

WALNUT VALLEY WATER DISTRICT

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



REGULAR BOARD MEETING TUESDAY, JANUARY 21, 2025 5:00 P.M.

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

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

1. Flag Salute
2. Roll Call: Mr. Hilden __ Ms. Kwong __ Ms. Lee __ Mr. Tang __ Mr. Woo __
3. Public Comment- President 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

6. Special Recognition
- A. Outgoing President Recognition

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

Consent Calendar Notice:

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

- A. [Minutes of the Regular Board Meeting held December 16, 2024](#)
- B. [Check Register](#)
- C. [Employee Expense Reimbursement Report](#)
- D. [Community Outreach Update](#) (Information Only)
 - (1) Discussion
 - (2) Action Taken

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

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

- (1) Discussion
- (2) Action Taken

9. Treasurer’s Report

Mr. Byerrum

- A. [Financial Dashboard as of November 30, 2024](#)
- B. [District Statement of Revenues, Expenses, and Change in Net Positions as of November 30, 2024](#)
- C. [District Statement of Net Positions as of November 30, 2024](#)
- D. [Summary of Cash and Investments as of November 30, 2024](#)
 - (1) Discussion
 - (2) Action Taken

COMMITTEE REPORTS

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

10. Public Information/Community Relations/Legislative Action Committee

Director Tang

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

11. Finance Committee

President Lee

- A. [Budget Meeting Schedule](#) (Information Only)
- B. [P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin Groundwater Sustainability Agency Audits for Fiscal Year Ending June 30, 2024](#)
 - (1) Discussion
 - (2) Action Taken
- C. [Receive, Approve, and File the Investment Transactions Report for the Month Ending December 31, 2024](#)
 - (1) Discussion
 - (2) Action Taken
- D. [Review of Revenue Bonds Held in Trust – East West Bank](#) (Information Only)
- E. [Review of Revenue Bonds Held in Trust – US Bank](#) (Information Only)

12. Engineering and Special Projects

President Woo

- A. [Declaration of Surplus Property](#)
 - (1) Discussion
 - (2) Action Taken
- B. [Operations Report](#) (Information Only)

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

OTHER ITEMS

- 14. TVMWD/MWD Director Hilden
- 15. P-W-R Joint Water Line Commission Mr. Monk
 - A. [P-W-R JWL Report for Water Purchases for November 2024](#)
 - B. Other Items
- 16. Puente Basin Water Agency Director Lee
- 17. Spadra Basin Groundwater Sustainability Agency Director Tang
- 18. General Manager’s Report Ms. Shaw
 - A. [District Activities Calendars for February, March, and April 2025](#)
 - B. Other Items
- 19. Water Supply and Conservation Ms. Shaw
 - A. [District Water Supply and Conservation Update](#)
 - B. [Statewide Water Supply Conditions](#)
- 20. Directors’ Oral Reports All Directors
- 21. Legal Reports Mr. Ciampa
- 22. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting
- 23. Board of Directors Business President Kwong
 - A. [Revision to the 2025 Board & Workshop Meeting Dates](#)
 - (1) Discussion
 - (2) Action Taken
 - B. [Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2025](#)
 - (1) Discussion
 - (2) Action Taken
 - C. [Adoption of Resolution No. 01-25-738 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission](#)
 - (1) Discussion
 - (2) Action Taken
 - D. [Adoption of Resolution No. 01-25-739 Appointing Representatives to the Puente Basin Water Agency](#)
 - (1) Discussion
 - (2) Action Taken
 - E. [Adoption of Resolution No. 01-25-740 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee](#)
 - (1) Discussion
 - (2) Action Taken

Adjournment

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

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

Date Posted: January 16, 2025

Lucie Cazares, CMC, Executive Services Administrator

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

December 16, 2024
At the Office of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT:

Edwin Hilden
Jerry Tang
Scarlett Kwong
Henry Woo

DIRECTORS ABSENT:

Theresa Lee

STAFF PRESENT:

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

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) General Manager Matt Litchfield, and WVWD employees Bertha Perez and Greg Galindo.

Item 3: Public Comment

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

Item 4: Additions to the Agenda

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

Item 5: Reorder of the Agenda

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

Item 6: WVWD Special Recognition

- ◆ Ms. Shaw recognized Director Hilden for serving as the 2023 Board President and awarded him an engraved gavel. (Item 6)

Item 7: WVWD Team Milestones and Achievements

- ◆ Ms. Shaw recognized Mr. David Lias' promotion to General Services Supervisor. Ms. Shaw also recognized Ms. Jodi Johnson for celebrating 20 years of dedicated service to the District as of November 2024. (Item 7)

Item 8: Review of District Investment Activities by Mr. Jayson Schmitt, representative of Chandler Asset Management

- ◆ Mr. Jayson Schmitt 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 District Investment Activities. (Item 8)

Motion No. 24-12-2106: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Woo and carried 4-0 (with Director Lee absent) to receive and file the report on District Investment Activities. (Item 8)

First Vice President Kwong indicated Motion No. 24-12-2106 was approved by a 4-0 (with Director Lee absent) vote

Item 9: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held on November 12, 2024, the Special Board meeting held on November 14, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community, Outreach Report. (Item 8 – A, B, C, D)

Motion No. 24-12-2107: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to approve the Consent Calendar, consisting of the Regular Board meeting held on November 12, 2024, the Special Board meeting held on November 14, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 9 – A, B, C, D)

First Vice President Kwong indicated Motion No. 24-12-2107 was approved by a 4-0 (with Director Lee absent) vote

Item 10: 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 November 2024. (Item 10)

Motion No. 24-12-2108: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 (with Director Lee absent) 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 November 2024. (Item 10)

First Vice President Kwong indicated Motion No. 24-12-2108 was approved by a 4-0 (with Director Lee absent) vote

Item 11: Treasurer’s Reports

- ◆ Mr. Byerrum presented the Financial Dashboard as of October 31, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2024, the District Statement of Net Position as of October 31, 2024, and the Summary of Cash and Investments as of October 31, 2024. (Items 11 - A, B, C, D)

Motion No. 24-12-2109: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and carried 4-0 (with Director Lee absent) to receive, approve, and file the Financial Dashboard as of October 31, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2024, the District Statement of Net Position as of October 31, 2024, and the Summary of Cash and Investments as of October 31, 2024. (Items 11 - A, B, C, D)

First Vice President Kwong indicated Motion No. 24-12-2109 was approved by a 4-0 (with Director Lee absent) vote

Committee Chair Reports

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

- ◆ There are no items to come to the Board at this time. (Item 12)

Item 13: Finance Committee – Director Tang

- ◆ The Board was asked to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2024. In preparation for and during the audit, District staff prepared materials and worked directly with the auditing team, C.J. Brown & Company CPAs. Mr. Chris Brown of the auditing team noted that C.J. Brown & Company CPAs found the District’s financial reporting to comply with Generally Accepted Accounting Principles (GAAP), and as such, issued an Unqualified Opinion, the highest-level opinion an entity can receive. Additionally, the Report on Internal Controls noted that the District had no significant deficiencies or material weaknesses in internal controls. Further, the auditor noted no transactions that were both significant and unusual, and no misstatements were identified during the audit. (Item 13-A)

Motion No. 24-12-2110: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to receive,

approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2024. (Items 13-A)

First Vice President Kwong indicated Motion No. 24-12-2110 was approved by a 4-0 (with Director Lee absent) vote

