Agreement shall be new (if being incorporated into the System) or in good operating condition (if not being incorporated into the System) and fit for the use(s) for which they are employed by Contractor or its Subcontractors. Such materials and Equipment shall at all times be maintained, inspected and operated pursuant to Industry Standards and as required by Applicable Law. Contractor further agrees that all licenses, permits, registrations and certificates or other approvals required by Applicable Law or any Governmental Authority will be procured and maintained for such materials and Equipment at all times during the use of the same by Contractor or its Subcontractors in the performance of any of Contractor's obligations under this Agreement.

3.9. Hazardous Materials

- (a) Contractor hereby specifically agrees to indemnify, defend and hold Owner, their present and future Board members, administrators, employees, agents, representatives, successors and assigns harmless from and against any and all losses, liabilities, claims, demands, damages, causes of action, fines, penalties, costs and expenses (including, but not limited to, all reasonable consulting, engineering, attorneys' or other professional fees) up to the amount referenced in Section 7.4(b) of this Agreement, that they may incur or suffer by reason of:
 - (i) any release of a Hazardous Material brought on to the Site by Contractor; and
 - (ii) any disturbance or release of pre-existing Hazardous Materials caused by Contractor's sole negligence, provided the Owner made Contractor aware of such pre-existing Hazardous Materials; and
 - (iii) Any enforcement or compliance proceeding commenced by or in the name of any Governmental Authority because of an alleged, threatened or actual violation of any Applicable Law by Contractor.
- (b) Owner hereby specifically agrees to indemnify, defend and hold Contractor, its present and future direct or indirect parents, subsidiaries, affiliates, divisions, and their respective directors, officers, employees, shareholders, agents, representatives, successors and assigns harmless from and against any and all losses, liabilities, claims, demands, damages, causes of action, fines, penalties, costs and expenses (including, but not limited to, all reasonable consulting, engineering, attorneys' or other professional fees), that they may incur or suffer by reason of:
 - (i) any release of a Hazardous Material brought on to the Site by Owner, Owner Representative, or Owner's contractors on other projects;

Commented [JC2]: The liability limit should not apply to the hazardous materials issues.

- (ii) any pre-existing Hazardous Material that through Owner's negligence, are released or distributed at the Site, with the exception of pre-existing Hazardous Material released or disturbed at the Site through Contractor's negligence;
- (iii) any enforcement or compliance proceeding commenced by or in the name of any Governmental Authority because of an alleged, threatened or actual violation of any Applicable Law by Owner or Owner Representative; and
- (iv) any action reasonably necessary to abate, remediate or prevent a violation or threatened violation of any Applicable Law by Owner or Owner Representative.

3.10. Suspension of the Work

- (a) If Contractor does not receive payment of any undisputed invoices submitted in accordance with Section 4.2, Contractor shall have the right, upon not less than fifteen (15) days written notice, to suspend the Work under this Agreement. Contractor shall be entitled to compensation for all undisputed amounts under this Agreement. If Owner issues full payment of the undisputed invoice within fifteen (15) days of written notice of intention to suspend, the notice of intention to suspend shall have no further force or effect and Contractor shall continue to perform the services hereunder as if the notice of intention to suspend had not been given. In the event of any such suspension, Contractor shall be entitled to request (i) an extension of the deadlines of this Agreement for the same period of the suspension, and (ii) the reimbursement of the additional costs and expenses, if any, reasonably incurred and substantiated by Contractor (provided Contractor undertakes reasonable efforts to mitigate such costs and expenses) in protecting, securing or insuring the Work, the delay resulting from such suspension, and in resumption of the Work. If a suspension of the Work under this Section 3.10(a) continues for more than two (2) months, Contractor shall be entitled to, at its sole discretion, terminate this Agreement.
- (b) Owner may suspend the Work temporarily at its discretion. In the event of any such suspension, Contractor shall be entitled to request (i) an extension of the deadlines of this Agreement for the same period of the suspension, and (ii) the reimbursement of the additional costs and expenses, if any, reasonably incurred and substantiated by Contractor (provided Contractor undertakes reasonable efforts to mitigate such costs and expenses) in protecting, securing or insuring the Work, the delay resulting from such suspension, and in resumption of the Work. If a suspension of the Work under this Section 3.10(b) continues for more than six (6) months, Contractor shall be entitled, at its sole discretion, to terminate this Agreement.
- (c) After the resumption of the performance of the Work, Contractor shall, after due notice to Owner, examine the Work affected by the suspension. Contractor shall make good any defect, deterioration or loss of the construction or the Work affected that may have occurred during the suspension period. Costs properly incurred by Contractor (including but not limited to demobilization and mobilization costs, insurance fees, and repair cost) shall be added to the Work Order Price, so long as the suspension did not arise due to ~~any sole-the~~ act, omission, or default on the part of Contractor.

3.11. Taxes

The Work Order Price includes (and Contractor assumes exclusive liability for and shall pay before delinquency) all federal, state or local sales, use, value added, excise and other taxes, charges or contributions imposed on, or with respect to all Equipment and Contractor's services contemplated by this Agreement, provided that Owner shall pay and have exclusive liability with respect to any taxes payable with respect to Owner's income. Contractor shall hold harmless, indemnify and defend Owner, together with any and all its governing board, administrators, agents and employees from any liability, penalty, interest and expense by reason of Contractor's failure to pay such taxes, charges or contributions. Contractor and Owner shall cooperate with each other to minimize the tax liability of both Parties to the extent legally permissible.

3.12. Liens

Contractor warrants good title, free and clear of all liens, claims, charges, security interests, and encumbrances whatsoever, to all Equipment and other items furnished by it or any of its Subcontractors that become part of the System to the extent payment therefore has been received by Contractor from Owner.

3.13. Compliance with Applicable Laws

- (a) Contractor specifically agrees that it shall at all times fully comply with Applicable Laws and that it shall perform the Work in accordance with the Applicable Laws. Notwithstanding the foregoing, Contractor's responsibility for any environmental liabilities shall be governed by Section 3.9.
- (b) Owner specifically agrees that in the performance of its obligations under this Agreement it shall at all times fully comply with Applicable Laws.

3.14. Environmental Attributes, Incentives, and Energy Credits

- (a) Contractor acknowledges that Owner shall retain all rights and interests to the performance based incentive payments made under the California Solar Initiative.
- (b) Owner acknowledges that Contractor shall own, and may assign or sell in its sole discretion, all rights, title, and interest associated with or resulting from the development, construction, installation and ownership of the System or the production, sale, purchase or use of the energy output including, without limitation:
 - (i) All Environmental Incentives arising from the Environmental Attributes associated with the System;
 - (ii) The reporting rights and exclusive rights to claim that: (i) the energy output was generated by the System (except as stated in paragraph (a)), (ii) Contractor is responsible for the reductions in emissions of pollution and greenhouse gases resulting from the System, (iii) Contractor is entitled to all credits, certificates, registrations, etc., evidencing or representing any of the foregoing;

- (iii) All carbon reduction tonnage as defined under the Climate Action Reserve or similar definition as enacted by the State of California or the U.S. Federal Government ("Carbon Credits");
 - (iv) All "renewable energy credits" (as such term is defined in Section 399.12(h)(2) of the California Public Utilities Code);
 - (v) All Environmental Incentives hereafter enacted into law, whether under federal, state or local law, arising from the Environmental Attributes of the System or the energy output or production, sale, purchase, consumption or use of the energy output from the System, expressly excluding, however, any future Environmental Incentives that are or may be dependent on ownership of the System for federal tax purposes.
- (c) The Carbon Credits, renewable energy credits, grants and future Environmental Incentives as described herein shall be referred to collectively as "Energy Credits". The Contractor may assign, sell, transfer or otherwise convey all or any part of its right, title, and interest in and to the Energy Credits from time to time as it may determine to be in its best interest. Owner shall take such steps as Contractor shall reasonably request to confirm Contractor's ownership of Energy Credits as herein provided and shall cooperate with Contractor, to the extent Contractor reasonably requests and at Contractor's expense, in the sale or other disposition of Energy Credits.
- (d) Owner recognizes that Contractor shall be the designer under this project may be eligible for a tax deduction for energy efficient commercial buildings under §179D of the Internal Revenue Code. Owner shall cooperate with Contractor in completing the paperwork and certifications necessary to allow Contractor to claim any §179D or other energy efficient commercial buildings tax deduction.

3.15. Independent Contractor

Contractor acts hereunder as an independent contractor and not as an agent or employee of the Owner. The Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the Owner. Contractor understands and agrees that Contractor and all of Contractor's employees shall not be considered officers, employees, agents, partner, or joint venture of Owner, and are not entitled to benefits of any kind or nature normally provided employees of Owner and/or to which Owner's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Contractor shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Contractor's employees.

3.16. Subcontractors

To the extent required by law, Contractor shall be responsible for the acts and omissions of Subcontractors. Contractor shall be responsible for performance of all the Work, whether performed by Contractor or, to the extent required by law, its Subcontractors. Owner shall not undertake any obligation to pay or to be

responsible for the payment of any sums to any Subcontractor. The Owner shall have no responsibility for settling Subcontractor claims or disputes.

3.17. Performance & Payment Bonds

See individual Work Orders in Exhibit C for bonding requirements. Bonds shall be provided in substantially similar form to Exhibits B-6 and B-7.

3.18. Title; Risk of Loss

- (a) From Effective Date and until the date of Substantial Completion for the Work subject to the applicable Work Order, and subject to Sections 3.18(b) and 3.18(c), Contractor assumes risk of loss and full responsibility for the cost of replacing or repairing any damage to the System and all damages to and defects in materials, Equipment, supplies and maintenance equipment (including temporary materials, equipment and supplies) that are purchased by Contractor for permanent installation in or for use during construction of the System.
- (b) Unless changed by separate or subsequent agreement, Owner shall bear the risk of loss and full responsibility with respect of the System from and after the date of Substantial Completion of the Work subject to the Work Order.
- (c) Notwithstanding anything herein to the contrary, and except as set forth in a separate or subsequent agreement, the Owner shall bear the risk of loss and full responsibility for the cost of replacing or repairing any damage to that portion of the System applicable to the Work Order and all materials, Equipment, supplies and maintenance equipment (including temporary materials, equipment and supplies) that are purchased by Contractor or Owner for permanent installation in or for use during construction of the System to the extent caused by the negligent, grossly negligent or willful acts of Owner or its agents, employees or representatives.
- (d) Title to all materials, Equipment, supplies and maintenance equipment required by this Agreement, to be purchased by Contractor for permanent installation as part of the System or for use by Owner in the operation of that portion of the System subject to the particular Work Order shall pass to the Owner upon the achievement of Substantial Completion of the Work required by that Work Order.

4. PRICE AND PAYMENT

4.1. Contract Price

- (a) The Work Order Price is firm and fixed and includes all expenses to be incurred by Contractor including, but not limited to, Equipment and materials, erection, commissioning, inclusive of cost of travel and lodging expenses, Applicable Permits (other than the Owner Permits) and taxes, related to Contractor's performance of its obligations under this Agreement.
- (b) Any Changes to the System or Work above and beyond code requirements and Industry Standards requested by the Owner shall be resolved through a Change Order to this Agreement.

- (c) Any additional Work not otherwise specified in Exhibit C shall be resolved through a Change Order to this Agreement. Contractor shall not begin any additional Work until execution of the Change Order. Contractor shall not be held liable for any costs associated with delays resulting from Owner's failure to execute a Change Order required by this Section 4.1(c).
- (d) Owner and Contractor may mutually agree to reduce portions of the Work to offset the Change Order request to comply with Owner budget limits.
- (e) The Work Order Price shall only be changed by Change Order approved by Contractor and Owner.
- (f) When a Change Order is proposed, the Contractor shall furnish a breakdown of actual costs, itemized by materials, labor, subcontract work, taxes, overhead and profit. Subcontract work shall also be itemized.

4.2. Payment

- (a) Cost Breakdown: Prior to submitting Contractor's first request for payment, the Contractor shall prepare and submit to the Owner a cost breakdown (schedule of values) showing the major work items for each trade or operation required in construction of the Project. The work items shall be sufficiently detailed to enable the Owner to accurately evaluate the completion percentages requested by the Contractor. The cost for each work item shall include overhead and profit. The total of all work item costs shall equal the amount of the Agreement.
- (b) Scope of Payment: Payment to the Contractor at the unit price or other price fixed in the Agreement for performing the work required under any item or at the lump sum price fixed in the Agreement for performing all the work required under the Agreement, shall be full compensation for furnishing all labor, materials, equipment and tools necessary to the work, and for performing and completing, in accordance with the specifications, all work required under the item or under the Agreement, and for all expense incurred by the Contractor for any purpose in connection with the performance and completion of the work.
- (c) Progress Payments: The Contractor will, on or about the last day of each month, make an estimate of the value of the work completed by Contractor in the performance of the Agreement. These estimates shall be subject to the review and approval of the Owner. The first such estimate will be of the value of the work completed after the Contractor commenced the performance of the Agreement, and every subsequent estimate, except the final estimate, will be of the value of the work completed since the immediately preceding estimate. Such estimates will be based on labor, materials and equipment incorporated into the work, and items of materials and equipment delivered to the Project. The Contractor shall be responsible for the security and protection of such materials and equipment delivered to the Project and not incorporated in the work. Within thirty (30) calendar days after the approval of each estimate for progress payment, the Owner will pay to the Contractor an amount equal to ninety five (95) percent of the approved estimate. Payments may at any time be withheld if in the judgment of the Owner the work is not proceeding in accordance with the Agreement, the Contractor is not complying with the requirements of the Agreement, stop notices have been timely filed, the estimate contains an error, or the Owner

has incurred costs or requests reasonable financial assurances regarding defective work by the Contractor. The Owner shall pay interest on all progress payments not made within thirty (30) days at the rate specified in California Public Contract Code section 20104.50.

- (d) Final Payment: Within thirty (30) days after all required work is fully completed in accordance with the Agreement, the Contractor shall submit a final invoice for the total value of the work completed in accordance with the Agreement, which shall be subject to review and approval by the Owner. As required by law, Owner shall pay Contractor the unpaid balance of the Agreement price of the work, or the whole Agreement price of the work if no progress payment has been made, determined in accordance with the terms of the Agreement, less such sums as may be lawfully retained under any provision of the Agreement, including, but not limited to, amounts retained for damages, for stop notices, for third-party claims for which the Contractor is required to indemnify the Owner, for defective work and costs incurred by the Owner in connection therewith, or for other such claims and damages attributable to the Contractor ("Final Payment"). Prior progress estimates and payments are subject to correction in the Final Payment. Tender of the Final Payment shall constitute denial by the Owner of any unresolved claim. Contractor's acceptance of the Final Payment shall operate as a full and final release to the Owner and its agents from any and all unasserted claims Contractor has, or may have, related to this Agreement. Owner shall make Final Payment to SitelogIQ within thirty (30) days of receipt of Contractor's final invoice. The Owner shall pay interest if final payment is not made within thirty (30) days at the rate specified in California Public Contract Code section 20104.50.
- (e) Payments Do Not Imply Acceptance of Work: The granting of any progress payment or payments by the Owner or the receipt thereof by the Contractor shall not constitute acceptance of the work or of any portion thereof, and shall in no way lessen the liability of the Contractor to replace unsatisfactory work or material, whether or not the unsatisfactory character of such work or material was apparent or detected at the time such payment was made. [As a condition precedent to any progress payment, Owner may request Contractor to provide a release from any stop notice claims relating to the work included in such a progress payment.](#)
- (f) Retention of Sums Charged Against Contractor: It is mutually understood and agreed that when under any provision of this Agreement the Owner shall charge any sums of money against the Contractor, the amount of such charge shall be deducted and retained by the Owner from the amount of the next succeeding progress estimate, or from any other monies due or that may become due the Contractor on account of the Agreement. If on completion or termination of the Agreement such monies due the Contractor are found insufficient to cover the Owner's charges against the Contractor, the Owner shall have the right to recover the balance from the Contractor or the Contractor's sureties.
- (g) Release: The Contractor and each assignee under an assignment in effect at the time of Final Payment shall, if required by the Owner, execute and deliver at the time of Final Payment and as a condition precedent to Final Payment, a release in form and substance satisfactory to and containing such exemptions as may be found appropriate by the Owner, discharging the Owner, its officers, agents and employees of and from liabilities, obligations and claims arising under this Agreement.

- (h) Payment to Sub-contractors and Suppliers: The Contractor shall pay each sub-contractor and supplier promptly on receipt of each progress payment from the Owner for the materials, labor and equipment delivered to the site or incorporated in the work by each sub-contractor during the period for which the progress payment is made, less any retention as provided above.
- (i) Stop Notice Costs: The Owner reserves the right to charge the Contractor or surety, or to withhold from release of retention, all costs incurred by the Owner, including attorney's fees, for processing and defending stop notice claims.
- (j) Contractor shall be entitled to, an increase in the Contract Price where the cost to Contractor for any labor, raw-material or component (including without limitation, solar panels, tracking equipment, inverters, lighting and mechanical system components or any other equipment or materials necessary to complete the work required by this Agreement) increases by at least ten percent (10%) after the date of this Agreement. Such increase may be determined by the relative index for such labor, equipment, or material component including but limited to Consumer Price Index, The Steel Index, Commodity Indexes, etc. Contractor shall be entitled to an equitable adjustment in time and money for any costs that it incurs directly or indirectly that arise out of or relate to changes in taxes, tariffs, or similar charges due to such changes including, without limitation, escalation, delay damages, costs to re-procure, costs to change suppliers, costs of manufactured equipment or system components, or other costs of any kind resulting from the changes.

5. COMMENCEMENT & COMPLETION

5.1 Commencement and Substantial Completion

- (a) Contractor shall perform the Work as soon as practicable following the receipt of Notice To Proceed payment and receipt of Site title reports and as-built drawings from the Owner.
- (b) The Contractor shall achieve Substantial Completion as set forth in Work Order. Contractor may claim a justified extension of the Substantial Completion Date if it is or will be delayed in completing the Work for one or more of the following causes:
 - (i) Unanticipated Conditions which directly affect the Project Milestones;
 - (ii) Changes in the design, scope, or schedule of the Project required by the Owner;
 - (iii) Breach of this Agreement by Owner;
 - (iv) Suspension of the Work pursuant to Section 3.10; or
 - (v) Force Majeure Event.
- (c) The following are conditions precedent to Substantial Completion:
 - (i) the System is mechanically, electrically, and structurally constructed in accordance with the requirements of this Agreement, the Work and Industry Standards, except for non-critical punchlist items that do not affect operations;

- (ii) the electrical infrastructure and the grid connection for the System is mechanically, electrically and functionally complete and capable of interconnection with the local utility;
 - (iii) Owner and Contractor shall have agreed on the punchlist items. For clarity purposes, the punchlist shall include final as-built drawings, operation and maintenance manuals, operation and maintenance training, permission to operate by local utility, Performance Test, and final lien waivers; and
 - (iv) all necessary documents have been submitted to the local public utility and all Work has been completed to the extent necessary for the local utility to issue a permission to operate.
- (d) When Contractor believes it has achieved Substantial Completion, Contractor shall provide notice to Owner containing sufficient detail to enable Owner to determine that Contractor has complied fully with the requirements of Section 5.1(c). Within five (5) Business Days after receipt of such notice, Owner shall either issue to Contractor the Certificate of Substantial Completion in a form similar to Exhibit F, or, if reasonable cause exists for doing so, advise Contractor by notice (stating the reasons therefore) that Substantial Completion has not been achieved. In the event Owner determines that Substantial Completion has not been achieved in accordance with the conditions precedent in Section 5.1(c), Contractor shall promptly take such action or perform such Work as is required to achieve Substantial Completion and shall thereupon issue to Owner another notice as set forth above. This procedure shall be repeated until such time as Owner has acknowledged Substantial Completion subject to Section 5.1(f).
- (e) All punchlist items shall be completed no later than sixty (60) Business Days after Substantial Completion Date unless otherwise delayed by the local utility. Failure of Contractor to fulfill this obligation shall entitle Owner to complete the pending works on its own. Owner shall issue final payment to Contractor minus the cost to complete remaining or incomplete punchlist items.
- (f) Any dispute between Owner and Contractor with respect to the projected achievement of Substantial Completion as contemplated by this Section 5.1(c) shall be resolved in accordance with Section 8.5(b).

5.2. Liquidated Damages for Delays.

It will be impractical or extremely difficult to fix the actual damages that may result from any delays in completion of the work beyond the date agreed upon. It is therefore stipulated and agreed that if all the work included in the contract is not completed on or before the date of completion where the Contractor shall begin work after the date set forth in the Notice to Proceed and shall work under the contract of three hundred sixty-five (365) calendar days after the commencement set forth in the Notice to Proceed, or within such extensions of time as may be granted. Fixed and liquidated damages for each calendar day's delay until said work is satisfactorily completed or until the Owner may reasonably procure the completion thereof by another contract, or complete the same itself, the sum of \$1,000 per day.

5-2-5.3. Final Completion.

- (a) Final Completion of the System shall be deemed to have occurred only if:
- (i) all punchlist items contemplated in Section 5.1(c)(iii) have been completed or waived;
 - (ii) all manuals, drawings and other documents expressly required to be delivered by Contractor hereunder have been delivered to Owner;
 - (iii) on-site operation and maintenance training as required has occurred;
 - (iv) all final lien waivers have been obtained;
 - (v) a Certificate of Final Completion in a form similar to Exhibit F is duly signed by Owner's Representative and the Contractor's Representative; and
 - (vi) the local utility has provided a permission to operate.
- (b) Upon Final Completion, Contractor shall submit to Owner a Certificate of Final Completion in a form similar to Exhibit F certifying that all of the foregoing conditions have been satisfied. Owner shall, within five (5) Business Days after the receipt by Owner of such written certificate, shall execute an acknowledgment of such certificate if Contractor has achieved Final Completion or provide written notice of Contractor's failure to achieve Final Completion. Contractor shall promptly take such action or perform such Work as is required to achieve Final Completion and shall thereupon issue to Owner another notice as set forth above. This procedure shall be repeated until such time as Owner has acknowledged Final Completion subject to Section 5.2(c).
- (c) Payment of retention from the Agreement, less any sums withheld pursuant to the terms of this Agreement or applicable law, shall not be made to the Contractor sooner than thirty (30) calendar days after the date the Owner acknowledges Final Completion.
- (d) Any dispute between Owner and Contractor with respect to the projected achievement of Final Completion as contemplated by this Section 5.2(a) shall be resolved in accordance with Section 8.5(b).

5-3-5.4. Inspection.

All Work performed by Contractor and all Equipment shall be subject to inspection by Owner, but such right of inspection of the Work or Equipment shall not relieve Contractor of responsibility for the proper performance of the Work or Equipment to the extent provided under this Agreement. Contractor shall provide to Owner or Owner's designee access to Contractor's facility or facilities where the Work is being performed during business hours, and subject to compliance with Site safety rules and policies. Owner shall ensure that the inspections do not affect the normal performance of this Agreement unless Work is not in compliance with this Agreement.

6. REPRESENTATIONS & WARRANTIES

6.1. Representations and Warranties of Contractor.

Contractor represents and warrants to Owner that:

- (a) Contractor is a Delaware corporation, duly organized, validly existing, and in good standing under the laws of the State of Delaware, and has full power to engage in the business it presently conducts and contemplates conducting, and is and will be duly licensed or qualified and in good standing under the laws of the State of California and in each other jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder.
- (b) Contractor has (either directly or through a Subcontractor) all the required authority, ability, skills, experience and capacity necessary to perform and shall diligently perform the Work in a timely and professional manner, utilizing sound procurement principles, project management procedures, construction procedures and supervisory procedures, all in accordance with Industry Standards. Contractor has (either directly or through a Subcontractor) the experience and skills necessary to determine, and Contractor has reasonably determined, that Contractor can perform the Work for the Work Order Price. [Contractor shall at all times while work is being performed under this Contract be duly licensed by the California State Contractors' License Board and registered as a public works contractor by the Department of Industrial Relations.](#)
- (c) The execution, delivery and performance by Contractor of this Agreement will not (i) violate or conflict with any covenant, agreement or understanding to which it is a party or by which it or any of its properties or assets is bound or affected, or its organizational documents or (ii) subject the System or any component part thereof to any lien other than as contemplated or permitted by this Agreement.
- (d) There are no undisclosed actions, suits, proceedings, patent or license infringements or investigations pending or, to Contractor's knowledge, threatened against it before any court or arbitrator that individually or in the aggregate could result in any materially adverse effect on the business, properties or assets or the condition, financial or otherwise, of Contractor or in any impairment of its ability to perform its obligations under this Agreement.
- (e) All goods, services, equipment, parts, and materials furnished in connection with the Work related to the System are new, unused and undamaged at the time of delivery to the Site.
- (f) The individual executing this Agreement on behalf of Contractor is duly authorized to execute and deliver this Agreement on behalf of Contractor and this Agreement is binding upon Contractor in accordance with its terms.

6.2. Representations and Warranties of Owner.

Owner represents and warrants to Contractor that:

- (a) Owner is a California special district duly organized, validly existing, and in good standing under the laws of the State of California and has full legal capacity and standing to pursue its

purpose (including the capacity to dispose of and encumber all of its assets) and full power to engage in the business it presently conducts and contemplates conducting.

- (b) The execution, delivery and performance by Owner of this Agreement will not (i) violate or conflict with any covenant, agreement or understanding to which it is a party or by which it or any of its properties or assets is bound or affected, or its organizational documents or (ii) subject the System or any component part thereof or the Site or any portion thereof to any lien other than as contemplated or permitted by this Agreement.
- (c) There are no undisclosed actions, suits, proceedings, patent or license infringements or investigations pending or, to Owner's knowledge, threatened against it before any court or arbitrator that individually or in the aggregate could result in any materially adverse effect on the business, properties or assets or the condition, financial or otherwise, of Owner or in any impairment of its ability to perform its obligations under this Agreement.
- (d) Owner will exercise commercially reasonable efforts to procure funding for the Project within 180 days of the Effective Date.
- (e) Owner has proof of funds, to the satisfaction of the Contractor, that are necessary from time to time to pay Contractor the Work Order Price in accordance with the terms of this Agreement.
- (f) The individual executing this Agreement on behalf of Owner is duly authorized to execute and deliver this Agreement on behalf of Owner and this Agreement is binding upon Owner in accordance with its terms.

7. BREACH & TERMINATION

7.1. Termination by Owner

- (a) Contractor agrees that Owner shall be entitled to terminate this Agreement upon the occurrence of any of the following circumstances:
 - (i) Except as otherwise permitted under this Agreement, Contractor abandons the entire Work for more than ~~thirty (30) ninety (90)~~ days or fails to commence the Work within ~~one hundred and eighty (180) sixty (60)~~ days after receiving the Funding Date payment, and after expiration of said period fails to commence or continue performance of the Work within ten (10) business days of Contractor's written notice from Owner to commence or continue performance of the Work;
 - (ii) Contractor commits a material breach of this Agreement, and Contractor does not commence the cure of said breach and thereafter diligent pursuant to completion the cure of said breach, within thirty (30) days following Contractor's receipt of written notice thereof from Owner, or
 - (iii) Contractor makes a general assignment for the benefit of creditors, or a receiver is appointed on account of its insolvency, or it becomes the subject of

any proceeding commenced under any federal or state insolvency statute or law for the relief of debtors.

- (b) Upon the occurrence of any of the foregoing, Owner may instruct Contractor to discontinue all or any part of the Work, and Contractor shall thereupon discontinue the Work of such parts thereof. Owner shall thereupon have the right to continue and complete the Work or any part thereof, by contract or otherwise.
- (c) Upon exercising commercially reasonable efforts, Owner shall be entitled to terminate this Agreement if it is unable to procure funding for the Project within 180 days of the Effective Date. Upon this occurrence, Owner shall have no further obligation to Contractor.
- (d) If Owner elects to terminate this Agreement for any reason other than provided herein, Owner shall reimburse Contractor for all expenses incurred prior to termination, including but not limited to development and engineering cost prior to the Effective Date.
- (e) If any covenant, condition or restriction upon the Site prohibits the installation of the System at the Site, Owner has the right to terminate this Agreement. Upon such termination, provided it is not due to the negligence or misconduct of the Contractor or its subcontractors, agents or representatives, Owner shall pay to Contractor for all services rendered up to and including the date of termination; plus all costs incurred with respect to equipment or materials ordered (which order cannot be refunded, terminated or such costs otherwise recovered by Contractor) prior to the date of termination; plus, if applicable, amounts payable to Subcontractors arising from costs or expenses reasonably incurred by such Subcontractor and directly resulting from such termination; plus, if applicable, costs incurred by Contractor in demobilizing its work force from Site; plus all engineering and development cost incurred by Contractor prior to the Effective Date.

7.2. Termination by Contractor

- (a) Without limiting the provisions of Section 8.5, Owner agrees that upon the occurrence of any of the following, Owner shall reimburse Contractor for all expenses incurred prior to termination, including but not limited to development and engineering cost incurred prior to the Effective Date:
 - (i) If Owner makes a general assignment for the benefit of creditors, or a receiver is appointed on account of its insolvency, or it becomes the subject of any proceeding commenced under any federal or state insolvency statute or law for the relief of debtors.
 - (ii) If Owner fails to make any payment of an undisputed amount to Contractor hereunder when due, which failure remains uncured for thirty (30) days following Owner's receipt of written notice thereof from Contractor, the Owner shall be in breach and Contractor shall have all rights and remedies that may be available under Applicable Law against Owner with respect thereto, including without limitation the right to suspend performance of the Work or terminate this Agreement as set forth in Section 3.10.

7.3. Indemnity

- (a) Contractor shall fully indemnify, save harmless and defend Owner from and against any and all costs, claims, and expenses incurred by Owner and their successors, assigns, governing board members, administrators, managers, employees, agents, affiliates and partners in connection with or arising from any claim by a third party for physical damage to or physical destruction of property, or death of or bodily injury to any person (other than Affiliates of Owner) arising from or relating to Contractor's performance of its obligations under this Agreement, but only to the extent caused by (a) the negligence, gross negligence or willful misconduct of Contractor or its Subcontractors, agents or employees or others under Contractor's control or (b) a breach by Contractor of its obligations hereunder.
- (b) Owner shall fully indemnify, save harmless and defend Contractor and its successors, assigns, officers, directors, members, managers, employees, agents, affiliates and partners in connection with or arising from any claim by a third party for physical damage to or physical destruction of property, or death of or bodily injury to any person (other than Affiliates of Contractor or Subcontractors) arising from or relating to this Agreement, but only to the extent caused by (a) the negligence, gross negligence or willful misconduct of Owner or its agents or employees or others under Owner's control or (b) a breach by Owner of its obligations hereunder.
- (c) Each Party shall indemnify, defend and hold the other Party, and its present and future governing board members, administrators, direct and indirect parents, subsidiaries and Affiliates and their directors, officers, shareholders, employees, agents and representatives harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, damages, costs or expenses (including attorneys' fees and disbursements) of any kind whatsoever arising from (a) actual or alleged infringement or misappropriation by such Party (or in the case of Contractor, any Subcontractor) of any patent, copyright, trade secret, trademark, service mark, trade name, or other intellectual property right in connection with the System, including without limitation, any deliverable, (b) such Party's (and in the case of Contractor, any Subcontractor's) violation of any third-party license to use intellectual property in connection with the Work, including, without limitation, any deliverable. Notwithstanding the foregoing, the indemnification obligations of Contractor set forth in this Section 7.3(c) shall not apply when the claim of infringement arises from a particular design, process or product of a particular manufacturer or manufacturers that Contractor is directed by Owner to use in connection with the Contract Documents, unless the Contractor has reason to believe there is an infringement of such intellectual property right.
- (d) If any claim is brought against a Party (the "Indemnified Party") that gives rise to a potential indemnity claim under this Section 7.3, then the Indemnified Party shall give written notice of said claim to the other Party (the "Indemnifying Party"). Upon receipt of written notice of the claim, the Indemnifying Party shall be entitled to participate in, and, unless in the opinion of counsel for the Indemnifying Party a conflict of interest between the Parties may exist with respect to such claim, assume the defense of such claim, with counsel reasonably acceptable to the Indemnified Party. Where the Indemnifying Party has elected not to assume the defense of a claim that gives rise to a potential indemnity claim under this Section 7.3, the Indemnifying Party shall reimburse the Indemnified Party for its reasonable and necessary defense expenses to the extent said claim is adjudged to be covered under the indemnity obligations. Even if the Indemnifying Party assumes the defense of the Indemnified Party with

acceptable counsel, the Indemnified Party, at its sole option, may participate in the defense, at its own expense, with counsel of its own choice without relieving the Indemnifying Party of any of its obligations hereunder.

7.4. Limitations of Liability

- (a) No Consequential Damages. IN NO CIRCUMSTANCES SHALL THE CONTRACTOR OR OWNER OR ANY OF THEIR RESPECTIVE OFFICERS, MEMBERS OR EMPLOYEES BE LIABLE FOR PUNITIVE, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY NATURE INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST PROFITS OR REVENUES OR THE LOSS OF USE OF SUCH PROFITS OR REVENUE, LOSS BY REASON OF PLANT SHUTDOWN OR INABILITY TO OPERATE AT RATED CAPACITY, COSTS OF REPLACEMENT POWER OR CAPITAL, DEBT SERVICE FEES OR PENALTIES, INVENTORY OR USE CHARGES, DAMAGES TO REPUTATION, DAMAGES FOR LOST OPPORTUNITIES, REGARDLESS OF WHETHER SAID CLAIM IS BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORY OF LAW. NOTWITHSTANDING THE FOREGOING, THE LIMITATIONS ON PARTIES' LIABILITY FOR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES IN THIS SECTION 7.4(a) SHALL NOT APPLY TO THE PARTIES' RESPECTIVE INDEMNITY OBLIGATIONS AS SET FORTH IN THIS AGREEMENT FOR SUCH DAMAGES WHEN SUCH DAMAGES ARE SOUGHT BY THIRD PARTIES.
- (b) Maximum Liability. Whether an action or claim is based on warranty, contract, tort or otherwise, under no circumstance, except as provided in Section 3.9, shall (i) Owner's total liability arising out of or related to this Agreement exceed the Contract Price or available insurance proceeds whichever is greater, and (ii) Contractor's total liability arising out of or related to this Agreement exceed the Contract Price or available insurance proceeds whichever is greater.

8. MISCELLANEOUS

8.1. Representatives

- (a) Owner Representative. Owner designates, and Contractor agrees to accept, Sheryl L. Shaw, General Manager ~~/ Chief Engineer~~, as Owner Representative for all matters relating to Contractor's performance of the Work. The actions taken by Owner Representative regarding such performance shall be deemed the acts of Owner and shall be fully binding for Owner. Owner may, upon written notice to Contractor, pursuant to Section 8.6 hereof, change the designated Owner Representative.
- (b) Contractor Representative. Contractor designates, and Owner agrees to accept, John Gajan as Contractor Representative for all matters relating to Contractor's performance under this Agreement. The actions taken by Contractor Representative shall be deemed the acts of Contractor and shall be fully binding for Contractor. Contractor may, upon written notice to Owner, pursuant to Section 8.6 hereof, change the designated Contractor Representative.
- (c) Power of Representatives. The Parties shall vest their Representatives with sufficient powers to enable them to assume the obligations and exercise the rights of Contractor or Owner, as applicable, under this Agreement.

- (d) Notices to Representative. Notwithstanding Sections 8.1(a) and 8.1(b), all amendments, Change Orders, notices and other communications between Contractor and Owner contemplated herein shall be delivered in writing and otherwise in accordance with Section 8.6.

8.2. Ownership of Plans, Data, Reports and Material

- (a) Subject to Section 8.2(c), Contract Documents developed by Contractor under this Agreement shall become the property of Owner when prepared and shall be delivered to Owner upon completion of the Work; provided that nothing in the foregoing shall impair, alter or otherwise affect Contractor's proprietary rights in its patents, products or other intellectual property.
- (b) Any additional inventions or intellectual property created during performance of this Agreement shall be owned by Contractor.
- (c) Contractor further agrees to grant and hereby grants to Owner an irrevocable, non-exclusive, royalty-free license under all patents, copyrights and other proprietary information of Contractor related to the Work now or hereafter owned or controlled by Contractor to the extent reasonably necessary for the operation, maintenance or repair of the System or any subsystem or component thereof designed, specified, or constructed by Contractor under this Agreement. No other license in such patents and proprietary information is granted pursuant to this Agreement.

8.3. Governing Law

The formation, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event of any Dispute that is not resolved pursuant to Section 8.5, the Parties hereto agree to submit to the jurisdiction of any court of competent jurisdiction within California and shall comply with all requirements necessary to give such court jurisdiction.

8.4. Force Majeure

Contractor shall promptly notify Owner in writing of any delay or anticipated delay in Contractor's performance of this Agreement due to a Force Majeure Event, and the reason for and anticipated length of the delay. Contractor shall deliver such notice as soon as reasonably practicable, but in any event within seventy-two (72) hours of Contractor's becoming aware of such delay. Contractor shall be excused for any delays or defaults in the performance of its obligations under this Agreement that are the result of a Force Majeure Event. Contractor shall be entitled to a reasonable extension of time for delays due to a Force Majeure Event; provided that any Work done or materials furnished by Contractor in restoring or rebuilding the System after damage resulting from a Force Majeure Event will be paid for by Owner as an approved Change Order.

8.5. Dispute Resolution

- (a) Good faith negotiations. In the event that any question, dispute, difference or claim arises out of or in connection with this Agreement, including any question regarding its existence, validity, performance or termination (a "Dispute"), which either Party has notified to the

other, senior management personnel from both Contractor and Owner shall meet and diligently attempt in good faith to resolve the Dispute for a period of thirty (30) days following one Party's written request to the other Party for such a meeting. If, however, either Party refuses or fails to so meet, or the Dispute is not resolved by negotiation, the provisions of Sections 8.5(b), 8.5(c) and 8.5(d) shall apply to the extent applicable to the Dispute.

- (b) Technical Dispute. Technical Disputes shall be resolved by a mutually agreed upon independent expert. For the purposes of this Agreement, a "Technical Dispute" shall mean a Dispute regarding whether the System conforms to the Industry Standards and applicable Building Codes, whether the relevant part of the Site where the System is located meets the required Site characteristics, and any other Disputes of a technical or engineering nature. All Technical Disputes shall be resolved on an accelerated basis by a nationally recognized professional expert unless otherwise agreed in writing by Contractor and Owner. Parties will share equally in the cost of the independent expert engaged to resolve Technical Disputes.
- (c) Non-Binding Mediation. If the Dispute remains unresolved, a Party may require that a non-binding mediation take place with a mediator mutually chosen by Owner and Contractor. If Owner and Contractor are unable to agree on a mediator, then either may request that the American Arbitration Association (the "AAA") to appoint a mediator. The mediator's fee and expenses shall be paid one-half by Owner, and one-half by Contractor. In any such mediation, representatives of the Parties with authority to resolve the dispute shall meet for at least three hours with mediator. The obligation to mediate shall not be binding upon any Party with respect to (i) requests for preliminary injunctions, temporary restraining orders, specific performance, or other procedures in a court of competent jurisdiction to obtain interim relief deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by mediation of the actual Dispute; (ii) actions to collect payments not subject to bona fide Dispute; or (iii) claims involving third parties who have not agreed to participate in the mediation of the Dispute. The provisions of this Section 8.5 shall survive any termination of this Agreement.
- (d) Attorneys' Fees. The prevailing Party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable attorneys' fees and court costs, including expert witness fees, expended in connection with such an action from the other Party.

8.6. Notices and Demands

Any notice, request, demand or other communication required or permitted under this Agreement, shall be deemed to be properly given by the sender and received by the addressee if made in writing (a) the same day if personally delivered; (b) three (3) days after deposit in the mail if mailed by certified or registered air mail, post prepaid, with a return receipt requested; or (c) the same day if sent by facsimile or electronic mail with written or telephonic confirmation. Mailed notices, facsimile notices or electronic notices shall be addressed as follows to:

Owner:

Name: Walnut Valley Water District
Attention: Sheryl L. Shaw
Address: 271 S. Brea Canyon Road

Walnut, CA Walnut
Phone: 909-~~594~~595-7554 ext. 234
Email: sshaw@walnutvalleywater.gov

Contractor:

Name: SitelogIQ, Inc.
Attention: John Gajan, President West Energy
Address: 1651 Response Rd, Suite 300
Sacramento, CA 95815
Phone: (888) 819-0041
E-mail: john.gajan@sitelogiq.com
cc: legal@sitelogiq.com

8.7. Nondisclosure

To the extent permitted by law, whichever Party receives confidential information (the "Receiving Party") from the other Party (the "Disclosing Party") shall not use for any purpose other than performing the Work under this Agreement or divulge, disclose, produce, publish, or permit access to, without the prior written consent of the Disclosing Party, any such information of the Disclosing Party. Confidential Information includes, without limitation, all information or materials prepared in connection with the Work performed under this or any related subsequent Agreement, designs, drawings, specifications, techniques, models, data, documentation, source code, object code, diagrams, flow charts, research, development, processes, procedures, know-how, manufacturing, development or marketing techniques and materials, development or marketing timetables, strategies and development plans, personnel names and other information related to Contractor, Suppliers, personnel, pricing policies and financial information, and other information of a similar nature, whether or not reduced to writing or other tangible form, and any other trade secrets. Confidential information does not include (a) information known to the Receiving Party prior to obtaining the same from the Disclosing Party; (b) information in the public domain at the time of disclosure by the Receiving Party; or (c) information obtained by the Receiving Party from a third party who did not receive same, directly or indirectly, from the Disclosing Party. The Receiving Party shall use the higher of the standard of care that the Receiving Party uses to preserve its own confidential information or a reasonable standard of care to prevent unauthorized use or disclosure of such confidential information. Notwithstanding anything herein to the contrary, the Receiving Party has the right to disclose Confidential Information without the prior written consent of the Disclosing Party: (i) as required by any court or other Governmental Authority, or by any stock exchange upon which the shares of any Party are listed, (ii) as otherwise required by law, (iii) as advisable or required in connection with any government or regulatory filings, including without limitation, filings with any regulating authorities covering the relevant financial markets, (iv) to its attorneys, accountants, financial advisors or other agents, in each case bound by confidentiality obligations, (v) to banks, investors and other financing sources and their advisors, in each case bound by confidentiality obligations; or (vi) in connection with an actual or prospective merger or acquisition or similar transaction where the party receiving the Confidential Information is bound by confidentiality obligations. If a Receiving Party believes that it will be compelled by a court or other Governmental Authority to disclose confidential information of the Disclosing Party, it shall give the Disclosing Party prompt written notice, and in all cases not less than five (5) Business Days' notice in advance of disclosure, so that the Disclosing Party may determine whether to take steps to oppose such disclosure. Notwithstanding the foregoing, Contractor acknowledges that this Agreement, once fully executed and approved by the Owner's Board of Directors, Trustees, is public information, subject to

release in response to public information requests under California Government Code § 7920.000 *et seq.* (Public Records Act). Owner shall use reasonable efforts to prevent or limit disclosure of the Confidential Information [to the extent allowed by law](#).

8.8. Time of Essence

Time is expressly agreed to be of the essence of this Agreement and each, every and all of the terms, conditions and provisions herein.

8.9. Validity

The provisions contained in each section, subsection and clause of this Agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others are invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid. The Parties shall, if necessary, negotiate in good faith and make any necessary amendments to ensure the enforceable terms of this Agreement reflect the true intent of the Parties as of the date of execution of this Agreement.

8.10. Binding Effect

This Agreement shall be binding on the Parties hereto and on their respective permitted successors, heirs and assigns.

8.11. Modifications

No oral or written amendment or modification of this Agreement by any administrator, Board member, officer, agent or employee of Contractor or Owner, either before or after execution of this Agreement, shall be of any force or effect unless such amendment or modification is in writing and is signed by any duly authorized representative of both Parties to be bound thereby.

8.12. Headings

The headings in this Agreement are for convenience of reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

8.13. Counterparts; Signature Pages

This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument. Facsimile and other electronically transmitted signature pages shall be effective to bind a Party to this Agreement.

8.14. Announcements and Publications

Contractor shall coordinate with Owner with respect to, and provide advance copies to Owner for review of, the text of any proposed announcements or publications that include any non-public information concerning the Work prior to the dissemination thereof to the public or to any Person other than Subcontractors or advisors of Contractor, in each case, who agree to keep such information confidential. If

Owner delivers written notice to Contractor rejecting any such proposed announcement or publication within two (2) Business Days after receiving such advance copies, the Contractor shall not make such public announcement or publication; provided, however, that Contractor may disseminate or release such information in response to requirements of Governmental Authority.

8.15. Complete Agreement

This Agreement together with the Exhibits hereto completely and exclusively states the agreement of the Parties regarding its subject matter and its terms govern, all prior proposals, agreements, or other communications between the Parties, oral or written, regarding such subject matter. No oral agreement or conversation with any officer or employee of either Party or any or all prior proposals shall affect or modify any of the terms and conditions of this Agreement. This Agreement shall not be modified except by written amendment signed on behalf of the Owner and Contractor by their duly authorized representatives. Any purported oral amendment to the Agreement shall have no effect.

8.16. No Agency

This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party.

8.17. Priority of Documents

In the event of conflicting provisions between any of the Contract Documents, the provisions shall govern in the following priority: first, duly executed amendments to this Agreement (to the extent not superseded by a subsequent amendment); second, this Agreement; third, Work Order in Exhibit C, and fourth, the other Contract Documents.

8.18. Assignment

No Party shall be entitled to assign or subcontract this Agreement or any of its rights or obligations under this Agreement, nor shall it enter into any transaction as a result of which it may transfer, assign, charge or dispose by any title of any of those rights and obligations, without the prior written consent of the other Party, which shall not be unreasonably withheld, provided that Contractor may subcontract that portion of the Work to Subcontractors. Notwithstanding the foregoing, (i) without the consent of the Contractor, Owner shall be entitled to assign its right, title and interest in and to this Agreement (and, in particular, any rights arising in relation to any insurance policy and any other right to collect any amount from Contractor) to any lenders by way of security for the performance of obligations to such lenders; (ii) without consent of the Owner, Contractor shall be entitled to assign its right, obligation, title and interest in and to this Agreement in connection with a merger or acquisition of Contractor; and (iii) without consent of Owner, Contractor shall be entitled to assign its right, obligation, title and interest in and to this Agreement to an Affiliate of the Contractor.

8.19. No Waiver

Neither Party's failure to enforce any provision of this Agreement or the waiver thereof in a particular instance shall not be construed as a general waiver of any part of such provision. The provision shall remain in full force and effect.

[Signatures to follow]

DRAFT

IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement as of the date set forth above.

WALNUT VALLEY WATER DISTRICT,
organized and existing under the laws of the State of
California

By: _____

Name: _____

Title: _____

SITELOGIQ, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Exhibit A – Definitions

"Affiliate" of a specified Person means any Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such specified Person. As used in this definition of Affiliate, the term "**control**" of a specified Person including, with correlative meanings, the terms, "controlled by" and "under common control with," means (a) the ownership, directly or indirectly, of 50% or more of the equity interest in a Person or (b) the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning set forth in the preamble.

"Applicable Law" shall mean, with respect to any Governmental Authority, any constitutional provision, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, certificate, injunction, registration, license, permit, authorization, guideline, governmental approval, consent or requirement of such Governmental Authority, as construed from time to time by any Governmental Authority.

"Applicable Permits" means those permits identified as the responsibility of Contractor as determined in Exhibit C.

"Authority Having Jurisdiction (AHJ)" means those local, state, or federal entities having regulatory authority over a specific aspect of the Project, such as building officials, Department of State Architecture, and fire departments.

"Business Day" means Mondays to Fridays, except such days on which banks are permitted or required to close in California.

"Certificate of Substantial Completion" shall mean a document in similar form to Exhibit F.

"Certificate of Final Completion" shall mean a document in similar form to Exhibit F.

"Change" shall mean any addition to, deletion from, suspension of, or other modification to the quality, function, or intent of the Work, including without limitation any such addition, deletion, suspension, or other modification that effects a change in the scope of the Work. An "Unanticipated Condition" as defined in Section 2-4-3.5 hereof, experienced by Contractor during the course of the Work is included within the definition of "Change".

"Change Order" shall mean a written document signed by Owner and Contractor to adjust the Work Order Price or Construction Schedule as a result of a Change issued after execution of this Agreement.

"Commencement of Work" shall mean the commencement of Work for each Work Order.

"Construction Schedule" shall mean the schedule for implementation of the Work as determined by the Contractor to meet the Project Milestones as set forth on Exhibit C.

"Construction Documents" shall mean construction documents prepared by Contractor and approved by Owner.

“Contract Documents” shall mean this Agreement and Exhibits hereto, and drawings, specifications, plans, calculations, models and designs that are part of this Agreement and the Construction Documents prepared by Contractor and approved by Owner.

“Contractor” shall have the meaning set forth in the preamble.

“Contractor Representative” shall mean the individual designated by the Contractor in accordance with Section 78.1(b).

“Day” means calendar day unless it is specified that it means a “Business Day”.

“Disclosing Party” shall have the meaning set forth in Section 78.7.

“Dispute” shall have the meaning set forth in Section 78.5(a).

“Dollar” and “\$” shall mean the lawful currency of the United States of America.

“Effective Date” shall mean the date first set forth in the preamble.

“Environmental Attributes” means all environmental and other attributes that differentiate the System or the energy generated by fossil-fuel based generation units, fuels or resources, characteristics of the System that may result in the avoidance of environmental impacts on air, soil or water, such as the absence of emission of any oxides of nitrogen, sulfur or carbon or of mercury, or other gas or chemical, soot, particulate matter or other substances attributable to the System or the compliance of the System or the energy output with the law, rules and standards of the United Nations Framework Convention on Climate Change (the “UNFCCC”) or the Kyoto Protocol to the UNFCCC or crediting “early action” with a view thereto, or laws or regulations involving or administered by the Clean Air Markets Division of the Environmental Protection Agency or successor administrator or any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes and Reporting Rights.

“Environmental Incentives” means all rights, credits (including tax credits), grants, rebates, benefits, reductions, offsets and allowances and entitlements of any kind, howsoever entitled or named (including Carbon Credits and allowances), whether arising under federal, state or local law, international treaty, trade association membership or the like arising from the Environmental Attributes of the System on each Site or the energy output or otherwise from the development, construction, installation or ownership of the System on each Site or the production, sale, purchase, consumption or use of the energy output from each Site. Without limiting the foregoing, “Environmental Incentives” includes green tags, renewable energy credits, grants, tradable renewable certificates, portfolio energy credits, the right to apply for (and entitlement to receive) incentive programs offered by the State of California and the right to claim federal income tax credits under Section 45 or 48 of the Code as such credits are available arising from the Environmental Attributes of the system on each Site or the energy output or otherwise from the development, construction, installation or ownership of the System on each Site or the production, sale, purchase, consumption or use of the energy output from each Site.

“Equipment” shall mean (a) all materials, supplies, apparatus, machinery, equipment, parts, tools, components, instruments, appliances, spare parts and appurtenances thereto that are required for prudent design, construction or operation of the System in accordance with Industry Standards and (b) all materials, supplies, apparatus, machinery, equipment, parts, tools, components, instruments, appliances,

spare parts and appurtenances thereto described in, required by, reasonably inferable from or incidental to the Work or the Contract Documents.

"Excusable Delay" shall mean a Delay outside of Contractor's control that prevents Contractor from achieving the Commercial Operation Date for any System in accordance with the Project Schedule, and to the extent that such Delay adversely affects the Work such that the performance of the Work is prevented or delayed, Contractor shall be entitled to an adjustment in the Construction Schedule and deadlines of this Agreement. For purposes of this Agreement, an Excusable Delay shall include any of the following events:

- (a) an act or failure to act of, or other delay caused by, or negligence of, Owner or its agents or employees;
- (b) changes in the design, scope or schedule of the Project unilaterally required by the Owner;
- (c) the suspension of Work in whole or in part by Owner;
- (d) labor disputes, fire, vandalism, supply chain related delays, including delays in manufacturing and deliveries;
- (e) adverse weather conditions not reasonably anticipated and in excess of 150% of the normal weather (e.g., rain, snow, sleet) for the local geographic area for the past ten (10) years as measured in a given month;
- (f) unforeseen conditions at any Site, including discovery or existence of Hazardous Substances;
- (g) the occurrence of a Force Majeure, or other unavoidable casualties or other causes beyond Contractor's control;
- (h) the failure to obtain any Utility Interconnection Agreement, permission to operate, Applicable Permit, CEQA/NEPA approval or approval of a Governmental Authority or delays caused by changes and/or modifications to the Scope of Work as required by any Governmental Authority having jurisdiction over the Project;
- (i) any equipment or material delays caused by suppliers or vendors;
- (j) adverse changes to regulatory requirements;
- (k) any breach of this Agreement or the Utility Interconnection Agreement or any information provided to the Contractor by Owner or Utility is inaccurate or incomplete; or
- (l) any other cause outside Contractor's control after Contractor's best efforts to mitigate that delay, to the extent that Contractor is able to mitigate such delay, provided that a failure to perform of Contractor's subcontractors' shall not be an Excusable Delay, unless such subcontractors are unable to perform the Work as a result of any of the events described in this definition of "Excusable Delay."

“Facility” shall mean any and all properties of the Owner upon which the System shall be constructed or to which the System shall be connected, including land, buildings, structures, equipment, and electrical tie-in points.

“Final Completion” shall mean satisfaction or waiver of all of the conditions for completion of that portion of the System applicable to a particular Work Order as set forth in Section 5.2.