- ◆ Mr. Byerrum reviewed the District's investment transaction report for the period ending November 30, 2024. The Board was then asked to receive, approve, and file the investment transactions report. (Item 13-B)

Motion No. 24-12-2111: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 (with Director Lee absent), to receive, approve, and file the investment transactions report for the period ending November 30, 2024. (Item 13-B)

First Vice President Kwong indicated Motion No. 24-12-2111 was approved by a 4-0 (with Director Lee absent) vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust – East West Bank. (Item 13-C)
- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust – US Bank. (Item 13-D)

Item 14: Engineering Committee – Director Woo

- ◆ The Board was asked to approve revisions to the District's Rules and Regulations related to the Affordable Rate Program, removing the payment history requirement, which will make the program more inclusive, allowing a greater number of low-income households to benefit from reduced water rates. (Item 14-A)

Motion No. 24-12-2112: Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 (with Director Lee absent), for Approval of Revisions to the District's Rules and Regulations related to the Affordable Rate Program. (Item 14-A)

First Vice President Kwong indicated Motion No. 24-12-2112 was approved by a 4-0 (with Director Lee absent) vote

- ◆ The Board was asked to approve an amendment to the FY 2024-25 Capital Improvement Program Budget and authorize the General Manager to execute a contract with a paving contractor for asphalt restoration work related to the Recycled Water Main Replacement on Golden Springs Drive, Diamond Bar. (Item 14-B)

Motion No. 24-12-2113: Upon consideration thereof, it was moved by Director Woo, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), for approval of an amendment to the FY 2024-25 Capital Improvement Program Budget and to authorize the General Manager to execute a contract in the amount of \$120,000 with a paving contractor for asphalt restoration work related to the Recycled Water Main Replacement on Golden Springs Drive, Diamond Bar. Capital Improvement Program Budget Amendment & Authorization of Pavement Restoration Work. (Item 14-B)

First Vice President Kwong indicated Motion No. 24-12-2113 was approved by a 4-0 (with Director Lee absent) vote

Item 15: Personnel Committee – Director Hilden

- ◆ There are no items to come to the Board at this time. (Item 15)

Item 16: TVMWD/MWD

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD General Manager Matt Litchfield. (Item 16)

Item 17: The P-W-R Joint Water Line Commission

- ◆ Mr. Monk reported on the P-W-R Joint Water Line Commission water use report for the month of October 2024. (Item 17)

Item 18 Puente Basin Water Agency (PBWA)

- ◆ Director Woo stated there was no information to report to the Board. (Item 18)

Item 19: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported that the next Spadra Basin GSA Executive Committee meeting will be on January 6, 2025. (Item 19)

Item 20: General Manager’s Report

- ◆ The Board received the District’s activities calendars for January, February and March 2025. (Item 20-A)
- ◆ The Board recognized the District for its recent ACWA/JPIA President’s Special Recognition Award. (Item 20-B)

Item 21: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2024 purchased water estimate, conservation goal summary, climate summary, and 2024 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District’s water usage for November 2024 was 9.87% lower than usage in November 2020 and 21.67% lower than usage in November 2013. (Item 21-A)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of December 2, 2024. (Item 21-B)

Item 22: 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 22)

- ◆ Director Hilden reported the following on his activities for November: Former Board Member Ebenkamp’s Celebration of Life, Personnel Committee, TVMWD Board meetings, City’s Veteran’s Recognition Ceremony, Congresswoman Napolitano’s Retirement Luncheon, SGVRCC Chamber of Commerce Veteran’s Luncheon, the District’s Regular Board meeting, and Special Public Hearing.
- ◆ Director Kwong reported the following on her activities for November: Former Board Member Ebenkamp’s Celebration of Life, Public Information Committee, Engineering Committee, the District’s Regular Board meeting, and Special Public Hearing.
- ◆ Director Lee’s written report disclosed the following activities for November: Former Board Member Ebenkamp’s Celebration of Life, Spadra Basin GSA Executive Committee meeting, Personnel Committee, WVWD Community Information Meeting, SGVRCC Chamber of Commerce Veteran’s Luncheon, the District’s Regular Board meeting, and Special Public Hearing.
- ◆ Director Tang reported on the following activities for November: The Public Information Committee meeting, Spadra Basin GSA Executive Committee meeting, WVWD Community Information Meeting, District’s Regular Board meeting, the District’s Regular Board meeting, Special Public Hearing and Assisted Walnut resident investigate and report leak.
- ◆ Director Woo reported on the following activities for November: Former Board Member Ebenkamp’s Celebration of Life, Public Information Committee meeting, Engineering Committee meeting, District’s Regular Board meeting, Special Public Hearing and review of Water Main on Colima and Banida.

Item 23: Legal Reports

Mr. Ciampa reported on the following matters: (i) the State Legislature is implementing a bill limit of 35 bills per legislator, which is reduced from prior sessions; (ii) MWD approved further planning and design funding for the Delta Conveyance Project, but will include milestones which

must be met for MWD to continue its funding; (iii) the Puente Basin Water Agency engaged in an extensive discussion regarding the California Domestic Water Company project at the Agency's December 12 meeting; and (iv) the initial State Water Project allocation is 5%. (Item 23)

Item 24: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 24)

Item 25: Board of Directors Business

- ◆ The Board was asked to consider approval of the first contract amendment to the General Manager's Employment contract reflective of a 4% salary adjustment, as approved at the November 12 Board of Directors' meeting, which is inclusive of the 4% Cost-of-Living Adjustment provided to all District employees in the Terms and Conditions of Employment for 2023-2027. (Item 25-A)

Motion No. 24-12-2114: Upon consideration thereof, it was moved by Director Woo, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to approve the first amendment to the General Manager's Employment Contract reflective of a previously approved 4% salary adjustment, which is inclusive of the 4% Cost-of-Living Adjustment, effective January 1, 2025 (Item 25-A)

First Vice President Kwong indicated Motion No. 24-12-2114 was approved by a 4-0 (with Director Lee absent) vote

- ◆ The Board was asked to approve the Wholesale Potable Water Rate Adjustment for the Wholesale Potable Water Rates for Suburban Water Systems (Badillo Grand Line) and Golden State Water Company (Grand Avenue Connection) effective January 1, 2025. (Item 25-B)

Motion No. 24-12-2115: Upon consideration thereof, it was moved by Director Woo, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to approve the Wholesale Potable Water Rate Adjustment for the Wholesale Potable Water Rates for Suburban Water Systems (Badillo Grand Line) and Golden State Water Company (Grand Avenue Connection) effective January 1, 2025. (Item 25-B)

First Vice President Kwong indicated Motion No. 24-12-2115 was approved by a 4-0 (with Director Lee absent) vote

- ◆ The Board was asked to approve the 2025 Walnut Valley Water District Board meeting and workshop schedule, noting that subsequent adjustments may be made by the Board in accordance with the Brown Act. (Item 25-C)

Motion No. 24-12-2116: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and carried 4-0 (with Director Lee absent), to approve the CY 2025 Board and Workshop meeting schedule as presented. (Item 25-C)

First Vice President Kwong indicated Motion No. 24-12-2116 was approved by a 4-0 (with Director Lee absent) vote

- ◆ Officers were rotated in accordance with the "Board Reorganization Rotation Policy."
Scarlett P. Kwong, President
Jerry Tang, First Vice President
Henry Woo, Second Vice President
Edwin Hilden, Assistant Treasurer
Theresa Lee, Director
(Item 25-D)

Motion No. 24-12-2117: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to approve the Rotation of Officers as noted above. (Item 25-D)

First Vice President Kwong indicated Motion No. 24-12-2117 was approved by a 4-0 (with Director Lee absent) vote

- ◆ A schedule of 2025 key conferences/events was provided to the Board as a matter of information only. (Item 25-E)

Adjournment at 6:14 p.m.