“Force Majeure Event” shall mean, when used in connection with the performance of a Party’s obligations under this Agreement, any act or event (to the extent not caused by such Party or its agents or employees) which is reasonably unforeseeable, or being reasonably foreseeable, reasonably unavoidable (including by taking prudent protective and preventative measures) and outside the control of the Party which invokes it, and which renders said Party unable to comply totally or partially with its obligations under this Agreement. In particular, any of the following shall be considered a Force Majeure Event:

- (a) war (whether or not war is declared), hostilities, revolution, rebellion, insurrection against any Governmental Authority, riot, terrorism, acts of a public enemy or other civil disturbance;
- (b) acts of God, including but not limited to, unusually severe storms, floods, lightning, earthquakes, hailstorms, ice storms, tornados, typhoons, hurricanes, landslides, volcanic eruptions, winds in excess of ninety (90) miles per hour, and objects striking the earth from space (such as meteorites) sabotage or destruction by a third party (other than any contractor retained by or on behalf of the Party) of facility and equipment relating to the performance by the affected Party of its obligations under this Agreement;
- (c) strikes, walkouts, lockouts or similar industrial or labor actions or disputes, in each case of a regional or national nature;
- (d) changes in Applicable Law after the Effective Date that materially impact a Party’s ability to perform under this Agreement; and
- (e) acts of any Governmental Authority that materially restrict or limit Contractor’s access to the Site.
- (f) plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine or other restrictions.
- (g) explosion, fire, destruction of machines, equipment, factories and of any kind of installation, prolonged break-down of transport, telecommunication or electric current.

“Funding Date” shall mean the date that Owner has received monetary funds necessary to fulfill its obligations under this Agreement.

“Governmental Authority” shall mean any national, autonomic, regional, province, town, ~~district, Owner,~~ or municipal government, or other administrative, regulatory or judicial body of any of the foregoing.

“Hazardous Material” shall mean oil or petroleum and petroleum products, asbestos and any asbestos containing materials, radon, polychlorinated biphenyl’s (“PCBs”), urea formaldehyde insulation, lead paints and coatings, and all of those chemicals, substances, materials, controlled substances, objects,

conditions and waste or combinations thereof which are now listed, defined or regulated in any manner by any federal, state or Applicable Law.

"Indemnified Party" shall have the meaning set forth in Section 67.3(d).

"Indemnifying Party" shall have the meaning set forth in Section 67.3(d).

"Industry Standards" shall mean those standards of care and diligence normally practiced by a majority of engineering, construction and installation firms in performing services of a similar nature in jurisdictions in which the Work will be performed and in accordance with good construction practices, Applicable Permits, and other standards established for such Work.

"Manufacturer Warranty" shall have the meaning set forth in Exhibit C.

"Owner" shall have the meaning set forth in the Preamble to this Agreement.

"Owner Permits" means those permits identified as the responsibility of Owner in Exhibit C.

"Owner's Representative" shall mean the individual designated by Owner in accordance with Section 78.1(a).

"Party" shall mean, individually, each of the parties to this Agreement.

"Performance Tests" means, the tests of the System, as more particularly described in Exhibit C.

"Person" shall mean any individual, corporation, partnership, company, joint venture, association, trust, unincorporated organization or Governmental Authority.

"Project" shall mean the entirety of Work to be performed by Contractor pursuant to the terms and conditions of the Work and any Change Orders.

"Receiving Party" shall have the meaning set forth in Section 78.7.

"Representatives" shall mean the Contractor Representative and the Owner Representative and each may individually be referred to as a "Representative".

"Rock" is defined as limestone, sandstone, granite, cobble greater than 3 inches in diameter, or similar rocks in solid beds or masses in original or stratified position which can be removed only by continuous drilling, blasting or the use of pneumatic tools, and all boulders of 1 cubic yard in volume or larger. Material which can be loosened with a pick, frozen materials, soft laminated shale and hardpan, which for convenience or economy is loosened by drilling, blasting, wedging or the use of pneumatic tools, shall not be classified as "Rock".

"Site" shall have the meaning set forth in the first recital, and is more fully described in Exhibit C. An individual Site shall mean any area of a property owned by the Owner upon which a System is constructed.

"Solar Plant" shall mean that portion of the System only related to converting solar radiation into electricity and explicitly excludes all energy conservation technologies.

"Subcontractor" shall mean any Person, other than Contractor and Suppliers, retained by Contractor to perform any portion of the Work (including any Subcontractor of any tier) in furtherance of Contractor's obligations under this Agreement.

"Substantial Completion" shall mean satisfaction or waiver of all of the conditions for completion of that portion of the System applicable to a particular Work Order as set forth in Section 5.1(c).

"Substantial Completion Date" shall mean the actual date on which the Substantial Completion of the System, as defined in Section 5.1(c), has occurred.

"Suppliers" shall mean those Equipment suppliers with which Contractor contracts to build the System.

"System" shall have the meaning ascribed in the Recitals to this Agreement.

"Technical Dispute" shall have the meaning set forth in Section ~~78~~ 5(b).

"Third Party" shall have the meaning of any persons or entity not affiliated with Contractor or Owner.

"Unanticipated Condition" shall have the meaning set forth in Section 3.5.

"Work" shall mean all obligations, duties, and responsibilities assigned to or undertaken by Contractor and described in Exhibit C with respect to the System.

"Work Order" shall mean the assigned Work for each Site as described in Exhibit C.

"Work Order Price" shall mean the amount for performing the Work that is payable to Contractor as set forth in Section 3.2, as the same may be modified from time to time in accordance with the terms hereof, and as described in Exhibit C.

Exhibit B – Certifications

Exhibit B-1	Drug-Free Workplace/Tobacco-Free Environment Certification
Exhibit B-2	Asbestos and Other Hazardous Materials Certification
Exhibit B-3	Iran Contracting Act Certification
Exhibit B-4	Workers Compensation Certification
Exhibit B-5	Prevailing Wage Certification
Exhibit B-6	Payment Bond
Exhibit B-7	Performance Bond
Exhibit B-8	Non-Collusion Declaration

Exhibit B-1: Drug-Free Workplace/Tobacco Free Environment Certification

Government Code section 8350 et seq., the Drug-Free Workplace Act of 1990, requires that every person or organization awarded a contract or grant for the procurement of any property or service from any state agency must certify that it will provide a drug-free workplace by doing certain specified acts. In addition, the Act provides that each contract or grant awarded by a state agency may be subject to suspension of payments or termination of the contract or grant, and the contractor or grantee may be subject to debarment from future contracting, if the contracting agency determines that specified acts have occurred. Walnut Valley Water District is not a "state agency" as defined in the applicable section(s) of the Government Code, but Walnut Valley Water District is a local agency under California law and requires all contractors on projects to comply with the provisions and requirements of Government Code section 8350 *et seq.*, the Drug-Free Workplace Act of 1990. Contractor shall certify that it will provide a drug-free workplace by doing all of the following:

- 1 Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying actions which will be taken against employees for violations of the prohibition;
- 2 Establishing a drug-free awareness program to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace.
 - b. The person's or organization's policy of maintaining a drug-free workplace.
 - c. The availability of drug counseling, rehabilitation, and employee-assistance programs.
 - d. The penalties that may be imposed upon employees for drug abuse violations.
- 3 Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required above, and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

I understand that if Walnut Valley Water District determines that I have either (a) made a false certification herein, or (b) violated this certification by failing to carry out the requirements of section 8355, that the Contract awarded herein is subject to termination, suspension of payments, or both. I further understand that, should I violate the terms of the Drug-Free Workplace Act of 1990, I may be subject to debarment in accordance with the requirements of section 8350 *et seq.*

I acknowledge that I am aware of the provisions of Government Code section 8350 et seq. and hereby certify that I will adhere to the requirements of the Drug-Free Workplace Act of 1990.

In addition, and pursuant to, without limitation, 20 U.S.C section 6083, Labor Code section 6400 et seq., Health & Safety Code section 104350 et seq. and Walnut Valley Water District Policies, all Walnut Valley Water District sites, including the Sites, are tobacco-free environments. Smoking and the use of tobacco products by all persons is prohibited on or in Walnut Valley Water District property. Walnut Valley Water District property includes Owner Owned or Leased buildings, grounds, Owner owned vehicles and vehicles owned by others while on Walnut Valley Water District property. I acknowledge that I am aware of Walnut

SIQ/Walnut Valley Water District
December 15, 2025

Valley Water District’s policy regarding tobacco-free environments and hereby certify that I will adhere to the requirements of that policy and not permit any of my firm’s employees, agents, subcontractors, or my firm’s subcontractors’ employees or agents to use tobacco and/or smoke on the Sites.

Effective Date: December 15, 2025

Proper Name of Contractor: SitelogIQ, Inc.

Signature: _____

Print Name: _____

Title: _____

Exhibit B-2: Asbestos & Other Hazardous Materials Certification

Contractor hereby certifies that no Asbestos, or Asbestos-Containing Materials, polychlorinated biphenyl (PCB), or any material listed by the federal or state Environmental Protection Agency or federal or state health agencies as a hazardous material, or any other material defined as being hazardous under federal or state laws, rules, or regulations "New Material Hazardous," shall be furnished, installed, or incorporated in any way into the Project or in any tools, devices, clothing, or equipment used to affect any portion of Contractor's work on the Project for the Owner.

Contractor further certifies that it has instructed its employees with respect to the above-mentioned standards, hazards, risks, and liabilities.

Asbestos and/or asbestos-containing material shall be defined as all items containing but not limited to chrysotile, crocidolite, amosite, anthophyllite, tremolite, and actinolite. Any or all material containing greater than one-tenth of one percent (.1%) asbestos shall be defined as asbestos-containing material.

Any disputes involving the question of whether or not material is New Hazardous Material shall be settled by electron microscopy or other appropriate and recognized testing procedure, at the Owner's determination. The costs of any such tests shall be paid by Contractor if the material is found to be New Hazardous Material.

All Work or materials found to be New Hazardous Material or Work or material installed with "New Hazardous Material" containing equipment will be immediately rejected and this Work will be removed at Contractor's expense at no additional cost to the Owner.

Contractor has read and understood the document Hazardous Materials Procedures & Requirements, and shall comply with all the provisions outlined therein.

Effective Date:

December 15, 2025

Proper Name of Contractor:

SitelogIQ, Inc.

Signature:

Print Name:

Title:

Exhibit B-3: Iran Contracting Act Certification
(Public contract code sections 2202-2208)

PROJECT/CONTRACT NO.: 01, Government Code 4217 Energy Services Agreement between Walnut Valley Water District ("Owner") and SitelogIQ, Inc. ("Contractor")

Per California Public Contract Code Sections 2202-2208 or Owner's reduced threshold, prior to bidding on or submitting a proposal for a contract for goods or services of \$500,000.00 or more to the Owner, the Contractor must either:

1. Certify it is **NOT** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("DGS") pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or
2. Demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **ONE** of the options below. California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205).

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **NOT** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i> December 01, 2025	<i>Executed in</i>

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or to enter into or to renew, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and **ATTACH DOCUMENTATION DEMONSTRATING THE EXEMPTION APPROVAL.**

<i>Vendor Name/Financial Institution (Printed)</i>	<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	<i>Date Executed</i>

END OF DOCUMENT

Exhibit B-4: Workers' Compensation Certification

The Contractor and all of its Subcontractors shall pay all workers on all work performed pursuant to this Contract not less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work as determined by the Director of the State of California Department of Industrial Relations, for the type of work performed and the locality in which the work is to be performed within the boundaries of the Owner, pursuant to sections 1770 et seq. (1770 & 3700) of the California Labor Code.

Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by the Director of the State of California Department of Industrial Relations, are available upon request at the Owner's principal office. Prevailing wage rates are also available on the internet at <http://www.dir.ca.gov>. Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- a. By being insured against liability to pay compensation by one (1) or more insurers duly authorized to write compensation insurance in this state; and/or
- b. By securing from the Department of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Department of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

Effective Date:

December 01~~15~~, 2025

Proper Name of Contractor:

SitelogIQ, Inc.

Signature:

Print Name:

Title:

(In accordance with Labor Code sections 1860 and 1861, the above certificate must be signed and filed with the awarding body prior to performing any Work under this Contract.)

END OF DOCUMENT

Exhibit B-5: Prevailing Wage and Related Labor Requirements Certification

I hereby certify that I will conform to the State of California Public Works Contract requirements regarding prevailing wages, benefits, on-site audits with 48-hours notice, payroll records, and apprentice and trainee employment requirements, for all Work on the above Project including, without limitation, labor compliance monitoring and enforcement by the Department of Industrial Relations.

1. CLAUSES MANDATED BY CONTRACT WORK HOURS & SAFETY STANDARDS ACT. As used in the following paragraphs, the terms laborers and mechanics include watchmen and guards.

- a. **Overtime requirements.** No Contractor or Subcontractor contracting for any part of the Contract Work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek.
- b. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in the foregoing paragraph the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the foregoing paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to Work in excess of the standard workweek of forty (40) hours without payment of the overtime wages required by the foregoing paragraph.
- c. **Withholding for unpaid wages and liquidated damages.** The Owner may upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of Work performed by the Contractor or Subcontractor under the Contract or any other Federal contract with the same Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or Subcontractor for unpaid wages and liquidated damages as provided in the foregoing paragraph.
- d. **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the foregoing paragraphs concerning Overtime Requirements and Violation: Liability for Unpaid Wages and Liquidated Damages and also a clause requiring each Subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for compliance by any Subcontractor or lower tier Subcontractor with the clauses set in this section.

Commented [BP3]: Consider adding the standard language used by the District:

The Contractor shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Contractor shall forfeit as a penalty to the Owner, a penalty in such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under the contract by them or by any subcontractor under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor. Moreover, failure to pay the prevailing wage may subject the Contractor to debarment, as provided in Labor Code Section 1777.1.

I hereby certify that I will also conform to the Federal Labor Standards Provisions regarding minimum wages, withholding, payrolls and basic records, apprentice and trainee employment requirements, equal employment opportunity requirements, Copeland Act requirements, Davis-Bacon and Related Act requirements, Contract Work Hours and Safety Standards Act requirements, and any and all other applicable requirements for federal funding for all Work on the above Project.

Effective Date:

December 15, 2025

Proper Name of Contractor:

SitelogIQ, Inc.

Signature:

Print Name:

en2/

Title:

END OF DOCUMENT

Exhibit B-6: Payment Bond

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the governing body of the _____ a special district, ("Owner") and SitologIQ, Inc. ("Contractor") have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient and proper to perform the following project:

Energy Services Agreement ("Contract") which Contract dated December 01, 2025, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part thereof; and

WHEREAS, pursuant to law and the Contract, the Contractor is required, before entering upon the performance of the work, to file a good and sufficient bond with the body by which the Contract is awarded in an amount equal to one hundred percent (100%) of the value of the Work Orders contained therein, to secure the claims to which reference is made in sections 9000 through 9510 and 9550 through 9566 of the Civil Code, and division 2, part 7, of the Labor Code.

NOW, THEREFORE, the Contractor and _____ ("Surety") are held and firmly bound unto all laborers, material men, and other persons referred to in said statutes in the sum of _____ (\$_____), lawful money of the United States, being a sum not less than the total amount payable by the terms of Contract, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns, jointly and severally, by these presents.

The condition of this obligation is that if the Contractor or any of his or its subcontractors, of the heirs, executors, administrators, successors, or assigns of any, all, or either of them shall fail to pay for any labor, materials, provisions, provender, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor or any of his or its subcontractors of any tier under Section 13020 of the Unemployment Insurance Code with respect to such work or labor, that the Surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay a reasonable attorney's fee to be awarded and fixed by the Court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under section 9100 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond. Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and affect.

And the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of Contract or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Contractor and Surety above named, on December ~~04~~15, 2025.

(Affix Corporate Seal)

Contractor

By

Surety

By

Name of California Agent of Surety

Address of California Agent of Surety

Telephone No. of California Agent of Surety

Exhibit B-7: Performance Bond

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the governing body of the Walnut Valley Water District a special district, ("Owner") and SitelogIQ, Inc. ("Contractor") have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient and proper to perform the following project

Energy Services Agreement ("Project" or "Contract") which Contract dated December ~~04~~15, 2025, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part hereof; and

WHEREAS, said Contractor is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract.

NOW, THEREFORE, the Contractor and ("Surety") are held and firmly bound unto the governing body of the Owner in the penal sum of _____ (\$ _____), lawful money of the United States, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents, to:

- Perform all the work required to complete the Project; and
- Pay to the Owner all damages the Owner incurs as a result of the Contractor's failure to perform all the Work required to complete the Project.

The condition of the obligation is such that, if the above bounden Contractor, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the Contract and any alteration thereof made as therein provided, on his or its part to be kept and performed at the time and in the intent and meaning, including all contractual guarantees and warranties of materials and workmanship, and shall indemnify and save harmless the Owner, its trustees, officers and agents, as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

Surety expressly agrees that the Owner may reject any contractor or subcontractor proposed by Surety to fulfill its obligations in the event of default by the Contractor. Surety shall not utilize Contractor in completing the Work nor shall Surety accept a Bid from Contractor for completion of the Work if the Owner declares the Contractor to be in default and notifies Surety of the Owner's objection to Contractor's further participation in the completion of the Work.

As a condition precedent to the satisfactory completion of the Contract, the above obligation shall hold good for a period equal to the warranty and/or guarantee period of the Contract, during which time Surety's obligation shall continue if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the Owner from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the Owner's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

SIQ/Walnut Valley Water District
December 15, 2025

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Contractor and Surety above named, on December 01, 2025.

(Affix Corporate Seal)

Contractor

By

Surety

By

Name of California Agent of Surety

Address of California Agent of Surety

Telephone No. of California Agent of Surety

Exhibit B-8: Non-Collusion Declaration
(EXHIBIT B-8)
(Public Contract Code § 7106)

The undersigned declares:

I am the President of the West Energy division of SitelogIQ, Inc., the party making the foregoing Agreement.

The Agreement is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Agreement is genuine and not collusive or sham. Contractor has not directly or indirectly induced or solicited any other entity to put in a false or sham bid or proposal. Contractor has not directly or indirectly colluded, conspired, connived, or agreed with any other designer/builder or anyone else to put in a sham bid or proposal, or to refrain from proposing. Contractor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Contract Price of Contractor or any other entity, or to fix any overhead, profit, or cost element of the Contract Price, or of that of any other entity. All statements contained in the Contract are true. Contractor has not, directly or indirectly, submitted his or her Contract Price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, governing agency, or to any member or agent thereof, to effectuate a collusive or sham bid or proposal, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Contractor that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of Contractor.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on the following date:

Effective Date:

December 15, 2025

Proper Name of Contractor:

SitelogIQ, Inc.

Signature:

Print Name:

Title:

Exhibit C – Work Order

Photovoltaic Renewable Energy System Installation and Electric Vehicle Charging Installation

PROJECT SCOPE OF WORK INDEX

<u>Section 1</u>	Solar Plant Scope of Work
<u>Section 2</u>	Proposed Project Installation Timeline & Coordination
<u>Section 3</u>	Work Milestones
<u>Section 4</u>	Fixed Price Amount
<u>Section 5</u>	Progress Payment Schedule
<u>Section 6</u>	Performance and Payment Bonds
<u>Section 7</u>	Terms and Conditions

1.0 SOLAR PLANT SCOPE OF WORK

General

The scope of work for the new system includes engineering, permitting, procurement, construction, and commissioning, supervision, materials and supplies, labor, tools, construction equipment and machinery, utilities and transportation for the proper execution and completion of a fully integrated and operational System, unless otherwise excluded in this Scope of Work. Contractor shall perform, supervise and direct the Work in accordance with Industry Standards, Applicable Law and Project Milestone dates.

1.1 Solar System Summary

1. **Premises Location:** District Headquarters
271 S Brea Canyon Rd, Walnut, CA 91789
2. **Approximate System Size (DC kW):** 159.6
3. **System Description:** ☐ Ground Mount ☐ Roof Mount ☒ Canopy Structure
Module: Heliene USA, 156HC M10 SL 570 or similar
Inverter: Qty (1): CPS, SCA60KTL or similar
Qty (2): CPS, SCA36KTL or similar
Racking: Teichert Solar Carport or similar

4. Electrical Vehicle (EV) Charging System Description:

Manufacturer: ChargePoint or similar
Type: Level 2 – 7.2 kW Dual-port or similar
Quantity: Three (3)
Location: Secured District Parking Lot &
Publicly Accessible Parking Lot

** Future conduit and spare breaker included for one (1) future Level 2 dual port in publicly accessible parking lot*

In general, the PV Systems will consist of the following:

- a. PV modules
- b. PV module support structure
- c. Inverter(s)
- d. System electrical protection
- e. Electrical disconnects
- f. Switchgear
- g. Control and monitoring systems
- h. Outdoor rated equipment enclosures
- i. Cables, wires, jumpers, connectors, system grounding and associated trenching and/or boring
- j. Equipment foundations
- k. Under Canopy Lighting
- l. Signage

1.2 Engineering Design Services

Contractor shall be responsible for detailed design and operational coordination of equipment and materials installed for the System. Contractor shall conform to Industry Standard and Applicable Law. The following design services shall be provided by the Contractor:

- A. Civil Engineering design, including the preparation of the following:
 - Site Plan
 - Geotechnical Report (if required)
- B. Structural Engineering Design, including:
 - Foundations and other structural concrete
 - PV module support structural design
 - Structural design calculations signed and stamped by a licensed engineer in the State of California, as required
- C. Electrical Systems design, including:
 - PV modules

- Inverter
- DC combiners, disconnects, fuses, and wiring
- AC breakers and disconnects
- Revenue metering
- Enclosures, conduit, and wiring
- Communications and control systems as described herein
- Other electrical systems included in the scope of work

Shade Structure Design Basis Table

Finish Type	Pier Depth	Degree Tilt Max	Minimum Clear Height	Assumed SdS Value	Wind Max Value	Wind Exposure	Snow Load
Painted Columns, Galvanized Purlins	12'-0"	5 degrees (max)	12'-0"	1.183g	95 mph	B	0 psf

1.3 Permits

Contractor shall obtain and shall file on a timely basis any documents required to obtain Applicable Permits except those permits that are the responsibility of the District ("District Permits"). District shall obtain, and shall file on a timely basis, any documents required to obtain all such District Permits. District shall pay for all taxes, fees, and costs required to obtain all Permits.

Applicable Permits include:

- Fire Marshall
- General Construction and Building Permits

District Permits include:

- CEQA (Categorical Exemption certified by the District is assumed for this project)
- Easements required to complete the work.
- All other permits required for construction of the System, except for Applicable Permits

1.4 Procurement

Contractor shall procure all materials and equipment included in the Scope of Work for the installation of a complete System under this Scope of Work.

1.5 Construction Services

The following services shall be provided by Contractor as part of the general construction activities:

- A. Civil construction, including surveying, excavation, trenching, and backfill.
- B. Structural construction, including foundations, concrete work, grouting, anchors, erection of PV racks, shade structures, and other support structures.
- C. Electrical construction, including PV modules, combiners, inverter, disconnects, wiring, breakers, metering, control and monitoring systems, telecom systems, and lighting systems as required for a complete System.
- D. Americans with Disabilities Act (ADA) improvements including curb cutting, truncated dome installation, repainting, restriping, or installation of new signs as required by the local jurisdiction.
- E. Erosion control per Storm Water Pollution Prevention Plan including silt fencing.
- D-F. Safety services, including on-site safety equipment, personnel training, and safety monitoring of construction activities.
- E-G. Support services, including Contractor's trailers, shaded worker rest areas, restroom facilities, and security.
- F-H. Coordination with District's staff for site access, laydown, and storage with minimal interference with District operations.
- G-I. Operator training services.
- H-J. Restoration of landscape and hardscape to pre-construction condition, or in accordance with new design, as needed.
- I-K. Coordination of construction inspections, material verification, and testing as required.
- J-L. Lawful Disposal of refuse, spoils, chemicals, and waste materials associated with construction activities.
- K-M. Testing and start-up services for electrical and control systems included in the scope of work. Testing shall include pre-operational functional tests, equipment calibration, and insulation resistance tests. All necessary test equipment and instrumentation will be provided.
- L-N. Miscellaneous consumable materials required to erect the System.
- M-O. Coordination with District's Staff and Representatives, including Inspector of Record ("IOR") for all inspections and submittals.

Commented [BP4]: This work will need to be completed by the Contractor, and will be required to be approved by the City

1.6 Documentation Submittals

Contractor will prepare and submit designs, drawings, and specifications to the District for review and approval. District shall review the documents and provide any comments in writing to Contractor within ten (10) Business Days after receipt of such documents (the "Design

Review Period”). Contractor will proceed with the assumption that District has approved the documents if no comments are received within ten (10) Business Days. Any comments provided by District after ten (10) Business Days that result in re-work shall constitute a Change Order. District shall consolidate all comments for each review cycle such that Contractor does not receive comments in separate submittals at different times from various District personnel. Any re-work as a result of receiving comments in separate submittals shall constitute a Change Order. To the extent consistent with Applicable Law and Industry Standards, Contractor will incorporate District comments into the final designs, drawings, and specifications (the “Construction Documents”), as applicable. Contractor shall submit such revised documents to District for additional Design Review Periods, which shall not extend longer than ten (10) Business Days, until District approves such revised documents subject to the terms of the Agreement.

The following list is not all inclusive but defines the Contract Documents that are required to be submitted by Contractor for review and approval by the District.

- A. Facility drawing with Project improvements drawn to scale (Site Plan).
- B. Electrical design package including:
 - Single Line AC and DC diagrams
 - Communication, Monitoring and Control schematics
 - Electrical Circuit and Conduit schedule
 - Electrical Equipment installation plans
 - Lighting plan, if required
 - Placard schedule
 - Equipment data sheets
- C. Structural Calculations package including:
 - Ground structural elements for ground-mount systems
 - Equipment foundations and enclosures
 - Security fencing
- D. System energy production calculations and software model based on Site Plan.
- E. Approved Applicable Permits.
- F. Geotechnical report including Project applicable soil properties (if required).
- G. Project Schedule.
- H. Environment, Health and Safety Plan.
- I. System Manual with specifications, startup, commissioning and testing procedures for relevant equipment.
- J. System Operation and Maintenance manual (O&M plan).
- K. As-Builts (Record Drawings).
- L. Professional Engineer Wet Stamps and signatures on final design documents:
 - Electrical Design package
 - Structural Calculation package

- M. Interconnection Agreement with Local Utility.
- N. Documentation for Rate Change with Local Utility.

1.7 Workmanship Warranty

Commencing on the Final Completion Date and for a period of one (1) year thereafter, Contractor warrants that the Systems will be free from defects ("Workmanship Warranty"). If a System has a defect, and District provides written notification of said defect within the one (1) year workmanship warranty period, Contractor will, at its option, either repair or replace the portion of the System that is defective at no cost to District within forty-five (45) days of notification. The Workmanship Warranty shall not apply to the extent such defect is caused by any of the following:

- (a) Alterations or repairs made to the supporting structure of any System or associated wiring and parts without Contractor's prior written approval;
- (b) Failure of a System to perform caused by legislative, administrative, or executive regulation, order or requisition of the government, local utility or public utilities commission, or any state, provincial or municipal government or official;
- (c) Use of a System beyond the scope contemplated in its operating manuals or technical specifications;
- (d) Damage to a System not caused directly or indirectly by Contractor or its subcontractors under any agreement between Contractor and District;
- (e) Force Majeure Events;
- (f) A change in usage of that portion of the Site on which the System is located which may affect building or site permits and related requirements, without the written approval of Contractor, or a change in ownership of building or property and the new owner has not signed an assumption agreement of the terms and conditions herein,
- (g) Any defect of deficiency to the extent the same results from a specific written direction from the District if, prior to implementing such written direction, Contractor advised District that District's written direction would so affect the warranty provided by Contractor hereunder.

1.8 Manufacturer Warranties

Contractor shall procure and assign to District warranties from the equipment manufacturers (the "Manufacturer Warranty") to the extent said equipment is purchased and provided for the Solar Plant by Contractor. Solar energy equipment included in the scope of work for electricity generation (PV modules, inverters) shall have a minimum ten (10) year manufacturer performance warranty to protect against degradation of electrical generation output of more than 15% from their originally rated electrical output. Except as expressly provided in this Agreement, Contractor's obligations under this warranty do not apply to any defects whatsoever in the equipment purchased and provided by Contractor for the Solar Plant,

provided Contractor has procured and assigned to District the Manufacturer Warranty of such equipment. Contractor makes no representation or warranty, and District shall seek no recourse from Contractor, regarding the Manufacturer Warranties, including, without limitation, any degradation in electrical generation output of the PV modules.

Contractor shall require that Manufacturers provide the following warranties:

- a. Inverters shall have a ten (10) year standard Manufacturer Warranty.
- b. PV modules shall have the following standard Manufacturer Warranties:
 - i. Five (5) year material and workmanship warranty;
 - ii. Ten (10) year power output warranty at ninety percent (90%) of rated nominal power output; and
 - iii. Twenty-five (25) year power output warranty at eighty percent (80%) of rated nominal power output.
- c. Meters shall have a one (1) year standard Manufacturer Warranty.
- ~~d.~~ e. EV chargers shall have a one (1) year standard Manufacturer Warranty.
- ~~e.~~ Solar panels shall have a thirty (30) year standard Manufacturer Warranty.

1.9 Project Closeout

- a. Contractor shall deliver to District an owner's manual, operator's manual and as-built drawings for the System no later than ninety (90) days after Substantial Completion occurs. For the avoidance of doubt, the as-built drawings shall be included in the punchlist items.
- b. At District's request, Contractor shall provide District's personnel up to four (4) hours of detailed and complete on-site operation training with respect to the System. District's personnel shall have the qualifications necessary to perform their activities and will be hired by District or its Affiliate. Contractor shall provide District reasonable assistance in soliciting and obtaining any subsidies, rebates or incentives that may be available from any Governmental Authority pursuant to or in connection with the purchase or operation of the System or otherwise. Contractor makes no representation nor warranty to District as to the availability or amount of any such subsidies, rebates or incentives.

1.10 District Responsibilities

Contractor shall not be obligated to perform any work or activity beyond the scope of the work and its other obligations under this Agreement. In particular, the following shall not be included in the Scope of Work and therefore shall be performed by District:

- a. The District shall furnish, to the extent not already provided to Contractor: (a) all surveys or other information in District's possession that describe the physical characteristics, legal limitations, and utility locations in and around the Site; (b) any prior environmental review documentation and all known information in District's possession concerning subsurface conditions, including without limitation the

existence of any known Hazardous Materials, in or around the general area of the Site where the Work will be performed; (c) all relevant information in District's possession, including any structural or other relevant as-built drawings and photographs, of prior construction undertaken in the general area where the Work will be performed; (d) title reports less than one (1) year in age; and (e) any and all easements, zoning variances, planning approvals, including any resolution of any environmental impact issues, and any other legal authorization regarding utilization of the Site essential to the execution of the Work;

- b. District shall provide continuous access to the Site to perform the Work according to the Construction Schedule;
- c. District shall make water source available at the Site for construction water;
- d. District shall obtain the District Permits;
- e. District shall select its own personnel so that it is present at the date of Substantial Completion;
- f. District shall pay for and provide communication access for system monitoring;
- g. District shall pay for all taxes, fees, and costs required to obtain all Permits;
- h. District shall provide access to, and allow Contractor the use of, water lines, sewer lines, storm water lines, power lines, fuel lines, telephone and communication lines, pipelines, and drainage ditches; and
- i. District shall be responsible for operating the System from and after Substantial Completion.

1.11 General Clarifications & Qualifications to Scope of Work

- a. One (1) review cycle by District of the equipment layout drawings, one (1) review cycle by District of final design documentation, and one (1) final set of as-built drawings delivered to District in electronic format and hard copy.
- b. District will review and provide comments on drawings within 10 business days.
- c. Scope is based on code approved conduit and wiring methods.
- d. Contractor will not encounter any ground water during trenching and excavating.
- e. Native Soil can be utilized for backfill and compaction.
- f. Wiring from PV panels to combiners is USE cable and not placed in raceways.
- g. Grounding as required by NEC.
- h. Plastic UV-Rated cable ties and UV-Rated Cable Clips for wire management.
- i. Underground conduits shall be schedule 40 PVC with schedule 80 PVC risers.
- j. Placards shall be adhered and not mechanically affixed.
- k. AC and DC wiring to be aluminum where possible.
- l. Current electrical service has adequate capacity for the system.

- m. Inverters shall be mounted via piles or on columns with Unistrut. No Equipment Pads.
- n. Price is based on the COMEX and The Steel Index (TSI) material pricing as of the Effective Date. Increases to COMEX and The Steel Index (TSI) may result in an increase in the Contract Price.
- o. One (1) mobilization per site.
- p. Site parking being available to all Contractor and Subcontractor employees.
- q. Scope of Work Price is based on straight time Monday to Friday (no holidays) work week, 40 hours per week between 6:00 AM and 6:00 PM.
- r. Due to high heat index, work will be limited during Summer (or in excess of 100 degrees Fahrenheit).
- s. Prevailing Wage Labor included. Any delays or increased prevailing wage requirements not included.
- t. District will receive all necessary easements within 45 business days after the Effective Date.
- u. There are no existing encumbrances or easements on the site.
- v. Existing site is fairly level with minimum grading required to achieve +/- 1/10th grading performance standard.
- w. Assumes 12'-0" clear height for carport shade structures.
- x. Assumes pier depth for foundations to be no more than 12'-0".
- y. Assumes 400'-0" distance for trenching from switchgear for EV Charging.

1.12 Solar Scope of Work Exclusions

The Solar Work excludes the following:

- a. Plumbing, Fire Sprinklers, Fire and Life Safety equipment and its components.
- b. Warranty, repair and/or upgrade of the existing mechanical, plumbing and electrical systems, air distribution and control systems found in disrepair or not compliant to code. Any and all systems and structure defects repairs/replacements as a result of pre-existing condition.
- c. Fees for expediting the manufacturing and/or delivery of electrical equipment.
- d. Upgrade of the existing site electrical service capacity and transformer.
- e. Any upgrades to existing parking lots, sidewalks, etc. unless otherwise included in scope.
- f. Drill hole casing, water mitigation, underground obstructions, caving soils, or Rock drilling.
- g. Any conditions, such as rock or hard-pan, that a 310 SG backhoe or similar cannot excavate.

- h. Fine grading.
- i. Special inspections.
- j. Hazardous material abatement and/or removal of any kind.
- k. Plan Check Fees (to be paid directly by the District).
- l. Inspector of Record fees.
- m. ~~Storm Water Pollution Prevention Plan (SWPPP) or perimeter silt fencing.~~
- n. ~~Americans with Disabilities Act (ADA) improvements including curb cutting, truncated dome installation, repainting, restriping, or installation of new signs.~~
- ~~o-n.~~ Tree removal, unless otherwise noted.
- ~~p-o.~~ Tree mitigation costs.
- ~~q-p.~~ Removal of site lighting, light poles, and light pole bases.
- ~~r-q.~~ Permanent fencing.
- ~~s-r.~~ String level monitoring.
- ~~t-s.~~ Relocation and modification of underground utilities.
- ~~u-t.~~ Premium time (except for utility tie-in).
- ~~v-u.~~ Field painting – lot striping, conduit painting, etc. above and beyond any items altered during construction or otherwise specified in the scope of work.
- ~~w-v.~~ Asphalt (fog, coating, and striping)
- ~~x-w.~~ Operation and Maintenance services.
- ~~y-x.~~ Net Generation Output Meter (NGOM).
- ~~z-y.~~ Site Security.
- ~~aa-z.~~ Temporary power / back up power during shutdown.
- ~~bb-aa.~~ Metallic cable ties for wire management.
- ~~cc-bb.~~ Privacy screen for temporary or permanent fencing. Barb wire for fencing.
- ~~dd-cc.~~ Other Fees (plan check, utility permits, parking, etc.).
- ~~ee-dd.~~ Compliance with Buy American, Buy America or Domestic Content Provision of the Inflation Reduction Act.
- ~~ff-ee.~~ Any additional costs associated with COVID-19 (this includes, but not limited to, safety training, sanitizing equipment, limitation on number of workers in a space, etc.).
- ~~gg-ff.~~ Any items not specified in this scope.

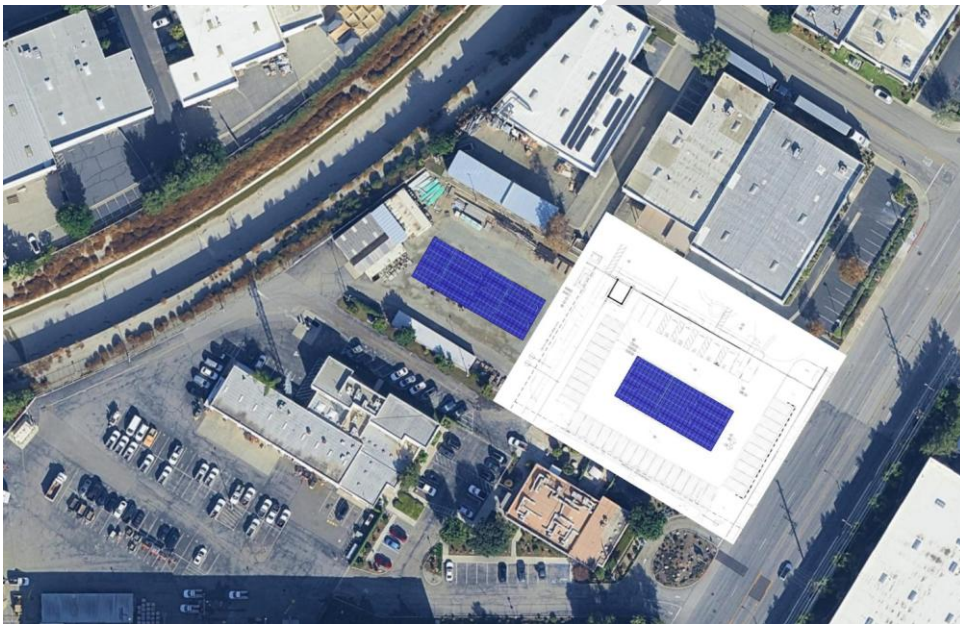
Commented [BP5]: District staff: This will need to be complete prior to the work, who will complete the amendment?

Commented [SS6R5]: Ask Jordan if this is required for a simple solar project.

Commented [BP7]: This work will need to be completed by the Contractor, and will be required to be approved by the City

Contractor will notify the District of any excluded work or repairs which are necessary to the function of the Work as soon as Contractor becomes aware of such, and before proceeding with related work.

1.13 Site Plans



2.0 PROPOSED PROJECT INSTALLATION TIMELINE & COORDINATION

This project will require extensive scheduling and coordination to ensure the efficient implementation of the Work shown herein. Contractor will provide retrofit services in Phases. Each construction Phase will include a complete PV system retrofit at a given building or site. Contractor will provide adequate and suitable supervision with a dedicated Project Manager.

The District shall provide safe access to the buildings and provide the necessary security for staff safety during the rigging and equipment handling process. During the retrofit services, areas of the building designated by Contractor may need to be vacated to ensure the safety of the occupants. It will be the District's responsibility to temporarily relocate the occupants to other buildings and/or, if needed, provide temporary facilities for the duration of the given phase of each project.

In order to minimize the disruption of District's operation, coordination and scheduling items shall include but are not limited to multiple trips to the job site, multiple equipment riggings, temporary relocation of the tenants (Staff), etc. Contractor will work with the District to develop a detailed project schedule. Once the project schedule is confirmed, Contractor will provide the District with a Schedule of Values and a progress payment schedule, which corresponds to the project schedule. The installation of this project will start upon executing this Agreement and ordering and obtaining necessary equipment, parts and materials needed for installation, as listed in the scope of work. It is anticipated the construction phase of this project would be performed in 2026/2027.

District and its representatives shall coordinate all the project activities with Contractor's Project Manager only.

3.0 WORK MILESTONES

Estimated Milestone Schedule	
Milestone	Milestone Date
Notice to Proceed	TBD
Equipment Procurement	Notice to Proceed + 8 Weeks
Construction Mobilization	Permit Approval + 8 weeks
Substantial Completion	Construction Mobilization + 30 weeks

Final Completion	Notice to Proceed + 72 weeks
------------------	------------------------------

Contractor shall be given a day-for-day slip in the Work Milestone Schedule for a delay in utility approvals beyond 12 weeks from Construction Mobilization date above. Contractor shall be given a day-for-day slip in the Work Milestone Schedule for a delay in Equipment delivery from the manufacture due to supply chain issues.

4.0 FIXED PRICE AMOUNT

The fixed price for this Scope of Work is **One Million Three Hundred and Twenty Six Thousand Two Hundred and Forty Five US Dollars (\$1,326,245.00)**.

5.0 PROGRESS PAYMENT SCHEDULE

The District shall pay to Contractor the progress payments set forth below when Contractor has completed the Work associated with such payment. Contractor must submit documentation at the time of invoicing for related progress payments.

Progress Payments Schedule	
Payment Milestone	% of Total Task Order Price
Notice to Proceed	10%
Equipment Deposit	25%
Progress Payments	50%
Substantial Completion	10%
Final Completion	5%

6.0 PERFORMANCE AND PAYMENT BONDS

~~Upon the written request of the District prior to commencement of work,~~The Contractor shall provide evidence of the following bonds to District:

- a. Performance Bond. A bond issued by a corporate surety authorized to issue surety insurance in California, and reasonably acceptable to District, in an amount equal to one-hundred percent (100%) of this Scope of Work Price payable under the Agreement securing the faithful performance of this Scope of Work, including any warranty work; and

- b. Payment Bond. A bond issued by a corporate surety authorized to issue surety insurance in California, and reasonably acceptable to District, in an amount equal to one-hundred percent (100%) of this Scope of Work Price payable under the Agreement securing the payment of all claims for the performance of labor or services on, or the furnishing of materials for, the performance of this Scope of Work.

The Performance and Payment Bonds shall guarantee timely completion of the Work in accordance with this Scope of Work and shall cover the installation period. The warranty period shall extend one (1) year following acceptance of Final Completion.

The surety, having provided the Performance and Payment Bonds under this Scope of Work, shall assume no liability to Contractor, District or any third parties, should Contractor fail, for any reason, to deliver acceptable warranties beyond the one (1) year warranty period following Final Completion.

7.0 TERMS AND CONDITIONS

Unless otherwise stated, this Work Order shall be completed within the terms of the Government Code Section 4217 Energy Services Master Agreement executed on _____ between SitelogIQ, and the District.

[Signatures to follow]

IN WITNESS, WHEREOF, the Parties hereto have duly executed and delivered this Work Order as of the date set forth below.

SitelogIQ, Inc
a Delaware Corporation

By: _____ Date: _____

Name: John Gajan
Title: President, West Energy

Walnut Valley Water District
a District organized and existing under the laws of the State of California

By: _____ Date: _____

Name: Sheryl L. Shaw
Title: General Manager ~~& Chief Engineer~~

SIQ/Walnut Valley Water District
December 15, 2025

Exhibit E – Insurance

Contractor Insurance Requirements

1. Required Coverages. Contractor shall carry and maintain with carriers or self-insurance, as a minimum, the following insurance coverage:
 - (i) Workers Compensation Insurance and Employers Liability. In accordance with the laws of the state of where work may be done with limits for employer's liability in the minimum amount of one million dollars (\$1,000,000) for each occurrence and one million dollars (\$1,000,000) for each occurrence of bodily injury on a per employee basis.
 - (ii) Commercial General Liability. One million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) in the aggregate for bodily injury, personal injury and property damage, products and completed operations.
 - (iii) Commercial Automobile Liability, Any Auto. One million dollars (\$1,000,000) per accident including owned, non-owned, and hired automobiles.
 - (iv) Excess coverage of four million dollars (\$4,000,000) per occurrence and aggregate, or any other equivalent, available insurance coverage of the Contractor.
2. Policy Endorsements. Insurance coverage required to be maintained by Contractor under this Agreement shall:
 - (i) provide a severability of interests or cross liability clause for Commercial General Liability Insurance.
 - (ii) except in the case of worker's compensation insurance and other statutory insurances where it would be inappropriate, name Owner and others as may be reasonably required by Owner, as additional insured's; and to the extent permissible in accordance with the policy, include a waiver of subrogation by the insurers in favor of Owner and each of its respective assignees, Affiliates, agents, officers, directors, employees, insurers or policy issuers and a waiver of any right of the insurers to any set-off or counterclaim, whether by endorsement or otherwise, in respect of any type of liability of any of the Persons insured under any such policies.
3. Certificates. Contractor shall throughout the Agreement Term provide certificate(s) and/or memoranda of insurance evidencing the coverage specified in this Attachment E to Owner upon Owner's reasonable request.

Owner Insurance Requirements

1. Required Coverage. Owner shall carry and maintain with carriers or self insurance, as a minimum, the following insurance coverage:
 - (i) Workers Compensation Insurance and Employers Liability. In accordance with the laws of the state of where work may be done with limits for employers liability in the minimum amount of one million dollars (\$1,000,000) for each occurrence and one

million dollars (\$1,000,000) for each occurrence of bodily injury on a per employee basis.

- (ii) Commercial General Liability. One million dollars (\$1,000,000) per occurrence/two million dollars (\$2,000,000) in the aggregate for bodily injury, personal injury and property damage, products and completed operations.
 - (iii) Commercial Automobile Liability, Any Auto. One million dollars (\$1,000,000) per accident including owned, non-owned, and hired automobiles.
 - (iv) Excess coverage of four million dollars (\$4,000,000) per occurrence and aggregate, or any other equivalent, available insurance coverage of the Contractor.
 - (v) Builder's Risk. Owner shall procure and maintain builders' risk insurance (all-risk coverage) or similar policy for an amount equal to one hundred percent of the Agreement sum for the benefit of the Owner, the Contractor, and Subcontractors as their interest may appear. In projects involving no structural change or building construction, this requirement may be waived in writing, at the Contractor's sole option.
2. Policy Endorsements. Insurance coverage required to be maintained by Owner under this Agreement shall provide a severability of interests or cross liability clause for Commercial General Liability Insurance.
3. Certificates. Owner shall throughout the Agreement Term provide certificate(s) and/or memoranda of insurance evidencing the coverage specified in this Attachment E to Contractor upon Contractor's reasonable request.

Exhibit F – Certificate of Substantial/Final Completion

PROJECT: _____

DATE: _____

SitelogIQ, Inc. ("SitelogIQ") and Owner Name ("Owner") hereby acknowledge, confirm, and agree that:

1. The Project associated with the Agreement between SitelogIQ and Owner, dated original contract date, including all contract amendments, has reached ☐ substantial/☐ final Completion.
2. The contract value as of ☐ substantial/☐ final completion is \$_____.
3. ☐ The Project has reached Substantial Completion and the following terms apply:
 - a. The date of substantial completion shall be deemed to be the date upon which the occupation, beneficial use, and enjoyment of a work of improvement by the Owner, excluding any operation only for testing, startup, or commissioning.
 - b. A list of minor incomplete and corrective Work to be completed ("Punch List Work") prior to final payment is attached hereto. SitelogIQ and/or its Subcontractors shall complete the Punch List Work on or about insert date of anticipated final completion.
 - c. Unless otherwise provided by notice in writing, within five (5) business days of this notice, work is considered substantially complete and receipt of full payment will constitute acknowledgement and release of SitelogIQ from any further obligations, except the 1-year term warranty for workmanship and completion of the outstanding attached punch list items, if any.
 - d. Upon completion of the Punch List Work, Owner shall complete and cause to be recorded the attached Notice of Completion.
4. ☐ The Project has reached Final Completion and the following terms apply:
 - a. The date of final completion shall be deemed to be the date upon which the occupation, beneficial use, and enjoyment of a work of improvement by the Owner, excluding any operation only for testing, startup, or commissioning, and cessation of work on the Project.
 - b. Unless otherwise provided by notice in writing, within five (5) business days of this notice, work is considered complete and receipt of full payment will constitute acknowledgement and release of SitelogIQ from any further obligations, except the 1-year term warranty for workmanship.
 - c. Owner shall complete and cause to be recorded the attached Notice of Completion and close the following performance.
5. Owner's failure to sign this certificate of substantial/final completion shall not prohibit SitelogIQ from discharging its performance and payment bonds.

SIQ/Walnut Valley Water District
December 15, 2025

IN WITNESS WHEREOF, the Parties hereto have executed this Certificate of ☐ Substantial/☐ Final Completion as of the day and year of the Date of ☐ Substantial/☐ Final Completion written above.

Walnut Valley Water District

SitelogIQ, Inc.

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

SIQ/Walnut Valley Water District
December 15, 2025

Exhibit G – Notice to Proceed

John Gajan
President, West Energy
SitelogIQ, Inc.
1651 Response Road
Suite 300
Sacramento, CA 95815

Re: Notice to Proceed

Dear John Gajan:

This Notice to Proceed is being issued by Walnut Valley Water District ("Owner") to SitelogIQ, Inc. ("Contractor") pursuant to the 4217 Energy Services Agreement, entered into on December 01, 2025.

This Notice to Proceed authorizes the Work described in Work Order #XX by Exhibit C of the Agreement.

By signing and dating this Notice to Proceed, the parties hereto agree to these terms and represent and warrant they have the authority to execute this Notice to Proceed on behalf of their respective organizations.

ACKNOWLEDGED & AGREED TO:

Walnut Valley Water District

SitelogIQ, Inc.

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

SIQ/Walnut Valley Water District
December 15, 2025

RESOLUTION NO. 12-25-749

**A RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT BOARD OF DIRECTORS
ADOPTING REQUIRED FINDINGS AND AUTHORIZING THE EXECUTION OF AN ENERGY
SERVICES CONTRACT**

WHEREAS, California Government Code Sections 4217.10 to 4217.18, authorize the Walnut Valley Water District Board of Directors to enter into an Energy Services Contract for the implementation of energy related improvements if the Board of Directors finds it is in the best interest of the District to enter into such Energy Services Contract and that the anticipated cost to the District for thermal or electrical energy or conservation services provided by SitelogiQ under the contract will be less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in absent of those purchases; and

WHEREAS, the proposed Energy Services Contract by and between the Walnut Valley Water District and SitelogiQ provides for the implementation of certain energy measures whose cost to the District such for thermal or electrical energy or conservation services provided under the Energy Services Contract will be less than the anticipated marginal cost to the District of thermal, electrical, or other energy that would have been consumed by the District in absent of the implementation of the improvements under the Energy Services Contract.

NOW, THEREFORE, BE IT RESOLVED, that the Walnut Valley Water District Board of Directors hereby declares its intention to enter into the proposed agreement with SitelogiQ for energy conservation services for the District facilities as defined by the Energy Services Contract, approves that agreement and authorizes the District's General Manager to execute that agreement, subject to approval of legal counsel.

PASSED AND ADOPTED, at a regular meeting of the Walnut Valley Water District Board of Directors, held December 15, 2025.

AYES:
NOES:
ABSENT:
ABSTAIN:

Scarlett Kwong
President, Board of Directors

ATTEST:

Sheryl L. Shaw, P.E. Secretary
Board of Directors

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

November 10, 2025
At Diamond Bar Center, Sycamore Room
1600 Grand Ave, Diamond Bar, CA 91765

DIRECTORS PRESENT:

Edwin Hilden
Scarlett Kwong
Jerry Tang
Henry Woo

STAFF PRESENT:

Sherry Shaw, General Manager/Chief Engineer
Jared Macias, Assistant General Manager
Tom Monk, Director of Operations
Lucie Cazares, Executive Services Administrator
James Ning, Director of Finance
Lily Lopez, Director of External Affairs
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

Theresa Lee

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

Guests and others in attendance: WVWD employees Monique Fitchett and Greg Galindo and Three Valleys Municipal Water District (TVMWD) Directors Jody Roberto and Mike Ti.

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 Team Milestones & Achievements

- ◆ Ms. Shaw congratulated Cesar Quezada on his promotion to Water Production Operator I.
- ◆ Ms. Shaw congratulated Dave Rudy for receiving his D2 Certification. (Item 6)

Item 7: Special Recognition

- ◆ Ms. Shaw recognized the External Affairs team for receiving the CAPIO Star Awards.

Item 8: Special Recognition

- ◆ The Board was asked to adopt WVWD Resolution No. 11-25-748, congratulating Three Valleys Municipal Water District on its 75th anniversary. (Item 8, A)

Motion 25-11-2231: Upon consideration thereof, it was moved by Director Kwong, second by Director Hilden, and carried 4-0 to adopt WVWD Resolution No. 11-25-748, congratulating Three Valleys Municipal Water District on its 75th anniversary. (Item 8)

**President Kwong indicated Motion No. 25-11-2231 was approved by a 4-0
(with Director Lee absent) roll call vote**

- ◆ Following the adoption of WVWD Resolution No. 11-25-748, congratulating Three Valleys Municipal Water District on its 75th anniversary, President Kwong and the WVWD Board Members presented a commemorative resolution to TVMWD Board Member Jody Roberto. The presentation honored TVMWD's decades of dedicated service, leadership in water resource management, and commitment to regional collaboration.

Item 9: Review of District Investment Activities by Karl Meng, Representative of Chandler Asset Management:

- ♦ Mr. Meng of Chandler Asset Management reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District. The Board was asked to receive and file the report on the District's Investment Activities. (Item 9)

Motion No. 25-11-2232: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 to receive and file the report on District Investment Activities. (Item 9)

President Kwong indicated Motion No. 25-11-2232 was approved by a 4-0 (with Director Lee absent) vote

Item 10: Consider Approval of Consent Calendar

- ♦ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held October 20, 2025, Special Board Meeting held October 23, 2025, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 10 – A, B, C, D, E)

Motion No. 25-11-2233: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held October 20, 2025, Special Board Meeting held October 23, 2025, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 8 – A, B, C, D, E)

President Kwong indicated Motion No. 25-11-2233 was approved by a 4-0 (with Director Lee absent) vote

Item 11: Consider Approval of 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 2025. (Item 11)

Motion No. 25-11-2234: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden, and carried 4-0 to receive, approve, and file the Board member expense reports for meeting attendance and additional expenses incurred by the District on behalf of each Director for events occurring during October 2025. (Item 11)

President Kwong indicated Motion No. 25-11-2234 was approved by a 4-0 (with Director Lee absent) vote

Item 12: Treasurer's Reports

- ♦ Mr. Ning presented the Financial Dashboard as of September 30, 2025, the District Statement of Revenue, Expenses, and Change in Net Positions as of September 30, 2025, the District Statement of Net Positions as of September 30, 2025, and the Summary of Cash and Investments as of September 30, 2025 (Items 10- A, B, C, D)

Motion No. 25-11-2235: Upon consideration thereof, it was moved by Director Tang, second by Director Hilden, and carried 4-0 to receive, approve, and file the Financial Dashboard as of September 30, 2025, the District Statement of Revenue, Expenses, and Change in Net positions as of September 30, 2025, the Statement of Net positions as of September 30, 2025, and the Summary of Cash and Investments as of September 30, 2025 (Items 10- A, B, C, D)

President Kwong indicated Motion No. 25-11-2235 was approved by a 4-0 (with Director Lee absent) vote

Committee Chair Reports

Item 13: Public Information/Community Relations/Legislative Action Committee – Director Kwong

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

Item 14: Finance Committee- Director Lee

- ◆ The Board was asked to approve the adjustments, as listed in the Board meeting packet, to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company effective January 1, 2026. (Item 14-A)

Motion No. 25-11-2236: Upon consideration thereof, it was moved by Director Woo, seconded by Director Hilden, and carried 4-0 to approve the adjustments, as listed in the Board meeting packet, to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company effective January 1, 2026. (Item 14-A)

**President Kwong indicated Motion No. 25-11-2236 was approved by a 4-0
(with Director Lee absent) vote**

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for month ending October 31, 2025. (Item 14-B)

Motion No. 25-11-2237: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 to receive, approve, and file the District's Consolidated Investment Transactions Report for month ending October 31, 2025. (Item 14-B)

**President Kwong indicated Motion No. 25-11-2237 was approved by a 4-0
(with Director Lee absent) vote**

- ◆ As a matter of information only, the Board received the Revenue Bond Funds Held in Trust Report for US Bank. (Item 14-C)

Item 15: Engineering Committee – Director Woo

- ◆ The Board was asked to approve Owner Change Order No. OCO 009 with DPR Construction in the amount of \$64,643. (Item 15-A)

Motion No. 25-11-2238: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 to approve Owner Change Order No. OCO 009 with DPR Construction in the amount of \$64,643. (Item 15-A)

**President Kwong indicated Motion No. 25-11-2238 was approved by a 4-0
(with Director Lee absent) vote**

- ◆ The Board was asked to adopt Resolution No. 11-25-747, adopting the 2025 Multi-Jurisdictional Hazard Mitigation Base Plan and Annex, and authorizing Emergency Planning Consultants to forward the resolution of adoption to FEMA for issuance of a Final Letter of Approval. (Item 15-B)

Motion No. 25-11-2239: Upon consideration thereof, it was moved by Director Woo, seconded by Director Hilden, and carried 4-0 to adopt Resolution No. 11-25-747, adopting the 2025 Multi-Jurisdictional Hazard Mitigation Base Plan and Annex, and authorizing Emergency Planning Consultants to forward the resolution of adoption to FEMA for issuance of a Final Letter of Approval. (Item 15-B)

**President Kwong indicated Motion No. 25-11-2239 was approved by a 4-0
(with Director Lee absent) roll call vote**

- ◆ The Board was asked to declare the list of fully depreciated equipment included in the Board meeting packet and listed as surplus property and dispose of that equipment in accordance with District policy. (Item 15-C)

Motion No. 25-11-2240: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 to declare the list of fully depreciated equipment included in the Board meeting packet as surplus property and dispose of the equipment in accordance with District policy. (Item 15-C).

- ◆ Ms. Perez reviewed the Project Status Report included in the Board Packet. No action was taken by the Board. (Item 15-D)

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 15-E)

Item 16: Personnel Committee – Director Kwong

- ◆ The Board was asked to approve changes to the Production and Field Departments. The changes include the addition of a Cross-Connection Control Technician II, deletion of the Instrumentation/Electrical Systems Technician, reclassification of the Water Quality Specialist to Water Production Operator III, and updates to salary ranges and organizational charts. These changes maintain current FTE levels and are projected to slightly reduce overall salary expenditure. (Item 16)

Motion No. 25-11-2241: Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 to approve the changes to the Production and Field Departments. The changes include the addition of a Cross-Connection Control Technician II, deletion of the Instrumentation/Electrical Systems Technician, reclassification of the Water Quality Specialist to Water Production Operator III, and updates to salary ranges and organizational charts. These changes maintain current FTE levels and are projected to slightly reduce overall salary expenditure. (Items 16)

President Kwong indicated Motion No. 25-11-2241 was approved by a 4-0 (with Director Lee absent) vote

Item 17: TVMWD/MWD

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD Board member Mike Ti. (Item 17)

Item 18: The P-W-R Joint Water Line Commission

- ◆ Mr. Monk reported that the water use report for October 2025 was not received and will be presented at the next month's meeting.

Item 19: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported the next PBWA meeting is scheduled for December 11, 2025. (Item 19)

Item 20: Spadra Basin Groundwater Sustainability Agency

- ◆ Ms. Shaw stated the consulting agreement with West Yost has been extended. She also clarified that the Department of Water Resources had determined the Groundwater Sustainability Plan (GSP) was deficient because it did not sufficiently demonstrate how all non-adjudicated and fringe areas surrounding the Spadra Basin are being managed. Specifically, the boundary description in the GSP lacked clarity on how these peripheral zones are incorporated into the overall sustainability strategy. West Yost is working to remedy that deficiency and resubmit the GSP to the Department of Water Resources. (Item 19)

Item 21 General Manager's Report

- ◆ The Board received the District's activities calendar for December 2025, January, and February 2026. (Item 21-A)

Item 22 Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable water use, Calendar Year 2025 purchased water estimate, conservation goal summary, climate summary, and 2025 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for October 2025 was 25.51% lower than usage in October 2020 and 33.24% lower than usage in October 2013. (Item 22-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of October 27, 2025. (Item 22-B)

Item 23: 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 23)

- ◆ Director Hilden reported the following on his activities for October: TVMWD Board Meeting, PWR Meeting, Public Info Committee, Finance Committee, Engineering Committee, Personnel Committee, TVMWD Board Meeting, Board of Directors Employee BBQ Luncheon, State of the City, WVWD Board Meeting, Board Workshop, Town Hall Meeting with D.A. Nathan Hochman, Diamond Bar Club Casino Night, TVMWD 75th Gala.
- ◆ Director Kwong reported on the following activities for October: 2025 National Day Celebration of the Republic of China, 3rd Annual Mid-Autumn Festival, Building Ad Hoc Committee, PWR-JWL Commission Meeting, MWD State Water Project Inspection Tour, Public Information

Committee, Personnel Committee, Board of Directors Employee BBQ Luncheon, City of Diamond Bar State of the City Address, Grand Opening DB Shell Station, Board Meeting, Board Workshop, Town Hall with District Attorney Nathan Hochman, DB Woman's Club Casino Night Fundraiser, H2O for HOA event at DB Center, TVMWD 75th Anniversary Gala.

- ◆ Director Lee was not in attendance to report on her activities for October, her expense report notes her attendance at the following meeting/events:: PBWA Board Meeting, Mt SAC Mid-Autumn Festival Opening Ceremony, Building Ad Hoc Meeting, Meeting with Terreco on Water Treatment, MWD Inspection Tour, Board of Directors Employee BBQ Luncheon, DB State of the City, Board Meeting, Board Workshop, DB Woman's Club Casino Night.
- ◆ Director Tang reported on the following activities for October: 3rd Annual Mid Autumn Festival, Public Information Committee Meeting, Finance Committee Meeting, Engineering Committee Meeting, Personnel Committee Meeting, Board of Directors Employee BBQ Luncheon, DB's State of the City Address by Mayor Chia-Yu Teng, Special Board Meeting, WVWD GM Annual Performance Evaluation.
- ◆ Director Woo reported on the following activities for September: 3rd Annual Mid-Autumn Festival, Puente Hills Habitat Preservation Authority, Building Ad Hoc Meeting, Public Information Committee, Finance Committee, Engineering Committee, Board of Directors Employee BBQ Luncheon, Board Meeting.

Item 24: Legal Reports

- ◆ There were no legal reports to come before the Board at this time. (Item 24)

Item 25: Items for Future Discussion

- ◆ There was no request for future discussion items. (Item 25)

Item 26: Board of Directors Business

- ◆ There were no items to come before the Board at this time. (Item 26)

Adjournment at 6:06 p.m.

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

November 13, 2025
At the Diamond Bar Center, Maple Room
1600 Grand Avenue, Diamond Bar, CA 91765

DIRECTORS PRESENT:

Edwin Hilden
Scarlett Kwong
Theresa Lee
Jerry Tang
Henry Woo

STAFF PRESENT:

Sherry Shaw, General Manager/Chief Engineer
Jared Macias, Assistant General Manager
Alanna Diaz, Director of Administrative Services
Jim Ciampa, Legal Counsel (by telephone)

DIRECTORS ABSENT:

None

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

Guests and others in attendance: WVWD Employee Monique Fitchett

Item 3: Public Comment

- ◆ There were no requests. (Item 3)

Item 4: Closed Session

- ◆ The Board met in closed session in accordance with Government Code (§54957) for Public Employee Performance Evaluation. (Item 4)

Item 5: Reconvene in Open Session/ Report Action Taken in Closed Session

Closed Session Report: The Board reconvened in Open Session at 4:28 p.m. Legal Counsel Ciampa reported the performance evaluation of the General Manager took place in closed session and the General Manager received a satisfactory evaluation and met all expectations, with a comment that the Board would like the General Manager to be more visible at public events and sponsored activities in the District's service area.

Consider Compensation Adjustment for the General Manager: Director Lee moved, and Director Tang seconded, that the General Manager's contract be extended for three (3) years and that she receive an eight percent (8%) salary increase, consisting of a four percent (4%) cost of living adjustment and a four percent (4%) merit increase, to be effective January 1, 2026.

Adjournment at 4:46 p.m.

Walnut Valley Water District
Check Register For the Month of November 2025

CHECK NUMBER	DATE	PAYEE	AMOUNT
13044	11/4/2025	American Water Works Association	\$ 8,410.00
13045	11/4/2025	Badger Meter, Inc.	\$ 16.10
13046	11/4/2025	Department of Motor Vehicles	\$ 224.00
13047	11/4/2025	Pollardwater	\$ 522.21
13048	11/4/2025	Quinn Company	\$ 4,414.67
13049	11/4/2025	Underground Service Alert	\$ 540.00
13050	11/4/2025	United Rentals Northwest, Inc.	\$ 2,182.01
13051	11/4/2025	Grainger	\$ 1,095.90
13052	11/4/2025	Cintas Corporation #150	\$ 236.46
13053	11/4/2025	Patton's Sales Corp.	\$ 316.87
13054	11/4/2025	Rowland Water District	\$ 305.60
13055	11/4/2025	Verizon Connect Fleet USA LLC	\$ 664.24
13056	11/4/2025	Applied Technology Group, Inc.	\$ 1,434.76
13057	11/4/2025	Ferguson Waterworks - Santa Ana	\$ 88.29
13058	11/4/2025	Associated Soils Engineering, Inc.	\$ 5,162.00
13059	11/4/2025	AES Water, Inc.	\$ 7,695.00
13060	11/4/2025	Cintas First Aid & Safety LOC#168	\$ 217.31
13061	11/4/2025	State Water Resources Cntl Bd - Wtr Sys Fee	\$ 9,006.00
13062	11/4/2025	Veritiv Operating Company	\$ 1,490.28
13063	11/4/2025	Managed Mobile, Inc.	\$ 958.51
13064	11/4/2025	HASA, Inc.	\$ 2,440.02
13065	11/4/2025	A & J Tree Care, Inc.	\$ 3,500.00
13066	11/4/2025	Green Media Creations, Inc.	\$ 892.50
13067	11/4/2025	Bay Alarm Company	\$ 774.91
13068	11/4/2025	Paper Recycling & Shredding Specialists, Inc.	\$ 100.00
13069	11/4/2025	Public Water Agencies Group	\$ 2,637.81
13070	11/4/2025	West Yost & Associates, Inc.	\$ 37,864.50
13071	11/4/2025	PlanetBids, LLC	\$ 8,818.19
13072	11/4/2025	Backgrounds Online	\$ 91.50
13073	11/4/2025	Valley Vista Services, Inc.	\$ 1,083.58
13074	11/4/2025	Automationdirect.com Inc	\$ 60.36
13075	11/4/2025	Axelliant LLC	\$ 5,560.00
13076	11/4/2025	11:11 Systems, Inc.	\$ 77.26
13077	11/4/2025	Equitable Financial Life Insurance Company of America	\$ 7,317.85
13078	11/4/2025	Allen Trench Safety Corporation	\$ 93.54
13079	11/4/2025	Platinum Strategies Inc.	\$ 5,522.00
13080	11/12/2025	11:11 Systems, Inc.	\$ 479.00
13081	11/12/2025	Aqua Backflow, Inc	\$ 1,776.50
13082	11/12/2025	Axelliant LLC	\$ 361.53

Walnut Valley Water District
Check Register For the Month of November 2025

CHECK NUMBER	DATE	PAYEE	AMOUNT
13083	11/12/2025	Badger Meter, Inc.	\$ 2,375.99
13084	11/12/2025	Central Communications	\$ 719.00
13085	11/12/2025	Cintas Corporation #150	\$ 214.94
13086	11/12/2025	Core & Main LP	\$ 337.12
13087	11/12/2025	Corelogic Solutions, LLC	\$ 273.18
13088	11/12/2025	D 7 Consulting Inc.	\$ 4,680.00
13089	11/12/2025	Echologics, LLC	\$ 2,122.50
13090	11/12/2025	EcoTech Services, Inc.	\$ 10,185.00
13091	11/12/2025	Eurofins Eaton Analytical, LLC	\$ 1,598.00
13092	11/12/2025	Fastenal Company	\$ 708.01
13093	11/12/2025	Fuel Pros, Inc.	\$ 995.95
13094	11/12/2025	Healthequity, Inc.	\$ 17.70
13095	11/12/2025	Henschel Pump Test LLC	\$ 1,500.00
13096	11/12/2025	Horizon Lighting, Inc.	\$ 304.84
13097	11/12/2025	InfoSend, Inc.	\$ 5,388.75
13098	11/12/2025	Interstate Battery System of Inland Valley	\$ 351.84
13099	11/12/2025	Lumague, Katrina	\$ 113.26
13100	11/12/2025	Online Information Services, Inc.	\$ 367.66
13101	11/12/2025	Pitney Bowes Global Financial Svc LLC	\$ 2,344.04
13102	11/12/2025	Pomona City Clerk	\$ 2,197.80
13103	11/12/2025	Purchase Power	\$ 500.00
13104	11/12/2025	S & J Supply Company, Inc.	\$ 692.19
13105	11/12/2025	Sangjin Miller Oh	\$ 29,780.34
13106	11/12/2025	Searock Stafford CM, Inc.	\$ 23,810.00
13107	11/12/2025	State Water Resources Ctrl Bd - Cert Rnw	\$ 80.00
13108	11/12/2025	Thermal Concepts, Inc.	\$ 1,469.00
13109	11/12/2025	Valley Vista Services, Inc.	\$ 1,695.02
13110	11/12/2025	Veritiv Operating Company	\$ 8.23
13111	11/12/2025	West Coast Sand and Gravel, Inc.	\$ 2,306.64
13112	11/12/2025	Western Exterminator Company	\$ 91.00
13113	11/18/2025	AT&T Mobility II, LLC	\$ 602.04
13114	11/18/2025	Azteca Landscape	\$ 15,675.00
13115	11/18/2025	Badger Meter, Inc.	\$ 1,345.04
13116	11/18/2025	Core & Main LP	\$ 2,003.11
13117	11/18/2025	McMaster-Carr Supply Company	\$ 476.71
13118	11/18/2025	Southern Calif Gas Company	\$ 63.77
13119	11/18/2025	Southern California Water Utilities Association	\$ 400.00
13120	11/18/2025	Walnut Valley Unified School District	\$ 118.76
13121	11/18/2025	Western Water Works	\$ 3,738.90

Walnut Valley Water District
Check Register For the Month of November 2025

CHECK NUMBER	DATE	PAYEE	AMOUNT
13122	11/18/2025	Cintas Corporation #150	\$ 213.85
13123	11/18/2025	Dunn Edwards Corporation	\$ 938.22
13124	11/18/2025	InfoSend, Inc.	\$ 20,222.63
13125	11/18/2025	Genesis Computer Systems, Inc.	\$ 662.06
13126	11/18/2025	Frontier Communications	\$ 1,495.00
13127	11/18/2025	Managed Mobile, Inc.	\$ 1,345.87
13128	11/18/2025	OPARC, Inc.	\$ 5,459.08
13129	11/18/2025	HASA, Inc.	\$ 1,400.91
13130	11/18/2025	Bay Alarm Company	\$ 8,381.69
13131	11/18/2025	Autonovation Mobile Auto Repair	\$ 1,963.81
13132	11/18/2025	Interstate Battery System of Inland Valley	\$ 425.43
13133	11/18/2025	Lagerlof, LLP	\$ 3,900.00
13134	11/18/2025	David Wilson's Villa Ford	\$ 52,576.21
13135	11/18/2025	La Canada Design Group, Inc.	\$ 24,262.64
13136	11/18/2025	Via Promotionals, Inc.	\$ 1,963.35
13137	11/18/2025	Axelliant LLC	\$ 35,400.00
13138	11/18/2025	CPI	\$ 162.60
13139	11/18/2025	Resource Computer Solutions, Inc.	\$ 79,502.34
13140	11/18/2025	Air Resources Board	\$ 735.00
13141	11/20/2025	City of Industry	\$ 2,076.01
13142	11/25/2025	Badger Meter, Inc.	\$ 468.70
13143	11/25/2025	Chan, Andy	\$ 250.00
13144	11/25/2025	Diamond Bar High School	\$ 1,600.00
13145	11/25/2025	Ken's Ace Hardware	\$ 62.54
13146	11/25/2025	Liebert, Cassidy, & Whitmore	\$ 1,206.00
13147	11/25/2025	McMaster-Carr Supply Company	\$ 65.16
13148	11/25/2025	Pollardwater	\$ 224.16
13149	11/25/2025	United Rentals Northwest, Inc.	\$ 2,116.07
13150	11/25/2025	Verizon Wireless	\$ 1,077.07
13151	11/25/2025	Cintas Corporation #150	\$ 213.85
13152	11/25/2025	LA. County Department of Public Works	\$ 1,338.16
13153	11/25/2025	Rowland High School	\$ 820.00
13154	11/25/2025	Industry Public Utility Commission	\$ 1,645.76
13155	11/25/2025	Ferguson Waterworks - Santa Ana	\$ 440.23
13156	11/25/2025	Morrow-Meadows Corporation	\$ 11,365.20
13157	11/25/2025	Snyder, Chason	\$ 4,067.72
13158	11/25/2025	Associated Soils Engineering, Inc.	\$ 2,910.00
13159	11/25/2025	West Coast Sand and Gravel, Inc.	\$ 6,376.85
13160	11/25/2025	Tovar, Marco	\$ 230.42
13161	11/25/2025	Anne Chang	\$ 200.00
13162	11/25/2025	Frontier Communications	\$ 2,220.98

Walnut Valley Water District
Check Register For the Month of November 2025

CHECK NUMBER	DATE	PAYEE	AMOUNT
13163	11/25/2025	Wienhoff and Associates, Inc.	\$ 765.00
13164	11/25/2025	HASA, Inc.	\$ 6,395.19
13165	11/25/2025	Southwest Valve & Equipment, LLC	\$ 6,625.61
13166	11/25/2025	GNA - Brook Fire Protection, Inc.	\$ 111.80
13167	11/25/2025	Paper Recycling & Shredding Specialists, Inc.	\$ 100.00
13168	11/25/2025	Interstate Battery System of Inland Valley	\$ 1,083.89
13169	11/25/2025	Merrimac Energy Group	\$ 7,267.92
13170	11/25/2025	Hernandez, Samuel	\$ 173.98
13171	11/25/2025	Pomona Valley Plumbing, Heating & Air Conditioning	\$ 315.00
13172	11/25/2025	Nextiva, Inc.	\$ 2,878.22
13173	11/25/2025	Resource Computer Solutions, Inc.	\$ 35,766.18
13174	11/25/2025	Hubbell Lenoir City	\$ 10,594.08
13175	11/25/2025	Horizon Lighting, Inc.	\$ 633.14
13176	11/25/2025	Specialty Equipment	\$ 57,000.00
13177	11/25/2025	Horizon Engineering Systems LLC	\$ 18,774.00
EFT000000001530	11/5/2025	SpryPoint Services, Inc.	\$ 3,543.35
EFT000000001531	11/5/2025	Quest Building Services	\$ 2,350.00
EFT000000001532	11/5/2025	DPR Construction, A General Partnership	\$ 1,644,013.45
EFT000000001533	11/13/2025	Doty Bros Equipment Co, Inc.	\$ 72,331.76
EFT000000001534	11/13/2025	Puente Basin Water Agency	\$ 58,390.76
EFT000000001535	11/13/2025	Amazon Capital Services, Inc.	\$ 7,578.85
EFT000000001536	11/13/2025	U.S. Bank National Association	\$ 114,687.95
EFT000000001537	11/13/2025	DPR Construction, A General Partnership	\$ 1,689.36
EFT000000001538	11/13/2025	U.S. Bank National Association	\$ 397,280.46
EFT000000001539	11/18/2025	Home Depot Credit Services	\$ 2,440.36
EFT000000001540	11/18/2025	Bill Operations LLC	\$ 23,671.75
EFT000000001541	11/19/2025	SpryPoint Services, Inc.	\$ 215.90
EFT000000001542	11/25/2025	Southern California Edison Company	\$ 135,725.85
EFT000000001543	11/26/2025	Boostlingo, LLC	\$ 95.00
XFR000008938	11/25/2025	WATER REFUND	\$ 13,319.06
TOTAL			\$ 3,153,886.03

Reviewed by:

June 13

Director of Finance

12/10/2025

Date

Reviewed by:

[Signature]

General Manager

12/11/2025

Date

**Walnut Valley Water District
Monthly Employee Expense Reimbursements
Exceeding the Amount of \$100.00
For the Month of November 30, 2025**



Date	Check Number	Employee Name	Description	Amount
11/25/2025	013143	Chan, Andy	Expense Reimbursement	\$ 250.00
11/25/2025	013170	Hernandez, Samuel	Expense Reimbursement	\$ 173.98
11/12/2025	013099	Lumague, Katrina	Expense Reimbursement	\$ 113.26
11/25/2025	013157	Snyder, Chason	Education Reimbursement	\$ 4,067.72
11/25/2025	013160	Tovar, Marco	Expense Reimbursement	\$ 230.42

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 15, 2025
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 Inserts
District customers received the inserts noted below (front/back) with their monthly bill statement.

Insert Front



AT A GLANCE...

2026 RATE INCREASE

We understand that every dollar counts. This adjustment helps the District invest in system reliability, replace aging infrastructure, and ensure safe, high-quality water.

SCENARIO #1: HOUSEHOLD WITH 5/8" OR 3/4" METER

A typical single-family household using about 13 units per month (about 9,700 gallons) will see an estimated \$12 increase on their monthly bill.



A family of four can offset part of this by shortening showers by 2–3 minutes or fixing small leaks.

SCENARIO #2: HOUSEHOLD WITH 1" METER

A household using about 20 units per month (about 15,000 gallons) will see an estimated \$18 increase on their monthly bill.



Fixing leaks or adjusting sprinklers can save thousands of gallons monthly, helping offset the increase.

WAYS TO REDUCE WATER USE AND SAVE

- ✓ **Inspect irrigation systems regularly:** Fix broken sprinklers and avoid overwatering.
- ✓ **Use a smart irrigation controller:** These devices adjust watering based on weather conditions.
- ✓ **Check for leaks indoors and outdoors:** Fixing even a slow leak can save 5–10% of your total water use.
- ✓ **Schedule a free Water Use Assessment:** Our conservation specialists can recommend cost-effective water savings tips.



To learn more about rates, scan the QR code or visit www.walnutvalleywater.gov



IMPORTANT CHANGES TO YOUR WATER RATES

EFFECTIVE JANUARY 1, 2026

The WVWD Board of Directors has approved rate increases effective January 1, 2026. Changes in your monthly water bill will be reflected in your February 2026 statement. The Board of Directors approved a Rate Study in November of 2024. Since then, WVWD has worked to mitigate costs while meeting necessary investment in the pipes, pumps, and plants that keep clean water flowing to your home.



Visit walnutvalleywater.gov/sustainability/ for rebates and tips to save water.

A Message to Our Valued Customers:
Notes of Rate Increase Effective January 1, 2026

COMMODITY RATES

Residential	Current Charge (per unit)	Approved Rate
Tier I (0-6 units)	\$3.55	\$4.02
Tier II (7-27 units)	\$4.49	\$5.08
Tier III (28+ units)	\$5.97	\$6.75
Multi-Family	\$4.46	\$5.04
Non-Residential	\$4.46	\$5.04
Industrial/Irrigation	\$4.46	\$5.04
Recycled	\$2.66	\$3.04

- One unit of water = 748 gallons of water
- Commodity rates are the rates to cover the cost of imported water. The District imports water from its wholesaler Three Valleys Municipal Water District and the Metropolitan Water District of Southern California.
- The District's water sources are the Colorado River and the State Water Project in Sacramento.

Walnut Valley Water District
(909) 595-7554 | walnutvalleywater.gov

@WVWDH2O

A Message to Our Valued Customers:
Notes of Rate Increase Effective January 1, 2026

METER CHARGE

Meter Size	Current Charge	Approved Rate
5/8" or 3/4"	\$37.15	\$41.98
1"	\$51.59	\$58.30
1 1/2"	\$87.65	\$99.05
2"	\$130.93	\$147.96
3"	\$246.35	\$278.38
4"	\$376.19	\$425.10
6"	\$736.85	\$832.65
8"	\$1,169.65	\$1,321.71

- Meter charges are used to cover expenses associated with regular maintenance and operations (including but not limited to billing, collection, service calls, and meter readings).

PUMP ZONE CHARGE

Zone	Current Charge	Approved Rate
Zone 1	\$0.00	\$0.00
Zone 2	\$0.26	\$0.30
Zone 3	\$0.48	\$0.55

FIRE PROTECTION RATE

Meter Size	Current Charge	Approved Rate
1", 1 1/2", 2", 4", 6", 8", 10", or 12"	\$15.51	\$17.53
Private Hydrant	\$15.51	\$17.53

- These charges do not apply to most customers.
- These charges are based on connection size for private fire services and hydrants.

Walnut Valley Water District
(909) 595-7554 | walnutvalleywater.gov

@WVWDH2O

關於您水費費率的重要變更

2026年1月1日開始生效

核桃谷水利局董事會已經批准自 2026 年 1 月 1 日起生效的水費調整。您每月水費帳單的變更將反映在 2026 年 2 月的帳單中。

董事會於 2024 年 11 月批准進行費率研究。自那時起，核桃谷水利局一直努力在控制成本的同時，持續投資於管線、幫浦與淨水設施的維護與升級，以確保乾淨的自來水持續供應到您家中。



請瀏覽 walnutvalleywater.gov/sustainability/ 以了解節水回饋與省水秘訣。

致尊貴顧客的訊息：

費率調整通知，自2026年1月1日起生效

用水量費率

住戶用水	目前收費 (每單位)	核准費率
第一級 (0-6單位)	\$3.55	\$4.02
第二級 (7-27單位)	\$4.49	\$5.08
第三級 (28+單位)	\$5.97	\$6.75
多戶住宅用戶	\$4.46	\$5.04
非住宅用戶	\$4.46	\$5.04
工業/灌溉	\$4.46	\$5.04
回收用水	\$2.66	\$3.04

- 一單位水=748加侖
- 用水量費率是指用於支付進口水成本的費用。水利局從三谷水利局 (TVMWD) 和南加州大都會水利局 (MWD) 等批發商買進用水。
- 水利局的水源來自科羅拉多河以及位於沙加福度的州水利工程。

核桃谷水利局
(909) 595-7554 | walnutvalleywater.gov

@WVWDH2O

致尊貴顧客的訊息：

費率調整通知，自2026年1月1日起生效

水表收費

水表尺寸	目前收費	核准費率
5/8" or 3/4"	\$37.15	\$41.98
1"	\$51.59	\$58.30
1 1/2"	\$87.65	\$99.05
2"	\$130.93	\$147.96
3"	\$246.35	\$278.38
4"	\$376.19	\$425.10
6"	\$736.85	\$832.65
8"	\$1,169.65	\$1,321.71

- 水表費用用於支付與日常維護及營運相關的費用 (包括但不限於帳單、收款、維修服務及水表抄讀)。

抽水區收費

區域	目前收費	核准費率
第一區	\$0.00	\$0.00
第二區	\$0.26	\$0.30
第三區	\$0.48	\$0.55

消防保護費率

水表尺寸	目前收費	核准費率
1", 1 1/2", 2", 4", 6", 8", 10", or 12"	\$15.51	\$17.53
私人消防栓	\$15.51	\$17.53

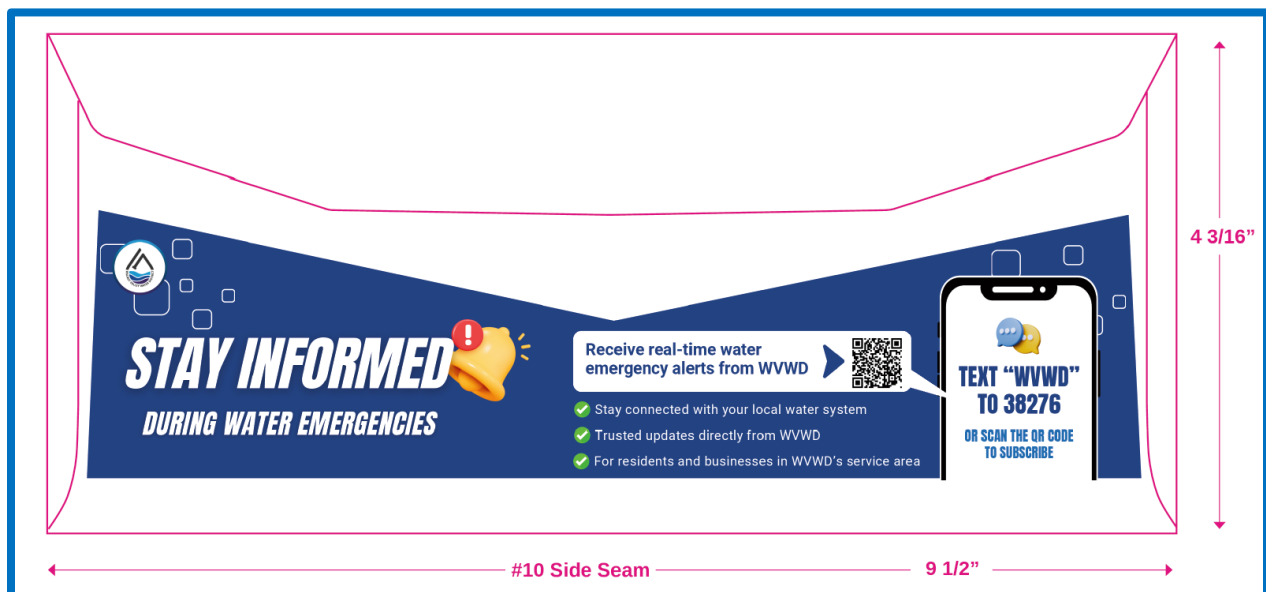
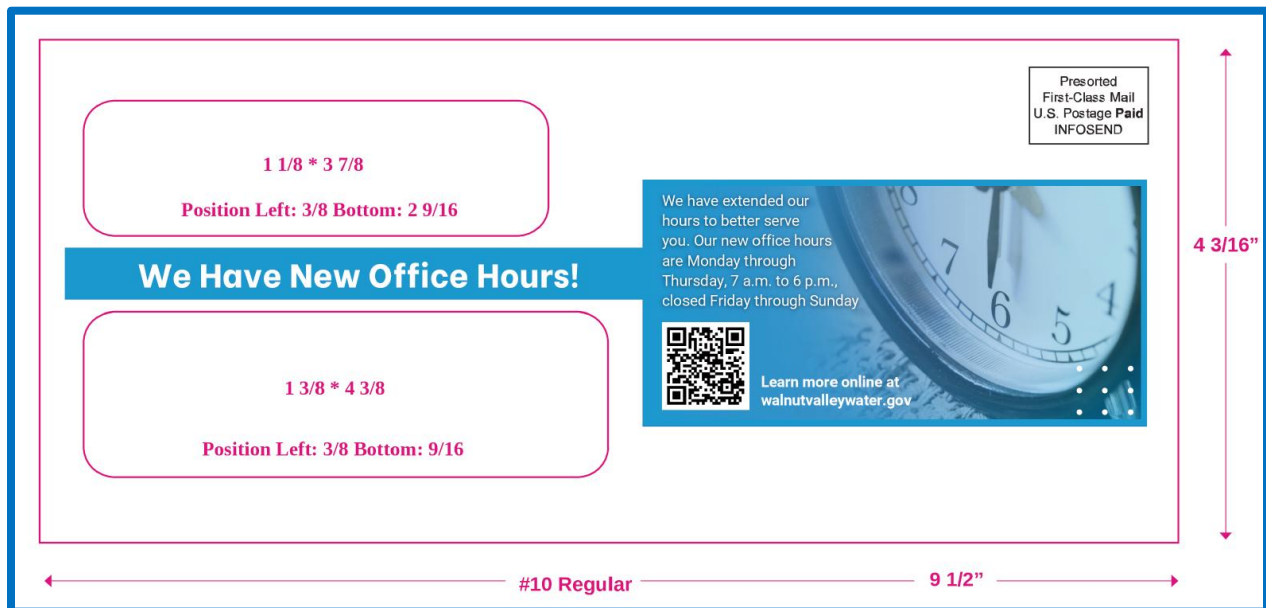
- 這些費用不適用於大多數客戶
- 這些費用是根據私人消防設施及消防栓的連接口徑計算的。

核桃谷水利局
(909) 595-7554 | walnutvalleywater.gov

@WVWDH2O

December Bill Snipe

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

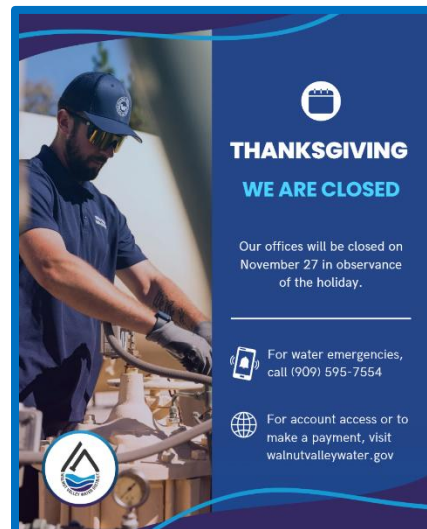


2. Facebook, Instagram, X, and YouTube

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

During October, the District shared the following:

- Job Post: Cross Connection Technician I/II
- Mulch Giveaway and Rain Barrel Distribution Event
- Flume Black Friday Promotion
- Office Closed: Veterans Day
- Office Closed: Thanksgiving



3. Customer Portal Campaign

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

During December, the District shared the following:

- Customer Monthly Newsletter



Walnut Valley Water District

Monthly Newsletter

December 2025

Upcoming Events This Saturday!

Mulch Giveaway

Back by popular demand, our self-serve mulch giveaway is here to help you finish the year strong! Mulch is available on a first-come, first-served basis. Bring your own sturdy bins, buckets, or reusable containers and scoop your own mulch.

- Date: Saturday, December 6th
- Time: 8:00 AM – 12:00 PM (while supplies last)
- Location: Diamond Bar High School Parking Lot, 21400 Pathfinder Rd., Diamond Bar



[More About This Event](#)

Rain Barrel Distribution

Turn rain into resource! Start collecting rainwater for your garden, lawn, or outdoor plants. Prices start at \$85.

Barrels will be available for pick-up at this special distribution event. Advance purchase is required.

- Date: Saturday, December 6th
- Time: 9:00 AM – 11:00 AM
- Location: Diamond Bar High School Parking Lot, 21400 Pathfinder Rd., Diamond Bar



[Place My Order](#)

Rebates Available

\$35 rebate per barrel for up to two barrels per household available for most local residents. For more information, visit www.socalwatersmart.com.



STAY INFORMED

DURING WATER EMERGENCIES

TEXT "WVWD" TO 38276

Receive real-time water emergency alerts from WVWD!

- ✓ Stay connected with your local water system
- ✓ Trusted updates directly from WVWD
- ✓ For residents and businesses in WVWD's service area

SIGN UP. STAY INFORMED. STAY PREPARED.

SUBSCRIBE TODAY!

[Sign Up Here](#)

Let's Dive Into Frequently Asked Questions (FAQ)

When Will The New Water Rates Begin?

The WVWD Board of Directors has approved new water rates effective January 1, 2026. These changes will appear on your February bill.

This adjustment follows a 2024 Rate Study and supports critical investments in infrastructure to keep clean, reliable water flowing to your home.



How Will This Affect My Bill?

We understand that every dollar counts. This adjustment helps the District invest in system reliability, replace aging infrastructure, and ensure safe, high-quality water.

Scenario #1: Household With 5/8" or 3/4" Meter

- A typical single-family household using about 13 units per month (about 9,700 gallons) will see an estimated \$12 increase on their monthly bill.
- A family of four can offset part of this by shortening showers by 2–3 minutes or fixing small leaks.

Scenario #2: Household With 1" Meter

- A household using about 20 units per month (about 15,000 gallons) will see an estimated \$18 increase on their monthly bill.
- Fixing leaks or adjusting sprinklers can save thousands of gallons monthly, helping offset the increase.

One Week Only! Special Promotion For WVWD Customers



The Rachio Smart Controller sale runs December 1st through 8th. Take advantage of these special sale prices and save big:

- 8-Zone: **\$149.99** (reg. \$199.99)
- 16-Zone: **\$187.49** (reg. \$249.99)

Save water and simplify your watering with a smart controller that adjusts automatically for weather, soil, and plants. Get yours before the sale ends!

[Shop Now!](#)

In the Community

We had a great time participating in Golden Springs Elementary School's Career Day!

WVWD values opportunities to engage with schools and community events and share what we do. If you'd like WVWD to be part of your next event, we'd love to hear from you.



[Contact Us](#)

Planning to Build an ADU or Need New Water Service?



You might need to upgrade your water service if your project includes:

- ✓ Building a new home or adding an Accessory Dwelling Unit (ADU)
- ✓ Installing a fire sprinkler system
- ✓ Adding plumbing fixtures beyond your current water meter capacity

Avoid delays—plan ahead! Contact our Engineering team. We're here to help.

Monday through Thursday, 7:00 am to 5:00 pm by appointment only:

Email: engineering@walnutvalleywater.gov
Phone: (909) 595-7554 ext. 275

For more information about construction-related services, visit our [Developer Resources page](#).

Save with WaterSense

Ready for change? Look for the WaterSense logo on products to ensure you're using water-efficient options that help save both water and money!

[Search Products](#)



Office Hours:

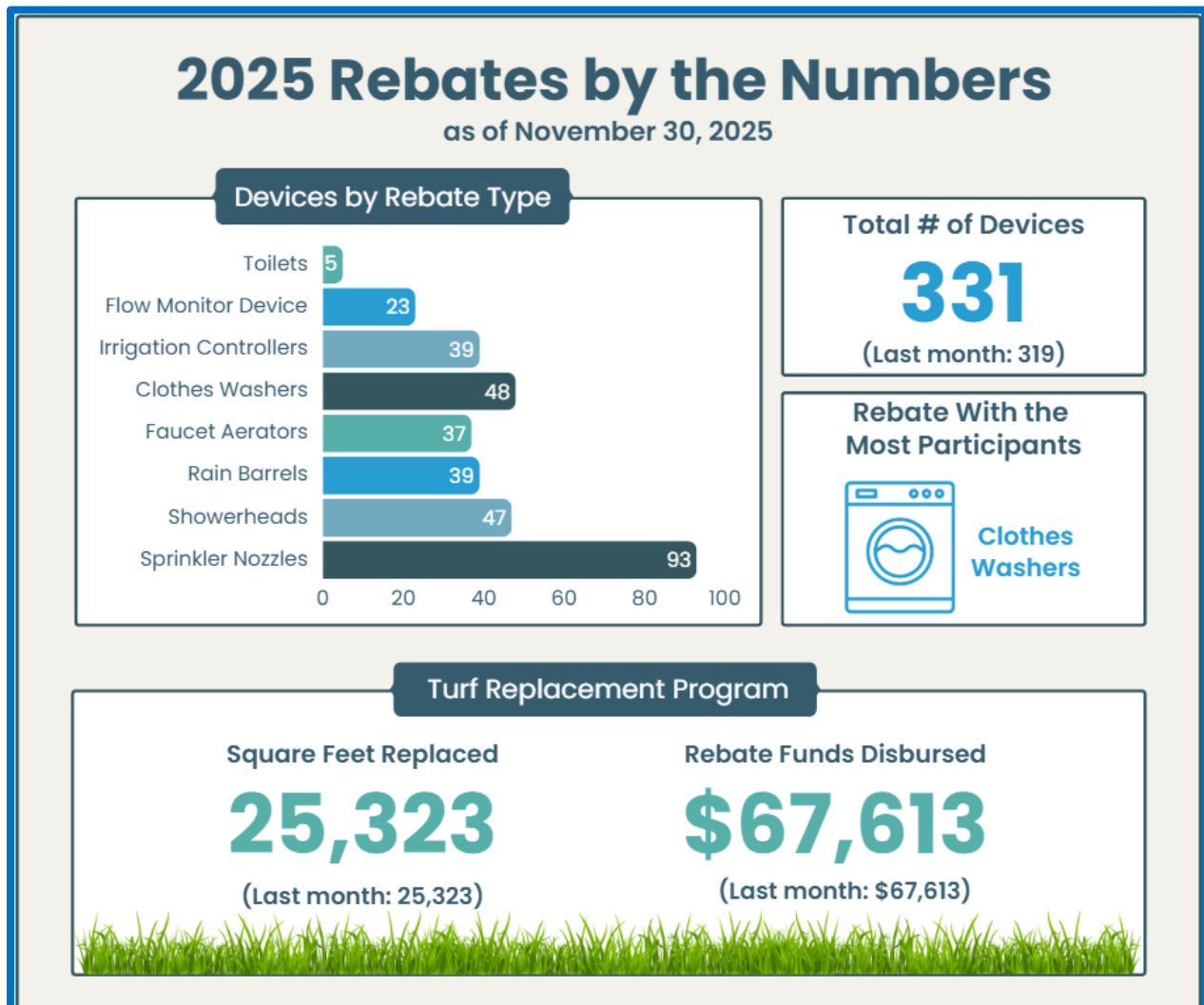
Open: Monday–Thursday, 7AM – 6PM | Closed: Friday–Sunday

Need assistance after hours? Emergency services and online tools are just a call or click away.
Call us at (909) 595-7554 or visit walnutvalleywater.gov.



4. Residential and Commercial Rebates

The District, in partnership with MWD, offers various rebate programs. Below is a summary of rebates successfully paid year-to-date in 2025; pending or in-process applications are not included.



5. Metropolitan Water District 2026 Calendar
Metropolitan Water District (MWD) has chosen one student, Jeremy Han from South Pointe Middle School, to showcase their artwork in the "Being Waterwise Is" 2026 calendar. The student has been invited to a special luncheon at MWD's office on December 11 to celebrate this achievement.
6. "Being Water Wise Is..." Art Contest
The District announced the annual student art contest. This program invites 3rd-12th grade students to create artwork that reflects the theme "Being Water Wise Is...". The winners will be honored at an awards ceremony in April 2026.

WALNUT VALLEY WATER DISTRICT

"Being Water Wise Is..." Art Contest



CALLING ALL 3RD-12TH GRADE TEACHERS!

Show off your student's creativity! Enter their artwork for a chance to have WVWD cover up to \$200 of school supplies from your Amazon Wishlist, plus extra incentives for participation.

Student and teacher winners will be honored in a special awards ceremony!

Entries must be submitted to Walnut Valley Water District by Thursday, February 26, 2026 @ 5:00 PM.

Schools can also request a convenient pickup through their front office. Reach out to us to schedule!

Questions? Contact Katrina at klumague@walnutvalleywater.gov or (909) 595-7554 ext. 209



For full contest guidelines, visit walnutvalleywater.gov/community/school-programs/art-contest/



External Affairs & Sustainability Activities

1. Career Day at Golden Springs Elementary School
The District presented at Career Day on November 14 at Golden Springs Elementary in Diamond Bar. Our team explained how WVWD services our community and about careers in the water industry.
2. Outreach Booths at Vons
WVWD hosted a series of outreach booths outside the Vons store in Walnut to engage customers and promote district programs. Staff shared information on upcoming events and distributed leak-repair kits along with other water-conservation materials.
3. Rain Barrel Distribution and Mulch Giveaway
The District hosted a Rain Barrel Distribution and Mulch Giveaway Event on December 6 at Diamond Bar High School. Customers who pre-ordered rain barrels through our partnership with Rain Barrels International collected them at this event. The mulch giveaway, in collaboration with the City of Diamond Bar, was distributed on a first-come, first-served basis.
4. Winter Wonderland
The District is participating in the City of Walnut's Winter Wonderland on December 13 at Suzanne Park. This included a booth at the event to hand out giveaways and conservation-related flyers.
5. LA Regional Food Bank Volunteering
District employees are participating in annual volunteering at the LA Regional Food Bank located in the City of Industry on Friday, December 19. Last year, employees boxed 1,020 kits serving residents and families in need. This year, employees are looking forward to increasing that number.
6. Splash Cash Teacher Grants
WVWD is awarding nine grants through the Splash Cash Program, administered by PWAG-CET, to teachers in the Pomona, Rowland, and Walnut Valley Unified School Districts. The funding will support student field trips, conservation-focused projects, and sustainability improvements across participating school campuses.
7. Leak Repair Programs
Through MWD's MAAP funding program, WVWD has secured \$75,000 to support its Leak Repair Program for qualifying customers. Eligible customers may participate through an invitation, which is extended following an assessment of water usage and need. To date, all available funding has been allocated to assist over 175 customers. The District is allocating additional funds to continue supporting additional repairs under this program. In addition, a separate program is available specifically for customers enrolled in the Affordable Rate Program. EcoTech Services is responsible for conducting all leak assessments and performing repairs for both indoor and outdoor leaks.

Local Sponsorships

1. Making Spirits Bright Toy Drive

The District sponsored the Making Spirits Bright Toy Drive event that benefits military families based in Southern California. The toy turn-over ceremony took place on Sunday, December 7 at the Diamond Bar Holiday Inn.

2. Brahma Night Market

The District is sponsoring the Brahma Night Market at Diamond Bar High School on December 12. The sponsorship includes recognition at the event and a booth at the event.

3. 26th Annual Teddy Bear Tea

WVWD is sponsoring Walnut Valley Educational Foundation's Annual Teddy Bear Tea on December 13. The sponsorship includes a half-page ad in the program, one guest table and recognition during the ceremony, on the website and social media.

4. Diamond Bar High School Campus Beautification Project

The District is sponsoring DBHS's campus beautification project as a legacy sponsor. This sponsorship includes recognition and an invitation to the project unveiling, commemorative photo with campus leadership and the project committee, recognition on the DBHS instrumental music social media, a two page ad in the instrumental music event program, our logo on the marching band truck, reserved seats at the music concert family dinner and spring/pop concerts, our logo displayed during construction, recognition on the patrons of arts wall in the music building, and recognition on the project website.

5. Diamond Bar High School Music Concert Program

The District is sponsoring the DBHS music programs concert events during the school year with a two page full spread advertisement of the District's internship program and scholarships available to students pursuing degrees and certifications in water related fields.

6. Diamond Bar Evergreen Club Journal Ads

The District is sponsoring the Diamond Bar Evergreen Club's Quarterly Journal Ads. The sponsorship includes a whole-page ad that is distributed to their members.

7. City of Walnut Recreation Guide

The District is sponsoring an ad in the fall edition of the City of Walnut's "Life In Walnut" recreation guide. The sponsorship includes a whole-page ad that is distributed to the community.

8. Regional Chamber Annual Guide

The District is sponsoring an ad in the Chamber's Business Horizons Annual Guide & Directory. The sponsorship includes a whole-page ad that is distributed to the community.

9. 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. This year, two AP Environmental Science classes from Walnut High School will participate in the program.