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
11387	12/3/2024	Federal Express	\$ 64.50
11388	12/3/2024	Ford Motor Company	\$ 5,421.56
11389	12/3/2024	Ken's Ace Hardware	\$ 8.72
11390	12/3/2024	Cintas Corporation #150	\$ 203.31
11391	12/3/2024	Diamond Bar Community Foundation	\$ 700.00
11392	12/3/2024	InForm Decisions	\$ 126.84
11393	12/3/2024	Applied Technology Group, Inc.	\$ 4,264.12
11394	12/3/2024	Industry Public Utility Commission	\$ 80.81
11395	12/3/2024	Ferguson Waterworks - Santa Ana	\$ 601.27
11396	12/3/2024	EcoTech Services, Inc.	\$ 2,745.00
11397	12/3/2024	Western Exterminator Company	\$ 88.00
11398	12/3/2024	West Coast Sand and Gravel, Inc.	\$ 2,962.27
11399	12/3/2024	State Water Resources Ctrl Bd - Cert Rnw	\$ 90.00
11400	12/3/2024	Paramount Safety Supply	\$ 825.40
11401	12/3/2024	Hill Brothers Chemical Company	\$ 4,315.36
11402	12/3/2024	HASA, Inc.	\$ 1,606.27
11403	12/3/2024	A & J Tree Care, Inc.	\$ 9,500.00
11404	12/3/2024	GNA - Brook Fire Protection, Inc.	\$ 135.00
11405	12/3/2024	GE Digital LLC	\$ 14,437.68
11406	12/3/2024	Cyber Security Source	\$ 684.82
11407	12/3/2024	Automationdirect.com Inc	\$ 10.40
11408	12/3/2024	Via Promotionals, Inc.	\$ 103.21
11409	12/3/2024	Bare Bees Inc.	\$ 175.00
11410	12/3/2024	Merrimac Energy Group	\$ 19,645.19
11411	12/3/2024	Gamboa, Juan	\$ 151.44
11412	12/3/2024	Searock Stafford CM, Inc.	\$ 26,780.00
11413	12/3/2024	Equitable Financial Life Insurance Company of America	\$ 7,037.09
11414	12/3/2024	Southern Tire Mart, LLC	\$ 1,473.10
11415	12/10/2024	American Water Works Association	\$ 8,058.00
11416	12/10/2024	Badger Meter, Inc.	\$ 13.56
11417	12/10/2024	Industrial Shoeworks	\$ 250.00
11418	12/10/2024	Ken's Ace Hardware	\$ 44.86
11419	12/10/2024	Underground Service Alert	\$ 531.70
11420	12/10/2024	Cintas Corporation #150	\$ 203.31
11421	12/10/2024	Rowland Water District	\$ 264.16
11422	12/10/2024	Fuel Pros, Inc.	\$ 250.00
11423	12/10/2024	Verizon Connect Fleet USA LLC	\$ 664.24
11424	12/10/2024	Rowland High School	\$ 900.00
11425	12/10/2024	Applied Technology Group, Inc.	\$ 340.00

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
11426	12/10/2024	Ferguson Waterworks - Santa Ana	\$ 12,745.80
11427	12/10/2024	Online Information Services, Inc.	\$ 275.89
11428	12/10/2024	D & H Water Systems, Inc.	\$ 13,937.50
11429	12/10/2024	Cintas First Aid & Safety LOC#168	\$ 216.81
11430	12/10/2024	West Coast Sand and Gravel, Inc.	\$ 6,653.21
11431	12/10/2024	Frontier Communications	\$ 474.64
11432	12/10/2024	TelePacific Corp.	\$ 1,200.89
11433	12/10/2024	Fu, Stephanie	\$ 1,335.42
11434	12/10/2024	HASA, Inc.	\$ 2,279.87
11435	12/10/2024	A & J Tree Care, Inc.	\$ 17,500.00
11436	12/10/2024	ALS Group USA, Corp.	\$ 662.00
11437	12/10/2024	Bay Alarm Company	\$ 753.66
11438	12/10/2024	Interstate Battery System of Inland Valley	\$ 504.50
11439	12/10/2024	Central Communications	\$ 1,149.95
11440	12/10/2024	Axelliant LLC	\$ 5,560.00
11441	12/10/2024	11:11 Systems, Inc.	\$ 423.95
11442	12/10/2024	Pomona Valley Plumbing, Heating & Air Conditioning	\$ 1,785.44
11443	12/10/2024	Critical Mention, Inc.	\$ 833.48
11444	12/10/2024	Cushman & Wakefield Western, Inc.	\$ 5,000.00
11445	12/10/2024	Raptor Technologies, LLC	\$ 2,294.82
11446	12/10/2024	Nellie Wong Dong & Susan Takeuchi	\$ 3,419.86
11447	12/18/2024	ACWA Services Corporation	\$ 152,411.81
11448	12/18/2024	Azteca Landscape	\$ 15,675.00
11449	12/18/2024	McMaster-Carr Supply Company	\$ 1,569.69
11450	12/18/2024	Pomona City Clerk	\$ 2,101.19
11451	12/18/2024	Southern Calif Gas Company	\$ 223.67
11452	12/18/2024	Western Water Works	\$ 2,558.36
11453	12/18/2024	Cintas Corporation #150	\$ 406.62
11454	12/18/2024	Ewing Irrigation Products Inc.	\$ 1,018.13
11455	12/18/2024	Dunn Edwards Corporation	\$ 987.20
11456	12/18/2024	Lias, David	\$ 98.56
11457	12/18/2024	Chandler Asset Management, Inc.	\$ 2,698.88
11458	12/18/2024	Shelyn Elementary School	\$ 864.35
11459	12/18/2024	InfoSend, Inc.	\$ 14,808.03
11460	12/18/2024	Genesis Computer Systems, Inc.	\$ 378.39
11461	12/18/2024	EcoTech Services, Inc.	\$ 4,930.00
11462	12/18/2024	Associated Soils Engineering, Inc.	\$ 9,155.00
11463	12/18/2024	Fast Eddie's Trucking	\$ 791.00
11464	12/18/2024	Phenix Truck Bodies & Equipment	\$ 15,351.78