10. Public Water Agencies Group - Conservation and Education Team (PWAG-CET)

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

DIRECTOR EXPENSE FORM



NAME: Edwin Hilden

DATE: October 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/3/2025	Public Info	<input checked="" type="checkbox"/>				\$ -
2	11/3/2025	Finance	<input type="checkbox"/>				\$ -
3	11/4/2025	Engineering	<input type="checkbox"/>				\$ -
4	11/4/2025	Personnel	<input checked="" type="checkbox"/>				\$ -
5	11/5/2025	TWMWD Board	<input checked="" type="checkbox"/>				\$ -
6	11/6/2025	City's Veterans Recognition Ceremony	<input type="checkbox"/>				\$ -
7	11/10/2025	Board Meeting	<input checked="" type="checkbox"/>				\$ -
8	11/13/2025	Workshop	<input checked="" type="checkbox"/>				\$ -
9	11/19/2025	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 \$0.655 \$ -

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

11/25/2025
Date

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

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

DIRECTOR EXPENSE FORM



NAME: Scarlett Kwong

DATE: November 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/3/2025	Public Info/Legislative Action Committee	<input checked="" type="checkbox"/>				\$ -
2	11/4/2025	Personnel Committee	<input checked="" type="checkbox"/>				\$ -
3	11/10/2025	RCCSGV Government Committee	<input type="checkbox"/>				\$ -
4	11/5/2025	Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	11/13/2025	Board Workshop	<input checked="" type="checkbox"/>				\$ -
6	11/19/2025	President's duty	<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 \$0.70							\$ -
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 \$0.70

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

[GSA Per diem rates](#)

DIRECTOR EXPENSE FORM



NAME: Theresa Lee

DATE: November 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/3/2025	Spedra Basin Executive Committee Meeting	<input type="checkbox"/>				\$ -
2	11/3/2025	WVWD Finance Committee Meeting	<input checked="" type="checkbox"/>				\$ -
3	11/10/2025	San Dimas Rotary Marine 250 Years Birthday Dinner	<input checked="" type="checkbox"/>				\$ -
4	11/13/2025	WVWD Board Workshop	<input checked="" type="checkbox"/>				\$ -
5	11/15/2025	West Coast Arborist Tour	<input 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 \$0.70 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 3 X \$150.00 per day \$ 450.00

TOTAL \$ 450.00

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 \$0.70

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

DIRECTOR EXPENSE FORM



NAME: Jerry C. Tang

DATE: November 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/10/2025	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
2	11/13/2025	WVWD Board Workshop	<input checked="" type="checkbox"/>				\$ -
3			<input type="checkbox"/>				\$ -
4			<input type="checkbox"/>				\$ -
5			<input 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 \$0.70 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 2 X \$150.00 per day \$ 300.00

TOTAL \$ 300.00

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 \$0.70

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

DIRECTOR EXPENSE FORM



NAME: Henry Woo

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/3/2025	Public Info Meeting	<input checked="" type="checkbox"/>				\$ -
2	11/3/2025	Finance Committee Meeting	<input type="checkbox"/>				\$ -
3	11/4/2025	Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
4	11/5/2025	Three Valley Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	11/10/2025	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
6	11/13/2025	Special Board Meeting	<input checked="" type="checkbox"/>				\$ -
7	11/19/2025	Three Valley Board Meeting	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.70 \$ -

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 \$0.70

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

Monthly Board Expense Detail
Edwin Hilden
November 30, 2025

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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								-	
								-	
Total Districts Charges						-	-	0.00	

Date _____

12/10/2025
Date

Director of Finance

Date _____

General Manager

12/11/2025
Date

Monthly Board Expense Detail
Scarlett Kwong
November 30, 2025

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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								-	
Total Districts Charges						-	-	0.00	

Date _____

12/10/2025
Date

Date _____

Director of Finance

Date _____

General Manager

12/4/2025
Date

Date _____

Monthly Board Expense Detail
Jerry Tang
November 30, 2025

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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								-	
Total Districts Charges						-	-	0.00	

Date _____

Date _____

Date _____

Date _____

Monthly Board Expense Detail
 Henry Woo
 November 30, 2025

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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								-	
Total Districts Charges						-	-	0.00	

Henry Woo


Date



12/10/2025

Executive Services Administrator


Date



12/10/2025

Director of Finance

Date



12/11/2025

General Manager

Date



**WALNUT VALLEY WATER DISTRICT
TREASURER'S REPORT
December 15, 2025**

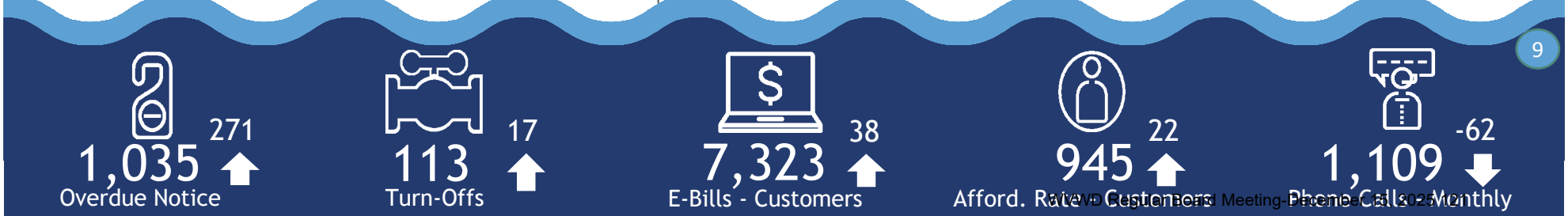
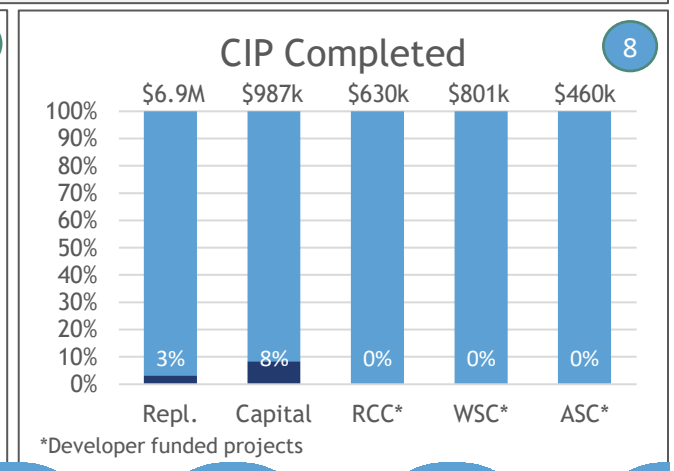
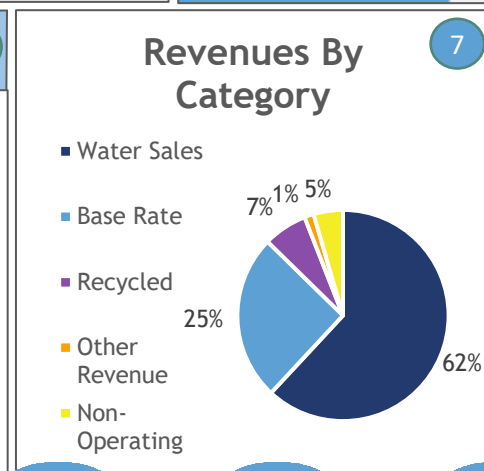
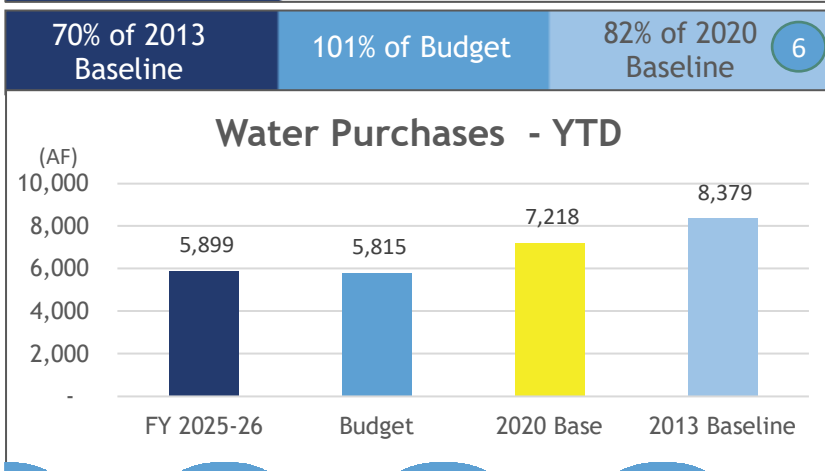
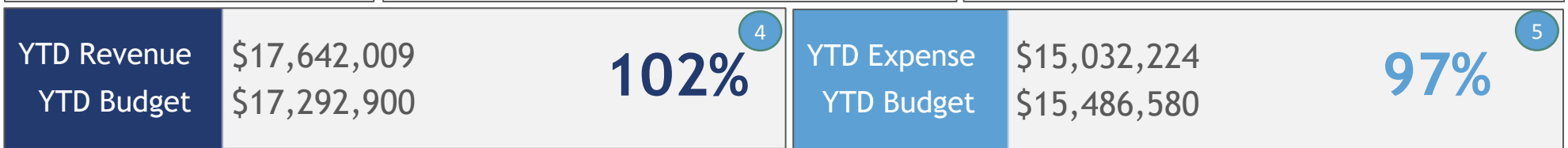
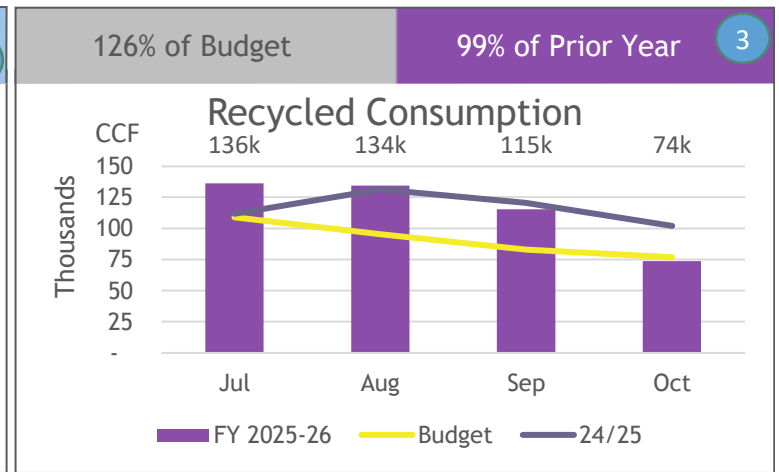
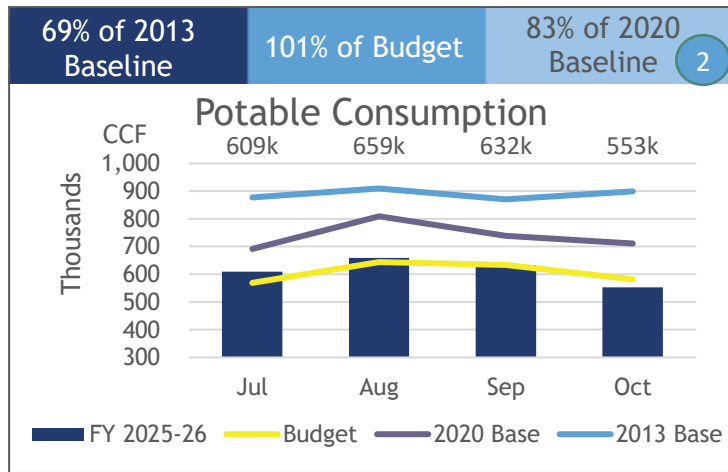
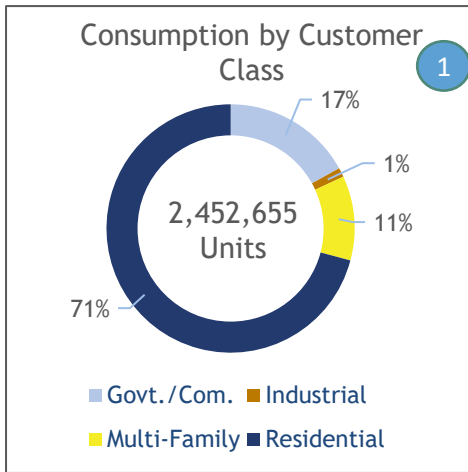
- A. Financial Dashboard as of October 31, 2025
- B. District Statement of Revenues, Expenses, and Change in Net Position as of October 31, 2025
- C. District Statement of Net Position as of October 31, 2025
- D. Summary of Cash Investments as of October 31, 2025



Walnut Valley Water District Financial Dashboard



October 31, 2025



* 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 Friday, October 31, 2025

	Actual	October Budget	% of Budget	YTD Actual	Budget	Annual % of Budget
Operating Revenues						
Water Sales	\$3,884,365.13	\$3,932,100.00	98.79%	\$17,232,351.10	\$42,665,763.00	40.39%
Water Sales - Recycled	205,471.14	211,000.00	97.38%	1,246,301.80	2,107,600.00	59.13%
Hydroelectric Sales	4,348.17	2,500.00	173.93%	17,474.54	30,000.00	58.25%
Stand-by Charges	47,893.87	15,000.00	319.29%	58,130.26	825,000.00	7.05%
Total Operating Revenues	4,142,078.31	4,160,600.00	99.55%	18,554,257.70	45,628,363.00	40.66%
Operating Expenses						
Operations	725,397.35	641,980.00	112.99%	2,392,457.03	8,517,750.00	28.09%
Engineering	194,085.74	141,560.00	137.10%	552,447.90	1,854,750.00	29.79%
Finance	239,845.26	211,400.00	113.46%	739,912.04	2,721,450.00	27.19%
Board of Directors/GM Office	168,560.84	142,600.00	118.21%	522,693.59	1,910,000.00	27.37%
Administrative Services	396,437.16	353,550.00	112.13%	1,326,446.89	4,519,550.00	29.35%
General Administration	128,679.93	147,680.00	87.13%	608,243.10	1,721,845.00	35.33%
Total Operating Expenses	1,853,006.28	1,638,770.00	113.07%	6,142,200.55	21,245,345.00	28.91%
Purchased Water & Related	2,054,304.65	2,022,600.00	101.57%	9,808,784.33	22,281,550.00	44.02%
Total Expenses	3,907,310.93	3,661,370.00	106.72%	15,950,984.88	43,526,895.00	36.65%
Income (Loss) From Operations	234,767.38	499,230.00	47.03%	2,603,272.82	2,101,468.00	123.88%
Nonoperating Revenues/(Expenses)	258,829.58	88,700.00	291.80%	832,581.27	410,900.00	202.62%
Income (Loss) Before Res. Rev & Deprec.	493,596.96	587,930.00	83.96%	3,435,854.09	2,512,368.00	136.76%
Restricted/Desig Rev & Other Exp.	90,410.10	0.00	0.00%	371,394.02	0.00	0.00%
Income (Loss) Before Depreciation	584,007.06	587,930.00	99.33%	3,807,248.11	2,512,368.00	151.54%
Depreciation & Amortization	476,008.20	0.00	0.00%	1,915,150.22	0.00	0.00%
Income Before Capital Contributions	107,998.86	587,930.00	18.37%	1,892,097.89	2,512,368.00	75.31%
Capital Contributions	242.39	0.00	0.00%	54,929.44	0.00	0.00%
Net Increase (Decrease) in Net Position	108,241.25	587,930.00	18.41%	1,947,027.33	2,512,368.00	77.50%

Walnut Valley Water District
Unaudited Statement of Net Position
Friday, October 31, 2025

ASSETS

CURRENT ASSETS:

Cash & Investments - Unrestricted	\$33,940,143.59	
Accounts Receivable:		
Water	4,186,327.20	
Taxes	80,846.14	
Accrued Interest	179,170.23	
Other	865,605.62	
Standby Charges	36,137.85	
Materials Inventory	1,566,925.08	
Prepaid Expenses	505,084.10	
TOTAL CURRENT ASSETS		41,360,239.81

RESTRICTED ASSETS

Cash & Investments - Restricted	6,159,071.78	
Cash & Investments - Fiscal Agent	17,462,834.09	
Investment in Joint Venture	23,442,113.84	
TOTAL RESTRICTED ASSETS		47,064,019.71

OTHER ASSETS

CAPITAL ASSETS

Capital Assets	247,886,356.94	
Construction in Progress	33,224,501.99	
Less: Accumulated Depreciation	(143,604,721.21)	
NET CAPITAL ASSETS		137,506,137.72
TOTAL ASSETS		225,930,397.24

Walnut Valley Water District
Unaudited Statement of Net Position
Friday, October 31, 2025

DEFERRED OUTFLOW OF RESOURCES

Deferred Pension Contributions		1,884,602.00
Deferred Outflow - Actuarial		3,787,663.00
Deferred Outflow - OPEB		3,547,347.00
TOTAL DEFERRED OUTFLOW OF RESOURCES		<u>9,219,612.00</u>

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	(6,665,750.16)	
Other Current Liabilities	702,013.59	
Current Portion of Long Term Debt	(1,460,000.00)	
Interest Payable	(143,132.00)	
TOTAL CURRENT LIABILITIES		<u>(7,566,868.57)</u>

RESTRICTED LIABILITIES

Accounts Payable	(19,668.34)	
Deposits	(2,736,302.32)	
Construction Advances	(882,829.18)	
TOTAL RESTRICTED LIABILITIES		<u>(3,638,799.84)</u>

LONG TERM DEBT & RELATED

Revenue Bonds	(43,075,000.00)	
Deferred Bond Premium	(2,442,331.00)	
Net Pension Liability	(15,836,594.00)	
Other Long-term Debt	(2,994,308.49)	
TOTAL LONG TERM DEBT & RELATED		<u>(64,348,233.49)</u>
TOTAL LIABILITIES		<u><u>(75,553,901.90)</u></u>

Walnut Valley Water District
Unaudited Statement of Net Position
Friday, October 31, 2025

DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources - Actuarial	(1,367,420.00)
Deferred Inflow of Resources - OPEB	(1,668,541.00)
TOTAL DEFERRED INFLOW OF RESOURCES	<u>(3,035,961.00)</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	137,506,137.72	
Restricted	(3,552,111.13)	
Unrestricted	22,606,119.75	
TOTAL NET POSITION	<u>156,560,146.34</u>	
TOTAL NET POSITION		<u>156,560,146.34</u>

Walnut Valley Water District
Unaudited Summary of Cash and Investments
10/31/2025

CASH & CASH EQUIVALENTS

Cash on Hand		\$3,000.00	
<u>Cash in Bank</u>			
East West Bank - General	\$3,144,150.84		
East West Bank - Payroll	848,208.48		
East West Bank - Water Refund	21,680.94		
East West Bank - Revolving	21,962.18		
East West Bank - Credit Card	1,764,337.51		
East West Bank - Badillo Grand	319,799.71		
East West Bank - Payroll Reimbursement	32,020.09		
Total Cash in Bank		6,152,159.75	
TOTAL CASH			\$6,155,159.75

INVESTMENTS

Certificates of Deposit	248,000.00		
Corporate Notes	7,575,000.00		
Supranational	500,000.00		
Local Agency Investment Fund (LAIF)	2,956,792.19		
BNY Mellon - Money Market (Sweep)	1,908,080.95		
US Agency	2,450,000.00		
US Treasury	16,465,000.00		
CA Class	2,071,597.89		
TOTAL INVESTMENTS		34,174,471.03	
TOTAL CASH & INVESTMENTS			<u><u>\$40,329,630.78</u></u>

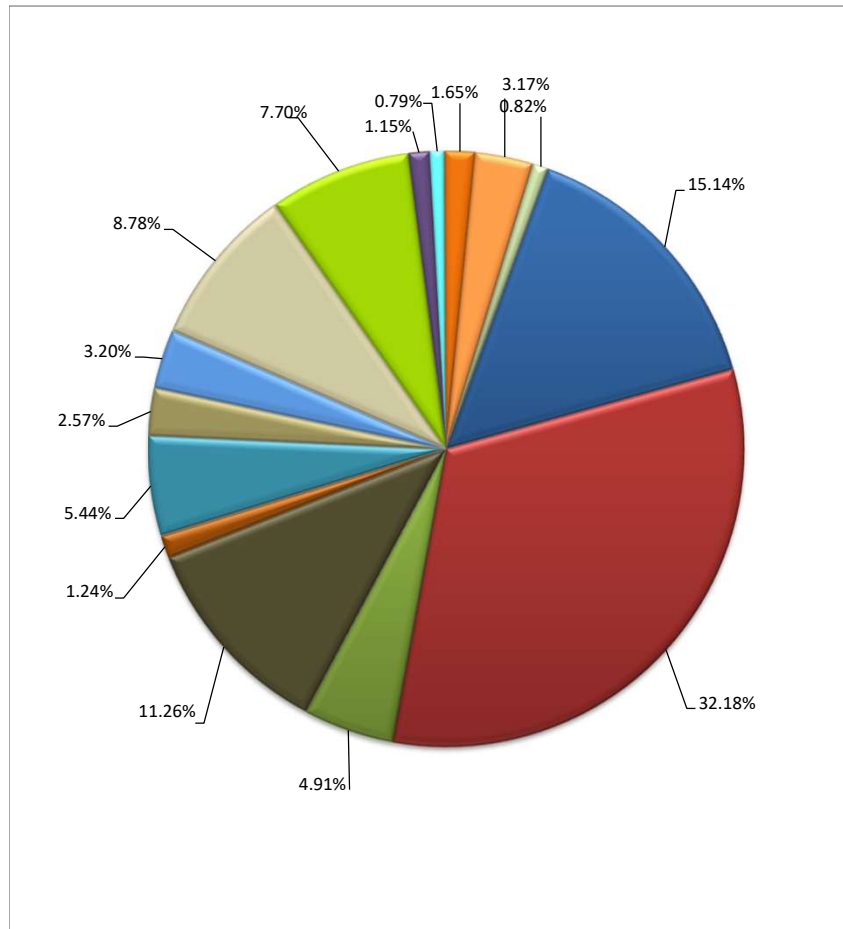
I certify that this report accurately reflects all investments of the Walnut Valley Water District and that all investments are in full compliance with State law and District's Investment Policy.



James Ning

Director of Finance

Walnut Valley Water District Summary of Cash and Investments by Reserve Fund October 31, 2025



ALLOCATION OF CASH AND INVESTMENTS			
Unrestricted			
Category 1			
General Account	\$	6,106,464.38	15.14%
	\$	6,106,464.38	15.14%
Designated			
Category 2			
Operating Reserve	\$	3,542,600.00	8.78%
Replacement	\$	12,977,631.36	32.18%
Capital Improvement	\$	1,980,333.56	4.91%
Rate Stabilization	\$	4,543,125.39	11.26%
B/G Catastrophic Ins	\$	500,000.00	1.24%
Employee Liabilities	\$	2,193,294.04	5.44%
Stored Water	\$	1,034,800.00	2.57%
Project Reserve	\$	1,292,310.27	3.20%
	\$	28,064,094.62	69.58%

Restricted Reserves			
Category 3			
Customer/Developer Deposits	\$	3,104,748.93	7.70%
	\$	3,104,748.93	7.70%
Category 4			
ASC	\$	461,828.96	1.15%
Badillo/Grand-Maintenance	\$	319,799.71	0.79%
RCC	\$	664,296.68	1.65%
WSC	\$	1,278,155.88	3.17%
Capacity Charge	\$	330,241.62	0.82%
	\$	3,054,322.85	7.58%

Total \$ 40,329,630.78 100.00%

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

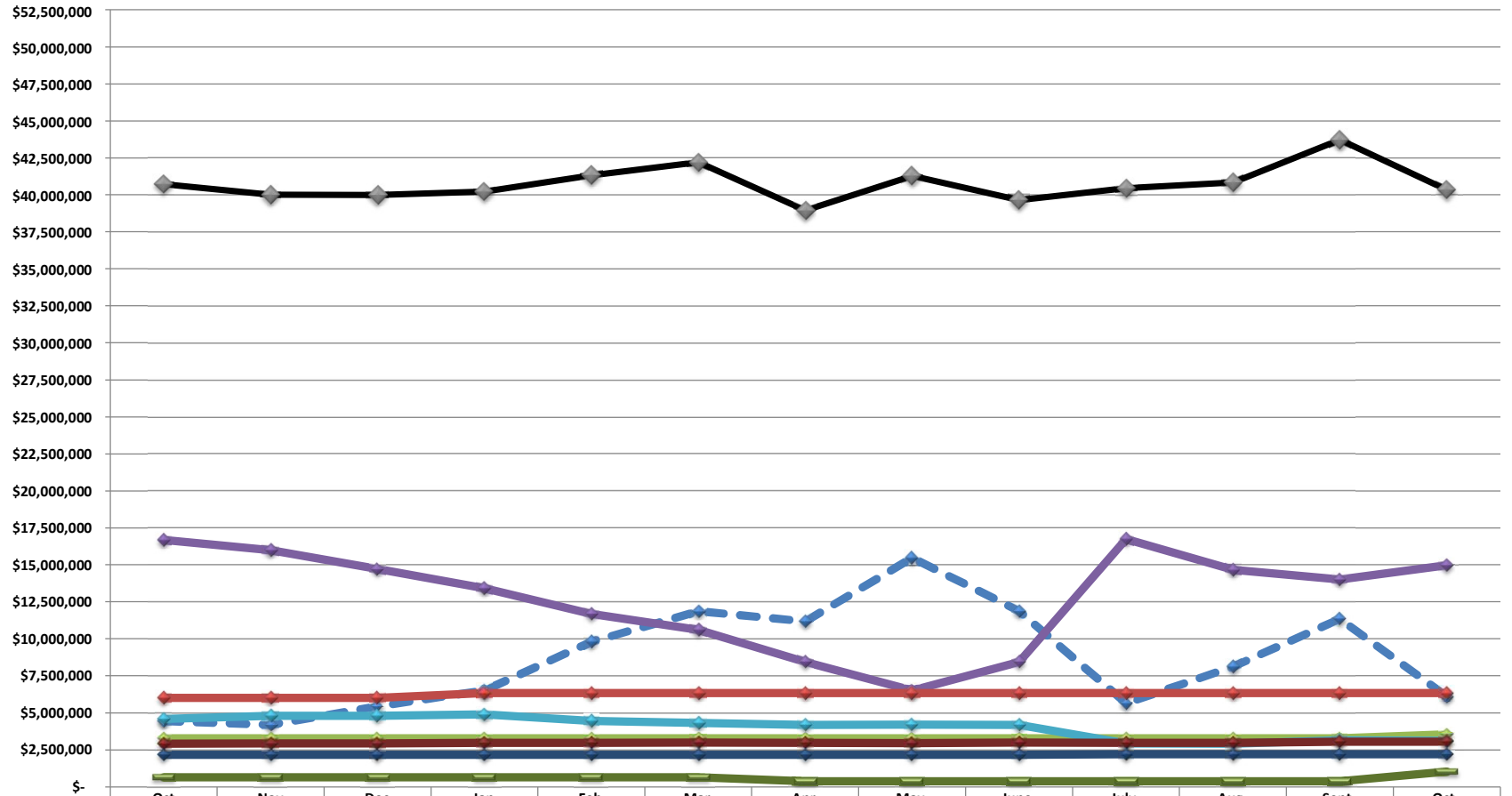
Category 2 - These funds, although not legally or externally restricted, have been reserved pursuant to the Board's desire to provide a stable and equitable rate structure. All interest earned related to these funds is retained by each designated fund.

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

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

Note: Effective 03/01/22, the General Fund was reclassified from a Restricted Fund to a Designated Fund.
WVWD Regular Board Meeting - December 15, 2025 127

**Walnut Valley Water District
Cash Balances
October 2024 - October 2025**



	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025
General Account	\$4,445,104	\$4,184,252	\$5,436,974	\$6,514,350	\$9,801,732	\$11,862,056	\$11,178,231	\$15,470,841	\$11,881,599	\$5,638,935	\$8,112,126	\$11,343,531	\$6,106,464
Operating Reserve	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,542,600
Capital/Replacement Reserve	\$16,680,226	\$15,985,806	\$14,723,126	\$13,416,472	\$11,677,002	\$10,602,340	\$8,441,217	\$6,508,211	\$8,441,217	\$16,742,066	\$14,655,171	\$14,006,245	\$14,957,965
Employee Liabilities Reserve	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,193,294	\$2,193,294	\$2,193,294	\$2,193,294
Stored Water Reserve	\$646,900	\$646,900	\$646,900	\$646,900	\$646,900	\$646,900	\$373,300	\$373,300	\$373,300	\$373,300	\$373,300	\$373,300	\$1,034,800
Other Designated Reserves	\$6,010,357	\$6,010,357	\$6,010,357	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436
Customer/Dev. Deposits	\$4,587,197	\$4,807,169	\$4,807,060	\$4,895,771	\$4,448,233	\$4,317,319	\$4,190,433	\$4,204,071	\$4,190,433	\$2,933,474	\$2,915,787	\$3,140,659	\$3,104,749
Developer & Other Restricted	\$2,909,901	\$2,931,201	\$2,927,451	\$2,971,102	\$2,975,867	\$2,988,191	\$2,986,006	\$2,953,302	\$2,986,987	\$2,975,327	\$2,979,294	\$3,046,997	\$3,054,323
Grand Total	\$40,716,785	\$40,002,785	\$39,988,967	\$40,217,131	\$41,322,270	\$42,189,341	\$38,941,723	\$41,282,261	\$39,646,072	\$40,464,433	\$40,837,009	\$43,712,062	\$40,329,631



WVWD – Staff Report

TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Exter External Affairs & Sustainability
DATE: December 15, 2025
SUBJECT: Approval of Agreement with EcoTech Services, Inc. – Project # 25-3872

<input checked="" type="checkbox"/> Action/Discussion	<input checked="" type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Resolution	<input type="checkbox"/> Information Only
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Recommendation

That the Board approve the enclosed agreement with EcoTech Services, Inc., for the Leak Repair Program through June 30, 2026.

Background

Since October 2024, the District has offered a Leak Repair Program for residential customers with suspected leaks. Customers are invited to participate when they receive a Leak Alert – triggered when continuous flow reaches 30 gallons per hour or more – or when a Customer Service Representative confirms continuous flow after a customer reports a high water bill. These alerts often uncover leaks that would otherwise go unnoticed for months or even years.

The program is funded through a combination of District budgeted funds and Member Agency Administered Program (MAAP) funds awarded by Metropolitan Water District of Southern California (MWD). For the 2025-26 Fiscal Year, the District budgeted \$100,000 for the program. MWD awarded a total of \$75,000 significantly reducing total District costs.

It is the intent of District staff to continue offering the Leak Repair Program as a permanent customer service and water-savings initiative. Staff will continue to apply for MAAP funds from MWD each budget cycle to help offset program expenses. Although MWD does not guarantee specific annual funding levels, MWD has shown consistent support for the program and its benefits.

The External Affairs & Sustainability team will continue to provide monthly updates on the Leak Repair Program in the Community Outreach Staff Report.

Program Participation and Community Impact

From October 2024 through October 2025:

- **208 residential customers** were referred to EcoTech Services for leak assessment or repair.
- Of these, **39 customers** were enrolled in the District's Affordable Rate Program, meaning the program directly supported households who are often on fixed incomes.
- Several customers voluntarily shared that they are **senior citizens without the financial means or support system** to address leaks on their own. The program has provided meaningful relief for these vulnerable community members.

- Of the 208 customers referred, **113 customers had leaks repaired by EcoTech.**
 - Some customers repaired leaks on their own.
 - Some declined assistance.
 - Some leaks fell outside the program's scope (e.g., slab leaks under driveways).

The Leak Repair Program reduces water waste and lowers customer bills, often significantly, and provides crucial support to residents who otherwise could not address costly leak repairs.

Water Savings and Efficiency Benefits

Initial results already show a **64% reduction in water use for all program participants combined.**

A snapshot of current residential leaks in the City of Diamond Bar shows the program's potential impact:

- **45 active residential leaks** on December 2, 2025 (between 31–57 gph), many ongoing for extended periods.
- At **31 gph**, a customer unknowingly uses **22,320 gallons/month** (29.83 units), costing approximately **\$133.50/month** (excluding base rate and pump zone charges).
- At **57 gph**, a customer unknowingly uses **41,040 gallons/month** (54.86 units), costing approximately **\$282.75/month**.

The cumulative water savings potential from repairing leaks of this volume is significant, representing meaningful conservation gains, reduced customer costs, and less strain on the region's potable water supply.

Conclusion

The Leak Repair Program continues to show strong community benefit, measurable water savings, and alignment with the District's commitment to customer support and water efficiency. Approval of the agreement with EcoTech Services, Inc. will allow the District to continue operating this highly impactful program through June 30, 2026. Although the General Manager has already signed the agreement with EcoTech Services, program expenditures have not exceeded her approval limits. The original contract was signed by the General Manager under her authority to approve up to \$50,000. However, since we anticipate the total amount will exceed \$50,000 during the fiscal year, we are bringing this item to the Board for approval to ensure compliance with our purchasing policy and to maintain transparency, as recommended by Finance Director. This action will also tie the contract amount to the EcoTech budgeted amount in the FY 2026 budget. To date, expenditure remains below \$50,000, but Board approval is necessary to allow spending beyond the \$50,000 threshold to be in compliance with the purchasing policy.

Attachments:

EcoTech Proposal with Scope of Work

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

1. IDENTIFICATION

This PROFESSIONAL CONSULTANT SERVICES AGREEMENT, hereinafter referred to as "Agreement," made and entered into this 1st day of July 2025, by and between Walnut Valley Water District, a public corporation organized and existing under the provisions of the California Water Code, hereinafter referred to as "District," and EcoTech Services, Inc., hereinafter referred to as "Consultant."

2. RECITAL

- 2.1 District desires to engage Consultant to provide administration for the 2025-2026 Leak Repair Program (Leak Retrofit Program), Project No. 25-3872.
- 2.2 Consultant has submitted a proposal and the District has approved the award of the work to Consultant subject to preparation and execution of a formal agreement.
- 2.3 District and Consultant desire to enter into a contract for Consultant to provide professional services as more specifically delineated in the Scope of Work attached hereto as Exhibit A, subject to the terms and conditions of this Agreement.

3. AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants hereinafter contained, it is mutually agreed as follows:

- 3.1 District hereby retains Consultant to perform professional Consulting services. Consultant agrees to perform such services in a timely and professional manner and with due diligence. Services performed under the terms of this Agreement shall be assigned to Consultant per their written proposal dated June 28, 2025, attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 Insurance. Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, Consultant's agents, representatives, employees or subconsultants.
 - 3.2.1 Coverage - Coverage shall be at least as broad as the following:
 - (a) Commercial General Liability (CGL) - Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence

or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to District) or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability - Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of one million dollars (\$1,000,000) for bodily injury and property damage for each accident.

(c) Workers Compensation Insurance - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

(d) Professional Liability – Errors and Omissions - Limits not less than \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater.

3.2.2 Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against the District, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Consultant for the District; but this provision applies regardless of whether or not the District has received a waiver of subrogation from the insurer.

3.2.3 If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the District requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

3.2.4 Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Status: District, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work or operations.

(b) Primary Coverage: For any claims related to this project, the Consultant's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects the District, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the District, its directors, officers, employees and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3.2.5 Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with written notice to the District.

3.2.6 Self-Insured Retentions: Self-insured retentions must be declared to and approved by the District. The District may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or District.

3.2.7 Acceptability of Insurers: Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by District.

3.2.8 Verification of Coverage: Consultant shall furnish the District with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages listing all policy endorsements.

3.2.9 Subconsultants: Consultant shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that the District, its directors, officers, employees, and authorized volunteers are additional insureds on such subconsultant's Commercial General Liability Coverage.

- 3.3 Indemnification. To the extent permitted by law, Consultant shall hold harmless, defend at its own expense, and indemnify the District, its directors, officers, employees and authorized volunteers, against any and all liability, claims, demands, losses, damages or expenses, including reasonable attorney's fees and costs, arising from or pertaining to the negligent, reckless or willful misconduct of Consultant and its officers, agents or employees in rendering services under this Agreement; but this indemnity does not apply to liability for damages arising from the sole negligence, active negligence or willful acts of the District; and does not apply to the passive negligence of the District unless caused at least in part by Consultant.

Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against District or any of its directors, officers, employees, agents, or volunteers in any such suit, action, or other legal proceeding.

Consultant shall reimburse District or any of its directors, officers, employees, agents, or volunteers for any and all legal expenses and costs incurred by each of them in connection therewith.

Consultant's obligation to indemnify shall not be limited to insurance proceeds, if any, received by District or any of its directors, officers, employees, agents, or volunteers.

- 3.4 District shall have the right to terminate this Agreement at any time upon five (5) days written notice to Consultant. In the event of such termination, District shall compensate Consultant through the notice date for services actually performed hereunder in accordance with the fees set forth in Exhibit A, but in no event shall

District be obligated to pay more than the maximum compensation set forth in Exhibit A (or as said Exhibit A may be amended).

- 3.5 District shall pay Consultant the compensation in the amount, time, and manner set forth on the attached Exhibit A.
- 3.6 This Agreement shall not be assigned by Consultant without the written consent of District.
- 3.7 To the extent there is any conflict or inconsistency between the terms of this Agreement and the terms of Consultant's proposal as set forth in Exhibit A, the terms of this Agreement shall govern.
- 3.8 In the event any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs.
- 3.9 Written notices shall be deemed to have been given when mailed by the United States mail, postage prepaid, addressed to the parties to this Agreement.
- 3.10 Consultant shall procure, at their expense, all permits required by governmental authorities and shall comply with all applicable local, state and federal regulations and statutes including Cal-OSHA requirements.
- 3.11 Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.
- 3.12 District will make available to Consultant such materials from its files as may be required by Consultant to perform these services. Such materials shall remain the property of the District while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to the District any District property or materials in its possession and any calculations, notes, reports, electronic files or other materials prepared by Consultant in the performance of these services.
- 3.13 District may utilize any material prepared or work performed by Consultant in any manner, which District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by District or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.
- 3.14 Consultant shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of the District.

- 3.15 Consultant shall not publish or use any advertising, sales promotion or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which District's name is used or its identity is implied without prior written approval by the District.
- 3.16 At all times during the term of this Agreement, Consultant shall be deemed to be an independent contractor and not an employee of District.
- 3.17 This Agreement contains the entire agreement between the parties hereto and supersedes any prior or concurrent written or oral agreement between said parties concerning the subject matter contained herein.
- 3.18 The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The parties hereto do hereby consent to the jurisdiction of the California courts in the event any dispute arises in conjunction herewith.
- 3.19 If any provision of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the application of such provision under other circumstances, shall not be affected thereby and shall remain valid and enforceable.
- 3.20 The signatories to this Agreement represent that they have the authority to execute this Agreement.
- 3.21 This Agreement has been prepared jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

WALNUT VALLEY WATER DISTRICT

By 
Sheryl L. Shaw, P.E.
General Manager

Date 8/4/2025

ECOTECH SERVICES, INC.

By 
Marcos Quezada, President
(Print Name/Title)

Date August 1, 2025

WALNUT VALLEY WATER DISTRICT

LEAK REPAIR PROGRAM

2025-2026

June 2025



proposal



EcoTechServices, Inc.

1242 Transit Ave., Pomona CA, 91766

www.ecotechservices.net

626.335.1500

LETTER OF TRANSMITTAL

June 28, 2025

Donna DiLaura
External Affairs and Sustainability Manager
Walnut Valley Water District
271 S Brea Canyon Rd
Walnut, CA 91789

Dear Donna:

EcoTech Services, Inc. (EcoTech) is proud to submit this proposal to Walnut Valley Water District (WVWD) to provide a Leak Repair Program to their customers.

With over ten years of experience in the water conservation industry, EcoTech is well positioned to provide cost-effective and successful water conservation programs to Walnut Valley Water District. EcoTech has maintained a long tradition of promoting water conservation and has developed and managed a wide variety of multi-faceted programs.

Throughout this proposal, EcoTech will reveal its familiarity with the scope of work required for a successful leak retrofit program. EcoTech will also demonstrate its capability of performing timely and quality work to achieve your objectives. EcoTech has managed several plumbing related programs for other water agencies and the experience gained over the years has equipped the company to provide a successful leak retrofit program.

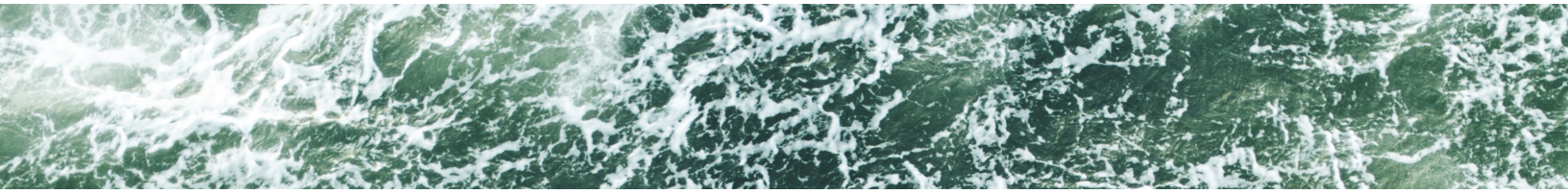
I am authorized to bind my company to this proposal for 90 days from the date of this letter, which includes the facts and figures herein.

Sincerely,



Marcos Quezada, President
EcoTech Services, Inc.
1242 Transit Ave., Pomona CA, 91766
Office: (626) 335-1500
E-mail: mquezada@ecotechservices.net

Scope of Work



EcoTech hereby proposes to administer an Leak Repair Program (Program) on behalf of WVWD at no cost to its customers. The following further details these approaches and the tasks EcoTech shall undertake to successfully implement the Program.

Program Marketing and Participant Procurement

- WVWD will be responsible for the creation and dissemination of all marketing materials.
- WVWD will review and verify each qualified participant.
- EcoTech will provide WVWD with a toll-free phone number for use in marketing efforts and other program-related communications.
- WVWD may also directly email participant information to EcoTech's Customer Service Department at programs@ecotechservices.net. Submissions should include, at a minimum, the following participant details:
 - Full Name
 - Phone Number
 - Address
 - Account Number
 - Description of leak they would like addressed s/outdoors

Customer Service

- Upon receiving a participant referral, EcoTech will contact the participant within 2 to 5 business days to schedule leak retrofit services. During this call, EcoTech will gather any additional information necessary to facilitate the retrofit, which may include photos of the leaking device, gallons per flush (GPF) of existing toilets, and current toilet rough-in measurements if replacements are required.
- EcoTech will provide bilingual (English/Spanish) customer service representatives available via a toll-free phone line to assist customers. Representatives will be accessible Monday through Friday, from 8:00 a.m. to 4:00 p.m., with potential adjustments to hours during holiday periods.
- Outside of regular business hours, an automated greeting will be available in both English and Spanish to accept customer messages. On non-business days, a recorded message will inform customers of EcoTech's closure. All callbacks and resolutions will be documented within EcoTech's internal database.
- Customer service representatives will provide detailed explanations of the program and confirm participant eligibility and other relevant information. All customer inquiries will be addressed courteously and professionally.
- EcoTech will handle warranty claims related to damaged or defective products. If the issue falls under EcoTech's warranty coverage, replacement parts will be provided promptly. All warranty calls and corresponding resolution actions will be recorded in EcoTech's program database for future reference.
- Urgent or Emergency Response is available if requested by WVWD. EcoTech will make every effort to respond to urgent/emergency requests on the same day if the request arrives before 12 p.m. noon or next business day if the request arrives after 12 p.m. noon on the business day requested.



EcoTech Field Staff

All EcoTech field staff will receive comprehensive training to ensure proper completion of all work in accordance with program guidelines. Technicians will arrive onsite in company vehicles clearly displaying EcoTech's logo, name, phone number, and contractor license number. Staff will prominently wear company uniforms for homeowner verification. All personnel will maintain a professional and presentable appearance, consistently representing both EcoTech and WVWD with the highest standards. Additionally, EcoTech will provide WVWD with contact information, including phone numbers and email addresses, for all administrative staff assigned to this program.

Program Leak Retrofits

Upon arrival onsite, EcoTech will proceed with performing the retrofits requested by the participant. However, several preliminary steps must be completed prior to beginning work.

1. EcoTech will review the program rules and requirements with the homeowner, and obtain signatures on any necessary participation agreements and program forms. Additionally, EcoTech will distribute informational flyers from WVWD outlining available rebate programs for which homeowners may be eligible.
2. EcoTech will verify the presence of leaks and assess the feasibility of performing the retrofit to ensure it falls within the program's scope.
3. EcoTech will follow these crucial steps to ensure program compliance.
 - EcoTech shall stay within WVWD's Not-to-Exceed (NTE) limits per household. If the estimated retrofit cost exceeds this limit, the field technician will prioritize retrofitting household items with the highest gallons per minute (GPM) leaks, within the NTE limit. EcoTech's Project Manager shall notify WVWD on a case-by-case basis if/when NTE limits are reached.
 - The field technician will clearly communicate the approved retrofits to the homeowner. Should the homeowner wish to address additional retrofits beyond the program budget, they may arrange for EcoTech to complete these services separately.
4. The field technician will also provide an estimated timeframe for the approved retrofits, with the goal of completing all work on the same day, if possible.
5. If leak detection services are required, EcoTech will coordinate a secondary appointment with the homeowner to complete this work.
6. Upon completion of the retrofit, EcoTech will provide the participant any manufacturer product documentation.

Leak Retrofits/ Replace Options

There are water saving plumbing and irrigation retrofits EcoTech recommends for this program to offer and make available to its participants.

WVWD can alter the available retrofits list at any time without affecting the price of the other items.

Hose Bib- Retrofit/ Replacement

Hose bibs can develop leaks over time as internal rubber seals deteriorate, leading to minor or significant water loss. EcoTech will retrofit or replace leaking hose bibs as needed, billed at a flat rate (see Fee Schedule). Replacements will match the existing style when possible or may be updated to a different style with prior approval from the participant. All removed components will be properly disposed of by EcoTech Services.



Aerator Replacement

EcoTech will replace aerators exceeding 1.5 GPM by verifying flow using a GPM gauge or inspecting the existing aerator. New dual-threaded aerators, compatible with most sinks, will be installed. Old aerators will be removed and properly disposed of.

Showerhead Replacement

Showerheads exceeding 1.5 GPM will be replaced with the Evolve multifunction 1.5 GPM model (see spec sheet). Flow will be verified using a gauge or the existing label. Old units will be removed and disposed of by EcoTech.

Running Toilet Retrofit

Running toilets often result from faulty internal components (e.g., flapper, chain, float, handle). EcoTech will inspect and replace or adjust parts as needed. Retrofits are billed at a flat rate (see Fee Schedule). Removed parts will be disposed of by EcoTech.

Faucet Retrofit

Leaky faucets are typically caused by worn o-rings in the handle assembly. If applicable, EcoTech will retrofit the faucet without full replacement. Service is billed at a flat rate (see Fee Schedule). Old parts will be disposed of appropriately.

Angle Stop Retrofit/Replacement

EcoTech will replace or retrofit leaking or non-functional angle stops, including one-piece units with hard copper connections that are incompatible with newer fixtures. Services are billed at a flat rate (see Fee Schedule). Old components will be removed and disposed of.

Toilet/Faucet Supply Line Retrofit

Worn or leaking supply lines will be retrofitted or replaced by EcoTech. These lines connect fixtures to the in-wall water source and may leak due to aging gaskets. Work is billed at a flat rate (see Fee Schedule), and old parts will be disposed of.

Water Heater Supply Line Replacement

EcoTech will replace leaking water heater supply lines, which tend to degrade due to gasket failure. Because of the size and material differences, this service is priced separately (see Fee Schedule). Old supply lines will be removed and discarded.

Shower Start – Installation

The Shower Start is installed between the shower arm and showerhead. It reduces water flow to a trickle once the water reaches 95°F, minimizing waste during shower warm-up. This device is especially beneficial in homes where the water heater is located far from the bathroom. Installation is billed at a flat rate (see Fee Schedule).

Elongated Toilet (12” Rough-in) Replacement

EcoTech installs the Niagara Stealth toilet with a 0.8 GPF rating (see spec sheet). The flat-rate service includes the toilet, all installation materials, and disposal of the old unit. Angle stop or flange replacement is not included and will be billed separately if required (see Fee Schedule).



Round Toilet (12” Rough-in)- Replacement

EcoTech installs the Niagara Stealth toilet with a 0.8 GPF rating (see spec sheet). This includes the product, installation materials, and disposal of the existing toilet. Angle stop and flange work, if necessary, are billed as separate line items (see Fee Schedule).

Round Toilet (10” Rough-in)- Replacement

EcoTech installs the Niagara Stealth toilet with a 0.8 GPF rating (see spec sheet). Service includes the product, installation materials, and removal of the old unit. Any angle stop or flange retrofits are billed separately if needed (see Fee Schedule).

Toilet Flange- Replacement

When a toilet flange is damaged beyond repair, full replacement is necessary to ensure proper toilet installation. EcoTech will replace the flange for a flat rate (see Fee Schedule). Removed parts and debris will be disposed of by EcoTech.

Standard Faucet- Replacement

If faucet replacement is required, EcoTech will provide 2–4 replacement options that match the existing fixture in style and quality. The installation and removal of the old faucet are included and billed at a flat rate (see Fee Schedule).

Luxury Faucet- Replacement

For high-end fixtures, EcoTech offers 2–4 premium faucet options to closely match the existing design and quality. Installation and removal of the old unit are included and billed at a flat rate (see Fee Schedule).

Shower Valve Cartridge Replacement

If a showerhead leaks while the handles are off, worn rubber o-rings in the mixer valve are often the cause. EcoTech will replace faulty cartridges or o-rings for a flat rate (see Fee Schedule). Pricing is per cartridge; showers with separate hot and cold handles may require two. All removed cartridges will be properly disposed of by EcoTech.

Sprinkler Nozzle Replacement

To reduce runoff and water loss from damaged nozzles, EcoTech will install high-efficiency replacements that closely match the existing precipitation rate. Participants will be trained on basic nozzle adjustments. Removed nozzles will be disposed of by EcoTech.

Sprinkler Body Replacement (4”,6”,12”)

EcoTech will replace leaking sprinkler bodies to restore irrigation system efficiency. The service includes all necessary parts and ensures proper water delivery during operation. Replaced sprinkler bodies will be removed and properly disposed of by EcoTech.

Anti-Siphon Valve Replacement

EcoTech replaces leaking anti-siphon valves to prevent water waste caused by aging components. New valves are installed at the industry standard height of 12” and include all fittings and weatherproof wiring. Each valve is tested via the irrigation controller to confirm functionality. Replaced valves will be properly disposed of by EcoTech.



Service Line Repair

EcoTech repairs leaking outdoor water service lines to prevent water loss and restore proper flow to the property. Damaged sections of PVC or copper piping are carefully excavated and replaced with code-compliant, durable materials suitable for underground use. All joints and fittings are pressure-tested to ensure a reliable, leak-free connection. Excavated areas are backfilled and restored to original grade, and all debris and removed materials are properly disposed of by EcoTech.

For indoor service line leaks where repair costs exceed West Valley Water District's coverage cap, EcoTech will provide the customer with a detailed quote for the remaining balance. Work beyond the covered amount will proceed only upon customer approval.

Leak Detection Service

Once EcoTech has completed the initial assessment and confirmed that there is meter movement but the exact location of the leak remains undetermined, we will schedule a second appointment. This appointment will involve a third-party leak detection service company, accompanied by one of our EcoTech technicians, to perform an in-home leak detection service.

The service will cover the following areas:

- Service line from the meter or pump to the home (typically running beneath the yard, driveway, and other exterior areas).
- Slab leaks (leaks in hot or cold water plumbing lines beneath the foundation of the home). - Plumbing inside the walls and floors.
- Crawl spaces or basement flooding caused by leaks in the plumbing lines.
- Miscellaneous plumbing systems, such as radiant floor heating, etc.

Our cost proposal provides a separate line item for this leak detection service.

Project Photos/Documentation

EcoTech will take Before and After photos of all leak repair items and upload the photos to a shared Google Drive for use by WVWD.



Warranty

Product Warranty

EcoTech warrants all products used during installation for a period of one (1) year under normal use. The warranty does not cover normal wear and tear, cosmetic damage after installation sign-off, staining, UV damage, cleaning, calcium buildup, clogged aerators, diagnostic visits for toilet malfunctions, or issues such as running or flushing problems identified post-installation. EcoTech reserves the right to inspect the reported issue to determine the cause. If the problem falls within the scope of the workmanship warranty, EcoTech will perform the necessary repairs or retrofits at no cost to the participant.

Manufacturer's Limited Warranty

Manufacturer warranties vary by product and manufacturer. Program participants will receive product literature and owner's manuals that include warranty details. After EcoTech's one (1) year product warranty expires, participants are responsible for contacting the manufacturer directly for any warranty claims or support.

Data Collection and Management

During the program, EcoTech will collect all forms, signatures, and data digitally. EcoTech will coordinate with WVWD at program launch to ensure that all documentation meets WVWD standards and requirements. At a minimum, EcoTech will record the following:

- Completed and signed participation form
- Original device brand and model, when identifiable
- Post-retrofit/installation device details, including model and GPF or GPM rating
- Final homeowner sign-off confirming completion of work

WVWD will provide an online shared folder for EcoTech to upload program-specific forms and reports, allowing WVWD staff to access and review documentation at any time.

Program Reporting and Invoicing

EcoTech will provide detailed monthly reports to include customer information, leak retrofit information, and any other data points requested. Invoices will also be submitted on a monthly basis. An electronic copy of invoices and an electronic copy of the program database will be forwarded via email to WVWD's Program Manager for review and approval.

Safety

EcoTech has policies in place to ensure the utmost safety throughout the entirety of the Program. All field technicians are required to wear branded EcoTech apparel to identify them as contractor personnel. All field staff are required to have a minimum OSHA 10 Safety Certification. Before the program starts, EcoTech will conduct an activity hazard analysis (AHA) meeting with technicians to identify common safety concerns that an employee might encounter during the course of this program, such as dogs, traffic, irate customers, and more. EcoTech will hold a mandatory bi-week safety meeting for the field employees.



Proposed Cost

This cost proposal includes all tasks and deliverables listed in the Scope of Work. The cost per unit below is all inclusive of taxes and overhead associated with product purchasing and program administration. *For multi-year contracts, a 5% cost increase will be added each year during the life of the contract.*

Proposed Program Costs

WVWD to provide Not-to-Exceed (NTE) Amounts to EcoTech for DAC and Non-DAC Customers serviced through this program. DAC: Diadvantaged Community.

CUSTOMER SERVICE & DISPATCH	COST
Customer Registration & Scheduling	\$30
Dispatch Fee (per customer)	\$ 105
Emergency Dispatch	\$200

LEAK DETECTION SERVICES	COST
Third-Party Leak Detection Service	\$430
Dispatch Fee for Leak Detection Appointment	\$ 105

LEAK REPAIR ITEMS	UNIT COST
Hose Bib Retrofit/ Replacement	\$ 85
Aerator Replacement	\$ 35
Showerhead Replacement	\$ 53
Running Toilet Retrofit	\$ 85
Faucet Retrofit	\$ 150

CONTINUED ON NEXT PAGE



PROPOSED COST Cont.

SERVICE ITEM	UNIT COST
Angle Stop Retrofit/ Replacement	\$ 105
Toilet/ Faucet Water Supply Line Replacement	\$ 53
Water Heater Supply Line Replacement	\$ 150
Shower Start Installation	\$ 85
Elongated Toilet (12" Rough-In) Installation	\$ 435
Round Toilet (12" Rough-In) Installation	\$ 450
Round Toilet (10" Rough-In) Installation	\$565
Flange Repair (if needed to install new toilet)	\$ 150
Sink Replacement Standard	\$ 550
Shower Valve Retrofit (cartridge replacement)	\$ 265
Sprinkler Nozzle Replacement	\$12
Sprinkler Body Replacement (4",6",12")	\$40
Anti-Siphon Valve Replacement (3/4", 1")	\$90
Service Line Repair (outdoor)	\$1,365

Miscellaneous Services

In the event that there are services required that are outside the current scope such as: broken irrigation pipes, ball valves, or drip lines, EcoTech will make the necessary repairs using the following fee schedule below:

ITEM	COST
Field Service Technician	\$70/hr
Materials	Cost +10%



WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: December 15, 2025
SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2025

☒ **Action/Discussion**

☐ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

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

- A. Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025;
- B. Management Report for the Fiscal Year Ended June 30, 2025; and
- C. Independent Accountant's Report on Applying Agreed Upon Procedures for the Fiscal Year Ended June 30, 2025

Background Information

The Fiscal Year (FY) 2024/25 District's audit comprises eight parts, which are provided as attachments:

- **Introductory Section:** An overview providing readers with information on the District, the economy, and future initiatives.
- **Independent Auditor's Report:** An audit report cover letter from C.J.Brown & Company, CPAs 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 2024/25.
- **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.



Walnut Valley Water District
Walnut, California



Annual Comprehensive Financial Report

**Fiscal Years Ended
June 30, 2025 and 2024**

Presentation Draft 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, 2025



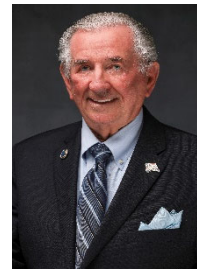
Scarlett P. Kwong
President
2024-2028



Jerry Tang
1st Vice President
2024-2028



Henry Woo
2nd Vice President
2024-2028



Edwin M. Hilden
Assistant Treasurer
2022-2026



Theresa Lee
Director
2022-2026

District Management

Sheryl L. Shaw
General Manager
Chief Engineer
Secretary

James Ning
Director of Finance

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



Annual Comprehensive Financial Report

**Fiscal Years Ended
June 30, 2025 and 2024**

Prepared by:
Finance Department

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

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Introductory Section

Presentation Draft Subject to Board Approval

Presentation Draft 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

BOARD OF DIRECTORS

Scarlett P. Kwong
President
Election Division V

Jerry Tang
First Vice President
Election Division I

Henry Woo
Second Vice President
Election Division IV

Edwin M. Hilden
Assistant Treasurer
Election Division II

Theresa Lee
Director
Election Division III

STAFF

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

Jared Macias
Assistant General Manager

Bertha Perez, P.E.
Director of Engineering

Lily Lopez
Director of External Affairs &
Sustainability

James Ning
Director of Finance

Alanna Diaz
Director of Administrative
Services

Thomas M. Monk
Director of Operations

Lucie Cazares, MPA
Executive Services
Administrator

LEGAL COUNSEL

James D. Ciampa

December 15, 2025

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, 2025. 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 C.J. Brown & Company, CPAs, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the District's financial statements for the fiscal year ended June 30, 2025, 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, 2025, 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.





PEOPLE-FIRST CULTURE, PURPOSE-DRIVEN FINANCES

Walnut Valley Water District thrives on a “people-first, mission-always” culture that treats employees not as line items, but as the engine behind every smart, sustainable decision made. WVWD’s commitment to developing leaders, strengthening communication, and fostering a workplace where collaboration is second nature directly supports its financial stewardship. When teams are empowered, informed, and equipped to do their best work, the District avoids costly inefficiencies, reduces operational risks, and increases the value delivered to customers. Whether it’s optimizing water systems, improving customer service, advancing innovation, or preventing water loss with proactive programs, our workforce culture ensures that every dollar is used with intention. At WVWD, a strong organizational culture isn’t just good for employees, it’s a cornerstone of how we safeguard resources, protect ratepayer investment, and plan responsibly for the future.



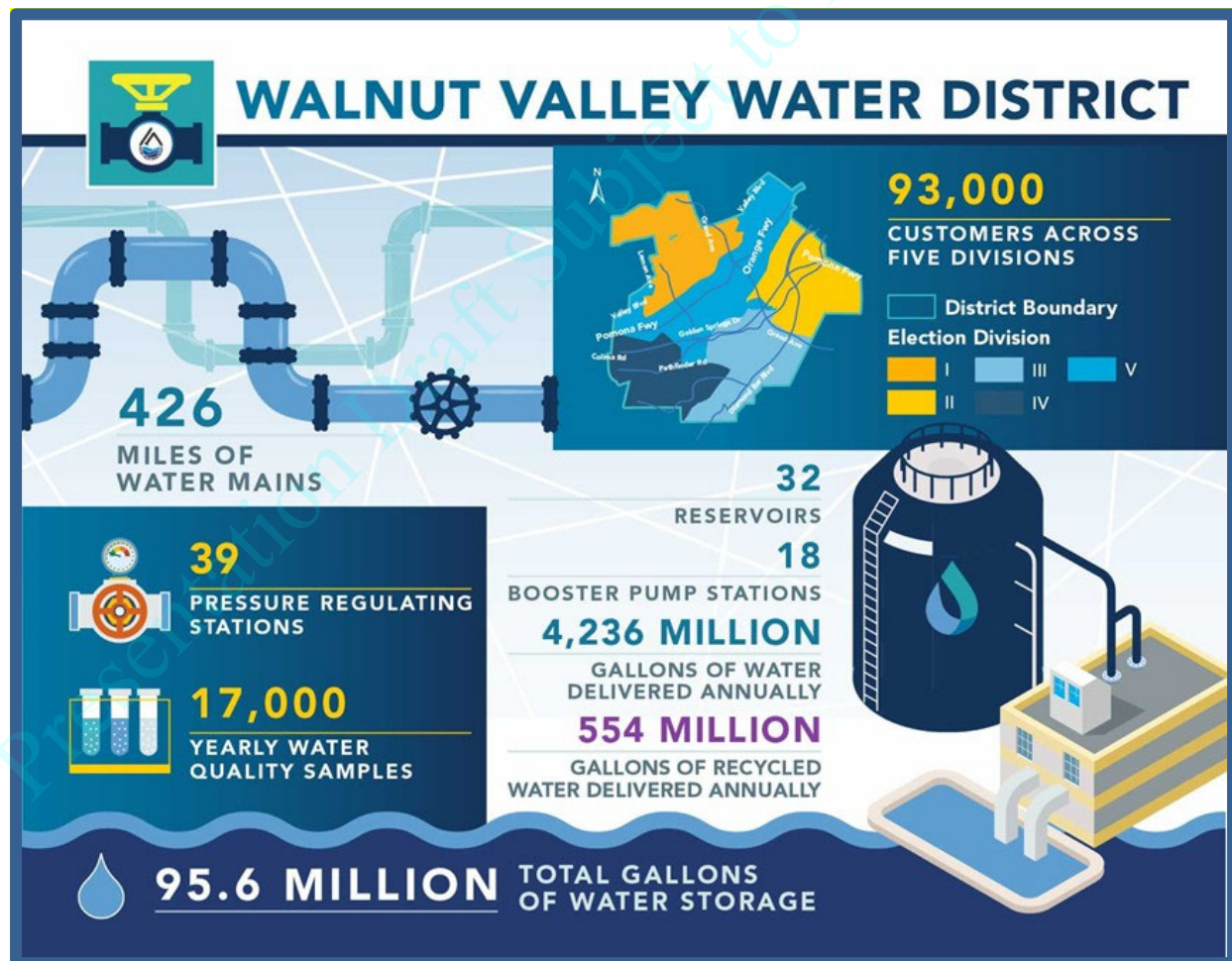
WATER SYSTEM OVERVIEW

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, 428 miles of distribution mains (ranging in size from 4 inches to 60 inches), 18 pump plants, and 32 reservoirs with a storage capacity of 95.6 million gallons of water. The District delivers an average of 4.5 billion gallons of water to its customers every year.

Recycled water, used for irrigation and to decrease reliance on imported water, is delivered through a separate distribution system comprised of approximately 42 miles of water mains, 5 production wells, 4 pump plants, and 4 reservoirs with a combined capacity of 7 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 2026) - 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:

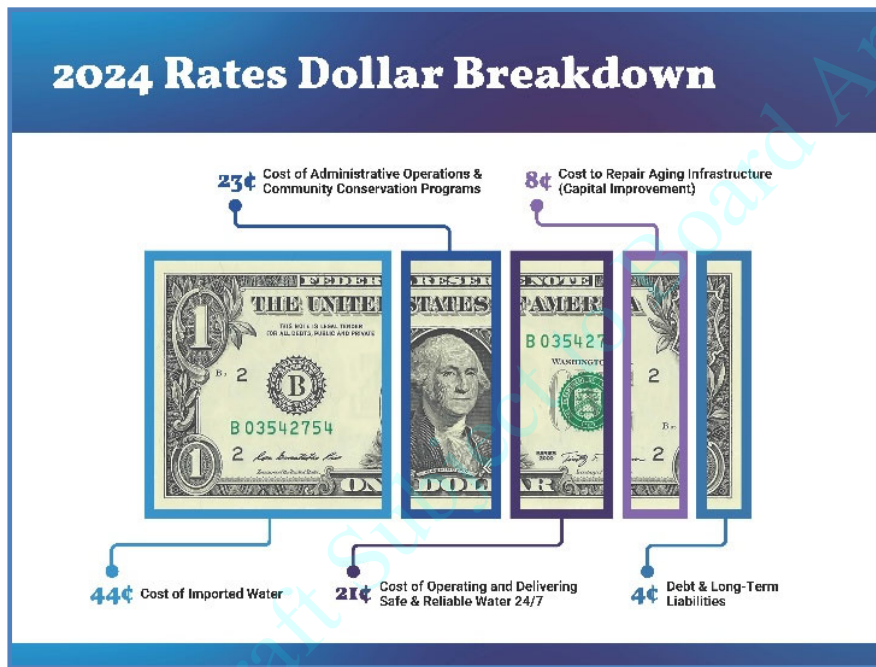
- Cost of Imported Water (nearly 50%)
- Cost of Administrative Programs & Community Conservation Programs
- Cost of Operating and Delivering Safe & Reliable Water 24/7
- Cost to Repair Aging Infrastructure (Capital Improvement Projects CIP)
- Debt & Long-Term Liabilities



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.

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 2025. 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 2025. 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 96% of the April 1 average in 2025, a year when it is historically at its peak. Following the three driest years on record, severe storms have highlighted 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, the California Legislature 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 decrease to 47 GPCD on January 1, 2025, and will further reduce to 42 GPCD by January 1, 2030.



ECONOMIC CONDITIONS AND OUTLOOK, continued

Water Use Efficiency

In response to Jerry Brown's 2016 Executive Order and the subsequent passage of AB 1668 and SB 606 in 2018, California's approach to urban water use shifted from reactive drought response to long-term efficiency planning. The regulation titled Making Conservation a California Way of Life, adopted by the State Water Resources Control Board in July 2024, sets a requirement for each urban retail water supplier to establish an "urban water use objective" (UWUO). This objective is a customized water-budget that includes: efficient indoor residential use, outdoor residential use, irrigation of commercial/industrial/institutional landscapes with dedicated meters, and real water losses.

As of January 1, 2025, WVWD is in compliance with the UWUO requirements and upcoming compliance that takes place on January 1, 2027.

In parallel with compliance deadlines, the broader framework anticipates refinements through 2040, with interim milestones and the ability to leverage bonus credits for potable reuse.

At WVWD, we have long maintained cost-effective efficiency programs and recently completed a comprehensive water-use-efficiency strategic plan that positions us to not only meet but exceed these evolving standards. We update that strategic plan regularly, integrating regulatory changes, data-driven insights and robust metrics so the District remains ahead of the curve and continues to safeguard both water supplies and ratepayer dollars.

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.

Because of above-average precipitation and runoff in recent seasons, the State Water Project (SWP) allocation for 2025 was raised to 50 % of requested supplies in the month of April 2025. 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 rate will increase from \$1,395 per acre-foot to \$1,528 per acre-foot on January 1, 2026, a 9.5% 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 two bonded indebtedness and additional obligations under 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.

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.



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 1/2" 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

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 water system facilities at that 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.

This project is completed in 2025 and will provide water services and fire protection for the proposed residential units. The landscape will be irrigated with recycled water.



MAJOR INITIATIVES AND PROJECTS, continued

Water Use Efficiency Objectives

To help California achieve long-term water resilience, the State Water Resources Control Board has established Urban Water Use Objectives that set customized, standard-based water budgets for every retail water agency. These objectives are designed to support the state's shifting natural water supply and emphasize efficient indoor and outdoor residential use, efficient irrigation of commercial/industrial/institutional landscapes with dedicated meters, and reductions in real water loss.

In anticipation of these requirements taking effect in 2026–2027, Walnut Valley Water District has expanded its suite of water-saving programs, tools, and educational initiatives to empower customers to make sustainable choices.

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).
- A wide range of rebate programs, including premium high-efficiency toilets and urinals, sprinkler nozzles, weather-based irrigation controllers, pool covers, rain barrels, soil moisture sensors, and others.
- Turf removal incentives for both residential (\$3 per sq. ft.) and commercial customers (\$7 per sq. ft.) for sustainable landscape transformation.
- Landscape and garden design resources to support customer in creating water-wise outdoor spaces.





MAJOR INITIATIVES AND PROJECTS, continued

Public Education & Outreach

Walnut Valley Water District is deeply committed to excellence in communication, water awareness education, and community partnership. Over the last four years, the District has invested in collaborative programs that bring residents into the conversation about conservation and sustainability. Participants include the Asian American Pacific Islander (AAPI) community, homeowners, senior citizens, students, business owners, locally elected representatives, and parent associations across local schools.

High School Internship Program

As part of its long-standing commitment to education and workforce development, Walnut Valley Water District offers an immersive High School Internship Program designed to nurture the next generation of water leaders. This paid program provides students with hands-on exposure to the water industry, including water conservation, sustainability, communications, operations, engineering, and customer service.

Interns gain real-world experience through job shadowing, field demonstrations, interactive workshops, and a capstone project that often incorporates water-use efficiency concepts. By giving students meaningful opportunities to explore career pathways in water, the program strengthens community awareness, builds a future-ready workforce, and inspires young people to become advocates for sustainable water use, right here in the WVWD service area.



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, 2024. This was the fifth 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

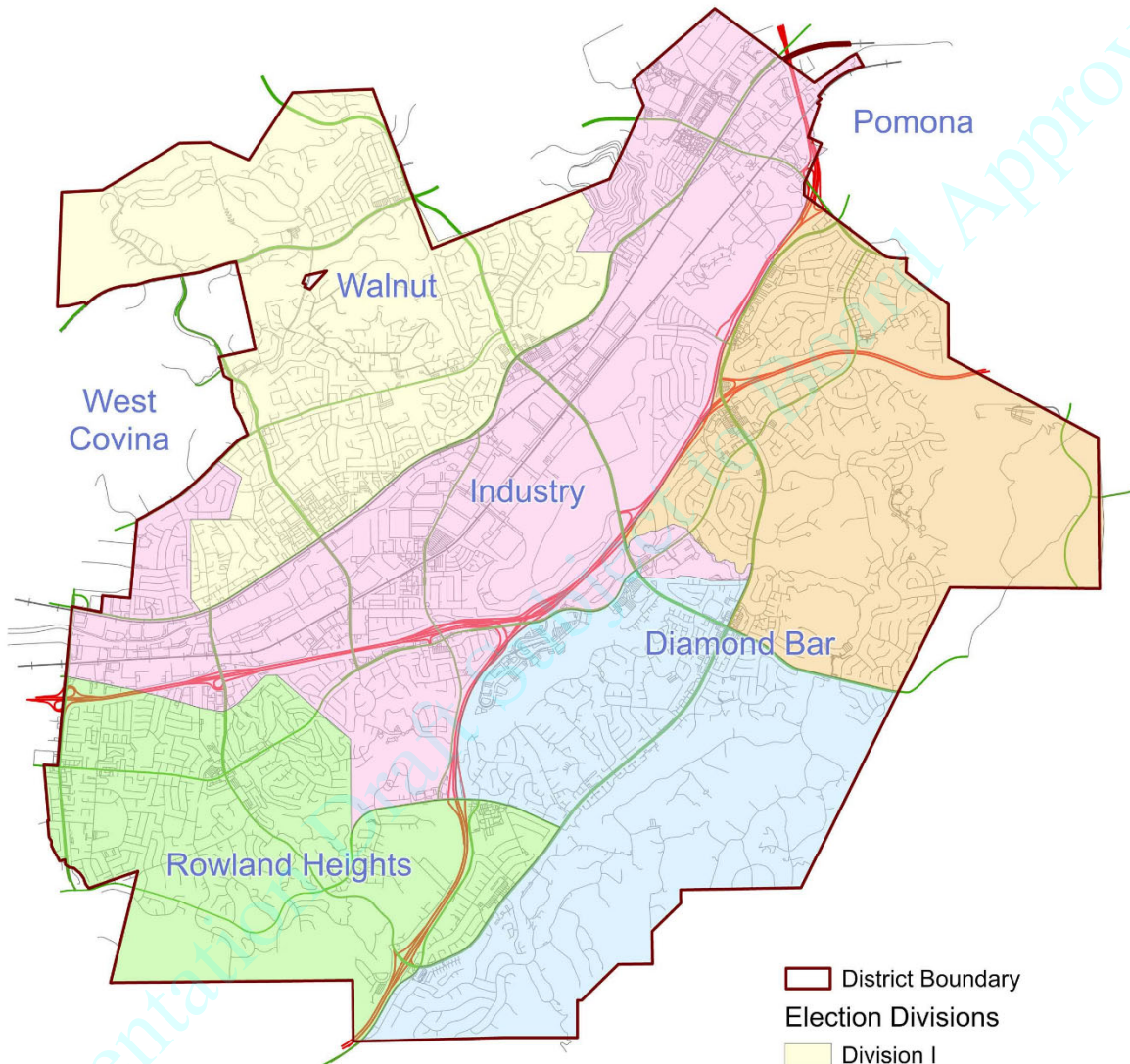
James Ning
Director of Finance

Walnut Valley Water District Organizational Chart

As of June 30, 2025

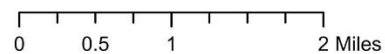


Walnut Valley Water District District Service Area



**Walnut Valley Water District
Board Election Divisions**

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





Government Finance Officers Association

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Presented to

**Walnut Valley Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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Presentation Draft Subject to Board Approval

Financial Section

Presentation Draft Subject to Board Approval

Presentation Draft 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, 2025 and 2024, 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, 2025 and 2024, 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 82 through 85 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 86 through 99, 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 15, 2025, 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 100 and 101.

C.J. Brown & Company, CPAs

Cypress, California

December 15, 2025

Walnut Valley Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

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, 2025 and 2024. 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 2025, the District's net position increased 1.39% or \$2,112,824 to \$154,613,121, primarily due to \$1,075,470 in capital contributions and \$1,037,354 from ongoing operations. 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.
- Total revenues increased 19.56% or \$8,266,013 to \$50,526,592. In fiscal year 2024, total revenues increased 0.61% or \$257,483 to \$42,260,579.
- Operating revenues increased 18.71% or \$7,222,386 to \$45,830,200. In fiscal year 2024, operating revenues decreased 2.68% or \$1,061,956 to \$38,607,814.
- Non-operating revenues increased 28.57% or \$1,043,627 to \$4,696,392. In fiscal year 2024, non-operating revenues increased 56.55% or \$1,319,439 to \$3,652,765.
- Total expenses including depreciation increased by 11.61% or \$5,147,473 to \$49,489,238. In fiscal year 2024, total expenses including depreciation increased by 11.50% or \$4,573,415 to \$44,341,765.
- Operating expenses before depreciation increased 11.66% or \$4,379,292 to \$41,936,708. In fiscal year 2024, operating expenses before depreciation increased 13.55% or \$4,482,680 to \$37,557,416.
- Depreciation and amortization expense decreased 0.26% or \$15,381 to \$5,861,223. In fiscal year 2024, depreciation and amortization expense increased 2.26% or \$130,088 to \$5,876,604.
- Non-operating expenses increased 86.32% or \$783,562 to \$1,691,307. In fiscal year 2024, non-operating expenses decreased 4.16% or \$39,353 to \$907,745.
- Capital contributions from developers and others decreased 70.95% or \$2,626,416 to \$1,075,470. In fiscal year 2024, capital contributions from developers and others decreased 6.88% or \$273,546 to \$3,701,886.

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, 2025 and 2024

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 81.

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Net Position

Condensed Statements of Net Position					
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 50,848,878	58,239,536	(7,390,658)	25,559,891	32,679,645
Non-current assets	43,589,008	46,341,250	(2,752,242)	51,443,159	(5,101,909)
Capital assets, net	<u>132,948,632</u>	<u>119,090,254</u>	<u>13,858,378</u>	<u>114,437,216</u>	<u>4,653,038</u>
Total assets	<u>227,386,518</u>	<u>223,671,040</u>	<u>3,715,478</u>	<u>191,440,266</u>	<u>32,230,774</u>
Deferred outflows of resources	<u>9,219,611</u>	<u>13,082,659</u>	<u>(3,863,048)</u>	<u>14,732,624</u>	<u>(1,649,965)</u>
Liabilities:					
Current liabilities	14,410,358	12,127,468	2,282,890	13,767,418	(1,639,950)
Non-current liabilities	<u>64,066,465</u>	<u>67,679,852</u>	<u>(3,613,387)</u>	<u>37,739,077</u>	<u>29,940,775</u>
Total liabilities	<u>78,476,823</u>	<u>79,807,320</u>	<u>(1,330,497)</u>	<u>51,506,495</u>	<u>28,300,825</u>
Deferred inflows of resources:	<u>3,516,185</u>	<u>4,446,082</u>	<u>(929,897)</u>	<u>3,786,798</u>	<u>659,284</u>
Net position:					
Net investment in capital assets	85,819,390	104,246,051	(18,426,661)	98,999,367	5,246,684
Restricted	26,343,496	26,336,279	7,217	26,475,019	(138,740)
Unrestricted	<u>42,450,235</u>	<u>21,917,967</u>	<u>20,532,268</u>	<u>25,405,211</u>	<u>(3,487,244)</u>
Total net position	<u>\$ 154,613,121</u>	<u>152,500,297</u>	<u>2,112,824</u>	<u>150,879,597</u>	<u>1,620,700</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 \$154,613,121 and \$152,500,297 as of June 30, 2025 and 2024, respectively.

Compared to the prior year, net position increased 1.39% or \$2,112,824 to \$154,613,121, primarily due to \$1,075,470 in capital contributions and \$1,037,354 from ongoing operations. In fiscal year 2023, 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. 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 (56% and 68% as of June 30, 2025 and 2024, 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 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$42,450,235 and \$21,916,575, 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, 2025 and 2024

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.

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 45,830,200	38,607,814	7,222,386	39,669,770	(1,061,956)
Non-operating revenues	4,696,392	3,652,765	1,043,627	2,333,326	1,319,439
Total revenues	<u>50,526,592</u>	<u>42,260,579</u>	<u>8,266,013</u>	<u>42,003,096</u>	<u>257,483</u>
Expenses:					
Operating expenses	41,936,708	37,557,416	4,379,292	33,074,736	4,482,680
Depreciation and amortization	5,861,223	5,876,604	(15,381)	5,746,516	130,088
Non-operating expenses	1,691,307	907,745	783,562	947,098	(39,353)
Total expenses	<u>49,489,238</u>	<u>44,341,765</u>	<u>5,147,473</u>	<u>39,768,350</u>	<u>4,573,415</u>
Net income (loss) before capital contributions	1,037,354	(2,081,186)	3,118,540	2,234,746	(4,315,932)
Capital contributions	<u>1,075,470</u>	<u>3,701,886</u>	<u>(2,626,416)</u>	<u>3,975,432</u>	<u>(273,546)</u>
Changes in net position	2,112,824	1,620,700	492,124	6,210,178	(4,589,478)
Net position, beginning of year	<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>
Net position, end of year	<u>\$ 154,613,121</u>	<u>152,500,297</u>	<u>2,112,824</u>	<u>150,879,597</u>	<u>1,620,700</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 1.39% or \$2,112,824 to \$154,613,121, primarily due to \$1,075,470 in capital contributions and \$1,037,354 from ongoing operations. In fiscal year 2024, 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.

Financial Analysis for Fiscal Year 2025

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

In 2025, the District's total revenues increased 19.56% or \$8,266,013 to \$50,526,592. The District's operating revenues increased 18.71% or \$7,222,386 to \$45,830,200, primarily due to increases of \$4,355,237 in water sales, \$2,053,706 in meter charges, \$854,761 in recycled water sales, \$51,834 in standby charges, offset by a decrease of \$117,610 in other water charges as compared to the previous year.

In 2025, the District's non-operating revenues increased 28.57% or \$1,043,627 to \$4,696,392 primarily due to increases of \$1,165,086 in investment earnings, net of fair value and \$81,929 in property tax revenue, offset by a decrease of \$187,998 in rental income from cellular site leases as compared to the previous year.

In 2025, the District's total expenses including depreciation increased by 11.61% or \$5,147,473 to \$49,489,238. The District's operating expenses before depreciation increased 11.66% or \$4,379,292 to \$41,936,708, primarily due to increases of \$3,488,115 in source of supply, \$367,590 in consumer accounts, \$249,447 in general and administrative, and \$230,186 in transmission and distribution expenses as compared to the previous year.

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

Financial Analysis for Fiscal Year 2025, continued

In 2025, the District's depreciation and amortization expense decreased 0.26% or \$15,381 to \$5,861,223, due to the ongoing maturation of existing depreciable assets.

In 2025, the District's non-operating expenses increased 86.32% or \$783,562 to \$1,691,307, due to an increase of \$1,177,464 in interest expense related to long-term debt primarily due to the 2024 Series A Water Revenue bonds, offset by decreases of \$235,803 in cost of issuance of debt related to the 2024 Series A Water Refunding bond issuance, \$145,667 in share of joint venture loss as compared to the previous year.

In 2025, the District's capital contributions from developers and others decreased 70.95% or \$2,626,416 to \$1,075,470, primarily due to decreases of \$2,481,105 in contributed capital from developers and \$120,252 in State and local capital grants compared to the previous year.

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.

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.

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

Total District Revenues

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Operating revenues:					
Water sales	\$ 29,686,262	25,331,025	4,355,237	26,922,980	(1,591,955)
Meter charges	11,820,253	9,766,547	2,053,706	9,365,587	400,960
Recycled water sales	2,627,581	1,772,820	854,761	1,665,973	106,847
Standby charges	790,486	738,652	51,834	761,611	(22,959)
Hydroelectric sales	50,193	25,735	24,458	21,871	3,864
Other water charges	855,425	973,035	(117,610)	931,748	41,287
Total operating revenues	<u>45,830,200</u>	<u>38,607,814</u>	<u>7,222,386</u>	<u>39,669,770</u>	<u>(1,061,956)</u>
Non-operating revenues:					
Property taxes	1,446,293	1,364,364	81,929	1,378,819	(14,455)
Rental income – cellular site leases	18,873	206,871	(187,998)	212,628	(5,757)
Interest earnings – leases	26,439	51,143	(24,704)	73,699	(22,556)
Investment earnings, net	2,892,149	1,727,063	1,165,086	275,799	1,451,264
Share of joint venture income	-	-	-	242,938	(242,938)
Gain on disposition of capital assets	29,571	-	29,571	-	-
Other non-operating income	283,067	303,324	(20,257)	149,443	153,881
Total non-operating revenues	<u>4,696,392</u>	<u>3,652,765</u>	<u>1,043,627</u>	<u>2,333,326</u>	<u>1,319,439</u>
Total revenues	<u>\$ 50,526,592</u>	<u>42,260,579</u>	<u>8,266,013</u>	<u>42,003,096</u>	<u>257,483</u>

In 2025, total District revenues increased \$8,266,013 to \$50,526,592 as compared to the prior year.

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

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Total District Expenses

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Operating expenses including depreciation expense:					
Source of supply	\$ 23,311,940	19,823,825	3,488,115	21,226,680	(1,402,855)
Pumping	2,237,322	2,226,259	11,063	1,728,885	497,374
Transmission and distribution	7,767,935	7,537,749	230,186	4,392,282	3,145,467
Consumer accounts	2,460,721	2,093,131	367,590	1,493,320	599,811
General and administrative	7,084,822	6,835,375	249,447	5,097,182	1,738,193
Operating expenses capitalized during construction period	(926,032)	(958,923)	32,891	(863,613)	(95,310)
Depreciation and amortization	<u>5,861,223</u>	<u>5,876,604</u>	<u>(15,381)</u>	<u>5,746,516</u>	<u>130,088</u>
Total operating expenses including depreciation and amortization expense	<u>47,797,931</u>	<u>43,434,020</u>	<u>4,363,911</u>	<u>38,821,252</u>	<u>4,612,768</u>
Non-operating expenses:					
Share of joint venture loss	121,906	267,573	(145,667)	-	267,573
Loss on disposition of capital assets	-	12,432	(12,432)	666,270	(653,838)
Interest expense – long-term debt	1,560,751	383,287	1,177,464	280,828	102,459
Bond issuance costs	<u>8,650</u>	<u>244,453</u>	<u>(235,803)</u>	<u>-</u>	<u>244,453</u>
Total non-operating expenses	<u>1,691,307</u>	<u>907,745</u>	<u>783,562</u>	<u>947,098</u>	<u>(39,353)</u>
Total expenses	<u>\$ 49,489,238</u>	<u>44,341,765</u>	<u>5,147,473</u>	<u>39,768,350</u>	<u>4,573,415</u>

In 2025, total District expenses increased \$5,147,473 to \$49,489,238 as compared to the prior year.

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

Capital Asset Administration

Changes in capital assets for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2025</u>
Capital assets:				
Non-depreciable assets	\$ 19,168,423	19,629,462	(6,891,400)	31,906,485
Depreciable and Amortizable assets	235,941,244	7,004,832	(214,358)	242,731,718
Accumulated depreciation and amortization	<u>(136,019,413)</u>	<u>(5,861,223)</u>	<u>191,065</u>	<u>(141,689,571)</u>
Total capital assets, net	<u>\$ 119,090,254</u>	<u>20,773,071</u>	<u>(6,914,693)</u>	<u>132,948,632</u>

Walnut Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Capital Asset Administration, continued

At the end of fiscal year 2025, the District's investment in capital assets amounted to \$132,948,632 (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 2024 were as follows:

		Balance 2023	Additions	Transfers/ Deletions	Balance 2024
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		(130,306,098)	(5,876,604)	163,289	(136,019,413)
Total capital assets, net	\$	<u>114,437,216</u>	<u>9,417,912</u>	<u>(4,764,874)</u>	<u>119,090,254</u>

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.

Debt Administration

Changes in long-term debt amounts for 2025 were as follows:

		Balance 2024	Additions/ Deletions	Principal Payments	Balance 2025
Long-term debt:					
Subscriptions payable	\$	94,203	113,999	(56,291)	151,911
Bonds payable		48,016,792	-	(1,039,461)	46,977,331
Total long-term debt		48,110,995	<u>113,999</u>	<u>(1,095,752)</u>	47,129,242
Less: current portion		(996,577)			(1,522,386)
Non-current portion	\$	<u>47,114,418</u>			<u>45,606,856</u>

In 2025, long-term debt increased by \$113,999 in subscription leases payable, offset by decreases of \$56,291 in scheduled subscription payments and \$1,039,461 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, 2025 and 2024

Debt Administration, continued

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

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>
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.

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 General Manager, Sheryl Shaw at Walnut Valley Water District at 271 South Brea Canyon Road, Walnut, California 91789 or (909) 595-7554.

Basic Financial Statements

Presentation Draft Subject to Board Approval

Walnut Valley Water District
Statements of Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 8,388,658	7,133,962
Restricted – cash and cash equivalents (note 2)	23,623,528	34,585,967
Investments (note 2)	10,135,314	7,935,202
Restricted – investments (note 2)	905,762	1,520,158
Accrued interest receivable	198,569	182,433
Restricted – accrued interest receivable	55,612	13,708
Accounts receivable – water sales and services	5,192,776	4,467,162
Accounts receivable – other	258,542	351,330
Leases receivable (note 4)	75,712	165,589
Property tax receivable	116,984	98,514
Prepaid expenses	406,766	405,836
Inventory – materials and supplies	1,490,655	1,379,675
Total current assets	<u>50,848,878</u>	<u>58,239,536</u>
Non-current assets:		
Investments (note 2)	15,031,809	16,190,304
Restricted – Investments (note 2)	4,609,557	5,677,749
Restricted – Investment in joint ventures (note 3)	23,413,627	23,412,235
Leases receivable (note 4)	534,015	1,060,962
Capital assets – not being depreciated (note 5)	31,906,485	19,168,423
Capital assets – being depreciated, net (note 5)	101,042,147	99,921,831
Total non-current assets	<u>176,537,640</u>	<u>165,431,504</u>
Total assets	<u>227,386,518</u>	<u>223,671,040</u>
Deferred outflows of resources:		
Deferred OPEB outflows (note 8)	3,547,347	4,873,104
Deferred pension outflows (note 9)	5,672,264	8,209,555
Total deferred outflows of resources	<u>\$ 9,219,611</u>	<u>13,082,659</u>

Continued on next page

See accompanying notes to the basic financial statements.

Walnut Valley Water District
Statements of Net Position, continued
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,058,977	5,576,921
Accrued payroll and employee benefits	281,277	156,904
Customer and developer deposits	2,202,884	2,085,383
Construction advances	694,528	2,628,032
Unearned revenue	251,761	310,696
Accrued interest payable	143,132	126,279
Long-term liabilities – due in one year:		
Compensated absences (note 6)	255,413	246,676
Subscriptions payable (note 7)	62,386	41,577
Bonds payable (note 7)	1,460,000	955,000
Total current liabilities	<u>14,410,358</u>	<u>12,127,468</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	766,239	740,028
Subscriptions payable (note 7)	89,525	52,626
Bonds payable (note 7)	45,517,331	47,061,792
Net OPEB liability (note 8)	1,856,776	2,630,411
Net pension liability (note 9)	15,836,594	17,194,995
Total non-current liabilities	<u>64,066,465</u>	<u>67,679,852</u>
Total liabilities	<u>78,476,823</u>	<u>79,807,320</u>
Deferred inflows of resources:		
Deferred lease inflows (note 4)	480,224	951,694
Deferred OPEB inflows (note 8)	1,668,541	2,124,488
Deferred pension inflows (note 9)	1,367,420	1,369,900
Total deferred inflows of resources	<u>3,516,185</u>	<u>4,446,082</u>
Net position: (note 10)		
Net investment in capital assets	85,819,390	104,246,051
Restricted:		
Reservoir capacity charge	658,767	754,939
Acreage supply charge	457,985	448,016
Investment in joint venture – PBWA	22,944,545	22,932,690
Investment in joint venture – Spadra	469,082	479,545
Badillo Grand surcharge	278,436	294,404
Water supply charge	1,267,517	1,239,313
Capacity charge	267,164	187,372
Unrestricted	42,450,235	21,917,967
Total net position	<u>\$ 154,613,121</u>	<u>152,500,297</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Water sales	\$ 29,686,262	25,331,025
Meter charges	11,820,253	9,766,547
Recycled water sales	2,627,581	1,772,820
Standby charges	790,486	738,652
Hydroelectric sales	50,193	25,735
Other water charges	855,425	973,035
Total operating revenues	<u>45,830,200</u>	<u>38,607,814</u>
Operating expenses:		
Source of supply	23,311,940	19,823,825
Pumping	2,237,322	2,226,259
Transmission and distribution	7,767,935	7,537,749
Consumer accounts	2,460,721	2,093,131
General and administrative	7,084,822	6,835,375
Operating expenses capitalized during construction period	(926,032)	(958,923)
Total operating expenses	<u>41,936,708</u>	<u>37,557,416</u>
Operating income before depreciation and amortization expense	3,893,492	1,050,398
Depreciation and amortization expense	(5,861,223)	(5,876,604)
Operating loss	<u>(1,967,731)</u>	<u>(4,826,206)</u>
Non-operating revenue(expense):		
Property taxes	1,446,293	1,364,364
Rental income – cellular site leases	18,873	206,871
Interest earnings – leases	26,439	51,143
Investment earnings, net of fair value	2,892,149	1,727,063
Share of joint venture loss	(121,906)	(267,573)
Gain (Loss) on disposition of capital assets	29,571	(12,432)
Interest expense – long-term debt	(1,560,751)	(383,287)
Cost of issuance of debt	(8,650)	(244,453)
Other non-operating income	283,067	303,324
Total non-operating revenue, net	<u>3,005,085</u>	<u>2,745,020</u>
Net income(loss) before capital contributions	<u>1,037,354</u>	<u>(2,081,186)</u>
Capital contributions:		
Developers and others	1,000,639	3,481,744
Capacity and supply charges	74,831	99,890
Capital grants – state and local	-	120,252
Total capital contributions	<u>1,075,470</u>	<u>3,701,886</u>
Change in net position	2,112,824	1,620,700
Net position, beginning of the year	<u>152,500,297</u>	<u>150,879,597</u>
Net position, end of year	<u>\$ 154,613,121</u>	<u>152,500,297</u>

See accompanying notes to the basic financial statements.

Walnut Valley Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from customers for sales and services	\$ 45,539,007	38,859,898
Cash paid to vendors and suppliers	(29,693,777)	(29,527,992)
Cash paid to employees for salaries and wages	(7,440,879)	(7,037,390)
Net cash provided by operating activities	<u>8,404,351</u>	<u>2,294,516</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	1,427,823	1,403,942
Payments to joint ventures	(123,298)	(890,142)
Net cash provided by non-capital financing activities	<u>1,304,525</u>	<u>513,800</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(19,742,894)	(10,542,567)
Proceeds from capital contributions	858,034	944,485
Proceeds from principal issued on long-term debt	113,999	33,360,350
Payment of loan issuance costs	(8,650)	(244,453)
Principal paid on bonds payable and leases payable	(1,095,752)	(687,204)
Interest paid on bonds payable and leases payable	(1,543,898)	(280,125)
Net cash (used in)provided by capital and related financing activities	<u>(21,419,161)</u>	<u>22,550,486</u>
Cash flows from investing activities:		
Interest and investment earnings, net of fair value	2,834,109	1,748,922
Purchase of securities	(4,500,000)	(2,150,000)
Proceeds from sale of securities	3,032,736	5,562,825
Principal received from leases receivable	635,697	816,849
Net cash provided by investing activities	<u>2,002,542</u>	<u>5,978,596</u>
Net (decrease) increase in cash and cash equivalents	<u>(9,707,743)</u>	<u>31,337,398</u>
Cash and cash equivalents, beginning of year	<u>41,719,929</u>	<u>10,382,531</u>
Cash and cash equivalents, end of year	<u>\$ 32,012,186</u>	<u>41,719,929</u>
Reconciliation of cash and cash equivalents to statement of net position:		
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,388,658	7,133,962
Cash and cash equivalents – restricted	23,623,528	34,585,967
Total cash and cash equivalents	<u>\$ 32,012,186</u>	<u>41,719,929</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (1,967,731)	(4,826,206)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization expense	5,861,223	5,876,604
Other non-operating income	283,067	303,324
Change in assets, deferred outflows, liabilities, and deferred inflows:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(725,614)	(1,022,585)
Accounts receivable – other	92,788	991,020
Prepaid expenses and other deposits	(930)	(15,641)
Materials and supplies inventory	(110,980)	(143,365)
(Increase)Decrease in deferred outflows of resources:		
Deferred OPEB outflows	1,325,757	711,928
Deferred pension outflows	2,537,291	938,037
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	3,482,056	728,159
Accrued payroll and employee benefits	124,373	(69)
Deposits for work-orders	117,501	62,773
Unearned revenues	(58,935)	(82,448)
Compensated absences	34,948	(94,055)
Net OPEB liability	(773,635)	(1,445,357)
Net pension liability	(1,358,401)	(887,085)
Increase(Decrease) in deferred inflows of resources:		
Deferred OPEB inflows	(455,947)	1,059,866
Deferred pension inflows	(2,480)	139,616
Total adjustments	<u>10,372,082</u>	<u>7,120,722</u>
Net cash provided by operating activities	<u>\$ 8,404,351</u>	<u>2,294,516</u>
Non-cash investing, capital, and financing transaction:		
Changes in fair value of investments	<u>\$ 1,019,359</u>	<u>844,238</u>

See accompanying notes to the basic financial statements.

Walnut Valley Water District
Notes to the Basic Financial Statements
For Fiscal Years Ended June 30, 2025 and 2024

(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, James Ning 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, 2025 and 2024

(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. 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. See Note 1.D.13 and Note 6 for the impact of this note on the financial statements due to implementation in the current fiscal year.

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.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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 Treasurer 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, 2025 and 2024

(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, 2025 and 2024

(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, 2025 and 2024

(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 outflow 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.

The District has adopted the provisions of *GASB Statement No. 101*. 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. The District has determined that the accrued vested sick liability meets the provisions, as reported above, of *GASB Statement No. 101* for reporting. Therefore, a liability for the vested and accrued value of sick leave that will be settled in the future by employees as time off is included in the liability for compensated absences.

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 Dates: June 30, 2024 and 2023
- Measurement Periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

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

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

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 Dates: June 30, 2023 and 2022
- Measurement Dates: June 30, 2024 and 2023
- Measurement Period: July 1, 2023 to June 30, 2024 and 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.

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.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

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

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

21. Net Position

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

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

22. Budgetary Policies

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

(2) Cash and Investments

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

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,388,658	7,133,962
Restricted – cash and cash equivalents	<u>23,623,528</u>	<u>34,585,967</u>
Total cash and cash equivalents	<u>32,012,186</u>	<u>41,719,929</u>
Investments	10,135,314	7,935,202
Restricted – investments	905,762	1,520,158
Investments non-current	15,031,809	16,190,304
Restricted – Investments non-current	<u>4,609,557</u>	<u>5,677,749</u>
Total investments	<u>30,682,442</u>	<u>31,323,413</u>
Total cash and investments	<u>\$ 62,694,628</u>	<u>73,043,342</u>

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

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

	<u>2025</u>	<u>2024</u>
Cash and investments		
Cash on hand	\$ 2,342	3,000
Deposits with financial institutions	5,803,037	4,691,712
Investments	<u>56,889,249</u>	<u>68,348,630</u>
Total cash and investments	<u>\$ 62,694,628</u>	<u>73,043,342</u>

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

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

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

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

Investments Authorized by Debt Agreements, continued

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

Investment in State Investment Pool and Joint Powers Authority

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. The District also has investments with the California Cooperative Liquid Assets Securities System (CLASS), which is a joint powers authority that provides for high-quality, short- to medium-term investments in carefully selected securities with prompt access to funds as needed by the District.

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).

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

Custodial Credit Risk, continued

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.

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:

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Investments, continued

Interest Rate Risk, continued

Investment maturities as of June 30, 2025, were as follows:

Investment Type	Amount	Remaining Maturity		
		12 Months Or Less	13 to 24 Months	25-60 Months
California Local Agency Investment Fund	\$ 2,901,155	2,901,155	-	-
California Cooperative Liquid Assets				
Securities System (CLASS)	2,040,141	2,040,141	-	-
Certificates-of-deposit	238,799	-	238,799	-
United States Government Sponsored				
Agency Securities	3,543,320	2,299,550	-	1,243,770
United States Treasury notes	14,752,159	3,803,851	4,507,826	6,440,482
Corporate obligations	7,599,169	388,680	2,370,151	4,840,338
Supranational obligations	1,079,771	1,079,771	-	-
Equities	1,429,083	1,429,083	-	-
Held by Bond Trustee:				
Cash with fiscal agent (PBWA Bond Rev)	23,305,652	23,305,652	-	-
Total	\$ 56,889,249	37,247,883	7,116,776	12,524,590

Investment maturities as of June 30, 2024, were as follows:

Investment Type	Amount	Remaining Maturity		
		12 Months Or Less	13 to 24 Months	25-60 Months
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	-	-
Total	\$ 68,348,630	46,480,577	7,225,187	14,642,866

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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, 2025, were as follows:

Investment Type	Minimum Legal Rating	Amount	Rating as of year-end		
			Exempt from Disclosure	AAA/AA+/AA-	A-1/A+/A/A-
California Local Agency Investment Fund	N/A	\$ 2,901,155	2,901,155	-	-
California Cooperative Liquid Assets Securities System (CLASS)	N/A	2,040,141	2,040,141	-	-
Certificates-of-deposit	N/A	238,799	238,799	-	-
Money market mutual funds	Aaa	23,305,652	-	23,305,652	-
United States Government Sponsored Agency Securities	N/A	3,543,320	-	3,543,320	-
United States Treasury notes	N/A	14,752,159	14,752,159	-	-
Corporate obligations	A	7,599,169	-	1,815,233	5,783,936
Supranational obligations	AA	1,079,771	-	1,079,771	-
Equities	AA	1,429,083	1,429,083	-	-
Total		\$ 56,889,249	21,361,337	29,743,976	5,783,936

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	AAA/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	-	-
Total		\$ 68,348,630	18,508,173	42,810,349	7,030,108

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 5% and 4% as of June 30, 2025 and 2024, 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, 2025 and 2024

(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, 2025 and 2024, respectively (excluding external investment pools and debt explicitly guaranteed by the U.S. government).

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:

Description	June 30, 2025	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	\$ 238,799	-	238,799	-
United States Government Sponsored				
Agency securities	3,543,320	-	3,543,320	-
United States Treasury notes	14,752,159	14,752,159	-	-
Corporate obligations	7,599,169	-	7,599,169	-
Supranational obligations	1,079,771	-	1,079,771	-
Equities	1,429,083	-	1,429,083	-
	28,642,301	14,752,159	13,890,142	-
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	2,901,155			
California Cooperative Liquid Assets				
Securities System (CLASS)	2,040,141			
Money market mutual funds	23,305,652			
Total	\$ 56,889,249			

The District has the following recurring fair value measurements as of June 30, 2025:

- Certificates-of-deposit of \$238,799 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Governmental Sponsored Agency securities of \$3,543,320 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasury securities of \$14,752,159 are valued using quoted market prices (Level 1 inputs).
- Corporate obligations of \$7,599,169 are valued using a matrix pricing model (Level 2 inputs).
- Supranational obligations of \$1,079,771 are valued using a matrix pricing model (Level 2 inputs).
- Equities of \$1,429,083 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, 2025 and 2024

(2) Cash and Investments, continued

Fair Value Measurements, continued

- Local Agency Investment funds of \$2,901,155 are valued at amortized cost and are not subject to fair value hierarchy.
- California Cooperative Liquid Assets Securities System (CLASS) funds of \$2,040,141 are valued at amortized cost and are not subject to fair value hierarchy.
- Money Market Mutual funds of \$23,305,652 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, 2024	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	\$ 703,356	-	703,356	-
United States Government Sponsored				
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	-
Total	31,323,413	13,573,664	17,749,749	-
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	2,758,488			
Money market mutual funds	34,266,729			
Total	\$ 68,348,630			

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).
- 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.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(3) Investment in Joint Ventures

Changes in investments in joint-powers-authorities for 2025 were as follows:

	<u>Balance</u> <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2025</u>
Investment in joint-powers-authorities:				
Puente Basin Water Agency	\$ 22,932,690	11,855	-	22,944,545
Spadra Basin Groundwater Sustainability Agency	479,545	(10,463)	-	469,082
Total investment in joint-powers-authorities	\$ <u>23,412,235</u>	<u>1,392</u>	<u>-</u>	<u>23,413,627</u>

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

	<u>Balance</u> <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2024</u>
Investment in joint-powers-authorities:				
Puente Basic 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>

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 \$7,494,558 and \$9,284,771 in water from the Agency in the years ended June 30, 2025 and 2024, 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. 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, one from each member agency.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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 2024</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Leases receivable:							
Cingular Wireless – Eastgate	\$ 74,608	-	(68,827)	5,781	5,781	-	(2,318)
Phoenix Tower – Eastgate	234,735	-	(36,891)	197,844	39,355	158,489	(173,206)
APC Towers LLC – Parker Canyon	434,462	-	(28,360)	406,102	30,576	375,526	(304,700)
APC Towers LLC – Ridgeline	482,746	(482,746)	-	-	-	-	-
Total leases receivable	\$ 1,226,551	(482,746)	(134,078)	609,727	75,712	534,015	(480,224)
Current portion	(165,589)			(75,712)			
Non-current portion	\$ 1,060,962			534,015			

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(4) Leases Receivable, continued

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

	Balance 2023	Additions/ Deletions	Principal Payments	Balance 2024	Current Portion	Long-term Portion	Deferred Inflows
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	\$ 1,836,529	(411,779)	(198,199)	1,226,551	165,589	1,060,962	(951,694)
Current portion	(185,475)			(165,589)			
Non-current portion	\$ 1,651,054			1,060,962			

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, 2025 and 2024, deferred inflows were reported at \$0, 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, 2025 and 2024, deferred inflows were reported at \$2,318 and \$30,192, respectively.

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

Year	Principal	Interest	Total	Deferred Inflows
2026	\$ 5,781	376	6,157	(2,318)
Total	5,781	376	6,157	(2,318)
Current	(5,781)			
Non-current	\$ -			

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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, 2025 and 2024, deferred inflows were reported at \$173,206 and \$211,697, respectively.

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
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	197,844	20,941	218,785	(173,206)
Current	(39,355)			
Non-current	\$ 158,489			

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, 2025 and 2024, deferred inflows were reported at \$304,700 and \$336,221, respectively.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(4) Leases Receivable, continued

APC Towers LLC – Parker Canyon, continued

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
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	40,607	9,325	49,932	(31,521)
2031-2035	228,751	25,082	253,833	(147,095)
Total	406,102	82,054	488,156	(304,700)
Current	(30,576)			
Non-current	\$ 375,526			

APC Towers LLC – 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, deferred inflows were reported at \$373,584. As of June 30, 2025 the lease was terminated by APC Towers, LLC.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(5) Capital Assets

Changes in capital assets for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets:				
Land	\$ 5,148,000	-	-	5,148,000
Water rights	6,638	-	-	6,638
Construction-in-process	14,013,785	19,629,462	(6,891,400)	26,751,847
Total non-depreciable assets	19,168,423	19,629,462	(6,891,400)	31,906,485
Depreciable assets:				
Pumping equipment	20,765,852	-	-	20,765,852
Transmission and distribution	167,522,800	6,156,931	(24,407)	173,655,324
PWR capacity	927,744	-	-	927,744
Hydroelectric	924,270	-	-	924,270
Recycled water system	32,297,634	137,429	-	32,435,063
General plant	13,325,025	596,473	(110,153)	13,811,345
Subscription based assets	177,919	113,999	(79,798)	212,120
Total depreciable and amortizable assets	235,941,244	7,004,832	(214,358)	242,731,718
Accumulated depreciation and amortization:				
Pumping equipment	(13,443,744)	(706,601)	-	(14,150,345)
Transmission and distribution	(100,290,375)	(3,836,052)	1,114	(104,125,313)
PWR capacity	(743,585)	(29,072)	-	(772,657)
Hydroelectric	(646,851)	(25,348)	-	(672,199)
Recycled water system	(13,477,001)	(622,790)	-	(14,099,791)
General plant	(7,335,971)	(582,398)	110,153	(7,808,216)
Subscription based assets	(81,886)	(58,962)	79,798	(61,050)
Total accumulated depreciation and amortization	(136,019,413)	(5,861,223)	191,065	(141,689,571)
Total depreciable and amortizable assets, net	99,921,831	1,143,609	(23,293)	101,042,147
Total capital assets, net	\$ 119,090,254	20,773,071	(6,914,693)	132,948,632

Major depreciable capital assets additions during the fiscal year ended 2025 consists of additions to the following categories: transmission and distribution systems, recycled water system, general plant assets, and subscription based assets. The District removed \$6,891,400 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 \$567 was expensed.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(5) Capital Assets, continued

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	8,317,218	10,449,009	(4,752,442)	14,013,785
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	164,205	93,557	(79,843)	177,919
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	(106,149)	(55,580)	79,843	(81,886)
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, 2025 and 2024

(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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Construction-in-progress:			
Developer projects	\$ 3,915,388	5,433,708	2,877,754
System modifications	2,920,863	6,105,712	3,576,660
General projects	19,663,227	2,117,628	1,613,769
Vehicles and equipment	152,596	274,365	207,392
Various small projects under \$100,000	99,773	82,372	41,643
Total construction-in-progress	<u>\$ 26,751,847</u>	<u>14,013,785</u>	<u>8,317,218</u>

(6) Compensated Absences

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences comprise unpaid vacation leave that accrue when benefits are fully vested and are determined annually based on the District's policy. The District's liability for compensated absences is determined annually and will be liquidated through the water fund.

As of June 30 2025, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not to be used or paid out. The liability is reported in the Statement of Net Position.

The net change in the compensated absence liability for the fiscal years ended June 30, 2025 and 2024, increased and decreased by \$34,948 and \$94,055, respectively.

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

<u>Balance</u> <u>2024</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2025</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 986,704	34,948 *		1,021,652	255,413	766,239

*The changes in the compensated absence liabilities are presented as a net change.

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

<u>Balance</u> <u>2023</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>2024</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 1,080,759	-	(94,055) *	986,704	246,676	740,028

*The changes in the compensated absence liabilities are presented as a net change.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt

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

	Balance 2024	Additions/ Deletions	Principal Payments	Balance 2025	Current Portion	Long-term Portion
Subscriptions payable:						
Eagle aerial subscription lease	\$ 39,289	-	(17,963)	21,326	19,673	1,653
EKOS subscription lease	3,577	-	(410)	3,167	454	2,713
Esri subscription lease	16,142	84,426	(26,209)	74,359	28,844	45,515
iLand subscription lease	941	-	(941)	-	-	-
Pitney Bowes subscription lease	34,254	-	(6,121)	28,133	6,656	21,477
Planetbids subscription lease	-	29,573	(4,647)	24,926	6,759	18,167
Subtotal subscriptions payable	94,203	113,999	(56,291)	151,911	62,386	89,525
Bonds payable:						
2021 Series A Water Revenue Bonds	14,750,000	-	(955,000)	13,795,000	965,000	12,830,000
2024 Series A Water Revenue Bonds	30,740,000	-	-	30,740,000	495,000	30,245,000
Add: Unamortized premium	2,526,792	-	(84,461)	2,442,331	-	2,442,331
Subtotal bonds payable	48,016,792	-	(1,039,461)	46,977,331	1,460,000	45,517,331
Total lease and bonds payable	\$ 48,110,995	113,999	(1,095,752)	47,129,242	1,522,386	45,606,856

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

	Balance 2023	Additions/ Deletions	Principal Payments	Balance 2024	Current Portion	Long-term Portion
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	57,849	93,557	(57,203)	94,203	41,577	52,626
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	15,380,000	33,266,793	(630,001)	48,016,792	955,000	47,061,792
Total lease and bonds payable	\$ 15,437,849	33,360,350	(687,204)	48,110,995	996,577	47,114,418

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.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt, continued

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 19,673	1,759	21,432
2027	1,653	136	1,789
Total	21,326	1,895	23,221
Current	(19,673)		
Non-current	\$ 1,653		

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.

Annual subscription payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 454	158	612
2027	502	132	634
2028	556	104	660
2029	615	73	688
2030	681	39	720
2031	359	15	374
Total	3,167	521	3,688
Current	(454)		
Non-current	\$ 2,713		

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt, continued

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.

On February 18, 2025, the District re-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, 2025, for a period of 3 years, with payments due annually at \$30,200 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>
2026	\$	28,844	-	28,844
2027		26,786	4,067	30,853
2028		18,729	2,107	20,836
Total		74,359	6,174	80,533
Current		(28,844)		
Non-current	\$	45,515		

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.