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
11465	12/18/2024	Ditch Witch Central California	\$ 2,151.20
11466	12/18/2024	Office Solutions Business Prod. & Svcs,LLC	\$ 35.86
11467	12/18/2024	West Coast Sand and Gravel, Inc.	\$ 700.00
11468	12/18/2024	Safety Kleen System, Inc.	\$ 3,537.20
11469	12/18/2024	State Water Resources Control Board-NPDES Permit	\$ 3,630.00
11470	12/18/2024	Frontier Communications	\$ 1,074.48
11471	12/18/2024	HQ Enterprises Inc.	\$ 299.32
11472	12/18/2024	Wienhoff and Associates, Inc.	\$ 10.00
11473	12/18/2024	HASA, Inc.	\$ 997.44
11474	12/18/2024	A & J Tree Care, Inc.	\$ 10,400.00
11475	12/18/2024	ALS Group USA, Corp.	\$ 260.00
11476	12/18/2024	Global Environmental Network, Inc.	\$ 3,329.55
11477	12/18/2024	Bay Alarm Company	\$ 282.84
11478	12/18/2024	Raymond Handling Solutions, Inc.	\$ 188.00
11479	12/18/2024	Canon Solutions America, Inc.	\$ 2,895.15
11480	12/18/2024	Lopez, Liliana	\$ 232.98
11481	12/18/2024	Healthequity, Inc.	\$ 14.75
11482	12/18/2024	GNA - Brook Fire Protection, Inc.	\$ 133.00
11483	12/18/2024	Autonovation Mobile Auto Repair	\$ 197.50
11484	12/18/2024	Paper Recycling & Shredding Specialists, Inc.	\$ 100.00
11485	12/18/2024	Interstate Battery System of Inland Valley	\$ 191.38
11486	12/18/2024	Public Water Agencies Group	\$ 2,536.35
11487	12/18/2024	IB Consulting, LLC	\$ 3,142.03
11488	12/18/2024	Aqua Backflow, Inc	\$ 1,957.00
11489	12/18/2024	Canon Solutions America, Inc.	\$ 162.92
11490	12/18/2024	Valley Vista Services, Inc.	\$ 1,628.35
11491	12/18/2024	La Canada Design Group, Inc.	\$ 3,718.38
11492	12/18/2024	Cyber Security Source	\$ 207.45
11493	12/18/2024	Global Test Supply LLC	\$ 1,118.50
11494	12/18/2024	Corelogic Solutions, LLC	\$ 265.23
11495	12/18/2024	C.J. Brown & Company, CPAs	\$ 1,856.00
11496	12/18/2024	Tang, Fiona	\$ 150.77
11497	12/18/2024	Hernandez, Samuel	\$ 1,081.15
11498	12/18/2024	Serna, Samuel	\$ 2,131.80
11499	12/18/2024	Cortez, Alexandra	\$ 232.25
11500	12/18/2024	DLT Solutions LLC	\$ 5,977.31
11501	12/18/2024	Beyond Limits - Altec, Inc.	\$ 7,276.20
11502	12/18/2024	Bashful Butler Catering	\$ 4,484.72
11503	12/18/2024	Hurst Ranch Historical Foundation	\$ 3,425.00
11504	12/18/2024	Purchase Power	\$ 500.00
11505	12/18/2024	CPI	\$ 158.30
11506	12/18/2024	Resource Computer Solutions, Inc.	\$ 5,000.00
11507	12/18/2024	Kimberlina Whettam & Associates, Inc.	\$ 4,943.75
11508	12/18/2024	Alex Tran	\$ 2,000.00
11509	12/18/2024	Advanced Conservation Management Inc.	\$ 6,122.50
11510	12/26/2024	AT&T Mobility II, LLC	\$ 556.65

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
- 11511	12/26/2024	Federal Express	\$ 137.60
11512	12/26/2024	Foundation for Cross-Connection Control and Hydraulic Research	\$ 1,000.00
11513	12/26/2024	Core & Main LP	\$ 839.35
11514	12/26/2024	McMaster-Carr Supply Company	\$ 16.24
11515	12/26/2024	Stump Fence Company	\$ 720.00
11516	12/26/2024	Verizon Wireless	\$ 1,060.63
11517	12/26/2024	Fuel Pros, Inc.	\$ 250.00
11518	12/26/2024	Applied Technology Group, Inc.	\$ 190.00
11519	12/26/2024	Genesis Computer Systems, Inc.	\$ 56.28
11520	12/26/2024	Industry Public Utility Commission	\$ 2,008.74
11521	12/26/2024	Western Exterminator Company	\$ 88.00
11522	12/26/2024	West Coast Sand and Gravel, Inc.	\$ 2,675.69
11523	12/26/2024	State Water Resources Ctrl Bd - Cert Rnw	\$ 105.00
11524	12/26/2024	Premier Family Medicine Associates, Inc.	\$ 105.00
11525	12/26/2024	HASA, Inc.	\$ 1,665.78
11526	12/26/2024	Spadra Basin Groundwater Sustainability Agency	\$ 2,988.81
11527	12/26/2024	GNA - Brook Fire Protection, Inc.	\$ 239.00
11528	12/26/2024	Interstate Battery System of Inland Valley	\$ 301.15
11529	12/26/2024	Lagerlof, LLP	\$ 3,955.00
11530	12/26/2024	Automationdirect.com Inc	\$ 85.41
11531	12/26/2024	Resource One Low Voltage Security Inc.	\$ 3,765.84
11532	12/26/2024	Nellie Wong Dong & Susan Takeuchi	\$ 8,622.48
EFT000000001241	12/4/2024	Puente Basin Water Agency	\$ 672,890.36
EFT000000001242	12/4/2024	Pomona-Walnut-Rowland JWL Commission	\$ 1,185,704.97
EFT000000001243	12/4/2024	Quest Building Services	\$ 2,595.00
EFT000000001244	12/4/2024	Boostlingo, LLC	\$ 95.00
EFT000000001245	12/11/2024	Automated Gate Services, Inc.	\$ 352.00
EFT000000001246	12/11/2024	DPR Construction, A General Patnrship	\$ 558,581.54
EFT000000001247	12/18/2024	Southern California Edison Company	\$ 111,952.13
EFT000000001248	12/18/2024	Home Depot Credit Services	\$ 422.57
EFT000000001249	12/18/2024	East West Bank - Visa	\$ 14,399.16
EFT000000001250	12/18/2024	County of Los Angeles (EPIC LA Online)	\$ 2,508.99
EFT000000001251	12/18/2024	Bill Operations LLC	\$ 6,338.03
EFT000000001252	12/19/2024	Doty Bros Equipment Co, Inc.	\$ 9,003.84
EFT000000001253	12/19/2024	California Public Employees' Retirement System	\$ 33,023.52
EFT000000001254	12/19/2024	Amazon Capital Services, Inc.	\$ 3,514.85
EFT000000001255	12/27/2024	Boostlingo, LLC	\$ 95.00
EFT000000001256	12/27/2024	DPR Construction, A General Patnrship	\$ 810,775.21
EFT000000001257	12/27/2024	Puente Basin Water Agency	\$ 67,537.34
EFT000000001258	12/30/2024	County of Los Angeles (EPIC LA Online)	\$ 80,052.56
EFT000000001259	12/31/2024	Air Resources Board	\$ 31.18
REMIT000000000000035	12/26/2024	Javier E. Mendoza	\$ -
XFR000008356	12/12/2024	PAYROLL	\$ 515,842.80
XFR000008357	12/16/2024	WATER REFUND	\$ 19,648.40
TOTAL			\$ 4,638,325.25

Reviewed by:

Jah Byler

Director of Finance

1/15/2025
Date

Reviewed by:

JL & SS

General Manager

1/15/2025
Date

**Walnut Valley Water District
 Monthly Employee Expense Reimbursements
 Exceeding the Amount of \$100.00
 For the Month of December 31, 2024**



Date	Check Number	Employee Name	Description	Amount
12/3/2024	011411	Gamboa, Juan	Expense Reimbursement	\$ 151.44
12/10/2024	011433	Fu, Stephanie	Expense Reimbursement	\$ 1,335.42
12/18/2024	011499	Cortez, Alexandra	Education Reimbursement	\$ 232.25
12/18/2024	011497	Hernandez, Samuel	Education Reimbursement	\$ 1,081.15
12/18/2024	011480	Lopez, Liliana	Expense Reimbursement	\$ 232.98
12/18/2024	011498	Serna, Samuel	Education Reimbursement	\$ 2,131.80
12/18/2024	011496	Tang, Fiona	Expense Reimbursement	\$ 150.77

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: January 21, 2025
SUBJECT: Community Outreach Update

Action/Discussion
 Fiscal Impact
 Resolution
 Information Only

RECOMMENDATION

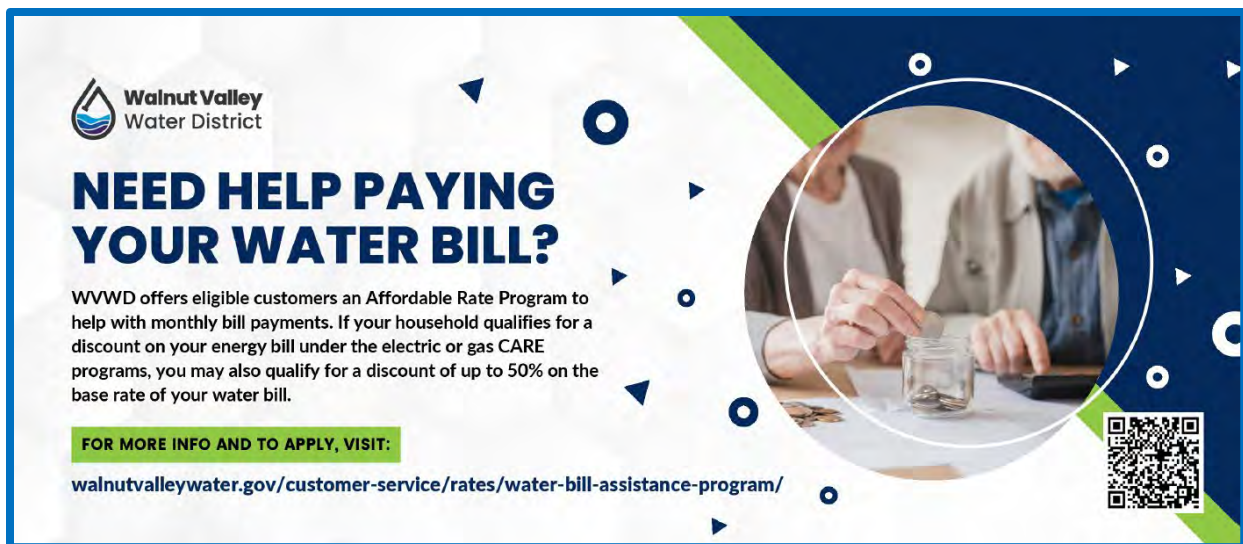
For information only.

BACKGROUND INFORMATION:

External Affairs & Sustainability Outreach Update

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

Insert Front



Insert Back



FREE WATER USE SURVEY – MAXIMIZE SAVINGS, MINIMIZE WASTE!

Take advantage of **FREE Water Use Surveys**, now available to all WVWD customers:

- **Residential Properties:** Virtual or in-person surveys for both indoor and outdoor water use.
- **Commercial Properties:** Expert in-person evaluations for large landscapes.

Surveys provide personalized recommendations to:

- ✓ Improve water efficiency indoors and outdoors
- ✓ Reduce your water bills
- ✓ Support sustainable water use

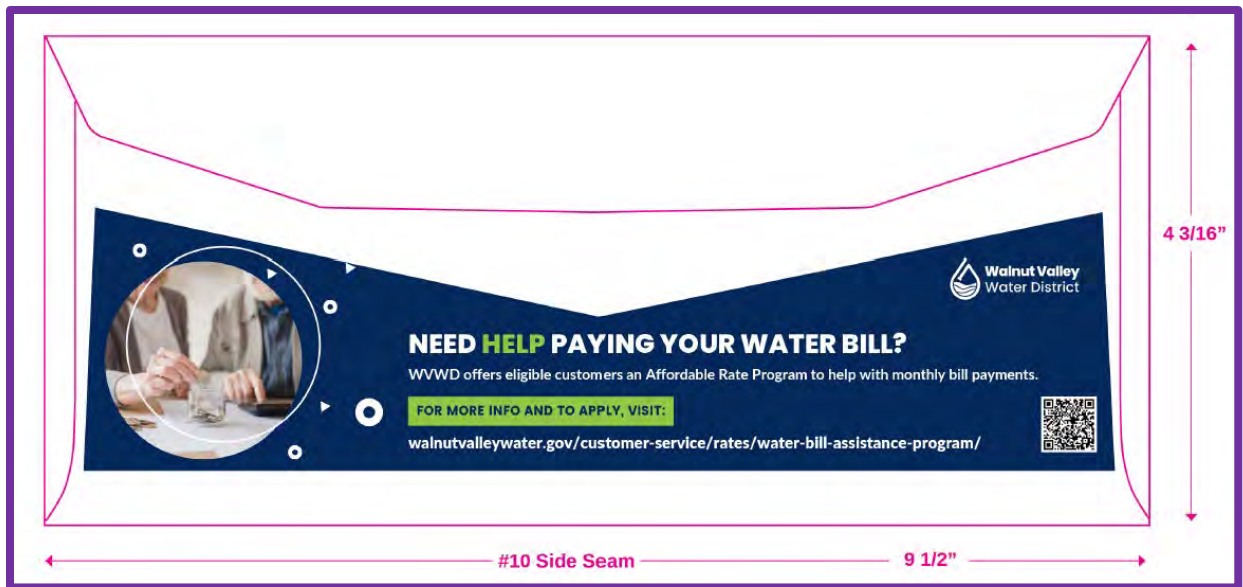
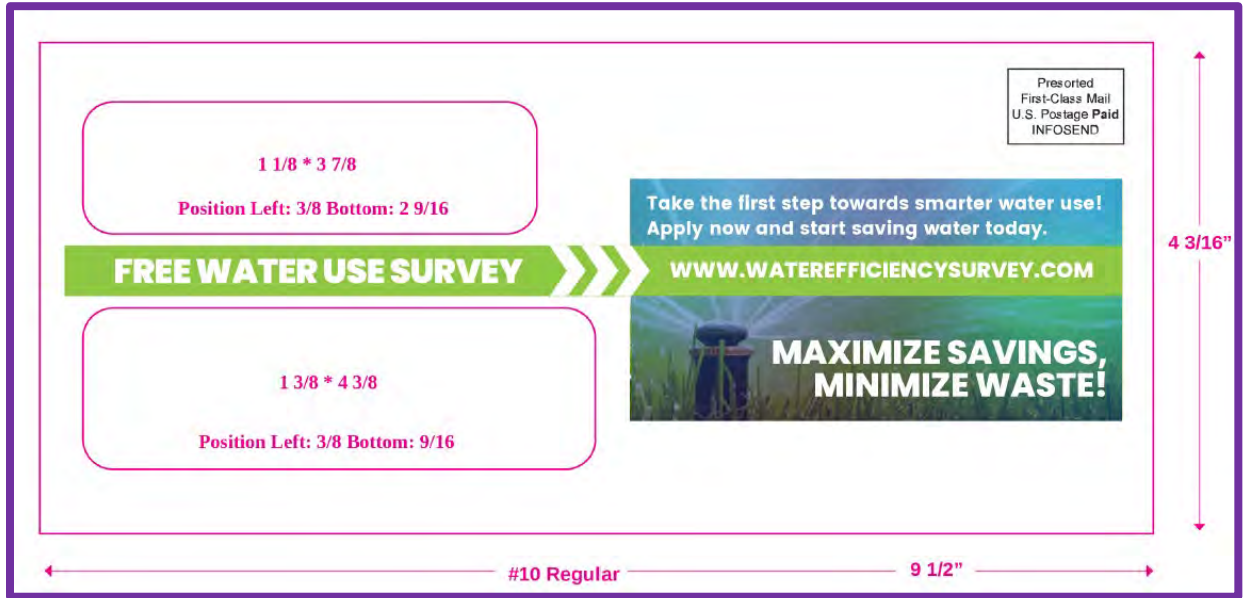
Take the first step towards smarter water use!
Apply now and start saving water today: www.waterefficiencysurvey.com