At June 30, 2025, the subscription agreement had matured-in-full.

Pitney Bowes (formerly InfoSend) Subscription Lease

On March 17, 2017, the District entered into an agreement with InfoSend, Inc. 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.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt, continued

Pitney Bowes (formerly InfoSend) Subscription Lease, continued

Annual subscription payments are as follows:

<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		28,133	7,464	35,597
Current		(6,656)		
Non-current	\$	21,477		

Planetbids Subscription Lease

On April 12, 2024, the District entered into an agreement with PlanetBids, Inc. 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 October 2, 2024, for a period of 4 years, with payments due annually at \$8,561 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 4.63%. 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>
2026	\$	6,759	1,870	8,629
2027		7,564	1,314	8,878
2028		8,437	693	9,130
2029		2,166	-	2,166
Total		24,926	3,877	28,803
Current		(6,759)		
Non-current	\$	18,167		

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(7) Long-term Debt, continued

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 1st of each year, and principal is payable June 1st of each year commencing June 1, 2014 with interest rates ranging from 1.0% to 5.0%. The Bonds are scheduled to mature on June 1, 2038. The rate covenants of the Installment Purchase Contract require that net revenues of the District for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year. 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 1st and June 1st of each year, and principal is payable June 1st of each year commencing December 1, 2021 with interest rates ranging from 0.468% to 2.564%. The Bonds are scheduled to mature on June 1, 2038. The rate covenants of the Installment Purchase Contract require that net revenues of the District for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

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

Year	Principal	Interest	Total
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	1,015,000	216,953	1,231,953
2031-2035	5,355,000	791,806	6,146,806
2036-2038	3,510,000	178,520	3,688,520
Total	13,795,000	2,191,892	15,986,892
Current	(965,000)		
Non-current	\$ 12,830,000		

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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>
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	605,000	1,343,650	1,948,650
2031-2035	3,505,000	6,233,500	9,738,500
2036-2040	4,465,000	5,265,500	9,730,500
2041-2045	5,700,000	4,032,500	9,732,500
2046-2050	7,270,000	2,458,250	9,728,250
2051-2055	7,060,000	720,000	7,780,000
Total	30,740,000	<u>25,701,500</u>	<u>56,441,500</u>
Premium	<u>2,442,331</u>		
Current	<u>(495,000)</u>		
Non-current	\$ <u>32,687,331</u>		

(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, 2025 and 2024

(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:

	<u>2025</u>	<u>2024</u>
Inactive employees or beneficiaries		
currently receiving benefit payments	46	46
Active employees	<u>56</u>	<u>56</u>
Total plan membership	<u>102</u>	<u>102</u>

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:

	<u>2025</u>	<u>2024</u>
Contributions premium payment – employer	\$ <u>698,327</u>	<u>637,719</u>
Total employer paid contributions	\$ <u>698,327</u>	<u>637,719</u>

As of June 30, 2025 and 2024, employer pension contributions of \$698,327 and \$637,719, 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, 2025 and 2024

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

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2024 and 2023, actuarial valuations, which were measured at June 30, 2023, respectively, were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2025 – 2.50 percent 2024 – 2.30 percent
Salary increases	2025 – 2.80 percent, average, including inflation 2024 – 2.80 percent, average, including inflation
Discount rate	2025 – 5.25 percent 2024 – 5.25 percent
Healthcare cost trend rates	2025 – Based on 2023 Getzen model that reflects actual premium increases from 2023 to 2024, followed by 6.20% non-Medicare / 5.50% Medicare in 2024, decreasing gradually to an ultimate rate of 3.94% non-Medicare / 4.51% Medicare % in 2075. 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.

Changes in the Net OPEB Liability

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 17,865,398	15,234,987	2,630,411
Changes for the year:			
Service cost	349,896	-	349,896
Interest	935,655	-	935,655
Employer contributions	-	796,773	(796,773)
Net investment income	-	1,338,121	(1,338,121)
Benefit payments	(796,773)	(796,773)	-
Trust administrative expenses	-	(75,708)	75,708
Net change	488,778	1,262,413	(773,635)
Balance at June 30, 2025	\$ 18,354,176	16,497,400	1,856,776

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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, 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>

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, 2025, 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	\$ 4,664,000	1,856,776	(415,259)

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	\$ 5,381,767	2,630,411	407,206

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:

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

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

As of June 30, 2025, the healthcare cost trend rate comparison was the following:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB liability	\$ (672,685)	1,856,776	5,055,472

As of June 30, 2024, the healthcare cost trend rate comparison was the following:

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

For the year ended June 30, 2025 and 2024, the District recognized OPEB expense of \$794,503 and \$964,155, respectively.

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

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

	June 30, 2025		June 30, 2024	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 698,327	-	637,719	-
Change of assumptions	2,278,090	-	2,790,298	-
Difference between expected and actual experience	-	(1,668,541)	-	(2,124,488)
Net difference between projected and actual earnings on investments	570,930	-	1,445,087	-
Total	\$ 3,547,347	(1,668,541)	4,873,104	(2,124,488)

As of June 30, 2025 and 2024, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$698,327 and \$637,719 will be/were recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2026 and 2025, respectively.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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, 2025, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods, respectively. OPEB related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2026	\$ 352,913
2027	535,392
2028	(40,541)
2029	231,025
2030	(7,164)
Thereafter	108,854

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

Schedules of Other Post-Employment Benefits Plan Contributions

See pages 82 and 83 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, who began employment either with the District or at another CalPERS member agency, on or before December 31, 2012, 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, 2025 and 2024

(9) Defined Benefit Pension Plan, continued

Benefits Provided, continued

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

	<u>Classic</u>	<u>New Classic</u>	<u>PEPRA</u>
		On or after January 1, 2010 and before January 1, 2013	On or after January 1, 2013
Hire date	Prior to October 1, 2010		
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%
2025:			
Required employee contribution rates	7.96%	6.93%	8.00%
Required employer contribution rates	16.70%	13.05%	8.07%
2024:			
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>2025</u>	<u>2024</u>
Contributions – employer	\$ 1,884,602	2,654,679

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>2025</u>	<u>2024</u>
Proportionate share of net pension liability	\$ 15,836,594	17,194,995

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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, 2024 and 2023, 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, 2023 and 2022, rolled forward to June 30, 2024 and 2023, 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:

	<u>Proportionate Share</u>
Proportion – June 30, 2024	0.13783 %
Change in proportion	<u>(0.00725)</u>
Proportion – June 30, 2025	<u>0.13058 %</u>
	<u>Proportionate Share</u>
Proportion – June 30, 2023	0.15654 %
Change in proportion	<u>(0.01871)</u>
Proportion – June 30, 2024	<u>0.13783 %</u>

Net Pension Liability

As a result of the calculation of the District's share of pension amounts at June 30, 2025 and 2024, the District recognized pension expense of \$406,334 and \$2,845,246, respectively.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(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:

Description	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date at June 30	\$ 1,884,602	-	2,654,679	-
Net, differences between actual and expected experience	1,315,793	-	742,150	-
Net, changes in assumptions	407,033	-	1,038,139	-
Net, differences between projected and actual earnings on plan investments	911,693	-	2,784,023	-
Net, differences between actual contribution and proportionate share of contributions	1,153,143	-	990,564	-
Net, change due to differences in proportion of net pension liability	-	(1,367,420)	-	(1,369,900)
Total	\$ 5,672,264	(1,367,420)	8,209,555	(1,369,900)

As of June 30, 2025 and 2024, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$1,884,602 and \$2,654,679 will be/were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026 and 2025, respectively.

As a result of the calculation of the District's share of pension amounts at June 30, 2025, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows(Inflows) of Resources
2026	\$ 718,564
2027	2,043,058
2028	(28,954)
2029	(312,426)
2030	-
Thereafter	-

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(9) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities were determined as of June 30, 2023 and 2022 (valuation dates), which were rolled forward to June 30, 2024 and 2023 (measurement dates), respectively, using the following actuarial assumptions:

Valuation dates	June 30, 2023 and 2022
Measurement dates	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68

Actuarial assumptions:

Discount rate/ Investment Rate of Return	2024 – 6.90%
	2023 – 6.90%
Inflation	2024 – 2.30%
	2023 – 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	2024 and 2023 – 1997–2015
Post Retirement Benefit	2024 and 2023 – 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, 2025 and 2024

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

Asset Class	Target Allocation	Real Return Years 1-10
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High 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	100.00 %	

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

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

As of June 30, 2025, the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	\$ 25,416,504	15,836,594	7,950,919

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(9) Defined Benefit Pension Plan, continued

As of June 30, 2024, the discount rate comparison was the following:

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

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 84 and 85 for the Required Supplementary Schedules.

Payable to the Pension Plan

As of June 30, 2025 and 2024, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(10) Net Position

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

	<u>2025</u>	<u>2024</u>
Net investment in capital assets:		
Capital assets, net	\$ 132,948,632	119,090,254
Lease payable, current	(62,386)	(41,577)
Lease payable, non-current	(89,525)	(52,626)
Bonds payable, current	(1,460,000)	(955,000)
Bonds payable, non-current	(45,517,331)	(13,795,000)
Total investment in capital assets	<u>85,819,390</u>	<u>104,246,051</u>
Restricted net position:		
Capital projects	23,305,652	34,266,729
Unspent capital project debt	(23,305,652)	(34,266,729)
Reservoir capacity charge	658,767	754,939
Acreage supply charge	457,985	448,016
Investment in joint venture – PBWA	22,944,545	22,932,690
Investment in joint venture – Spadra	469,082	479,545
Badillo Grand surcharge	278,436	294,404
Water supply charge	1,267,517	1,239,313
Capacity charge	267,164	187,372
Total restricted net position	<u>26,343,496</u>	<u>26,336,279</u>
Unrestricted net position:		
Operating reserve	15,528,263	(5,024,485)
Replacement	16,273,930	17,313,320
Capital improvements	2,046,013	1,628,776
Employee liabilities	1,893,294	1,864,499
Rate stabilization	4,543,125	4,543,125
Project reserve	1,292,310	967,232
Badillo Grand catastrophic insurance	500,000	500,000
Stored water	373,300	125,500
Total unrestricted net position	<u>42,450,235</u>	<u>21,917,967</u>
Total net position	<u>\$ 154,613,121</u>	<u>152,500,297</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, 2025 and 2024

(11) 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, 2025 and 2024, amounted to \$7,494,558 and \$10,845,887, 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.

(12) 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, 2025, 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 \$150,000,000 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, 2025 and 2024

(12) 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 District participates in a group purchase insurance policy with limits up to \$3 million. Deductibles: Basic \$500,000 or \$1,000,000 if the claim is discovered while the tank is being removed.

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, 2025, 2024, and 2023. 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, 2025, 2024, and 2023.

(13) 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.

(14) 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, 2025 and 2024

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025, that has effective dates that may impact future financial presentations.

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.

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.

(16) 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, 2025, the District’s open balance of construction contract commitments is \$12,270,344, shown as follows:

Funding Source / Project Purpose	Project Name	Total Approved Contract	Construction Costs to Date	Balance to Complete
Replacement/Bond Capital	District Administration Building	\$ 28,794,478	(16,564,538)	12,229,940
	Gang Truck	193,000	(152,596)	40,404
		<u>\$ 28,987,478</u>	<u>(16,717,134)</u>	<u>12,270,344</u>

Walnut Valley Water District
Notes to the Basic Financial Statements, continued
For Fiscal Years Ended June 30, 2025 and 2024

(16) Commitments and Contingencies, continued

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.

(17) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of December 15, 2025, which is the date the financial statements were available to be issued.

Required Supplementary Information

Presentation Draft Subject to Board Approval

Presentation Draft Subject to Board Approval

Walnut Valley Water District
Schedules of the Changes in Net OPEB Liability and Related Ratios
As of June 30, 2025
Last Ten Years*

		Measurement Dates							
		2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	\$	349,896	284,011	207,385	193,613	212,981	206,277	207,344	200,817
Interest		935,655	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		(796,773)	(803,059)	(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Net change in total OPEB liability		488,778	(69,449)	2,471,669	(1,536,102)	897,206	461,818	1,271,559	564,391
Total OPEB liability – beginning		17,865,398	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		18,354,176	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		796,773	1,553,059	1,202,035	2,498,929	1,532,902	1,789,827	1,684,754	1,662,734
Net investment income		1,338,121	696,084	(1,917,093)	1,664,027	487,894	282,591	494,962	625,506
Benefit payments		(796,773)	(803,059)	(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Administrative expense		(75,708)	(70,176)	-	-	-	-	-	-
Net change in plan fiduciary net position		1,262,413	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		15,234,987	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		16,497,400	15,234,987	13,859,079	15,401,172	12,026,069	10,787,206	9,414,885	7,824,063
Net OPEB liability	\$	1,856,776	2,630,411	4,075,768	62,006	4,973,211	5,314,868	6,225,371	6,544,634
Covered payroll	\$	6,392,522	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		29.05%	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, 2025
Last Ten Years*

Description	Fiscal Years Ended							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 604,782	615,992	1,553,059	2,498,929	1,532,902	1,789,827	1,684,754	1,662,734
Contributions in relation to the actuarially determined contribution	(843,848)	(796,773)	(1,411,360)	(637,719)	(1,789,732)	(1,789,732)	(1,703,516)	(1,662,734)
Contribution deficiency(excess)	\$ (239,066)	(180,781)	141,699	1,861,210	(256,830)	95	(18,762)	-
District's covered payroll	\$ 6,940,575	6,392,522	5,457,652	5,445,491	5,148,856	5,291,282	5,203,041	4,900,008
Contribution's as a percentage of covered payroll	12.16%	12.46%	25.86%	11.71%	34.76%	33.82%	32.74%	33.93%

Note:

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

Walnut Valley Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

Description	Measurement Dates									
	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
District's proportion of the net pension liability	0.13058%	0.13783%	0.15654%	0.17364%	0.14173%	0.13957%	0.13653%	0.13506%	0.13391%	0.13080%
District's proportionate share of the net pension liability	\$ 15,836,594	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
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
District's proportionate share of the net pension liability as a percentage of its covered payroll	280.48%	335.00%	348.27%	183.10%	299.50%	292.82%	254.53%	275.81%	237.99%	192.95%
Plan's fiduciary net position as a percentage of the total pension liability	74.01%	74.01%	71.37%	84.41%	73.32%	73.63%	74.67%	73.08%	74.36%	78.96%

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.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

Walnut Valley Water District
Schedules of Pension Plan Contributions
As of June 30, 2025
Last Ten Years

Description	Fiscal Years Ended									
	June 30, 2025	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
Actuarially determined contribution	\$ 2,207,034	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
Contributions in relation to the actuarially determined contribution	(1,884,602)	(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)
Contribution deficiency(excess)	\$ 322,432	(624,141)	(1,826,339)	178,675	95,697	166,309	104,416	1,805	(23,031)	-
District's covered payroll	\$ 5,662,086	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
Contribution's as a percentage of covered payroll	38.98%	35.96%	39.67%	36.55%	33.52%	31.67%	28.90%	22.55%	22.60%	20.33%
Notes to schedule:										
Valuation date	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	June 30, 2014
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	Market Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	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)	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (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

Presentation Draft Subject to Board Approval

Presentation Draft Subject to Board Approval

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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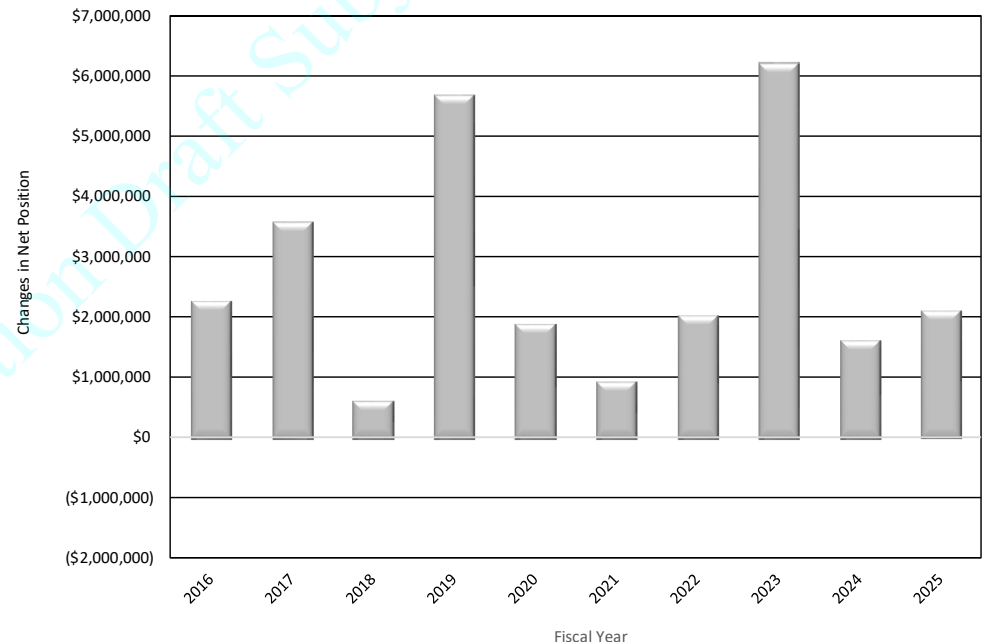
	<u>Page No.</u>
Financial Trends	87-90
These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	91-94
These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	
Debt Capacity	95-96
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic Information	97
This schedule offers demographic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	98-99
This schedule contains service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides.	

Walnut Valley Water District

Changes in Net Position and Net Position by Component

Last Ten Fiscal Years

	Fiscal Year		As Restated
	2016	2017	2018
Changes in net position:			
Operating revenues (see Schedule 2)	\$ 33,924,726	34,916,303	38,210,311
Operating expenses (see Schedule 3)	(30,721,847)	(31,827,660)	(35,341,232)
Depreciation and amortization	(5,021,533)	(5,109,038)	(5,286,808)
Operating income (loss)	(1,818,654)	(2,020,395)	(2,417,729)
Non-operating revenues (expenses)			
Property taxes	943,033	985,113	999,707
Rental income - cellular site leases	284,011	277,607	284,849
Interest earnings - cellular site leases	-	-	-
Investment earnings(expense), net of fair value	824,415	1,635	122,673
Share in investment in joint venture income (loss)	315,763	(8,092)	(139,606)
Amounts received for annexation	1,065,457 (3)	-	-
Gain (Loss) on disposition of assets	(129,390)	(85,825)	(798,859) (4)
Interest expense	(377,577)	(386,321)	(676,951)
Cost of issuance of debt	-	-	-
Other revenue (expense), net	210,384	271,605	283,851
Total non-operating revenues (expenses), net	3,136,096	1,055,722	75,664
Net income (loss) before capital contributions	1,317,442	(964,673)	(2,342,065)
Capital contributions	946,623	4,545,716	2,950,904
Changes in net position	\$ 2,264,065	3,581,043	608,839
Net position by component:			
Net investment in capital assets	\$ 100,096,835	102,444,898	99,730,658
Restricted	18,983,396	26,408,666	31,189,404
Unrestricted	18,405,093	12,212,803	2,476,916
Total net position	\$ 137,485,324	141,066,367	133,396,978



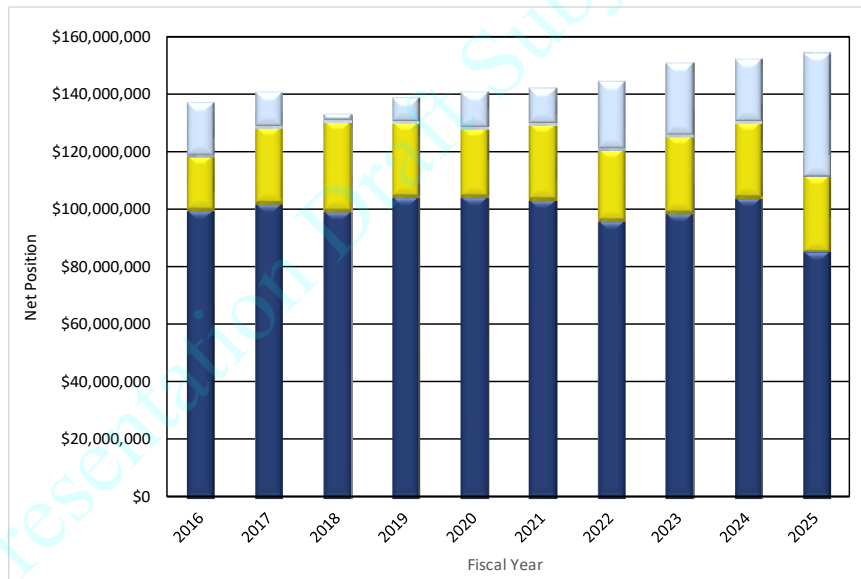
Source: Walnut Valley Water District Accounting Department

- (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 a annexation fees related to large development in service area
- (4) The increase in loss on disposition of assets related to abandoned project

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

Schedule 1

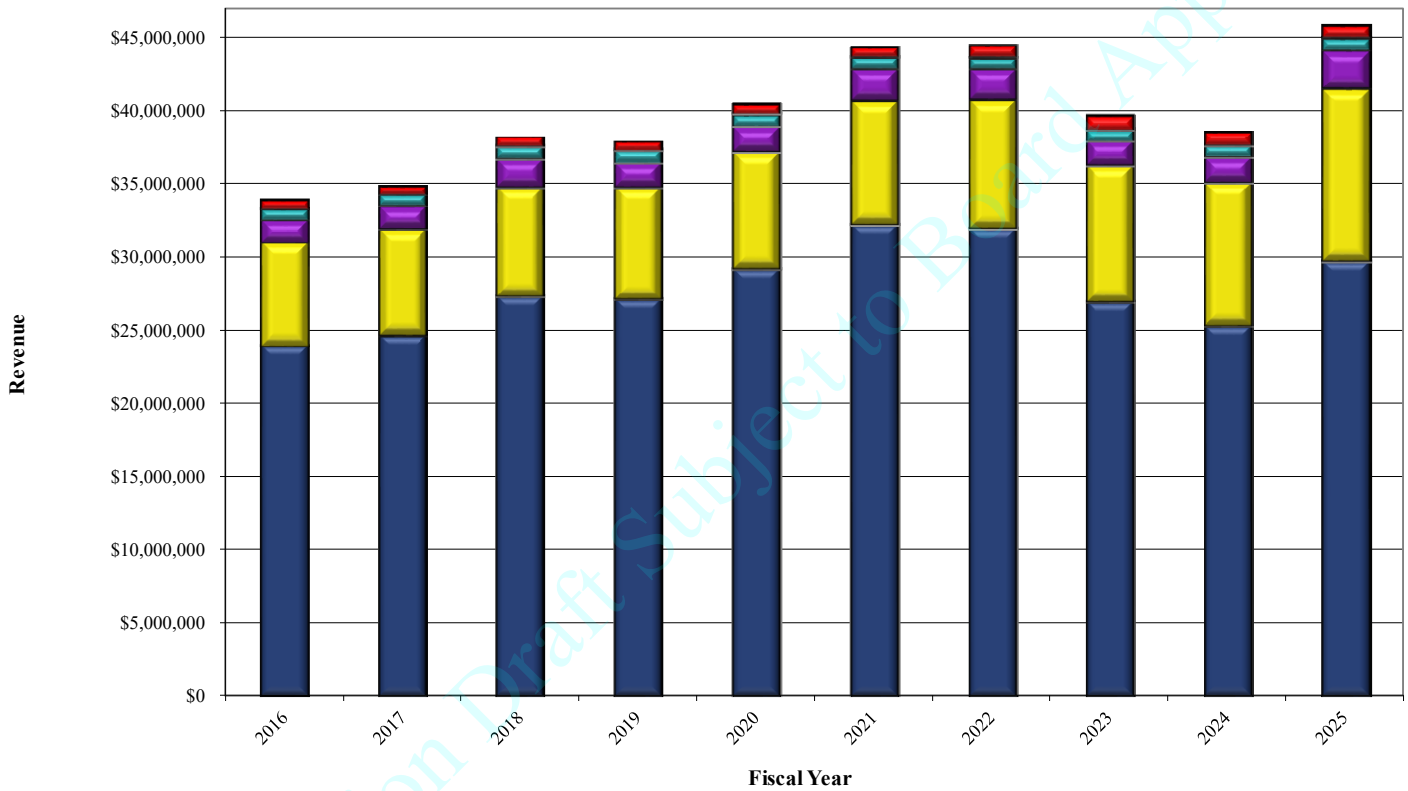
Fiscal Year						
2019	2020	As Restated 2021	As Restated 2022	2023	2024	2025
37,912,508	40,456,434	44,260,619	44,391,343	39,669,770	38,607,814	45,830,200
(34,149,759)	(38,205,724)	(40,065,073)	(40,962,957)	(33,074,736)	(37,557,416)	(41,936,708)
(5,219,938)	(5,455,123)	(5,705,983)	(5,768,802)	(5,746,516)	(5,876,604)	(5,861,223)
(1,457,189)	(3,204,413)	(1,510,437)	(2,340,416)	848,518	(4,826,206)	(1,967,731)
1,098,378	1,162,465	1,199,446	1,232,651	1,378,819	1,364,364	1,446,293
298,104	318,148	230,384	175,184	212,628	206,871	18,873
-	-	40,485	82,691	73,699	51,143	26,439
2,069,109	2,009,604	63,284	(1,600,045)	275,799	1,727,063	2,892,149
874,098	180,329	(41,029)	(87,374)	242,938	(267,573)	(121,906)
-	-	-	-	-	-	-
18,098	(39,748)	(99,640)	153,711	(666,270)	(12,432)	29,571
(658,698)	(635,343)	(609,102)	(249,933)	(280,828)	(383,287)	(1,560,751)
-	-	-	(188,885)	-	(244,453)	(8,650)
316,717	512,942	257,449	841,593	149,443	303,324	283,067
4,015,806	3,508,397	1,041,277	359,593	1,386,228	2,745,020	3,005,085
2,558,617	303,984	(469,160)	(1,980,823)	2,234,746	(2,081,186)	1,037,354
3,116,814	1,574,591	1,403,720	4,012,468	3,975,432	3,701,886	1,075,470
5,675,431	1,878,575	934,560	2,031,645	6,210,178	1,620,700	2,112,824
104,543,390	104,609,392	103,712,477	96,171,867	98,999,367	104,246,051	85,819,390
25,986,720	24,191,055	26,199,369	25,266,486	27,097,588	26,337,671	26,343,496
8,542,299	12,150,537	12,471,662	23,231,066	24,782,642	21,916,575	42,450,235
139,072,409	140,950,984	142,383,508	144,669,419	150,879,597	152,500,297	154,613,121



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
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
2025	29,686,262	11,820,253	2,627,581	790,486	50,193	855,425	45,830,200

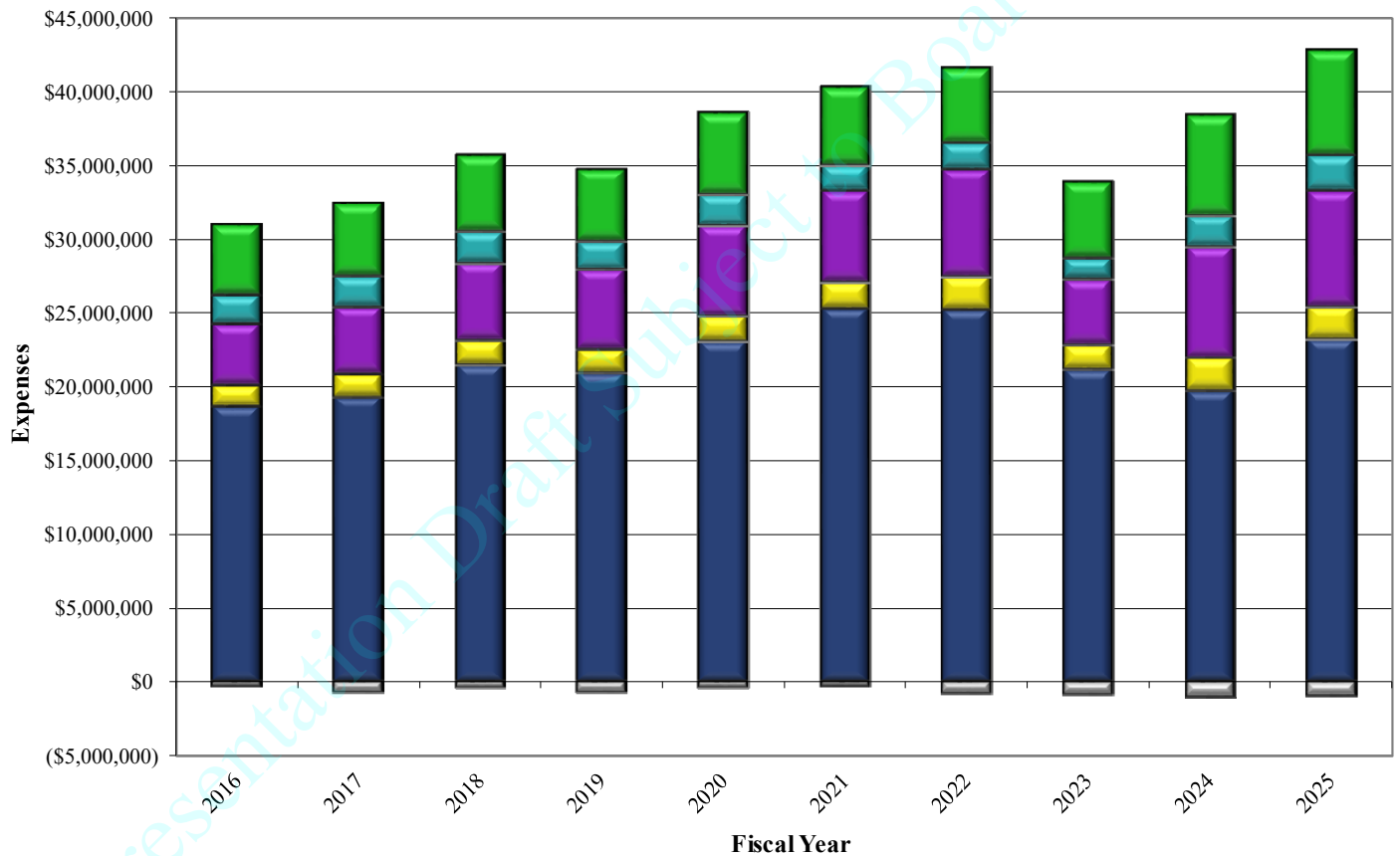


Source: Walnut Valley Water District Accounting Department

**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
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
2025		23,311,940	2,237,322	7,767,935	2,460,721	7,084,822	(926,032)	41,936,708



Note:

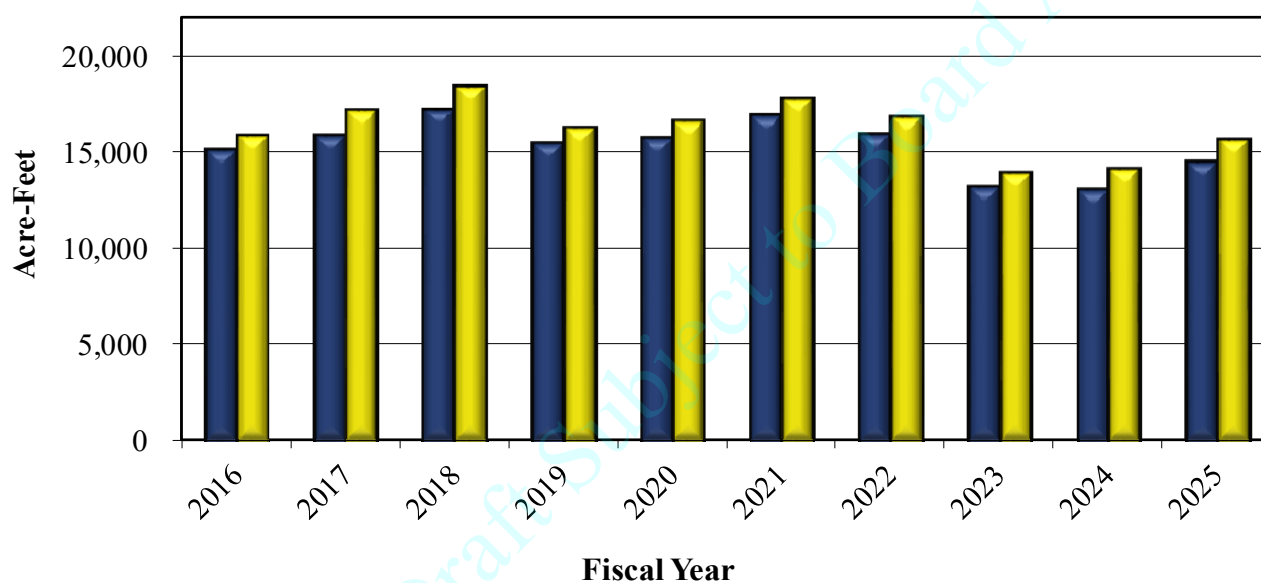
(1) Account groupings were revised in 2020 and regrouped for the prior two fiscal years

Source: Walnut Valley Water District Accounting Department

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

Schedule 4

Fiscal Year	Water Sales (Acre Feet) ⁽¹⁾	Water Produced (Acre Feet) ⁽¹⁾
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
2025	14,503	15,671



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⁽¹⁾
Last Ten Fiscal Years**

Schedule 5

Commodity Rates										
Fiscal Year										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Residential - Tier 1 (per HCF)	\$ 2.85	2.97	3.16	3.27	2.94	3.03	3.22	3.42	3.60	3.55
Residential - Tier 2 (per HCF)	3.25	3.39	3.58	3.69	3.93	4.05	4.30	4.56	4.79	4.49
Residential - Tier 3 (per HCF)	3.25	3.39	3.58	3.69	4.52	4.66	4.94	5.24	5.51	5.97
Multi-Family (per HCF)	3.06	3.19	3.38	3.49	3.36	3.47	3.68	3.90	4.10	4.46
Non-Residential (per HCF)	3.12	3.25	3.44	3.55	3.56	3.67	3.90	4.13	4.34	4.46
Recycled (per HCF)	1.63	1.71	1.79	1.88	1.87	1.97	2.07	2.18	2.29	4.46
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	0.20	0.21	0.22	0.24	0.25	0.27	0.30	0.32	0.26
Pump Zone - Zone 3 (per HCF)	0.37	0.39	0.34	0.42	0.44	0.46	0.49	0.53	0.56	0.48

Meter Charge per Month										
Fiscal Year										
Meter Size	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All District Accounts:										
3/4" or smaller	\$ 18.87	19.43	20.00	20.54	20.67	21.30	22.58	23.94	25.14	37.15
1"	23.77	24.47	25.20	25.88	32.60	33.58	35.60	37.75	39.64	51.59
1 1/2"	56.17	57.82	59.53	61.14	62.42	64.30	68.16	72.28	75.90	87.65
2"	73.34	75.51	77.73	79.84	98.20	101.15	107.22	113.69	119.38	130.93
3"	150.17	154.60	159.17	163.48	193.64	199.45	211.42	224.18	235.39	246.35
4"	236.63	243.61	250.80	257.59	301.00	310.03	328.64	348.46	365.89	376.19
6"	449.79	463.07	476.74	489.65	599.22	617.20	654.24	693.69	728.38	736.85
8"	692.54	712.98	734.02	753.90	957.09	985.81	1,044.96	1,107.96	1,163.36	1,169.65

Notes:

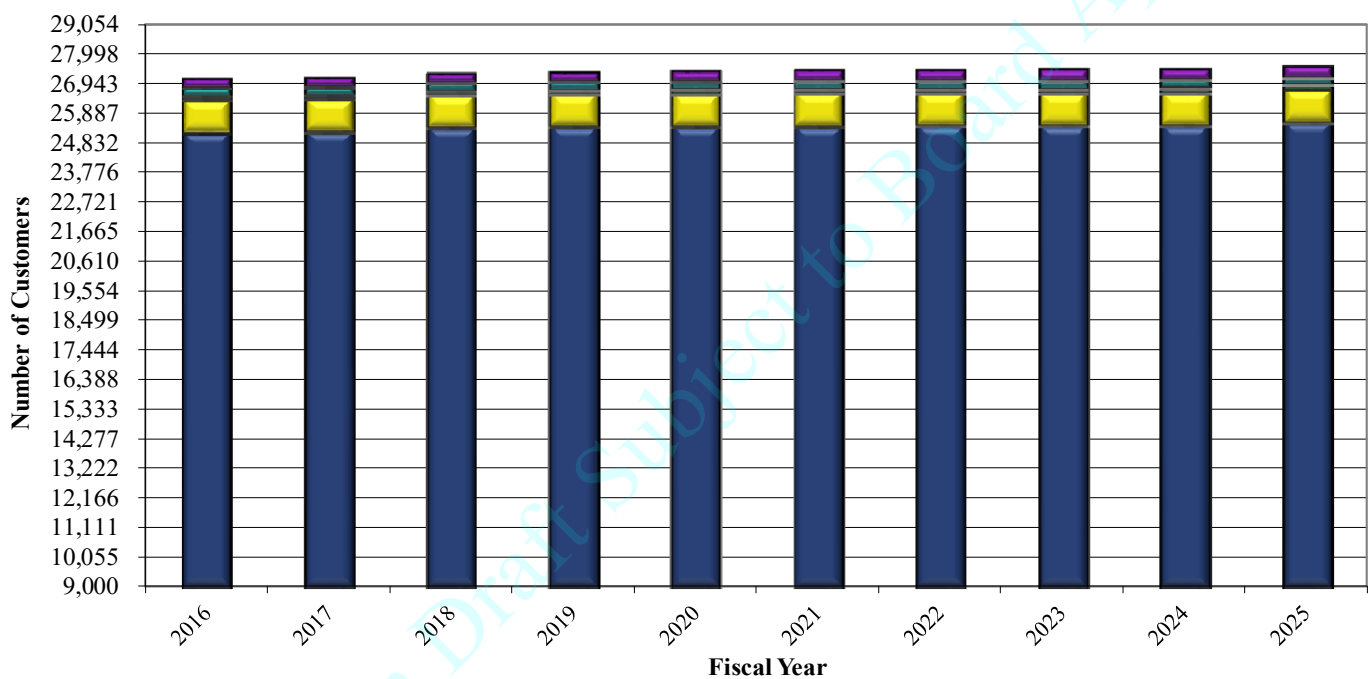
(1) Rates as of June 30 of each fiscal year.

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

Walnut Valley Water District Customers by Type Last Ten Fiscal Years

Schedule 6

Fiscal Year	Customer Type					Total
	Residential	Commercial/ Industrial	Multi-User	Government	Recycled	
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
2025	25,604	1,179	166	290	353	27,592



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

2025				2016			
Rank	Customer	Water Consumed (AF)	Percentage of Total	Rank	Water Consumed (AF)	Percentage of Total	
1	City Of Walnut	460	2.7%	1	497	2.9%	
2	American Golf Corp	393	2.3%			0.0%	
3	City of Diamond Bar	353	2.1%	4	204	1.2%	
4	City Of Industry	306	1.8%			0.0%	
5	Walnut Unified School Dist	261	1.6%	2	265	1.5%	
6	Montefino Homeowners Assoc	223	1.3%	3	225	1.3%	
7	Pomona Unified School Dist	151	0.9%	6	113	0.7%	
8	Diamond Bar Tennis Club HOA	138	0.8%	5	124	0.7%	
9	Rowland Unified School Dist	89	0.5%			0.0%	
10	Majestic Management	80	0.5%			0.0%	
	Cimarron Oaks Tract 43756-11	-	0.0%	7	59	0.3%	
	Cimarron Oaks Village No 5	-	0.0%	8	52	0.3%	
	Walnut Heights	-	0.0%	9	51	0.3%	
	Fall Creek Homeowners Assoc	-	0.0%	10	50	0.3%	
Total		2,454	14.59%	Total		1,639	9.59%
Potable Sales		14,503		Potable Sales		15,174	
Recycled Sales		2,314		Recycled Sales		1,911	
Total Water Consumed (AF)		16,817	100.00%	Total Water Consumed (AF)		17,085	100.00%

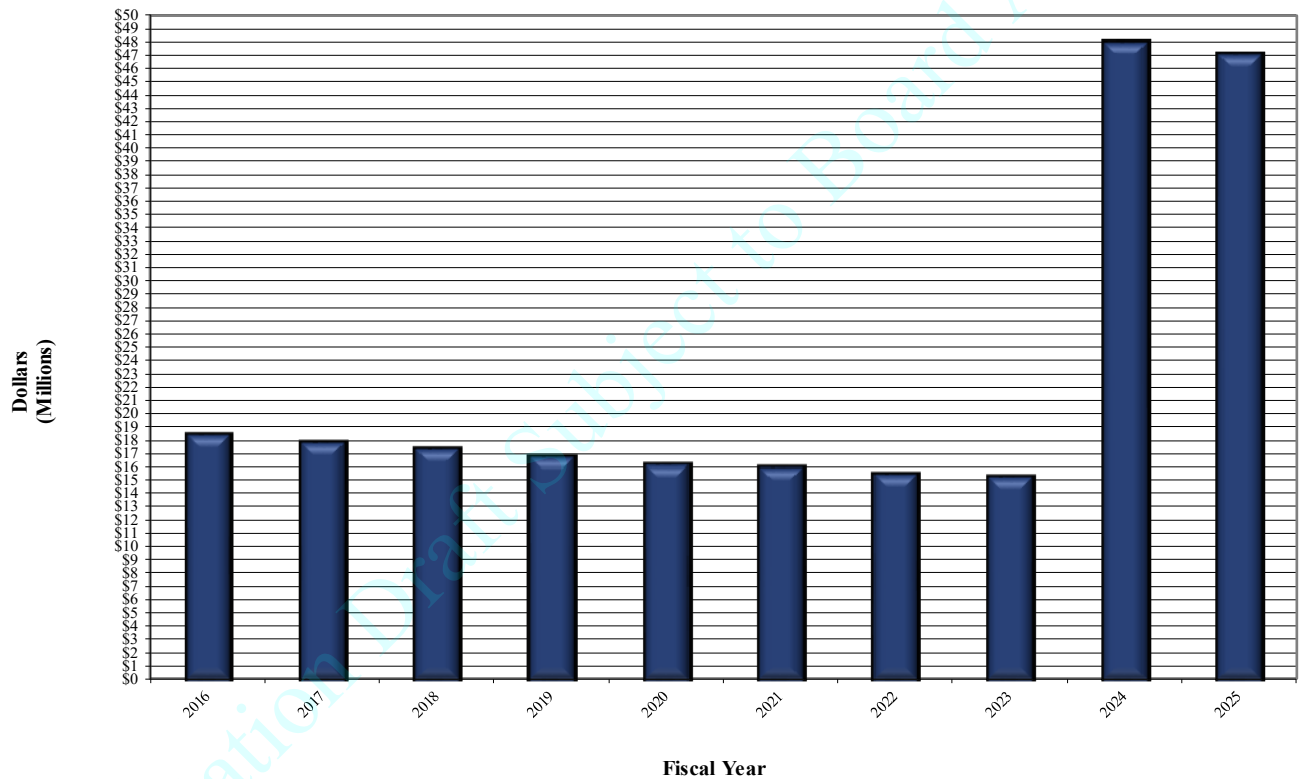
AF = Acre Feet

Source: Walnut Valley Water District Accounting Department

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

Schedule 8

Fiscal Year		Bonds Payable	Notes Payable	Lease Payable	Total Debt	Per Capita	As a Share of Personal Income
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	16,369,056	153.65	0.22%
2021		15,702,036	-	409,191	16,111,227	160.99	0.22%
2022		15,380,000	-	231,421	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	0.61%
2025		46,977,331	-	151,911	47,129,242	511.27	0.62%



Source: Walnut Valley Water District Accounting Department

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

Schedule 9

Fiscal Year		Net	Operating	Net Available	Debt Service			Coverage
		Revenues ⁽¹⁾	Expenses ⁽²⁾	Revenues	Principal	Interest	Total	Ratio
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	1,980,553	1.99
2025		48,421,302	(41,626,550)	6,794,752	955,000	1,620,154	2,575,154	2.64

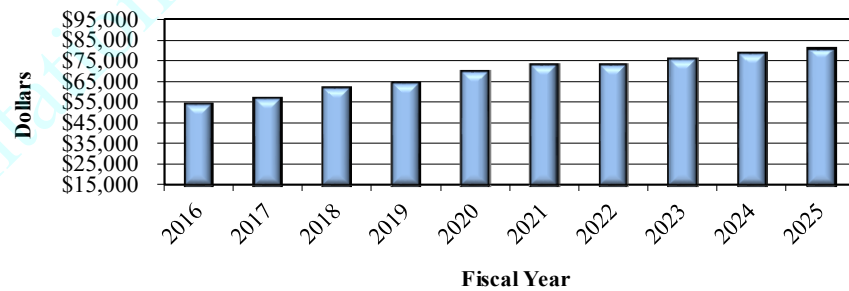
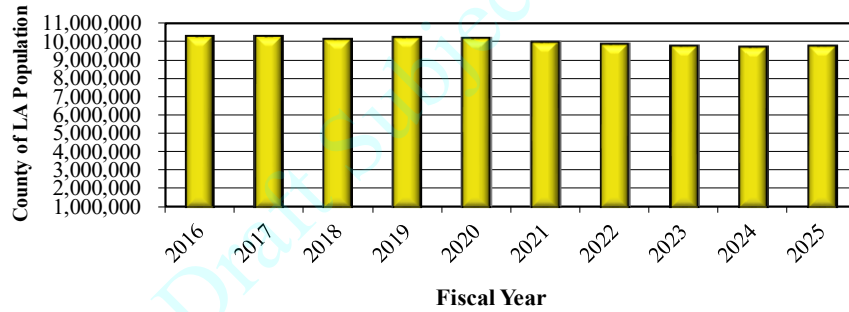
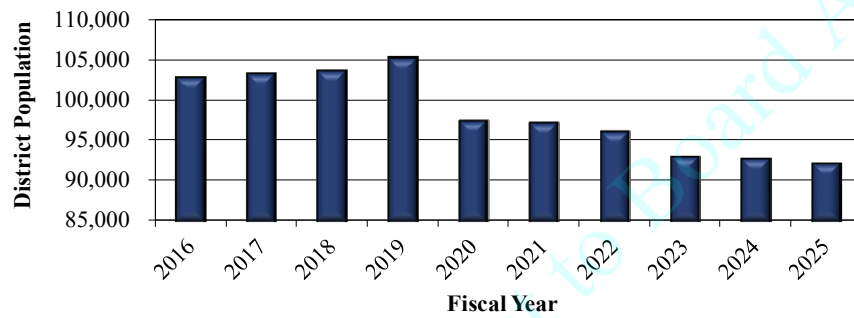
Note: (1) Operating revenues excludes: unrealized gain (loss) on investment income
Operating revenues includes property tax revenue, investment income, and other non-operating revenue.
(2) Operating expenses before depreciation excludes: GASB 68 pension expense, GASB 75 OPEB expense.
Operating expenses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

Source: Walnut Valley Water District Accounting Department

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

Schedule 10

County of Los Angeles ⁽¹⁾					
Year	District Population	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2016	103,045	540.0%	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 (2)	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
2025	92,181	5.4%	9,757,179	798,561,600	81,843



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

Notes:

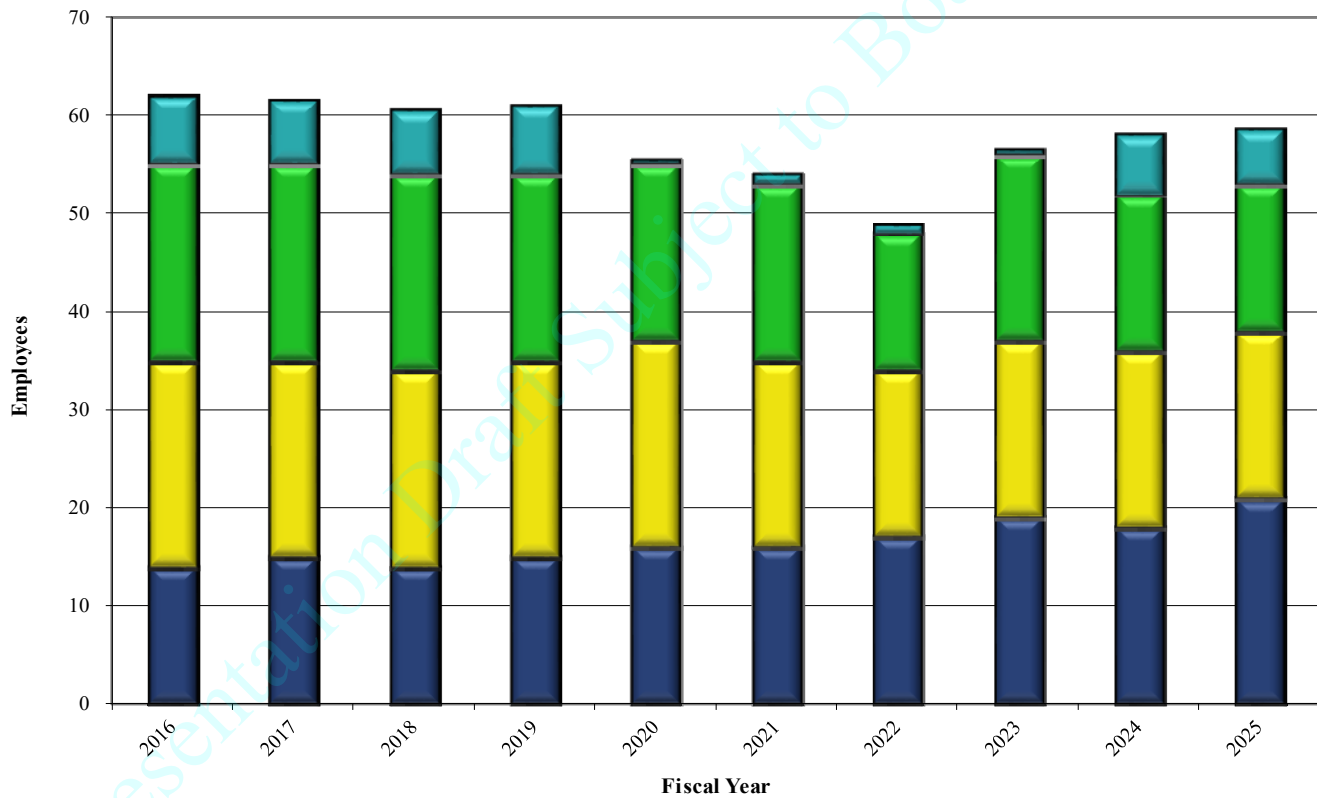
- (1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.
- (2) Recalculated due to 2020 Census

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

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	District Administration	Office and Engineering	Operations	Part-time/ Student Intern	Total
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
2025	21	17	15	5.5	58.5



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

Fiscal Year	District Area (Square Miles)	Miles of Pipeline	Storage Capacity (MG)	Reservoirs	Booster Pump Stations	Pressure Regulating Stations	Fire Hydrants
2016	29	417	93.8	31	17	48	3,031
2017	29	417	93.8	31	17	47	3,035
2018	29	418	93.8	31	17	45	3,050
2019	29	421	93.8	31	17	43	3,055
2020	29	421	93.8	31	18	42	3,055
2021	29	422	93.8	31	18	42	3,093
2022	29	426	93.8	31	18	41	3,094
2023	29	426	95.6	32	18	39	3,094
2024	29	426	95.6	32	18	39	3,094
2025	29	428	95.6	32	19	39	3,111

MG - Millions of Gallons

MGD - Millions of Gallons per Day

Source: Walnut Valley Water District Engineering Department

Report on Internal Controls and Compliance

Presentation Draft Subject to Board Approval

Presentation Draft 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, 2025, 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 15, 2025.

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 15, 2025

Walnut Valley Water District

Management Report

June 30, 2025

Presentation Version

Walnut Valley Water District

Management Report

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Board of Directors
Walnut Valley Water District
Walnut, 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, 2025, 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, 2025.

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, 2024.

* * * * *

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 15, 2025

APPENDIX

Walnut Valley Water District

Finance Committee Letter

June 30, 2025

Board of Directors
Walnut Valley Water District
Walnut, 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, 2025. and have issued our report thereon dated December 15, 2025. 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 7, 2025, 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 15, 2025.

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. As of and for the year ended June 30, 2025, the District implemented the provisions of *GASB Statement No. 101 – Compensated Absences*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. 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 page 5 of this report.

Disagreements with Management

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

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

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 15, 2025.

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 Sheryl Shaw, General Manager, 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 15, 2025

Walnut Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
CPE - To adjust property tax receivable to actual per client prepared entry at June 30, 2025.			
10-0110-1310	Taxes Receivable - General	19,088.47	
10-0110-1320	Taxes Receivable - Standby Charges	833.62	
10-4400-4950	Tax Revenue - General	1,452.46	
10-0110-1315	Allowance for Taxes Receivable		1,452.46
10-4400-4950	Tax Revenue - General		19,088.47
10-4400-4955	Tax Revenue - Standby		833.62
Total		21,374.55	21,374.55
Adjusting Journal Entries JE # 2			
CPE - To accrue restricted interest for the Puente Basin water agency water revenue bonds 2024 trustee account accrued interest for FY 2025.			
10-0120-1435	Interest Receivable	55,611.86	
10-4900-4950	Interest Income - PBWA Rev Bonds		55,611.86
Total		55,611.86	55,611.86
Total Adjusting Journal Entries		76,986.41	76,986.41
Total All Journal Entries		76,986.41	76,986.41

Legend:

CPE	District Prepared Audit Adjusting Journal Entry
-----	---



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

**Fiscal Year Ended June 30, 2025
(With Independent Accountant's Report Thereon)**

Walnut Valley Water District

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PBWA Water Revenue Bonds, 2024 Series A (Walnut Valley Water District Project)	4

Presentation Version
Subject to Board Approval

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, 2025 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, 2025. 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, 2025. 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, 2025. 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 15, 2025

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, 2025</u>
Revenues:	
Operating revenue	\$ 45,830,200
Other revenue	<u>2,494,462</u>
Total system revenues	<u>48,324,662</u>
Operating expenses:	
Operations and maintenance expenses	<u>(41,590,156)</u>
Total system expenses	<u>(41,590,156)</u>
Net revenue	<u>\$ 6,734,506</u>
Annual debt service requirement – Series 2021A:	
Principal	\$ 965,000
Interest	<u>267,178</u>
Annual debt service requirement – Series 2021A	<u>1,232,178</u>
Annual debt service requirement – Series 2024A:	
Principal*	\$ 495,000
Interest	<u>1,450,400</u>
Annual debt service requirement – Series 2024A	<u>1,945,400</u>
Annual debt service requirements – 2021A & 2024A	<u>3,177,578</u>
Annual coverage percentage requirement	<u>125%</u>
Annual coverage requirement	<u>3,971,973</u>
Less – Net revenue	<u>6,734,506</u>
Excess of net revenue over annual coverage requirement	<u>\$ 2,762,534</u>
Actual coverage percentage	211.94%

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.



WVWD – Staff Report

TO: Board of Directors
FROM: General Manager
DATE: December 15, 2025
SUBJECT: City of Industry's Wheeling Rate, Wholesale Recycled Water Rate and Potable Makeup Rate

<input checked="" type="checkbox"/> Action/Discussion	<input checked="" type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Resolution	<input type="checkbox"/> Information Only
---	---	-------------------------------------	---

Recommendation

That the Board of Directors approve the following adjustments to the City of Industry's Wheeling Rate, Wholesale Recycled Water Rate, and Potable Makeup Rate effective January 1, 2026:

1. City of Industry's Wheeling Rate: \$318.97 per AF
2. Wholesale Recycled Water Rate: \$503 per AF
3. Potable Makeup Rate: \$1,687.99 per AF

Background

On January 16, 2024, the Board authorized the General Manager to execute a Groundwater Pumping and Supply Agreement ("Agreement") with the City of Industry ("Industry") and Rowland Water District. Under the Agreement, the City of Industry transfers the Industry Water Improvements (21535 Baker Parkway Well, 20405 Business Parkway Well, and Grand Crossing Pump Station) to Walnut Valley Water District ("District") as part of their Grand Crossing development located north of the 60 freeway and Grand Avenue (a.k.a. "Industry Benefited Properties"). The City of Industry permits Walnut Valley Water District to pump and use up to the aggregate amount of Industry's annual pumping rights as published each year by the Puente Basin Watermaster.

In consideration of (1) the City of Industry's contribution toward the cost of constructing these facilities and (2) the transfer of title of these facilities to the District, Walnut Valley Water District agrees to sell, and the City of Industry agrees to purchase recycled water delivered through Walnut Valley Water District's water system. The price for recycled water sold up to the amount of the Industry Water Rights will be charged at the Industry Wheeling Rate.

If demand for recycled water at the Industry Benefited Properties exceeds, in any calendar month, the production capacity of the Industry Water Improvements and/or the aggregate amount of the Industry Water Rights, the rate for the additional (excess) recycled water will be increased to Walnut Valley Water District's Wholesale Recycled Water Rate.

If Walnut Valley Water District is unable to meet water demands at the Industry Benefited Properties with groundwater or recycled water and must instead use imported potable water, the rate for such excess water will be Walnut Valley Water District's Potable Makeup Rate.

The Wheeling Rate has been updated to reflect increases in operations and maintenance costs of Well 4 (21535 Baker Parkway, City of Industry) and Well 5 (20405 Business Parkway, City of Industry) and the increase in operation and maintenance of the industry Business Center Recycled Pump Station (IBCPS). The Wholesale Recycled Water Rate reflects the increase in recycled water production costs, and the Potable Makeup Rate reflects the increases in the Metropolitan Water District (MWD)/Three Valley's Municipal Water District (TVMWD) rates, along with increases in internal costs.

Attachment:

City of Industry Wheeling Rate, Wholesale Recycled Water Rate and Potable Makeup Rate

Walnut Valley Water District
City of Industry's Wheeling Rate, Wholesale Recycled Water Rate and Potable Makeup Rate
January 2026 - December 2026

WATER RATE

City of Industry's Wheeling Rate Per Acre Foot

Current Rates
220.81

January 1, 2026
318.97

WATER RATE

Wholesale Recycled Water Rate Per Acre foot

Current Rates
362.04

January 1, 2026
503.00

WATER RATE

Potable Makeup Rate Per Acre Foot

Current Rates
1,419.48

January 1, 2026
1,687.99

MONTHLY ACCOUNT STATEMENT

Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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

Custodian:

PORTFOLIO SUMMARY

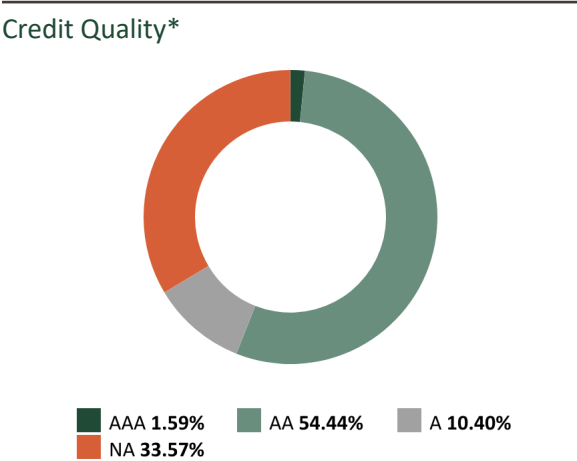
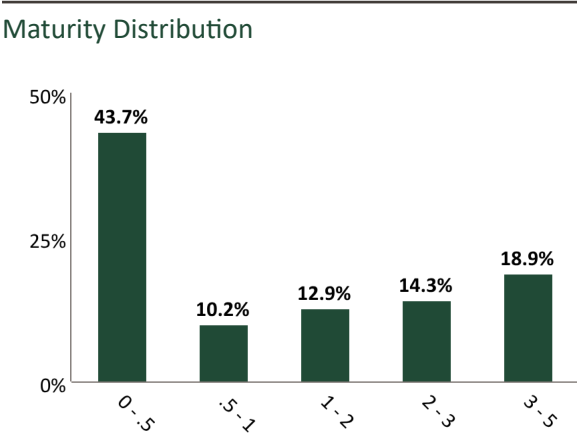
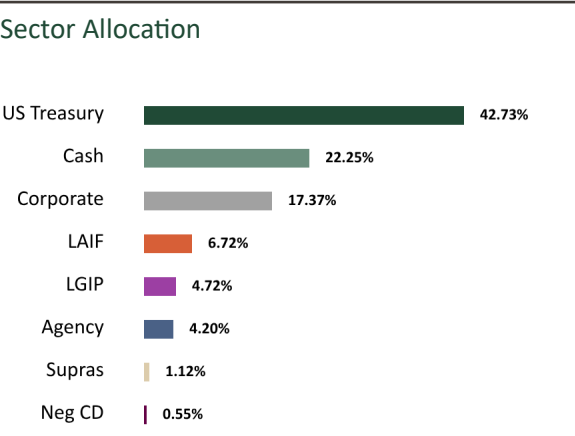


Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

Portfolio Characteristics	
Average Modified Duration	1.35
Average Coupon	3.09%
Average Purchase YTM	3.22%
Average Market YTM	3.59%
Average Credit Quality*	AA
Average Final Maturity	1.47
Average Life	1.47

Account Summary		
	End Values as of 10/31/2025	End Values as of 11/30/2025
Market Value	40,270,284.65	44,008,499.95
Accrued Interest	191,613.87	200,191.50
Total Market Value	40,461,898.52	44,208,691.45
Income Earned	106,084.13	51,444.75
Cont/WD	(3,459,830.06)	3,583,215.65
Par	40,329,630.78	43,991,307.46
Book Value	40,242,669.28	43,908,875.17
Cost Value	40,089,058.62	43,751,077.48

Top Issuers	
United States	42.73%
Cash	22.13%
LAIF	6.72%
CA CLASS	4.72%
Federal Home Loan Banks	4.20%
Deere & Company	1.16%
PACCAR Inc	1.16%
Bank of America Corporation	1.15%



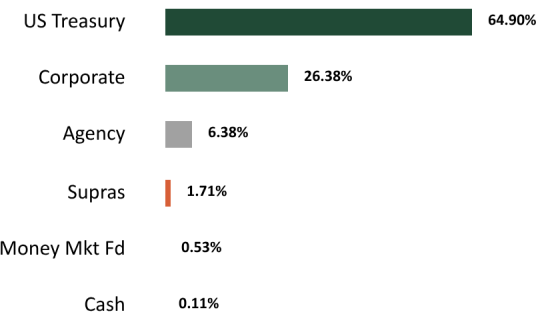
PORTFOLIO SUMMARY



Walnut Valley Water District | Account #10074 | As of November 30, 2025

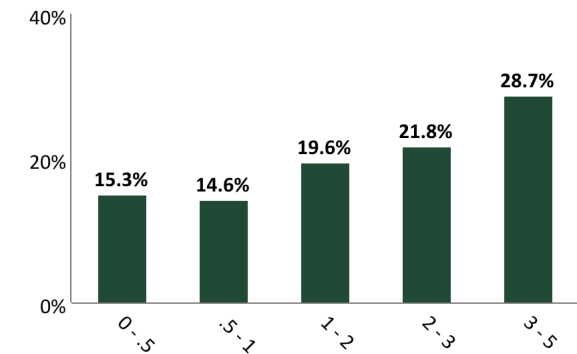
Portfolio Characteristics	
Average Modified Duration	2.05
Average Coupon	2.97%
Average Purchase YTM	3.16%
Average Market YTM	3.70%
Average Credit Quality*	AA
Average Final Maturity	2.23
Average Life	2.22

Sector Allocation



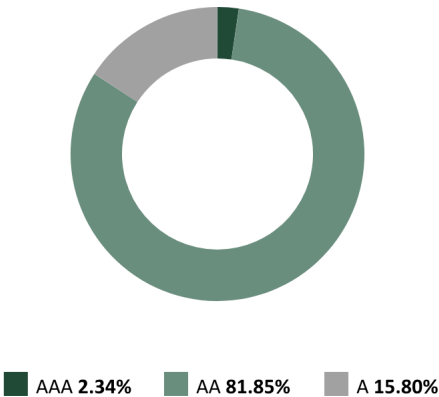
Account Summary		
	End Values as of 10/31/2025	End Values as of 11/30/2025
Market Value	28,833,806.42	28,971,724.61
Accrued Interest	191,228.62	199,592.22
Total Market Value	29,025,035.04	29,171,316.83
Income Earned	71,204.68	44,386.96
Cont/WD	0.00	0.00
Par	28,887,703.00	28,949,357.10
Book Value	28,800,741.50	28,866,924.81
Cost Value	28,647,130.84	28,709,127.12

Maturity Distribution



Top Issuers	
United States	64.90%
Federal Home Loan Banks	6.38%
Deere & Company	1.76%
PACCAR Inc	1.76%
Bank of America Corporation	1.74%
Northern Trust Corporation	1.73%
PepsiCo, Inc.	1.72%
Inter-American Development Bank	1.71%

Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (08/01/09)
Walnut Valley WD	0.50%	1.17%	5.13%	5.29%	5.37%	4.68%	1.63%	2.05%	1.89%
Benchmark Return	0.54%	1.16%	5.53%	5.46%	5.23%	4.44%	1.32%	1.80%	1.65%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

RECONCILIATION SUMMARY

Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

Maturities / Calls

Month to Date	(625,000.00)
Fiscal Year to Date	(3,025,000.00)

Principal Paydowns

Month to Date	0.00
Fiscal Year to Date	0.00

Purchases

Month to Date	6,662,979.77
Fiscal Year to Date	15,983,725.69

Sales

Month to Date	(2,416,309.03)
Fiscal Year to Date	(8,660,136.99)

Interest Received

Month to Date	54,646.94
Fiscal Year to Date	387,290.15

Purchased / Sold Interest

Month to Date	(16,191.85)
Fiscal Year to Date	(29,146.78)

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	40,242,669.28	39,571,808.27
Maturities/Calls	(625,000.00)	(3,025,000.00)
Principal Paydowns	0.00	0.00
Purchases	6,662,979.77	15,983,725.69
Sales	(2,416,309.03)	(8,660,136.99)
Change in Cash, Payables, Receivables	40,123.12	17,807.28
Amortization/Accretion	4,412.03	20,670.92
Realized Gain (Loss)	0.00	0.00
Ending Book Value	43,908,875.17	43,908,875.17

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	40,270,284.65	39,423,958.03
Maturities/Calls	(625,000.00)	(3,025,000.00)
Principal Paydowns	0.00	0.00
Purchases	6,662,979.77	15,983,725.69
Sales	(2,416,309.03)	(8,660,136.99)
Change in Cash, Payables, Receivables	40,123.12	17,807.28
Amortization/Accretion	4,412.03	20,670.92
Change in Net Unrealized Gain (Loss)	72,009.42	247,475.03
Realized Gain (Loss)	0.00	0.00
Ending Market Value	44,008,499.95	44,008,499.95

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

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
AGENCY									
3130AKFA9	FEDERAL HOME LOAN BANKS 0.375 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,991.94	99.88 4.33%	599,274.00 1,056.25	1.36% (717.94)	Aa1/AA+ AA+	0.03 0.03
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 480,065.97	101.41 3.52%	481,707.48 9,589.06	1.09% 1,641.50	Aa1/AA+ AA+	2.03 1.89
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	750,000.00	07/21/2023 4.17%	756,637.50 753,430.49	102.13 3.48%	765,984.00 15,677.08	1.74% 12,553.51	Aa1/AA+ AA+	2.53 2.33
Total Agency		1,825,000.00	2.82%	1,842,506.00 1,833,488.40	101.21 3.77%	1,846,965.48 26,322.40	4.20% 13,477.07		1.59 1.47
CASH									
90CASH\$00	Custodial Cash Account	9,738,375.40	-- 3.00%	9,738,375.40 9,738,375.40	1.00 3.00%	9,738,375.40 0.00	22.13% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	32,225.64	--	32,225.64 32,225.64	1.00 0.00%	32,225.64 0.00	0.07% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	20,341.12	--	20,341.12 20,341.12	1.00 0.00%	20,341.12 0.00	0.05% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		9,790,942.16	3.00%	9,790,942.16	1.00 2.98%	9,790,942.16 0.00	22.25% 0.00		0.00 0.00
CORPORATE									
89114TZD7	TORONTO-DOMINION BANK 1.2 06/03/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,148.46	98.57 4.09%	394,272.80 2,373.33	0.90% (5,875.66)	A2/A- AA-	0.51 0.49
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,033.06	100.94 4.16%	504,717.00 7,905.25	1.15% 4,683.94	Aa2/A+ AA	0.71 0.60
87612EBM7	TARGET CORP 1.95 01/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 500,396.21	97.98 3.80%	489,913.50 3,683.33	1.11% (10,482.71)	A2/A A	1.13 1.09
06406RBA4	BANK OF NEW YORK MELLON CORP 2.05 01/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,086.68	98.01 3.83%	490,059.00 3,559.03	1.11% (10,027.68)	Aa3/A AA-	1.16 1.12
023135CF1	AMAZON.COM INC 3.3 04/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,206.74	99.43 3.73%	397,724.40 1,760.00	0.90% (2,482.34)	A1/AA AA-	1.37 1.32
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,012.79	100.15 3.89%	500,726.50 1,166.67	1.14% 713.71	A2/A+ A+	1.44 1.31
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 503,167.83	101.69 3.76%	508,470.00 9,008.33	1.16% 5,302.17	A1/A+ NA	2.11 1.96

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

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
24422EWR6	JOHN DEERE CAPITAL CORP 4.75 01/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 504,411.12	102.00 3.77%	509,979.00 8,642.36	1.16% 5,567.88	A1/A A+	2.14 1.99
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 432,546.44	102.33 3.83%	434,911.43 6,194.38	0.99% 2,364.99	A2/A A	2.21 1.98
713448FL7	PEPSICO INC 3.6 02/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 494,207.58	99.73 3.73%	498,647.00 5,150.00	1.13% 4,439.42	A1/A+ NA	2.22 2.09
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,403.57	102.43 3.75%	460,938.15 4,996.88	1.05% 10,534.58	Aa3/A+ NA	2.27 2.04
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	400,000.00	06/26/2023 4.70%	382,788.00 391,418.32	99.71 3.82%	398,859.60 1,233.33	0.91% 7,441.28	A1/A NA	2.42 2.28
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	450,000.00	-- 4.67%	444,781.50 447,408.72	101.26 3.86%	455,677.65 880.00	1.04% 8,268.93	Aa2/A+ AA-	2.46 2.16
74340XCG4	PROLOGIS LP 4.875 06/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 449,133.95	102.37 3.88%	460,673.10 10,115.63	1.05% 11,539.15	A2/A NA	2.54 2.25
89236TLB9	TOYOTA MOTOR CREDIT CORP 5.25 09/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 449,005.75	103.66 3.84%	466,486.65 5,250.00	1.06% 17,480.90	A1/A+ A+	2.78 2.55
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	300,000.00	06/17/2025 4.59%	304,347.00 303,913.35	103.31 4.08%	309,921.00 4,702.50	0.70% 6,007.66	A2/NA A	4.19 3.64
857477DB6	STATE STREET CORP 4.834 04/24/2030	350,000.00	05/28/2025 4.72%	351,652.00 351,477.41	103.13 4.05%	360,940.30 1,738.90	0.82% 9,462.89	Aa3/A AA-	4.40 3.86
Total Corporate		7,575,000.00	4.02%	7,582,473.00 7,577,977.99	100.93 3.87%	7,642,917.08 78,359.91	17.37% 64,939.09		2.05 1.86
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,956,792.19	-- 4.09%	2,956,792.19 2,956,792.19	1.00 4.09%	2,956,792.19 0.00	6.72% 0.00	NA/NA NA	0.00 0.00
Total LAIF		2,956,792.19	4.09%	2,956,792.19 2,956,792.19	1.00 4.09%	2,956,792.19 0.00	6.72% 0.00		0.00 0.00
LOCAL GOV INVESTMENT POOL									
90CACL\$0	California CLASS	2,078,441.65	-- 4.02%	2,078,441.65 2,078,441.65	1.00 4.02%	2,078,441.65 0.00	4.72% 0.00	NA/NA NA	0.00 0.00

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

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
Total Local Gov Investment Pool		2,078,441.65	4.02%	2,078,441.65	1.00 4.02%	2,078,441.65 0.00	4.72% 0.00		0.00 0.00
MONEY MARKET FUND									
60934N807	FEDERATED HRMS GV O SVC	152,131.46	-- 3.63%	152,131.46 152,131.46	1.00 3.63%	152,131.46 0.00	0.35% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		152,131.46	3.63%	152,131.46 152,131.46	1.00 3.63%	152,131.46 0.00	0.35% 0.00		0.00 0.00
NEGOTIABLE CD									
38149MZJ5	Goldman Sachs Bank USA 1.05 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	97.91 3.82%	242,824.98 599.28	0.55% (5,175.02)	A1/A+ AA-	0.77 0.76
Total Negotiable CD		248,000.00	1.05%	248,000.00 248,000.00	97.91 3.82%	242,824.98 599.28	0.55% (5,175.02)		0.77 0.76
SUPRANATIONAL									
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,878.65	98.85 3.89%	494,257.00 498.26	1.12% (5,621.65)	Aaa/AAA NA	0.39 0.38
Total Supranational		500,000.00	0.94%	498,425.00 499,878.65	98.85 3.89%	494,257.00 498.26	1.12% (5,621.65)		0.39 0.38
US TREASURY									
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 699,916.75	99.72 3.82%	698,036.50 1,098.51	1.59% (1,880.25)	Aa1/AA+ AA+	0.08 0.08
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 549,574.48	99.40 3.99%	546,724.20 689.37	1.24% (2,850.28)	Aa1/AA+ AA+	0.17 0.16
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 649,489.25	99.18 3.88%	644,640.10 825.97	1.46% (4,849.15)	Aa1/AA+ AA+	0.25 0.24
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	440,000.00	03/29/2021 0.87%	437,301.56 439,822.67	99.01 3.78%	435,647.96 562.09	0.99% (4,174.71)	Aa1/AA+ AA+	0.33 0.33
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 849,478.28	98.53 3.77%	837,462.50 17.51	1.90% (12,015.78)	Aa1/AA+ AA+	0.50 0.49

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

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
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	600,000.00	02/03/2025 4.36%	597,187.50 597,650.59	102.61 3.57%	615,679.80 8,523.10	1.40% 18,029.21	Aa1/AA+ AA+	4.17 3.75
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	400,000.00	04/07/2025 3.75%	404,515.63 403,926.96	101.68 3.58%	406,718.80 2,725.27	0.92% 2,791.84	Aa1/AA+ AA+	4.33 3.93
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	450,000.00	05/07/2025 3.89%	449,771.48 449,797.50	101.20 3.58%	455,396.40 1,493.27	1.03% 5,598.90	Aa1/AA+ AA+	4.41 4.02
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	425,000.00	07/01/2025 3.82%	428,370.12 428,084.58	101.72 3.58%	432,321.48 46.70	0.98% 4,236.89	Aa1/AA+ AA+	4.50 4.09
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	450,000.00	07/21/2025 3.90%	449,419.92 449,462.36	101.21 3.59%	455,431.50 7,297.21	1.03% 5,969.14	Aa1/AA+ AA+	4.58 4.10
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	600,000.00	11/19/2025 3.68%	605,039.06 605,006.72	101.20 3.59%	607,171.80 7,771.06	1.38% 2,165.08	Aa1/AA+ AA+	4.67 4.19
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	600,000.00	11/19/2025 3.68%	598,476.56 598,486.16	100.10 3.60%	600,609.60 5,527.62	1.36% 2,123.44	Aa1/AA+ AA+	4.75 4.29
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	600,000.00	11/19/2025 3.69%	598,289.06 598,299.66	100.09 3.60%	600,562.80 3,704.67	1.36% 2,263.14	Aa1/AA+ AA+	4.83 4.37
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	600,000.00	11/19/2025 3.69%	598,312.50 598,322.78	100.09 3.61%	600,515.40 1,862.57	1.36% 2,192.62	Aa1/AA+ AA+	4.92 4.45
Total US Treasury		18,865,000.00	2.90%	18,601,366.02 18,771,222.67	99.70 3.63%	18,803,227.96 94,411.65	42.73% 32,005.29		2.44 2.25
Total Portfolio		43,991,307.46	3.22%	43,751,077.48 43,908,875.17	66.37 3.59%	44,008,499.95 200,191.50	100.00% 99,624.79		1.47 1.35
Total Market Value + Accrued						44,208,691.45			

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/03/2025	60934N807	7,400.00	FEDERATED HRMS GV O SVC	1.000	3.71%	(7,400.00)	0.00	(7,400.00)	0.00
Purchase	11/04/2025	60934N807	2,065.68	FEDERATED HRMS GV O SVC	1.000	3.71%	(2,065.68)	0.00	(2,065.68)	0.00
Purchase	11/07/2025	60934N807	625,000.00	FEDERATED HRMS GV O SVC	1.000	3.59%	(625,000.00)	0.00	(625,000.00)	0.00
Purchase	11/07/2025	60934N807	1,562.50	FEDERATED HRMS GV O SVC	1.000	3.59%	(1,562.50)	0.00	(1,562.50)	0.00
Purchase	11/10/2025	60934N807	10,000.00	FEDERATED HRMS GV O SVC	1.000	3.59%	(10,000.00)	0.00	(10,000.00)	0.00
Purchase	11/17/2025	60934N807	26,775.00	FEDERATED HRMS GV O SVC	1.000	3.61%	(26,775.00)	0.00	(26,775.00)	0.00
Purchase	11/20/2025	91282CPA3	600,000.00	UNITED STATES TREASURY 3.625 09/30/2030	99.715	3.69%	(598,289.06)	(3,047.39)	(601,336.45)	0.00
Purchase	11/20/2025	91282CPD7	600,000.00	UNITED STATES TREASURY 3.625 10/31/2030	99.719	3.69%	(598,312.50)	(1,201.66)	(599,514.16)	0.00
Purchase	11/20/2025	91282CNX5	600,000.00	UNITED STATES TREASURY 3.625 08/31/2030	99.746	3.68%	(598,476.56)	(4,866.71)	(603,343.27)	0.00
Purchase	11/20/2025	91282CNN7	600,000.00	UNITED STATES TREASURY 3.875 07/31/2030	100.840	3.68%	(605,039.06)	(7,076.09)	(612,115.15)	0.00
Purchase	11/30/2025	90CACL\$0	6,843.76	California CLASS	1.000	4.02%	(6,843.76)	0.00	(6,843.76)	0.00
Purchase	11/30/2025	90CASH\$00	3,583,215.65	Custodial Cash Account	1.000	3.00%	(3,583,215.65)	0.00	(3,583,215.65)	0.00
Total Purchase			6,662,862.59				(6,662,979.77)	(16,191.85)	(6,679,171.62)	0.00
TOTAL ACQUISITIONS			6,662,862.59				(6,662,979.77)	(16,191.85)	(6,679,171.62)	0.00
DISPOSITIONS										
Maturity	11/07/2025	3135G06G3	(625,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	100.000	0.51%	625,000.00	0.00	625,000.00	0.00
Total Maturity			(625,000.00)				625,000.00	0.00	625,000.00	0.00

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	11/20/2025	60934N807	(2,107,221.31)	FEDERATED HRMS GV O SVC	1.000	3.57%	2,107,221.31	0.00	2,107,221.31	0.00
Sale	11/20/2025	60934N807	(309,087.72)	FEDERATED HRMS GV O SVC	1.000	3.57%	309,087.72	0.00	309,087.72	0.00
Total Sale			(2,416,309.03)				2,416,309.03	0.00	2,416,309.03	0.00
TOTAL DISPOSITIONS			(3,041,309.03)				3,041,309.03	0.00	3,041,309.03	0.00
OTHER TRANSACTIONS										
Cash Transfer	11/30/2025	CCYUSD	3,583,215.65	Cash		0.00%	3,583,215.65	0.00	3,583,215.65	0.00
Total Cash Transfer			3,583,215.65				3,583,215.65	0.00	3,583,215.65	0.00
Coupon	11/01/2025	74456QBU9	0.00	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028		4.70%	7,400.00	0.00	7,400.00	0.00
Coupon	11/07/2025	3135G06G3	0.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025		0.51%	1,562.50	0.00	1,562.50	0.00
Coupon	11/10/2025	665859AW4	0.00	NORTHERN TRUST CORP 4.0 05/10/2027		4.00%	10,000.00	0.00	10,000.00	0.00
Coupon	11/15/2025	341081GN1	0.00	FLORIDA POWER & LIGHT CO 4.4 05/15/2028		4.67%	9,900.00	0.00	9,900.00	0.00
Coupon	11/15/2025	9128283F5	0.00	UNITED STATES TREASURY 2.25 11/15/2027		3.79%	9,843.75	0.00	9,843.75	0.00
Coupon	11/15/2025	9128285M8	0.00	UNITED STATES TREASURY 3.125 11/15/2028		3.59%	7,031.25	0.00	7,031.25	0.00
Coupon	11/30/2025	91282CMA6	0.00	UNITED STATES TREASURY 4.125 11/30/2029		4.41%	12,375.00	0.00	12,375.00	0.00
Coupon	11/30/2025	91282CNG2	0.00	UNITED STATES TREASURY 4.0 05/31/2030		3.82%	8,500.00	0.00	8,500.00	0.00
Coupon	11/30/2025	91282CDK4	0.00	UNITED STATES TREASURY 1.25 11/30/2026		2.74%	3,593.75	0.00	3,593.75	0.00

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of November 30, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Coupon	11/30/2025	91282CCF6	0.00	UNITED STATES TREASURY 0.75 05/31/2026		0.88%	3,187.50	0.00	3,187.50	0.00
Total Coupon			0.00				73,393.75	0.00	73,393.75	0.00
Dividend	11/30/2025	90CACLAS0	0.00	California CLASS		4.02%	6,843.76	0.00	6,843.76	0.00
Dividend	11/30/2025	60934N807	0.00	FEDERATED HRMS GV O SVC		3.63%	4,575.76	0.00	4,575.76	0.00
Total Dividend			0.00				11,419.52	0.00	11,419.52	0.00
TOTAL OTHER TRANSACTIONS			3,583,215.65				3,668,028.92	0.00	3,668,028.92	0.00

STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of November 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	6.4	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
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	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	50.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	26.4	Compliant	
Max % Issuer (MV)	5.0	1.8	Compliant	
Max Maturity (Years)	5	4	Compliant	

STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of November 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	6.4	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	6.4	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	2	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % Issuer (MV)	5.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.5	Compliant	
Max % Issuer (MV)	20.0	0.5	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
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	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	

STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of November 30, 2025

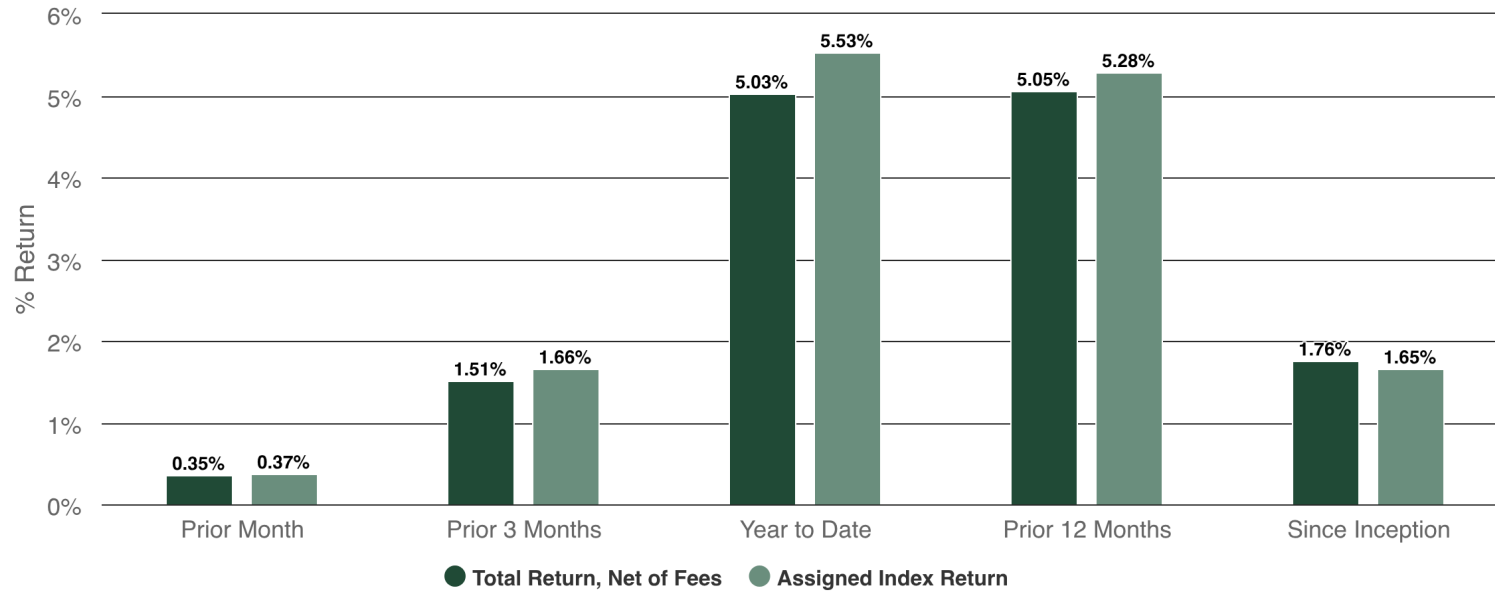
Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
REVERSE REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	92.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.7	Compliant	
Max % Issuer (MV)	10.0	1.7	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	64.9	Compliant	
Max Maturity (Years)	5	4	Compliant	

Net of Fees Performance

As of 11/30/2025

Walnut Valley WD (331583)

Dated: 12/10/2025



Period	Period Begin	Period End	Total Return, Net of Fees	Assigned Index Return
Prior Month	10/01/2025	10/31/2025	0.35%	0.37%
Prior 3 Months	08/01/2025	10/31/2025	1.51%	1.66%
Year to Date	01/01/2025	11/30/2025	5.03%	5.53%
Prior 12 Months	11/01/2024	10/31/2025	5.05%	5.28%
Since Inception	08/01/2009	11/30/2025	1.76%	1.65%

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

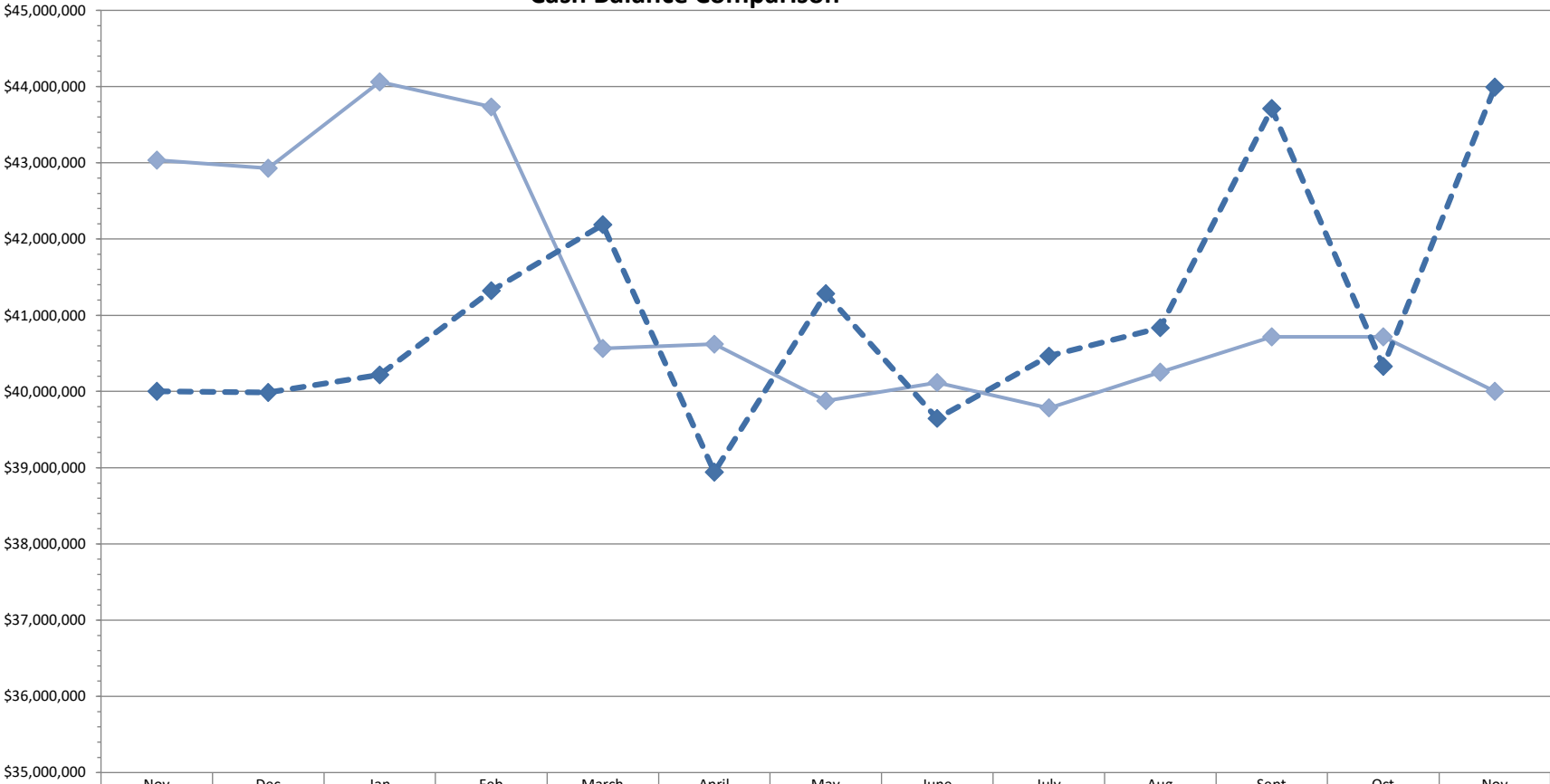
As of 11/30/2025

Walnut Valley WD (331583)

Dated: 12/10/2025

Reported Index Return is always Total Return.

Walnut Valley Water District
Cash Balance Comparison



	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov
11/2023-11/2024	\$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	\$40,716,785	\$40,716,785	\$40,002,785
11/2024-11/2025	\$40,002,785	\$39,988,967	\$40,217,131	\$41,322,270	\$42,189,341	\$38,941,723	\$41,282,261	\$39,646,072	\$40,464,433	\$40,837,009	\$43,712,062	\$40,329,631	\$43,991,307

Walnut Valley Water District
Revenue Bond - Held at US Bank
Life to Date
November 30, 2025

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)	(31,500.00)		
			(162,900.00)
<u>Projects</u>			
Administration Headquarters Phase 1	(19,825,282.63)		
Administration Headquarters Phase 2			
			(19,825,282.63)
Interest Income			1,172,082.48
District Payment of Principal and Interest			924,081.11
Interest Expense			(1,345,648.87)
Ending Balance of Bond Funds		\$	13,938,922.10

Walnut Valley Water District
Revenue Bond - Held at US Bank
November 30, 2025

Beginning Balance of Bonds		\$	17,462,834.09
Receipts:			
Interest Income			39,006.73
Prepayment of Interest			397,280.46
Disbursements:			
Cost of Issuance			
Administration Headquarters Phase 1	(3,960,199.18)		
Administration Headquarters Phase 2	0.00		
Interest Expense			
			<hr/>
			(3,960,199.18)
Ending Balance of Bond Funds		\$	<hr/> <hr/> 13,938,922.10

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 15, 2025
SUBJECT: Authorize the General Manager to Enter Into Agreements for On-Call Water System Repair and Construction Services

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

Recommendation:

That the Board of Directors authorize the General Manager to enter into agreements with Doty Bros. Construction Company (Doty Bros.) and J. De Sigio Construction, Inc. (J. De Sigio) for On-Call Water System Repair and Construction Services in accordance with the scope of services outlined in the District's Request for Proposal (RFP) dated October 13, 2025.

Background

On October 13, 2025, the District issued an RFP seeking qualified contractors to support both Operations & Maintenance (O&M) and Capital Improvement Program (CIP) work. The services requested include, but are not limited to:

- Water main repairs and replacements
- Service line and valve repairs
- Fire hydrant installations
- Emergency response support
- Small capital construction projects

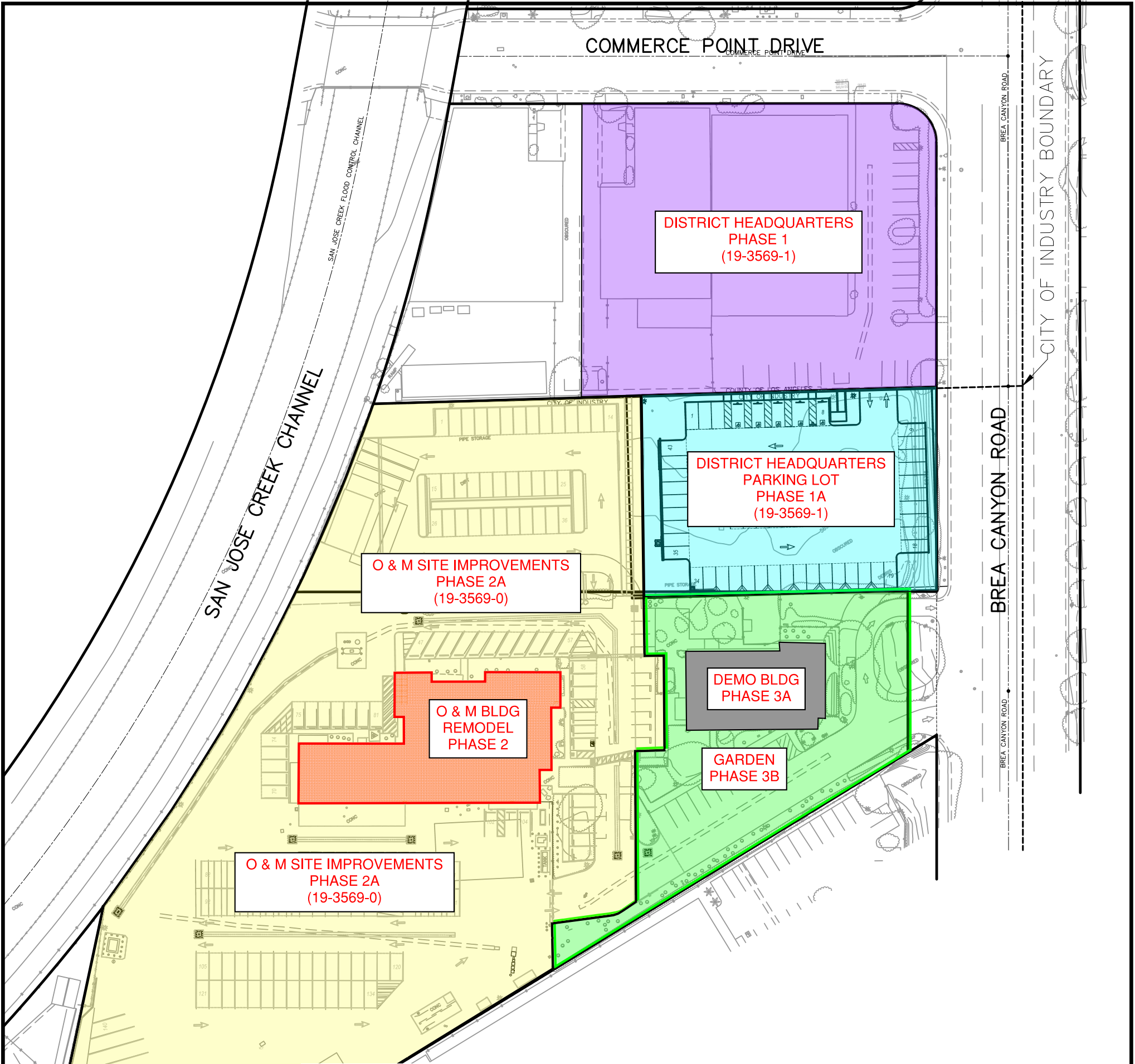
Seven pre-qualified contractors were invited to submit proposals; two firms submitted complete and responsive proposals by the deadline. Staff evaluated both proposals based on qualifications, experience, responsiveness, and cost. Doty Bros. received the highest overall score, while J. De Sigio also demonstrated strong qualifications and competitive pricing.

These agreements are intended to supplement—not replace—District field staff, and they help the District deliver timely, high-quality service to customers. The agreements will include an initial two-year term, with the option of three one-year extensions at the District's discretion.

Fiscal Impact

The total cost to the District under these agreements will vary based on the amount of work and type of work assigned. The work performed may include both expense-related repairs and capital replacement projects. All work will be billed according to contractor rate schedules included in their proposals.

Staff will manage all work assignments under these agreements to ensure adherence to Board-approved budget allocations. No expenditure will be made in excess of approved budgets without prior Board authorization, except in cases of must-do emergency repairs necessary to restore water service. This approach allows the District to maintain high-quality service without exceeding budget limits while ensuring timely responses to service interruptions or infrastructure improvement needs.



PROJECT NO.	PROJECT PHASE	PROJET NAME	CONTRACTED SERVICES	EXECUTED AGREEMENT	AGREEMENT AMOUNT	BOARD APPROVED AMMENDMENT/ CHANGE ORDER	AMMENDMENT/ CHANGE ORDER	TOTAL AGREEMENT AMOUNT
19-3569-1	1	DISTRICT HEADQUARTERS	LCDG - Architect	1/18/2022	\$442,100.00	8/21/2025	\$190,807.12	\$632,907.12
			CIVILTEC - Engr	10/14/2020	\$77,995.00	8/21/2025	\$43,870.00	\$121,865.00
			SEAROCK - Constr Mgt	9/21/2023	\$426,700.00	8/7/2025	\$304,107.00	\$730,807.00
			DPR - Contractor	6/21/2024	\$19,612,768.00	8/28/2025	\$3,049,127.61	\$23,123,378.61
			DSK - Landscape Architect	7/26/2021	\$33,750.00	8/27/2025	\$225,538.00	\$235,945.00
			M3 Offices, Inc. ²	8/21/2025	\$403,391.89	8/21/2025	\$10,050.00	\$43,800.00
19-3569-1	1A	DISTRICT HEADQUARTERS PARKING LOT ¹	CIVILTEC - Engr	5/22/2025	\$56,280.00	N/A	N/A	\$403,391.89
			DPR - Contractor	9/2/2025	\$976,087.00	N/A	N/A	\$56,280.00
						N/A	N/A	\$976,087.00
19-3569-2	2	O & M BUILDING REMODEL	LCDG-Architect	1/18/2022	\$256,530.00	8/21/2025	\$22,115.83	\$311,880.83
			SEAROCK - Constr Mgt	8/18/2025	\$305,200.00	N/A	\$33,235.00	\$305,200.00
19-3569-0	2A	O & M SITE IMPROVEMENTS	CIVILTEC - Engr	10/14/2020	\$77,995.00	8/21/2025	\$113,108.00	\$191,103.00
			DSK-Landscape Architect	7/26/2021	\$33,750.00	8/21/2025	\$10,050.00	\$43,800.00
			PACIFIC HYDROTECH-Contractor	5/1/2025	\$4,085,333.00	N/A	N/A	\$43,800.00
						N/A	N/A	\$4,085,333.00
	3A	DEMO FRONT BUILDING			N/A			
	3B	GARDEN			N/A			

¹ The Board of Directors approved a \$1.5M budget for the project on 8/7/2025

² The Board of Directors approved a \$550k budget for the FF&E on 8/21/2025

Monthly Progress Report – December 2025

OPERATIONS & MAINTENANCE SITE IMPROVEMENTS PHASE 2A P.N. 19-3569-0



PROJECT MANAGER: BERTHA PEREZ/TAI DIEP

DESCRIPTION:

The District is proposing to improve the existing Headquarters site (future Operations & Maintenance building) which will enhance material and equipment storage, house operations activities and provide parking for employees. The site improvements include earthwork, demolition, construction of a concrete pad for a new storage building, a new parking lot and rolling gate, and enhancements to the existing parking area in the southwest and northwest vicinities of the existing O&M building, developing the entrance and visitor parking area to the southeast, incorporating security fencing, a pedestrian gate, a rolling gate, on-site drainage improvements, and electrical work. Additionally, low-impact development and stormwater pollution prevention plan measures will be implemented to manage on-site stormwater runoff, incorporating BMPs, storm drains, curb gutters, and catch basins.



CONTRACT INFORMATION:

Contractor: Pacific Hydrotech Corp.
Contract Days: 270 calendar days

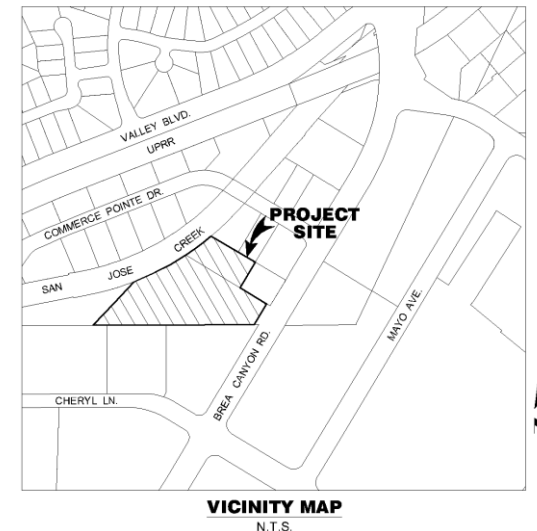
Schedule	Days
Award Date	05/01/25
Notice to Proceed	05/14/25
Start	07/08/25
Change Orders	N/A
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$4,085,333.00
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$212,286.00
Earnings to Date	\$1,076,286.00

PROGRESS STATUS:

- Approved by the Board on 05/01/25.
- Agreement executed on 05/14/25.
- Notice to Proceed issued on 05/14/25.
- Grading permit issued 5/16/25
- Awaiting retaining wall permit from City of Industry/LA County.
- SWPPP: Approved; WDID issued on 07/10/25.
- Chamber system No. 1, 2, and 3 completed.
- 360 linear feet of storm drain piping installed.
- Installed 1 catch basin & filter.
- Installed 2 communication handholes and below ground electrical conduit.
- 26% completion

LOCATION:



Monthly Progress Report – December 2025



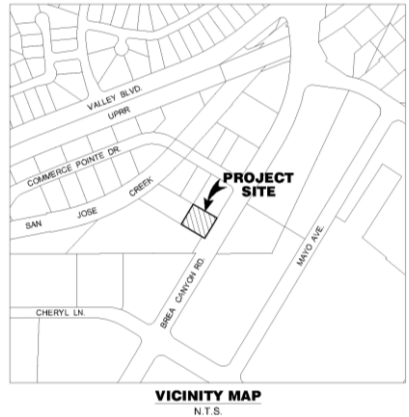
DISTRICT HEADQUARTERS PARKING LOT PHASE 1A P.N. 19-3569-1

PROJECT MANAGER: BERTHA PEREZ/TAI DIEP

DESCRIPTION:

The District is proposing to improve the existing Headquarters site (future Operations & Maintenance building) under Phase 1A, which will construct a public parking lot for the New District Headquarters. The site improvements include earthwork, demolition and the new parking lot. Additionally, low-impact development and stormwater pollution prevention plan measures will be implemented to manage on-site stormwater runoff, incorporating BMPs, storm drains, curb gutters, and catch basins.

LOCATION:



CONTRACT INFORMATION:

Consultant: Civiltec Engineering, Inc.

<u>Schedule</u>	<u>Days</u>
Award Date	05/22/25
Notice to Proceed	05/22/25
Start	05/22/25
Change Orders	N/A
End	
Acceptance of Work	

<u>Contract Amount</u>	<u>Costs</u>
Original	\$56,280.00
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$0
Earnings to Date	\$40,220.00

CONTRACT INFORMATION:

Contractor: DPR Construction

<u>Schedule</u>	<u>Days</u>
Award Date	09/02/25
Notice to Proceed	09/02/25
Start	09/02/25
Change Orders	N/A
End	
Acceptance of Work	

<u>Contract Amount</u>	<u>Costs</u>
Original	\$976,087
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$193,256.35
Earnings to Date	\$461,788.32

PROGRESS STATUS:

Civiltec:

- Approved by the Board on 05/22/25
- Notice to Proceed issued on 05/22/25
- Grading permit issued on 07/15/25
- Planning Permit issued 09/04/25
- LA County Public Works Permit issued 9/5/25
- SWPPP Amendment completed 09/04/25
- 86% completion

DPR:

- City of Industry Permit issued 11/24/25
- 47% Completion

INTEGRATED POTABLE AND RECYCLED WATER MASTER PLAN (P.N. 24-3813)

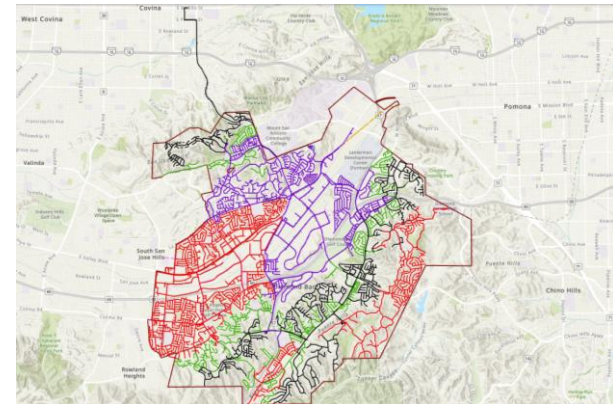


PROJECT MANAGER: TAI DIEP/ BERTHA PEREZ

DESCRIPTION:

The Integrated Potable and Recycled Water Master Plan (IWMP) will evaluate the District's potable and recycled water systems, identify existing infrastructure deficiencies, and recommend mitigating Capital Improvement Program projects while incorporating additional potential regional water resources identified in companion studies (i.e. "Puente Basin Water Agency Regional Water Supply Program Update"). In addition, the IWMP will evaluate potable and recycled system operations, facilities, and demands based on the State Water Resources Control Board's adoption of water use efficiency objectives impacting the amount of water allowed for District's residential, commercial, industrial, and institutional customers. The IWMP will evaluate both the potable and recycled water systems to address infrastructure deficiencies by providing a comprehensive system evaluation and identifying a list of 20-year CIP projects.