SCAN QR CODE FOR MORE INFO & TO APPLY



January Bill Snipe

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



2. Facebook, Instagram, X and YouTube

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

During December, the District shared the following:

- Walnut Sherriff's Annual Santa Sleigh Drive – Toy Drive Event
- Los Angeles Regional Food Bank Volunteering



3. Customer Portal Campaign

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

During the months of December and January, the District shared the following:

- Affordable Rate Program
- Customer Monthly Newsletter

NEED HELP PAYING YOUR BILL?

您需要幫忙支付水費帳單嗎?

Walnut Valley Water District's Affordable Rate Program (WVARP) offers a 50% discount on the base rate of your water bill for eligible customers! If you're enrolled in CARE programs through your gas or electric utility, you may qualify—especially if you're a senior or on a fixed income. Check your eligibility and apply today!

核桃谷水利局的「可負擔費用計畫」(WVARP) 為符合條件客戶的水費基本費提供百分之五十的折扣! 如果您已經在瓦斯或電力公司帳號註冊了CARE計畫 - 您可能符合條件, 特別是如果您是樂齡族或是領固定收入. 今天就查詢您是否符合條件並且申請吧!

walnutvalleywater.gov (909) 595-7554

Apply Today! 核桃谷水利局優惠計畫

Instagram Facebook X LinkedIn YouTube



Did You Set Up Your Rain Barrel Yet?

Thank you to everyone who made our Rain Barrel Event a success last month! If you missed it, it's not too late to purchase and take advantage of the \$35 rebate available per barrel.



Here's how a rain barrel can benefit you:

- A 50-gallon barrel can save up to 1,300 gallons of water annually

Check out the variety of barrels from our friends at Rain Barrels International— [Click here to explore!](#)

[Rebate Information](#)

Quick Survey for a Chance to Win an iPad!



In just 5 minutes, share how you use water at home to support the Water Research Foundation's mission for a sustainable future. Thank you for participating!

[Take the Survey](#)

Office Closed for Holiday

Our office will be closed on January 20th, in observance of Martin Luther King Jr. Day. For emergency service, please call (909) 595-7554.

Exciting Contest for High School Students!

Parents, encourage your high schoolers to enter our Media Contest. Students can create a video that highlights how simple actions can reduce water waste for a chance to win prizes up to \$250!

[Learn More!](#)

We also have our annual art contest for 3rd-12th grade students, providing even more chances to get creative. [More information is available here!](#)

Walnut Valley Water District

HIGH SCHOOL MEDIA CONTEST

FILM A VIDEO ABOUT...
"SMALL CHANGES, BIG IMPACT. MAKE EVERY DROP COUNT!"

WVWD invites high school students to create videos that show how water-saving efforts make an impact. For example:

- Fixing leaks
- Taking shorter showers
- Helping your parents track water use on the customer portal

WINNERS ARE ELIGIBLE TO WIN UP TO \$250!

SCAN ME!

All entries must be submitted to WVWD online by Friday, February 28, 2025 @ 4:00 PM

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

External Affairs & Sustainability Activities

1. Student Contests

The District announced the Student Contests for 2025. The Art Contest invites 3rd-12th grade students to create artwork that reflects the theme "Being Water Wise Is...". The Media Contest encourages high school students to produce creative videos about the importance of water conservation. The winners will be honored at an awards ceremony on May 6th at the Diamond Bar Center.

WALNUT VALLEY WATER DISTRICT

**"BEING WATER WISE IS..."
ART CONTEST**

CALLING ALL 3rd-12th GRADE TEACHERS

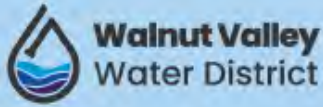
Show off your student's creativity! Enter their artwork for a chance to have WVWD cover up to \$250 of school supplies from your Amazon Wishlist!

Student winners will be recognized, and 1st place receives a cash prize.

Entries must be submitted to Walnut Valley Water District by Friday, February 28, 2025 @ 4:00 PM.

SCAN ME! >>>

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



HIGH SCHOOL MEDIA CONTEST

WVWD invites high school students to create videos that show how water-saving efforts make an impact. For example:

- ◆ Fixing leaks
- ◆ Taking shorter showers
- ◆ Helping your parents track water use on the customer portal

FILM A VIDEO ABOUT...

**"SMALL CHANGES,
BIG IMPACT.
MAKE EVERY
DROP COUNT!"**



**WINNERS ARE ELIGIBLE
TO WIN UP TO \$250!**

**SCAN
ME! >>>**



All entries must be submitted
to WVWD online by Friday,
February 28, 2025 @ 4:00 PM

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

2. MAAP Funded Leak Repair Program

Through MWD's MAAP funding program, WVWD has secured \$25,000 for its Leak Repair Program to assist qualifying customers. Customers may participate through an invitation after being vetted on water usage and need. Currently, a little over \$8,000 remains to support this program. To date, customers from the following have participated:

Walnut – 13 customers

Diamond Bar – 16 customers

Rowland Heights - 7 customers

3. Metropolitan Water District 2025 Calendar

Metropolitan Water District (MWD) has chosen two students, Vera Kwan from South Pointe Middle School and Evelyn Wu from Diamond Bar High School, to showcase their artwork in the "Being Waterwise Is" 2025 calendar. Both students were honored at a special luncheon at MWD's office on December 12 to celebrate this achievement.

4. Rain Barrel Distribution Event

The District hosted a Rain Barrel Distribution Event on December 7 at the Walnut City Hall Parking Lot. Over 70 rain barrels were distributed in partnership with Rain Barrels International.

5. Walnut Family Festival

The District participated in the Walnut Family Festival Winter Wonderland on December 14 at Suzanne Park. This included a booth at the event to hand out giveaways and conservation-related flyers.

6. Career Day Hosted by the Women of AT&T

The District will participate in a Career Day, hosted by the Women of AT&T Southern California at Mount San Antonio College on January 25. Our team will share a presentation at the event and host a booth to engage with high school and college students about careers in the water industry.

7. Splash Cash Teacher Grants

WVWD is awarding two grants through the Splash Cash Program, managed by PWAG-CET, to teachers from Shelyn Elementary School and Rowland High School. These grants will support student trips to the Aquarium of the Pacific and Newport Bay Conservancy, where students will expand their understanding of marine ecosystems and the importance of water conservation and protecting natural resources.