LOCATION:



CONTRACT INFORMATION:

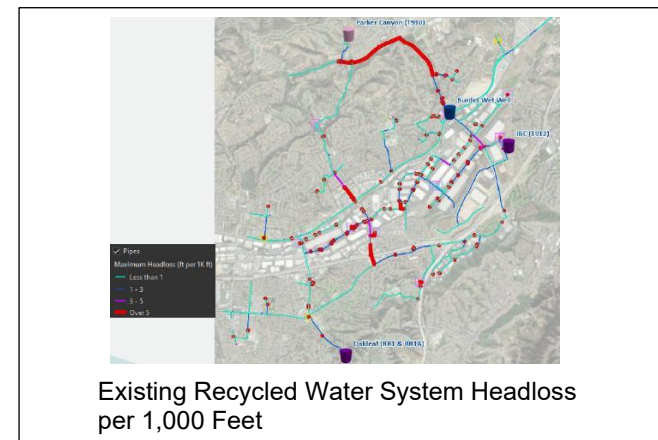
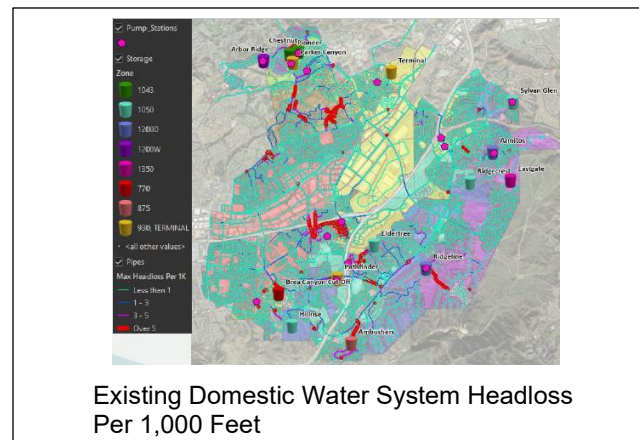
Company: West Yost
Contract Days: 365 calendar days

Schedule	Days
Award Date	02/18/2025
Executed Agreement	03/25/2025
Start	04/30/2025
Change Order(s)	None
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$293,958
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$138,151.25
Earnings to Date	\$159,822.25

PROGRESS STATUS:

- 54% completion.
- Draft Chapter 3 received Nov. 17th and is being reviewed by staff.
- Workshop #4 held Nov. 17th discussing hydraulic model updates.



November 2025 Operations Report



Field Customer Service

Type of Completed Service Order	Nov	FY Total	Monthly Avg (12 Month)	% of Total
Get Read/Verify Read	200	1139	233	24.1%
Meter Repair	42	484	116	10.3%
Customer Transfer	88	865	153	18.3%
Delinquent Turn Off	100	597	111	12.7%
Delinquent Reconnection	95	533	101	11.3%
Leak Inspection	56	264	48	5.6%
Customer Leak Inspection - Beacon	14	122	20	2.6%
Customer Leak Follow Up	0	50	13	1.1%
Customer Requested Turn On/Off for Repair	13	92	17	1.9%
Cross Connection Control	13	97	18	2.1%
After Hours	13	95	17	2.0%
Other	48	381	88	8.1%
Total	682	4719	934	

Underground Service Alerts

USAs Processed	Nov	FY Total	Monthly Avg
Marked	71	307	85
Verified No Marks Required	370	2014	436
Total	441	2321	522



Water Distribution System Maintenance

Maintenance Type	Nov	FY Total	Monthly Avg
Valves	120	626	119
Fire Hydrants	62	343	63
Blow Offs	18	101	20
Air Vacs	1	2	3
Fire Hydrants Painted	85	617	132
Blow Offs Painted	38	154	25
Air Vacs Painted	32	98	20



November 2025 Operations Report (cont.)



Water System Repairs

The Field Team performed 10 excavations to complete water system repairs in November. The table below provides dates and locations of the work events:

Board Division	Work Date	Address	City	Repair Type
Division 5	11/3/2025	20011 Walnut Dr.	City of Industry	Fire Service Upgrade
Division 4	11/5/2025	20744 E Crest Ln.	Diamond Bar	Service Line Repair
Division 3	11/6/2025	22424 Robin Oaks Ter	Diamond Bar	Service Line Replacement
Division 3	11/10/2025	22815 Ironbark Dr.	Diamond Bar	Service Line & Saddle Replacement
Division 5	11/12/2025	245 S. Rock River Rd.	Diamond Bar	Valve Replacement
Division 2	11/13/2025	Beaverhead Dr. & S. Prospectors Rd.	Diamond Bar	Valve Replacement
Division 2	11/13/2025	876 Featherwood Dr	Diamond Bar	Service Line & Saddle Replacement
Division 5	11/18/2025	3124 Levelglen Dr.	West Covina	Service Line Replacement
Division 4	11/19/2025	24125 Lodgepole Rd.	Diamond Bar	Fire Hydrant Lateral Repair
Division 5	11/24/2025	3900 Valley Blvd.	Walnut	Fire Hydrant Replacement



1406 Annadel Ave– Fire Hydrant Replacement

November 2025 Operations Report (cont.)



Monthly Totals

Type of Repair	Jul	Aug	Sep	Oct	Nov	Monthly Avg
Angle Meter Stop Replacement	0	9	13	2	2	5
Meter Setter Replacement	1	5	4	4	1	3
Service Line Repair	0	1	0	2	0	1
Service Line Replacement	9	3	5	7	2	7
Service Line & Saddle Replacement	1	2	1	0	2	2
Main Repair	1	0	1	0	0	1
Main Replacement	1	0	1	0	1	1
Valve Replacement	0	1	2	2	2	1
Sheared Fire Hydrant	0	0	1	1	1	1
Total	13	21	28	18	11	21

876 Featherwood Dr. – Saddle & Service Line Replacement



3900 Valley Blvd.– Fire Hydrant Replacement



24125 Lodgepole Rd. – Main Replacement



November 2025 Operations Report (cont.)



Production & Water Quality

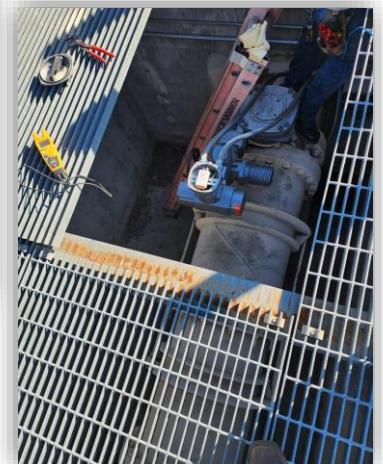
The Production Team performs various maintenance and repair activities to ensure the reliability of the District's water production and supply facilities. The table below is a summary of these activities.

Production Maintenance Items	Sep	Oct	Nov	CY Total
Pump & Motor Maintenance	14	3	0	67
Production Meter Testing / Calibration	6	0	4	36
Cla-Val Inspections & Maintenance	2	13	0	33
Facility/Station Valve Maintenance	6	20	5	43
Generator & Emergency Pump Maintenance & Testing	16	29	16	155
Chemical Feed System & Analyzer Maintenance	42	10	10	166
Reservoir Inspections and Cleanings	0	5	0	12
Transmission Line Inspections	2	2	2	22
Motor Dip & Bake	0	1	0	4
Pump Rehabs	1	0	0	4
Electrical Panel Maintenance	0	0	0	0
Corrective Maintenance Items	13	12	7	108
Total	102	95	44	650

The Production Team operated the potable water system facilities to meet an average daily demand of 11.4 million gallons a day (MGD). The maximum day demand was 18.73 MGD on November 13th.

Other notable work performed by the Production Team:

- Completed testing of Pioneer seismic controller
- Completed PWR triannual meter calibrations
- Completed the replacement of Terminal Storage Tank E valve actuator
- Initiated work to install sump pump for vault at Eldertree



November 2025 Operations Report (cont.)



Production & Water Quality

The Production Team collects water quality samples to meet various drinking water regulations. The table below summarizes the water quality monitoring activities and regulatory reporting.

Compliance Monitoring Summary	Sep	Oct	Nov	CY Total	Monthly Avg
Distribution System Bacteriological Samples	125	100	100	1175	107
Monthly THM's @ Inlets Samples	6	6	6	66	6
Monthly General Physical Samples	26	26	26	286	26
Qtrly THM's & HAA5 Samples	0	0	16	64	6
Qtrly TDS Reclaimed Samples	0	0	11	44	4
Other Samples Collected	4	7	5	52	5
Samples analyzed by District LAB	129	107	105	1232	112
Reports Submitted to State Regulator	5	4	4	66	6

There was 1 water quality complaint in November.



Using the SCADA system, along with reservoir sampling, 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	Jul	Aug	Sep	Oct	Nov	Monthly Avg (12 Month)
Average Disinfectant Residual (ppm)	1.99	2.49	2.44	2.26	1.79	2.17
Average Nitrite Level (ppm)	0.047	0.038	0.020	0.026	0.031	0.024
Hypochlorite Delivered (gal)	3249	5832	2926	3903	4376	3265
Ammonium Sulfate Delivered (gal)	617	907	364	1100	575	461
No. of Manual Tank Dosings	43	26	24	37	35	18

November 2025 Operations Report (cont.)



Water Maintenance and Facility

The Water Maintenance & Facility team performed 90 tasks related to the maintenance of facilities and the District's fleet submitted through the Work Order system (W.O.).

Type of Work Completed	Sep	Oct	Nov	CY Total	Monthly Avg
General Services Miscellaneous Tasks	79	86	74	309	77
General Building Maintenance	6	3	8	27	7
Warehouse Maintenance	2	0	1	4	1
Fleet Maintenance	8	5	4	25	6
Equipment Maintenance & Repairs	5	2	1	10	3
Site Irrigation Leak Repairs	18	2	2	26	7
Site Tree Maintenance	6	3	0	9	2
Site Miscellaneous Repairs	2	1	0	4	1
Inventory Movement	587	653	340	1879	470
Total	713	755	430	2293	573

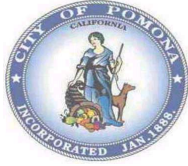


Brea Canyon Cutoff Fence Installed



Easement Clearing





POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

OCTOBER 2025

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	542.952	28.112%
Walnut	918.486	47.556%
Rowland	469.947	24.332%
LaVerne	-	0.000%
TOTAL	1,931.385	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	821.10	42.694%
TVMWD	1,102.10	57.306%
LaVerne	-	0.000%
Total	1,923.200	100.000%
PWR	1,931.385	
Difference	(8.185)	


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)
				42.694%	57.306%	0.000%	100.000%
Pomona	542.952	(2.301)	540.651	540.7	309.8	-	540.7
Walnut	918.486	(3.892)	914.594	914.6	524.1	-	914.6
Rowland	469.947	(1.992)	467.955	468.0	268.2	-	468.0
LaVerne	-	-	-	-	-	-	-
TOTAL	1,931.385	(8.185)	1,923.200	1,923.2	821.1	1,102.1	1,923.2

BILLING CHARGES PER AGENCY										
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	230.8	309.8						205.4	
	Allocation %			31.71%	52.00%	20.01%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 325,698.42	\$ 437,160.18	\$ 9,076.44	\$ 4,521.28	\$ 1,807.84	\$ -	\$ -	\$ (20,540.00)	\$ 757,724.16
Walnut Valley Water District	Cons. (AF)	390.5	524.1						-	
	Allocation %			39.02%	28.00%	48.09%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 550,968.48	\$ 739,523.03	\$ 11,168.80	\$ 2,434.53	\$ 4,344.77	\$ -	\$ -	\$ -	\$ 1,308,439.61
Rowland Water District	Cons. (AF)	199.8	268.2						-	
	Allocation %			29.27%	20.00%	31.90%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 281,905.20	\$ 378,379.90	\$ 8,378.02	\$ 1,738.95	\$ 2,882.06	\$ -	\$ -	\$ -	\$ 673,284.13
City of LaVerne	Cons. (AF)	-	-						-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total (A.F.)	821.1	1,102.1								1,923.2
Total (\$)	\$ 1,158,572.10	\$ 1,555,063.11	\$ 28,623.26	\$ 8,694.76	\$ 9,034.67	\$ -	\$ -	\$ (20,540.00)	\$	2,739,447.90

January 2026



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	 1 New Year's Day- District Closed	2	3
4	5 3:30PM SPADRA Executive Committee Meeting	6 6:30 PM Diamond Bar City Council Meeting	7 8AM TVMWD Board Meeting	8	9	10
11	12 4PM Public Info Committee 4:30 PM Finance Committee 7PM Rowland Heights CCC Meeting	13 4PM Engineering Committee 4:30 PM Personnel Committee	14 7PM Walnut City Council Meeting	15	16	17
18	 19 Martin Luther King Jr. Day- District Closed	20 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	21 8AM TVMWD Board Meeting	22 4PM WVWD Workshop Meeting	23	24
25	26	27	28 7PM Walnut City Council Meeting	29	30	31
1	2	Notes				

February 2026



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 6:30 PM Diamond Bar City Council Meeting	4 8AM TVMWD Board Meeting	5 8AM PBWA Meeting	6	7
8	9 4PM Public Info Committee 4:30 PM Finance Committee 7PM Rowland Heights CCC Meeting	10 4PM Engineering Committee 4:30 PM Personnel	11 7PM Walnut City Council Meeting	12 4PM P-W-R Meeting	13	14
15	16  President's Day- District Closed	17 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	18 8AM TVMWD Board Meeting	19 4PM WVWD Workshop Meeting	20	21
22	23	24	25 7PM Walnut City Council Meeting	26	27	28
1	2	3	4	5	6	7
8	9	Notes				

March 2026



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 3:30PM SPADRA Executive Committee Meeting	3 6:30 PM Diamond Bar City Council Meeting	4 8AM TVMWD Board Meeting	5	6	7
8	9 4PM Public Info Committee 4:30 PM Finance Committee 7PM Rowland Heights CCC Meeting	10 4 PM Engineering Committee 4:30 PM Personnel Committee	11 7PM Walnut City Council Meeting	12	13	14
15	16 5PM WVWD Board Meeting	17 6:30 PM Diamond Bar City Council Meeting	18 8AM TVMWD Board Meeting	19 4PM WVWD Workshop Meeting	20	21
22	23	24	25 7PM Walnut City Council Meeting	26	27	28
29	30	31	1	2	3	4



12/3/2025

ACWA JPIA

P. O. Box 619082
Roseville, CA
95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

Core Values

- People
- Service
- Integrity
- Innovation

Walnut Valley Water District (W001)
271 S. Brea Canyon Rd
Walnut, CA 91789-3049

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the **"President's Special Recognition Award"** certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Walnut Valley WD 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 2026.

Sincerely,

Melody McDonald
President

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

The President of the
ACWA JPIA
Hereby presents this Special Recognition Award to

Walnut Valley Water District

In recognition of outstanding performance in the Workers' Compensation program, demonstrated by maintaining exceptionally low claim costs relative to contributions during the period 07/01/2021 - 06/30/2024 announced at the ACWA JPIA Board of Directors' meeting held in San Diego, California.



Melody McDonald, President



December 01, 2025

President's Special Recognition Award

*The President of the
ACWA JPIA
Hereby presents Special Recognition Award to*

Walnut Valley Water District

In recognition of outstanding performance in the Property program, demonstrated by maintaining exceptionally low claim costs relative to contributions during the period 07/01/2021 - 06/30/2024 announced at the ACWA JPIA Board of Director's meeting held in San Diego, California.

Melody McDonald

Melody McDonald, President



December 01, 2025

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby presents Special Recognition Award to*

Walnut Valley Water District

In recognition of outstanding performance in the Liability program, demonstrated by maintaining exceptionally low claim costs relative to contributions during the period 10/01/2021 - 09/30/2024 announced at the ACWA JPIA Board of Director's meeting held in San Diego, California.

Melody McDonald

Melody McDonald, President



December 01, 2025

**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
December 15, 2025**

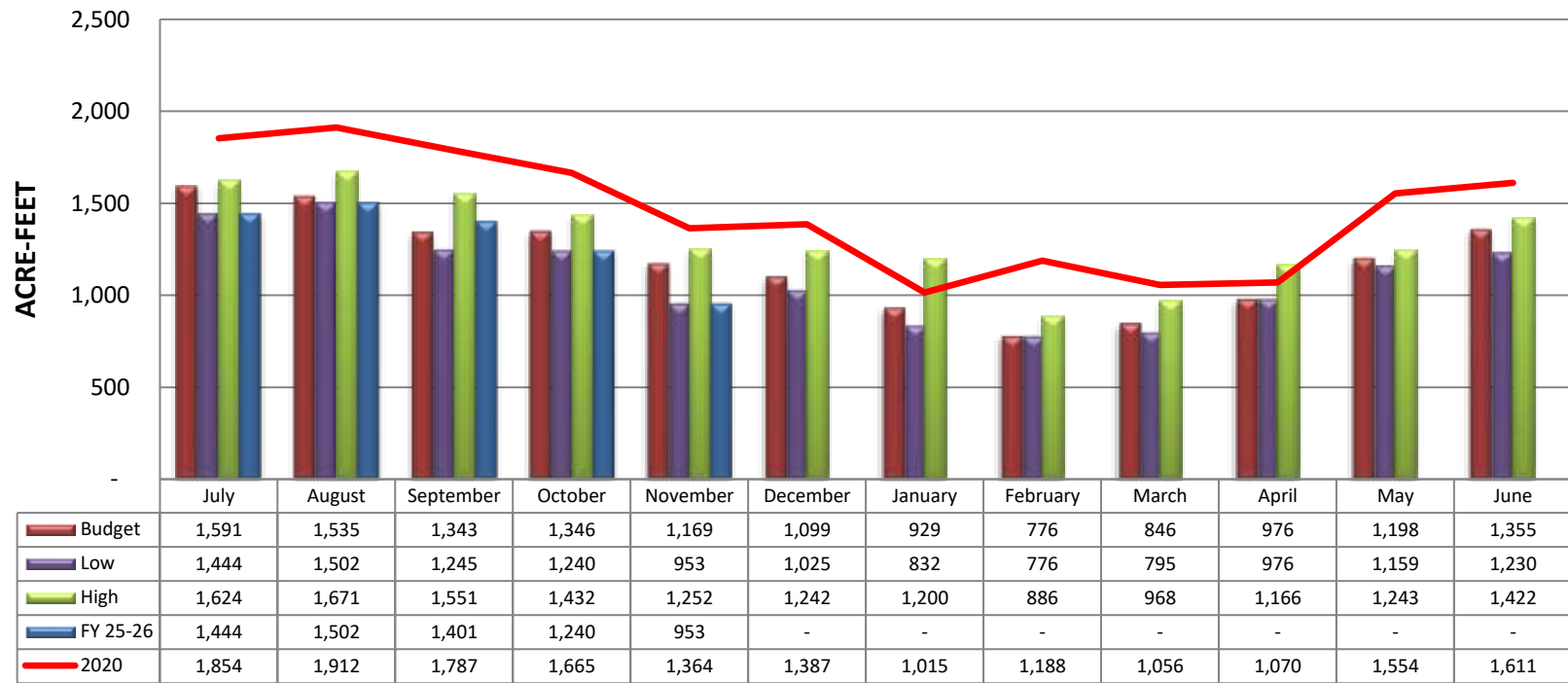


<p>A</p> <p>B</p> <p>C</p>	<p><u>Water Use</u> – Water usage for November 2025 was 953 acre-feet, a decrease of 30.13% compared to November 2020 and a decrease of 39.26% from November 2013. The average inflow into the system during the month was approximately 15.52 cfs (6,965.69 gallons per minute).</p> <p><u>Recycled Water Use</u> – During the month of November recycled water system delivered 810,981.60 G.P.D., a decrease of 62.08% compared to the use in November 2024. Of the recycled water delivered, 58.16% was from the District wells and no potable make-up water was used.</p> <p><u>Production Report</u> – attached are:</p> <ul style="list-style-type: none">▪ Purchased Water Projections (Two total)▪ Climate Summary▪ Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total)- Data was not received in time for Board Packet Publication.	<p>Exhibits</p>
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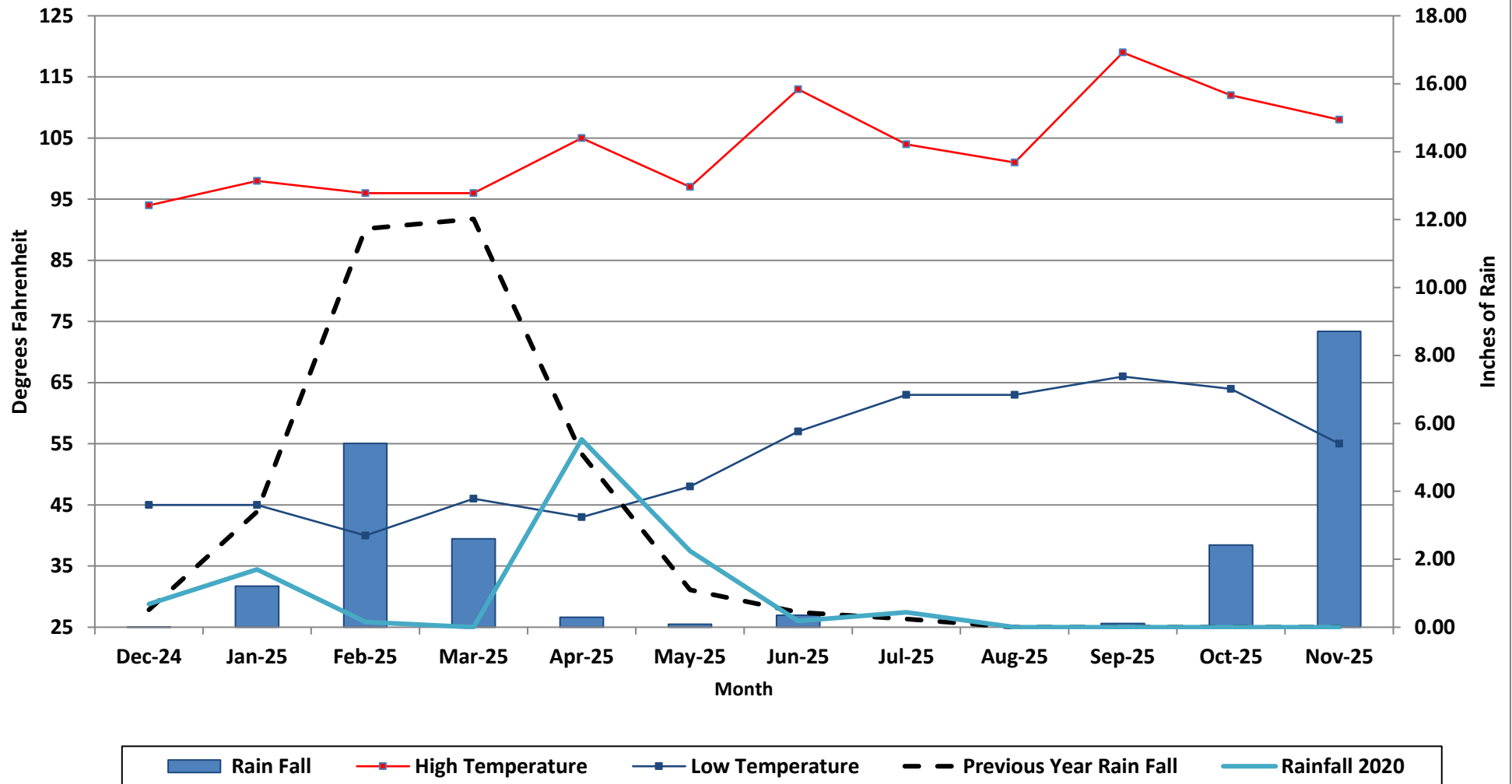
WALNUT VALLEY WATER DISTRICT
Fiscal Year 2025-2026 Purchased Water Estimate

Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
July	1,444	1,591	1,444	1,624	1,553	2,149	1,854
August	1,502	1,535	1,502	1,671	1,570	2,309	1,912
September	1,401	1,343	1,245	1,551	1,399	2,064	1,787
October	1,240	1,346	1,240	1,432	1,306	1,858	1,665
November	953	1,169	953	1,252	1,116	1,569	1,364
December	-	1,099	1,025	1,242	1,111	1,401	1,387
January	-	929	832	1,200	987	1,156	1,015
February	-	776	776	886	828	1,123	1,188
March	-	846	795	968	870	1,496	1,056
April	-	976	976	1,166	1,050	1,700	1,070
May	-	1,198	1,159	1,243	1,200	1,904	1,554
June	-	1,355	1,230	1,422	1,336	2,082	1,611
Total	6,540	14,163	13,177	15,658	14,324	20,810	17,461
Remaining Projected Purchases		7,179	6,793	8,127	7,381		
Total Projected Purchases		13,719	13,334	14,667	13,921		

Fiscal Year 2025-2026 Purchased Water



Walnut Valley Water District Climate Summary



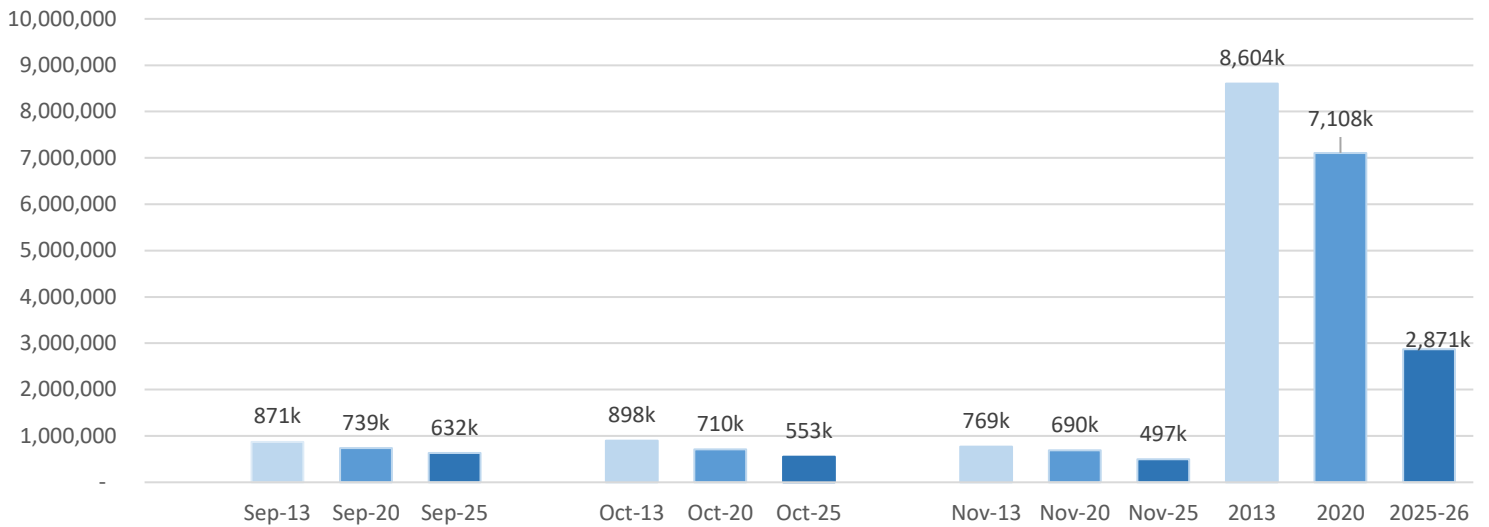
Walnut Valley Water District
Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
	September					October					November					YTD (FY 25-26)				
User Class	Sep-13	Sep-20	Sep-25	% Change 2013	% Change 2020	Oct-13	Oct-20	Oct-25	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-25	Change	% Change	2013 YTD	2020 YTD	FY 25-26	% Change 2013	% Change 2020
COG	50,686	43,268	36,430	-28%	-16%	54,851	40,245	36,475	-34%	-9%	45,006	30,560	22,125	(22,881)	-51%	253,543	187,530	168,021	-34%	-10%
COM	90,136	72,076	71,084	-21%	-1%	95,658	71,070	65,481	-32%	-8%	89,223	70,581	57,412	(31,811)	-36%	470,203	350,374	277,154	-41%	-21%
IND	12,479	10,304	7,432	-40%	-28%	13,214	11,587	7,247	-45%	-37%	13,714	10,071	7,973	(5,741)	-42%	65,568	51,672	37,083	-43%	-28%
MUL	76,841	74,435	70,889	-8%	-5%	80,692	74,198	65,714	-19%	-11%	75,248	73,966	58,799	(16,449)	-22%	395,869	373,803	327,621	-17%	-12%
RES	640,601	538,828	446,582	-30%	-17%	654,001	513,332	377,599	-42%	-26%	546,052	504,668	350,869	(195,183)	-36%	3,140,011	2,676,592	2,061,241	-34%	-23%
	870,743	738,911	632,417	-27%	-14%	898,416	710,432	552,516	-39%	-22%	769,243	689,846	497,178	(272,065)	-35%	4,325,194	3,639,971	2,871,120	-34%	-21%
	IRRIGATION					IRRIGATION					IRRIGATION					YTD IRRIGATION				
User Class	Sep-13	Sep-20	Sep-25	% Change 2013	% Change 2020	Oct-13	Oct-20	Oct-25	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-25	Change	% Change	2013 YTD	2020 YTD	FY 25-26	% Change 2013	% Change 2020
COG	32,995	31,574	23,601	-28%	-25%	33,685	28,134	23,410	-31%	-17%	28,767	21,607	12,520	(16,247)	-56%	164,019	135,119	108,476	-34%	-20%
COM	30,298	29,340	23,530	-22%	-20%	33,660	28,832	20,624	-39%	-28%	28,388	27,214	14,895	(13,493)	-48%	154,104	141,496	103,669	-33%	-27%
IND	2,089	1,962	1,371	-34%	-30%	2,072	2,042	1,017	-51%	-50%	2,204	145	919	(1,285)	-58%	10,684	7,121	5,850	-45%	-18%
RES	324	152	138	-57%	-9%	321	216	116	-64%	-46%	271	85	114	(157)	-58%	1,519	790	634	-58%	-20%
	65,706	63,028	48,640	-26%	-23%	69,738	59,224	45,167	-35%	-24%	59,630	49,051	28,448	(31,182)	-52%	330,326	284,526	218,629	-34%	-23%
	RESIDENTIAL					RESIDENTIAL					RESIDENTIAL					YTD 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	
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 25-26	142,533	231,360	72,689	446,582		139,855	190,580	47,165	377,600		138,766	173,759	38,344	350,869		706,679	1,070,468	311,603	2,088,750	
% Change 2013	-49%	-16%	-17%	-30%		-50%	-31%	-52%	-42%		-48%	-20%	-38%	-36%		-49%	-19%	-28%	-33%	
% Change 2020	-32%	-14%	24%	-17%		-33%	-25%	-10%	-26%		-34%	-29%	-25%	-30%		-33%	-20%	8%	-22%	

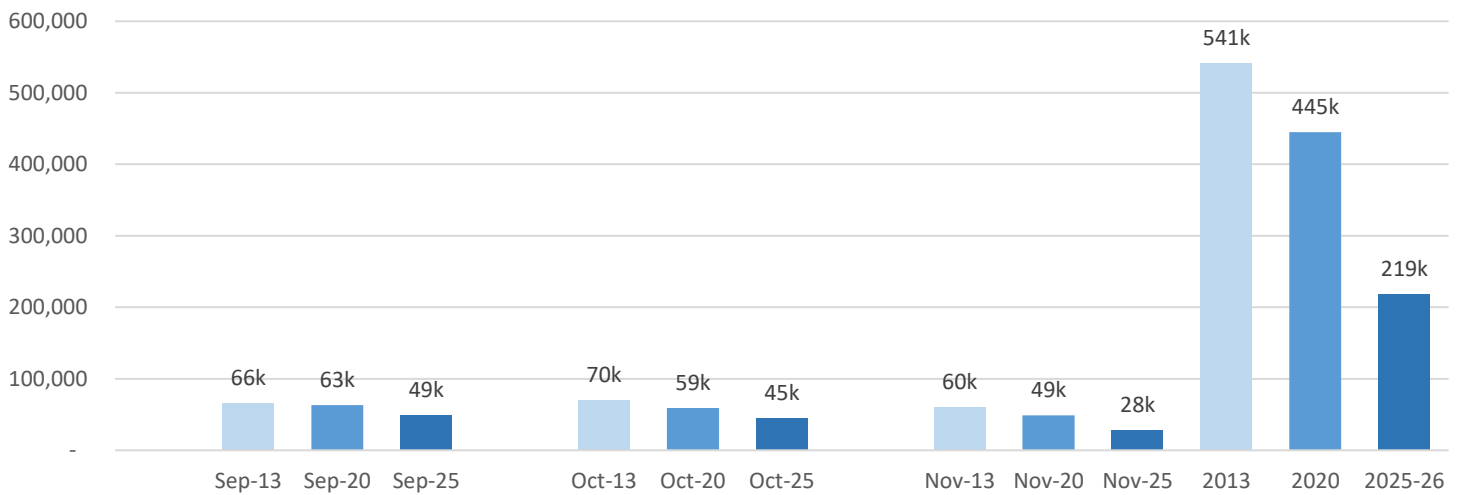
Water Purchases				
	September	October	November	Total
2013	2,063.59	1,858.07	1,569.13	6,230.39
2020	1,786.74	1,665.24	1,363.83	5,364.13
FY 25-26	1,401.08	1,240.37	952.53	4,143.70
% Change 2013	-32%	-33%	-39%	(0.68)
% Change 2020	-22%	-26%	-30%	(0.44)

WALNUT VALLEY WATER DISTRICT
CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE

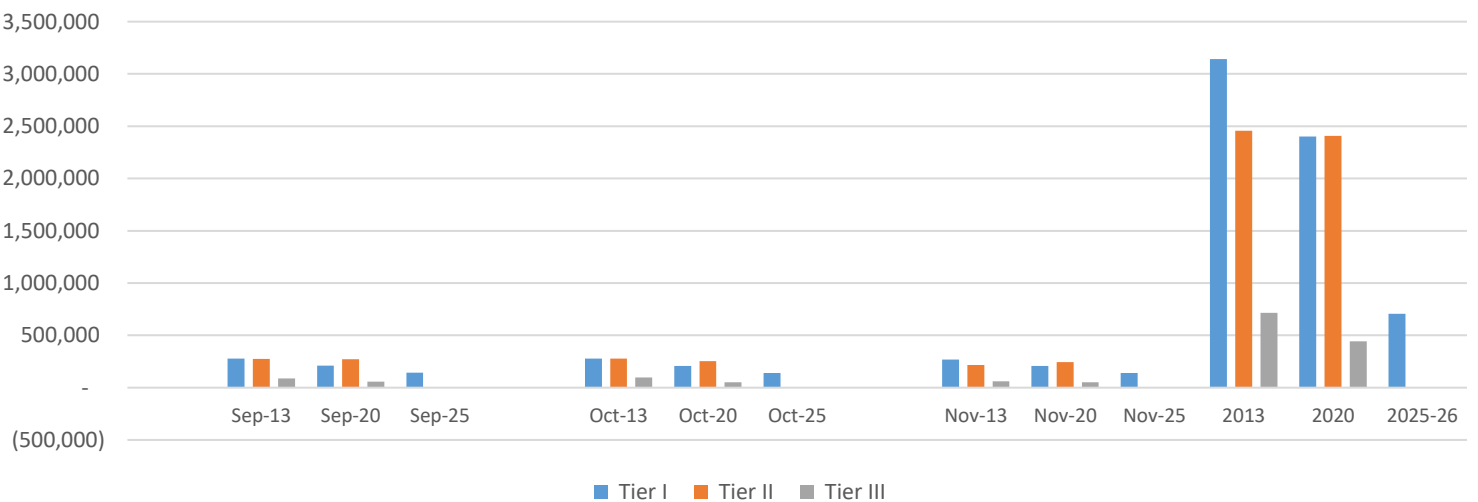
YTD Consumption Versus 2013 & 2020 Baseline



Irrigation Consumption Versus 2013 & 2020 Baseline



Residential Tiers Versus 2013 & 2020 Baseline





The Metropolitan Water District of Southern California

Water Supply Conditions Report - <https://www.mwdh2o.com/WSCR>

Questions? Reach out via the form: <https://forms.office.com/g/Gj3aReAuCm>

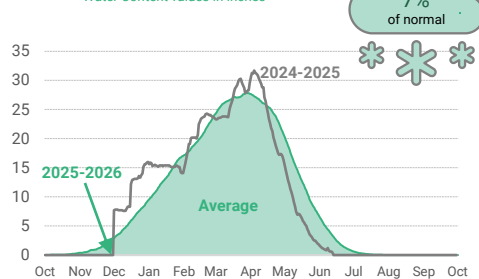
Water Year 2025-2026

As of: 12/08/2025

State Water Project

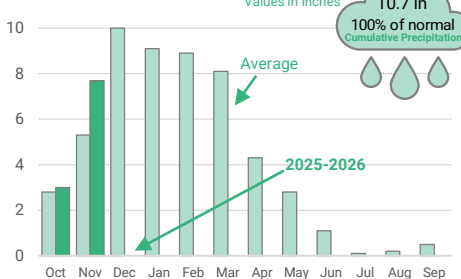
Northern Sierra Snow

Water Content values in inches



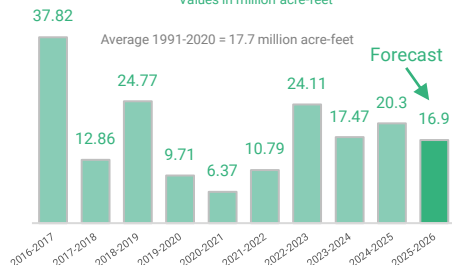
8 Station Index Precipitation

Values in inches



Sacramento River Runoff

Values in million acre-feet



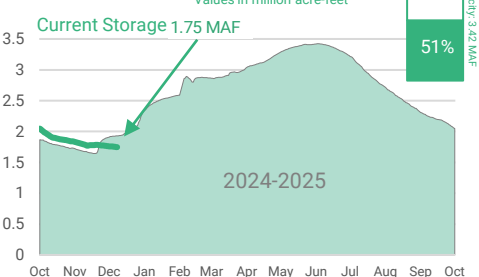
2026 State Water Project Allocation

10%

Initial Allocation (December 1, 2025)

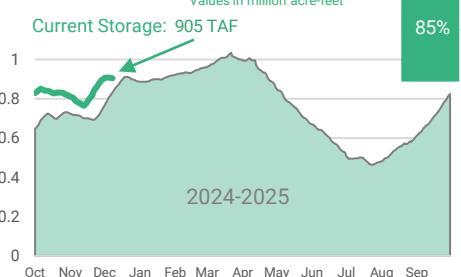
Oroville Reservoir Storage

Values in million acre-feet



San Luis Reservoir SWP Storage

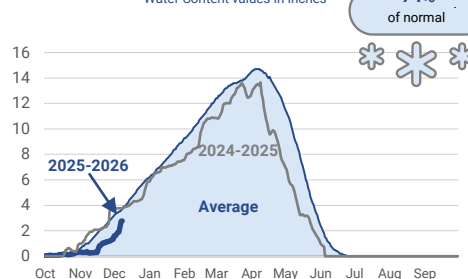
Values in million acre-feet



Colorado River

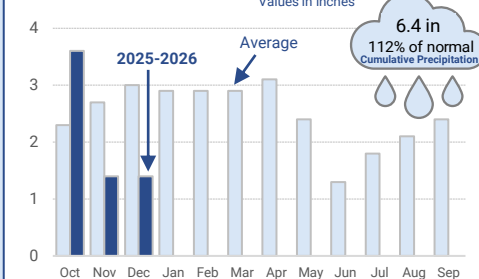
Colorado River Basin Snow

Water Content values in inches



Colorado River Basin Precipitation

Values in inches



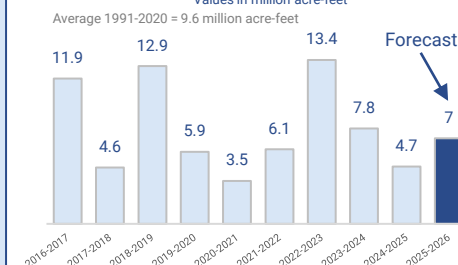
Lake Mead Chance of Operating Condition

	2026	2027*	2028*	2029*
Surplus (above 1,145 ft)	0%	0%	0%	0%
Normal Year (between 1,075 and 1,145 ft)	0%	7%	3%	10%
Shortage				
1st Level (between 1,050 and 1,075 ft)	100%	50%	30%	20%
2nd Level (between 1,025 and 1,050 ft)	0%	40%	53%	43%
3rd Level (below 1,025 ft)	0%	3%	13%	27%

* Years beyond 2026 assume continuation of current operating guidelines

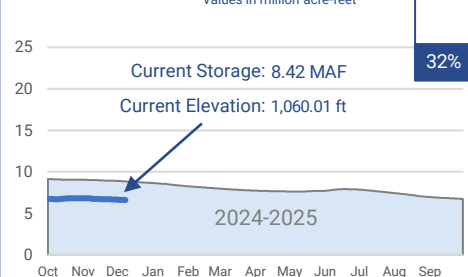
Unregulated Inflow into Lake Powell

Values in million acre-feet



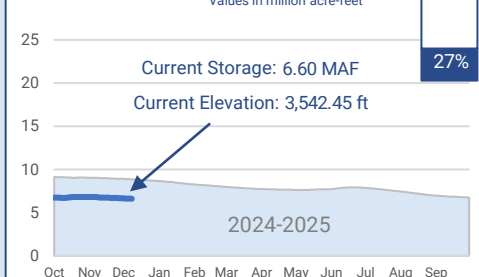
Lake Mead Storage

Values in million acre-feet



Lake Powell Storage

Values in million acre-feet

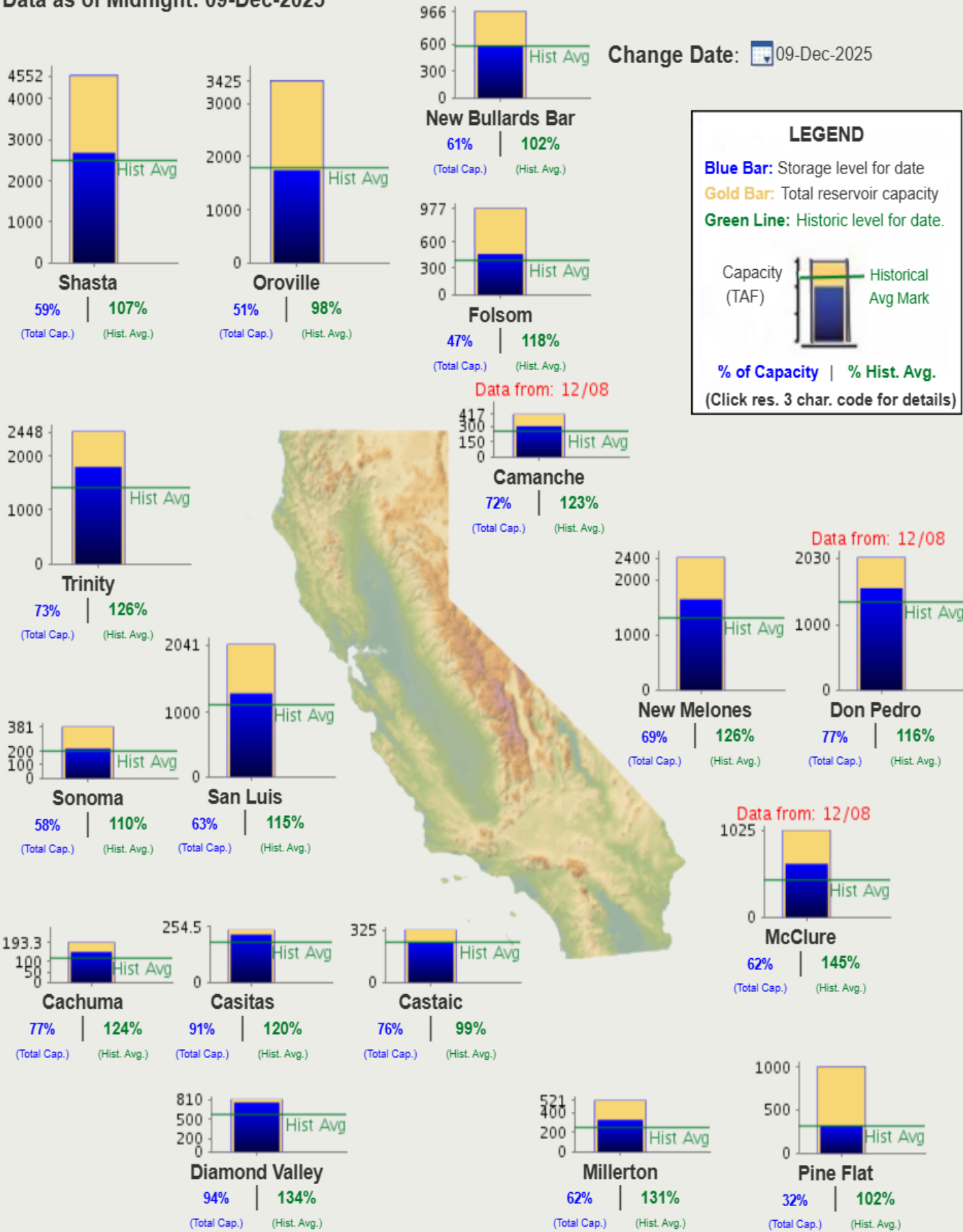


Explore Metropolitan's Water System: <https://www.mwdh2o.com/how-we-get-our-water/>

How We Get Our Water - December 15, 2025 329

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:09-DEC-2025

Data as of Midnight: 09-Dec-2025



[Click to download printable version of current data.](#)

Report Generated: 10-Dec-2025 1:51 PM

The CSI link has been disabled to zoom in, for the lack of historical data.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Executive Services Administrator
DATE: December 15, 2025
SUBJECT: Proposed 2026 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 2026 Board Meetings and Special Board Meetings (Workshop) dates.

Month	Board Meeting Date	Workshop Date
January	Tuesday, January 20	Thursday, January 22
February	Tuesday, February 17	Thursday, February 19
March	Monday, March 16	Thursday, March 19
April	Monday, April 20	Thursday, April 23
May	Monday, May 18	Thursday, May 21
June	Monday, June 15	Thursday, June 18
July	Monday, July 20	None scheduled
August	Monday, August 17	Thursday, August 20
September	Monday, September 21	Thursday, September 24
October	Monday, October 19	Thursday, October 22
November	Monday, November 16	Thursday, November 19
December	Monday, December 14	<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 15, 2025
SUBJECT: Consideration of Annual Board Reorganization / Appointments of Officers / Committee Selections for Calendar Year 2026

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

Recommendation

- A. Members of the Board will make any appropriate notifications related to “Exception No. 3” of the Board Rotation Policy (attached);
- B. Rotate their positions in accordance with the “Board Reorganization Rotation Policy;”
- C. Make appointments to the offices of:
1. Secretary
 2. Treasurer
 3. Assistant Secretary
 4. Second Assistant Treasurer
- D. Select Chair/Member/Alternate positions in accordance with the District’s *Standing Committee Selection Process* (attached) for the following standing committees noted below.
1. Engineering and Special Projects
 2. Personnel
 3. Finance
 4. Public Information and Community Relations/Legislative Action,

All changes, following approval, would be effective at the conclusion of the December 15, 2025, 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 15, 2025, Board meeting.
- At the annual reorganization meeting, the Board of Directors makes appointments, typically amongst staff members, to the offices of Secretary, Treasurer, Assistant Secretary, and Second Assistant Treasurer. The individuals currently holding those positions are shown on the attached roster.
- Standing committee (Finance, Engineering and Special Projects, Personnel, Public Information and Community Relations/Legislative Action) chair, member, and alternate positions may be selected by Board members at the December Board meeting on a “chain-of-command” basis in accordance with the District’s *Standing Committee Selection Process* policy.

Attachments as noted

WALNUT VALLEY WATER DISTRICT

Board Reorganization Process

Rotation Policy

The District's Bylaws state that District officers shall be a President, Vice-President(s), Secretary, and Treasurer, and such other officers as may be elected and appointed by the Board from time-to-time. The Bylaws further state that, at the December meeting of the Board in each calendar year, the Board shall organize and elect a President and Vice-President from among its own members and shall appoint a Secretary and a Treasurer who shall not be members of the Board. Interim reorganization may be undertaken by the Board as deemed necessary.

The Board of Directors, at its November 17, 2008, meeting, approved the implementation of a policy for the annual Board reorganization process to include an automatic rotation of Board members to serve as president, excepting that no member with less than two years' service may serve as president of the Board. Subject to the exceptions noted below, the new Board President rotation procedure will be as follows:

- The first vice president becomes president
- The second vice president becomes first vice president
- The assistant treasurer becomes second vice president
- The "director" member becomes assistant treasurer
- The president moves to the "director" position

Exception No. 1

No director with less than two years' service on the Board may become president

Exception No. 2

Newly elected/appointed officials shall hold the "director" position during their first year. When two or more new directors are elected at the same time, the Director receiving the highest percentage of votes will have seniority, or, if an equal percentage of votes is received, seniority will be determined by coin toss.

Exception No. 3

On a one-year basis, the first vice president may forego his or her ascension to the presidency and may remain as the first vice president, with the second vice president then ascending to president, and the other directors moving to their next positions in accordance with the rotation specified above. If the existing first vice president, in a second consecutive year, does not desire to ascend to president, then for the next year, the existing first vice president will rotate to the "director" position, the existing president will rotate to assistant treasurer, the existing second vice president will rotate to president, the existing assistant treasurer will rotate to first vice president and the existing "director" member will rotate to second vice president.

WALNUT VALLEY WATER DISTRICT Standing Committee Selection Process

The Standing Committee Selection Process shall include the following provisions:

1. After the annual reorganization of officers, Board Members shall select their preferred standing committee assignments in the following order:

President
1st Vice President
2nd Vice President
Assistant Treasurer
Director

Newly elected or appointed directors shall not serve as chair of a committee during his/her first year in office, unless this provision is waived by the Board of Directors.

2. The process to be observed for filling standing committee assignments:

The incoming President will select a committee position, with each member following suit in a rotational order as identified under Section 1 above. Thereafter, until all positions are filled, the process will continue. Each Board member may select any open position, chair, committee member, or alternate, based on preference, subject to the exception for new directors during the first year of their service on the Board. If a Board member does not wish to select any position that remains when it is his/her turn, that Board member may pass and the choice moves to the next Board member in order of rotation until all the positions are filled. Any positions not filled through this process shall be appointed by the incoming President.

In the event that two of the three members that constitute a particular committee cannot attend the monthly meeting(s), the Board President may contact other Board members to appoint them on an as-needed basis.

Any committee vacancy created as a result of a Director resigning from the committee or leaving office shall be filled in the following manner:

- a. If the chair position is vacated, the Director filling the committee member position will ascend to the chair position, subject to the exception for new directors during the first year of their service on the Board (unless waived by the Board of Directors). If neither member is eligible, then the position of "chair" will be appointed by the president.
 - b. If the committee member position is vacated, the alternate Director will ascend to the member position.
 - c. If the alternate committee member position is vacated, the President shall appoint a replacement alternate committee member.
3. The following committee oversight responsibilities to be updated in the next revision of the District's Policy Guidelines:

Engineering and Special Projects – Operation, protection and maintenance of District facilities. Initiation of construction programs. Long-range planning.

Finance – Annual budget, quarterly budget reports, fiscal master plan, audits, investments, risk management, insurance, revenues and expenses.

Personnel – Staffing and organizational issues, employment related policies, Terms and Conditions of Employment, and Board Policies and Ethics issues.

Public Information/Community Relations and Legislative Action – Public information goals, objectives and methods, community relations programs, and Best Management Practices; and District liaison for legislative activities relating to the water industry.

4. Consistent with long-standing District practice, committee meetings will be scheduled by District staff during regular working hours whenever possible, with consideration given to the committee chair's schedule.

This Standing Committee Selection Process shall be reviewed by the Personnel Committee on an annual basis.

Walnut Valley Water District



Board of Directors 2025

2025 Elected Offices

President
First Vice President
Second Vice President
Assistant Treasurer
Director

Scarlett P. Kwong
Jerry Tang
Henry Woo
Edwin Hilden
Theresa Lee

2025 Board Appointments

Secretary
Treasurer
Assistant Secretary
Second Assistant Treasurer

Sheryl L. Shaw
James Ning
Lucie Cazares
Jared Macias

2025 Standing Committees

<i>Public Information/Community Relations/Legislative Action</i>
Jerry Tang, Chair
Scarlett Kwong
Henry Woo, <i>Alternate</i>
<i>Finance</i>
Theresa Lee, Chair
Henry Woo
Edwin Hilden, <i>Alternate</i>
<i>Engineering and Special Projects</i>
Henry Woo, Chair
Jerry Tang
Theresa Lee, <i>Alternate</i>
<i>Personnel</i>
Scarlett Kwong, Chair
Edwin Hilden
Jerry Tang, <i>Alternate</i>



Board of Directors

January-December 2025

Elected Offices	Term Expires	Years on Board	Date First Elected/Appointed*	Div.	
President	12/04/2028	9	12/07/2007	V	Scarlett Kwong
First Vice President	12/01/2028	6	02/15/2007	I	Jerry Tang
Second Vice President	12/01/2028	2	02/13/2023	IV	Henry Woo
Assistant Treasurer	12/06/2026	23	08/20/2002	II	Edwin M. Hilden
Director	12/04/2026	9	01/19/2016	III	Theresa Lee

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 15, 2025
SUBJECT: 2026 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
ACE26 – Washington, D.C. (In-Person)	June 21 – 24, 2026

Association of California Water Agencies (ACWA) and JPIA	Date
Spring Conference – Sacramento, CA <div>JPIA ACWA</div>	May 4 - 7, 2026 May 5 - 7, 2026
Fall Conference – Anaheim, CA <div>JPIA ACWA</div>	November 30 – December 3, 2026 December 1 - December 3, 2026

California Special District Association (CSDA)	Date
2026 Special District Leadership Academy San Diego	May 11 - 14, 2026
2026 Special District Leadership Academy San Rafael	July 19 - 21, 2026
2026 Special District Leadership Academy San Luis Obispo	September 13 - 16, 2026