Local Sponsorships

1. Los Angeles Regional Food Bank Volunteering Events

WVWD employees volunteered to support the Los Angeles Regional Food Bank. The volunteer events occurred on November 22 and December 21. Nearly 4,000 food box kits were assembled for seniors in need throughout our service area.



2. Walnut Sherriff's Annual Santa Sleigh Drive – Toy Drive Event
WVWD participated in a toy drive event that benefits the Walnut Sheriff's Station Annual Santa Sleigh Drive event. The Walnut Sherriff's booster station organizes volunteers to drive through the Rowland Heights community and distribute gifts from Santa to children in need. The event took place on December 19th. Boxes to collect unwrapped gift donations were in the front customer service lobby and back building crew room.
3. Suzanne Middle School Teacher Appreciation Luncheon
WVWD is sponsoring a Lunar New Year Teacher Appreciation Luncheon, hosted by the Chinese American Parent Association, on January 23. The event will honor teachers with an awards ceremony and feature student performances.
4. Diamond Bar Community Foundation Sponsorship
The District is sponsoring the Diamond Bar Community Foundation Winter Gala, which will be held on February 23 at the Diamond Bar Center. The sponsorship includes a full-page ad in the program.
5. United Abacus Arithmetic Association Sponsorship
The District is sponsoring the United Abacus Arithmetic Association. The sponsorship includes a half-page ad that will be promoted in their 2025 UAAA Annual Journal. The ad will promote our "Let's Dive In" campaign.
6. Diamond Bar Evergreen Club Journal Ads
The District is sponsoring the Diamond Bar Evergreen Club's Journal Ads. The sponsorship includes a whole-page ad that will be sent quarterly to their members.
7. Voltech Robotics Sponsorships
The District sponsored the Voltech Robotics team with a financial sponsorship that will support the team in the upcoming FTC World Championship.
8. MeterHero
The District has an ongoing partnership with MeterHero as part of its commitment to sustainability and community engagement. MeterHero is an innovative academic curriculum designed to provide high school students with hands-on experience in water conservation and data analysis. Students learn to collect and analyze water meter data from their homes, and then develop and implement a water conservation strategy that benefits their household and the community.

DIRECTOR EXPENSE FORM



NAME: Edwin Hilden

DATE: December 2024

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/3/2024	DB City Council Meeting - Reorganization of Council and Swearing in of Ruth Low and Stan Liu	<input checked="" type="checkbox"/>				\$ -
2	12/9/2024	Public Info Meeting	<input checked="" type="checkbox"/>				\$ -
3	12/10/2024	Industry Business Council Holiday Luncheon	<input checked="" type="checkbox"/>				\$ -
4	12/16/2024	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/18/2024	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
6			<input type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

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

Total Reimbursable Expenses \$ -

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

TOTAL \$ 750.00

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

Signature

12/21/24
Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.67 **
Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Scarlett Kwong

DATE: December 2024

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/4/2024	Shawna Seal's retirement luncheon	<input checked="" type="checkbox"/>				\$ -
2	12/5/2024	Oath of office	<input checked="" type="checkbox"/>				\$ -
3	12/9/2024	Public Info Committee	<input checked="" type="checkbox"/>				\$ -
4	12/10/2024	Engineering Committee	<input checked="" type="checkbox"/>				\$ -
5	12/12/2024	Diamond Bar Evergreen Club Celebration	<input checked="" type="checkbox"/>				\$ -
6	12/14/2024	Chinese-American Elected Officials (CEO) holiday services	<input checked="" type="checkbox"/>				\$ -
7	12/16/2024	Board Meeting	<input checked="" type="checkbox"/>				\$ -
8							\$ -
9							\$ -
10							\$ -
11							\$ -
12							\$ -
13							\$ -

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

Total Reimbursable Expenses \$ -

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

TOTAL **\$ 1,050.00**

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

Signature

Date

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

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

DIRECTOR EXPENSE FORM



NAME: Theresa Lee

DATE: Dec. 2024

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	10/3/2024	PBWB Board Meeting	<input checked="" type="checkbox"/>				\$ -
2	12/9/2024	WVWD Finance Committee Meeting	<input checked="" type="checkbox"/>				\$ -
3	12/12/2024	PBWA Board Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/12/2024	MWD Student Art Contest (Virtual)	<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 \$0.67	\$ -
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 \$0.670
 **Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Jerry C. Tang

DATE: December 2024

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2024	Inspection Major Water Leak Occurred in Colima Road	<input checked="" type="checkbox"/>				\$ -
2	12/3/2024	Diamond Bar City Council Meeting	<input checked="" type="checkbox"/>				\$ -
3	12/6/2024	Oath of Office	<input checked="" type="checkbox"/>				\$ -
4	12/9/2024	WVWD Public Information and Legislative Committee Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/9/2024	WVWD Finance Committee Meeting	<input type="checkbox"/>				\$ -
6	12/12/2024	MWD Art Event	<input checked="" type="checkbox"/>				\$ -
7	12/15/2024	Heart of Hope Fund Raising Event	<input checked="" type="checkbox"/>				\$ -
8	12/16/2024	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67	\$ -
Total Reimbursable Expenses	\$ -
Total Meeting Compensation 7 X \$150.00 per day	\$ 1,050.00
TOTAL	\$ 1,050.00

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

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.670
 **Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Henry Woo

DATE: December 2024

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2024	Observe/assess water main failure at Colima-Banida	<input type="checkbox"/>				\$ -
2	12/3/2024	Attend ACWA conference in Palm Desert	<input checked="" type="checkbox"/>	WVWD	JW Marriott Desert Springs Resort	191.4	\$ 128.24
3	12/4/2024	Attend ACWA conference in Palm Desert	<input checked="" type="checkbox"/>				\$ -
4	12/5/2024	Attend ACWA conference in Palm Desert	<input type="checkbox"/>				\$ -
5	12/9/2024	Taking oath for new term	<input type="checkbox"/>				\$ -
6	12/9/2024	Public Info/Legislative committee meeting	<input checked="" type="checkbox"/>				\$ -
7	12/9/2024	Finance Committee meeting	<input type="checkbox"/>				\$ -
8	12/10/2024	Engineering Committee meeting	<input checked="" type="checkbox"/>				\$ -
9	12/12/2024	PBWA board meeting	<input checked="" type="checkbox"/>				\$ -
10	12/16/2024	WVWD regular Board Meeting	<input checked="" type="checkbox"/>				\$ -
11	12/19/2024	3 Valley MWD board meeting	<input checked="" type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 191.4 X \$0.67 \$ 128.24

Total Reimbursable Expenses \$ 635.82

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

TOTAL \$ 1,814.06

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

Signature

Date

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

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

Monthly Board Expense Detail
 Edwin Hilden
 December 31, 2024

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

Edwin Hilden _____ Date _____

Renee Conway
 Executive Services Administrator _____ Date 01/15/2025

Edwin Hilden
 Director of Finance _____ Date 1/15/2025

[Signature]
 General Manager _____ Date 1/15/2025

Monthly Board Expense Detail
 Scarlett Kwong
 December 31, 2024

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

Scarlett Kwong _____ Date
 Executive Services Administrator _____ Date
 01/15/2025

 Director of Finance _____ Date
 1/15/2025

 General Manager _____ Date
 1/15/2025

Monthly Board Expense Detail
 Theresa Lee
 December 31, 2024

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

Theresa Lee _____ Date
 Executive Services Administrator
Renee Canyon 01/15/2025

John B. Lee 1/15/2025
 Director of Finance Date
S/D 50 1/15/2025
 General Manager Date

Monthly Board Expense Detail
Jerry Tang
December 31, 2024

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

Jerry Tang Date

Luise Canyon 01/15/2025
Executive Services Administrator Date

Josh By 1/15/2025
Director of Finance Date

JOS 1/15/2025
General Manager Date

Monthly Board Expense Detail
 Henry Woo
 December 31, 2024

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

Henry Woo _____ Date

Luise Comy _____ Date *01/25/2025*

Andy Byler _____ *1/15/2025*
 Director of Finance Date

S/O S _____ *1/15/2025*
 General Manager Date



**WALNUT VALLEY WATER DISTRICT
TREASURER'S REPORT
January 21, 2025**

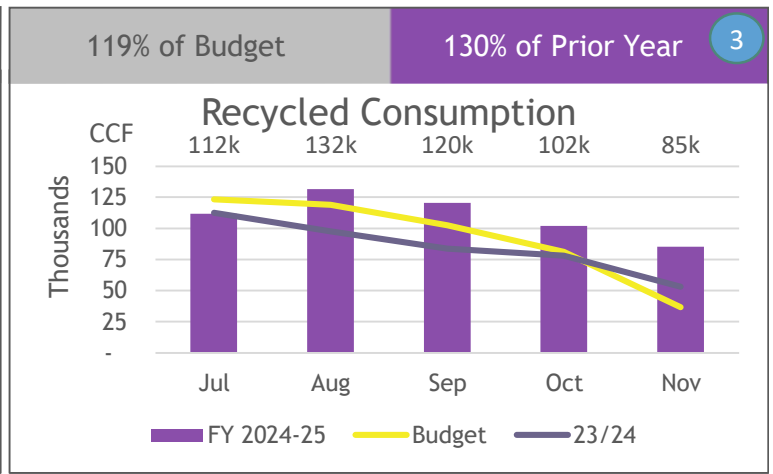
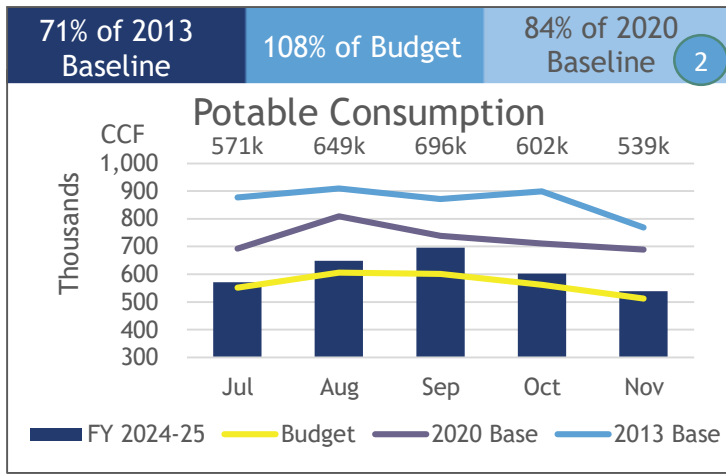
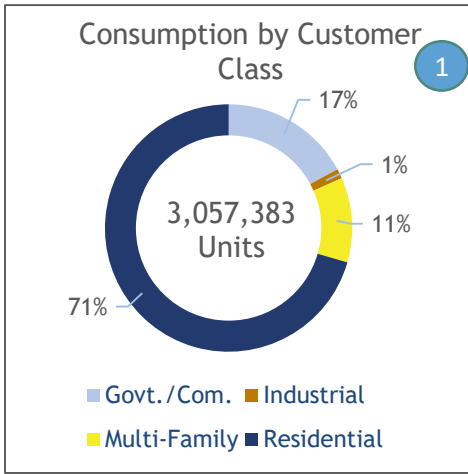
- A. Financial Dashboard as of November 30, 2024
- B. District Statement of Revenues, Expenses, and Change in Net Position as of November 30, 2024
- C. District Statement of Net Position as of November 30, 2024
- D. Summary of Cash Investments as of November 30, 2024



Walnut Valley Water District Financial Dashboard



November 30, 2024

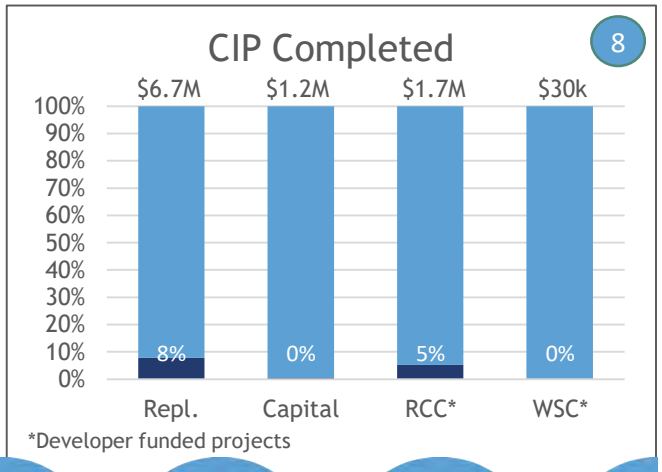
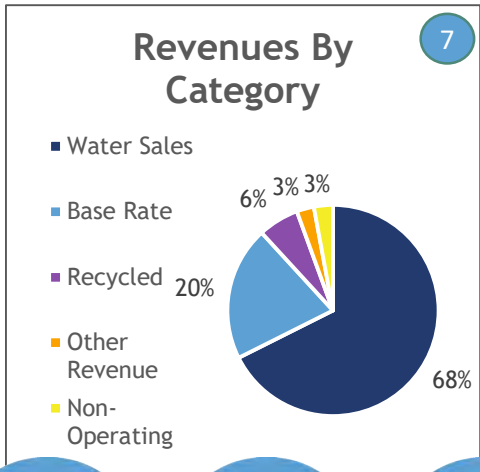
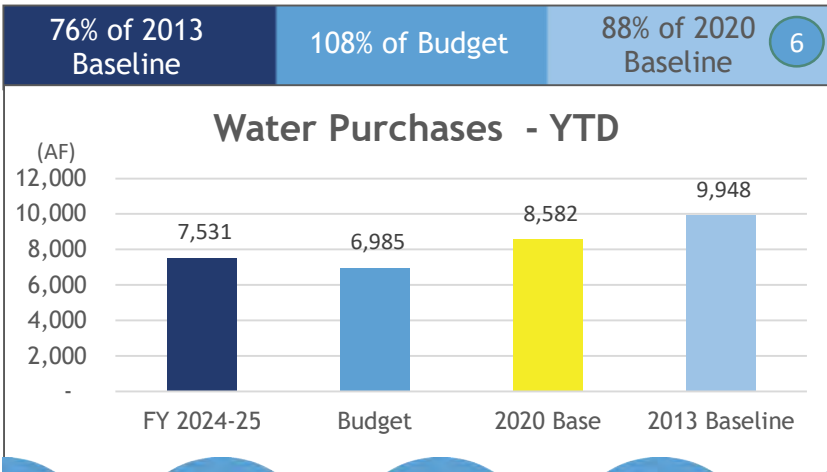


YTD Revenue: \$20,044,742
YTD Budget: \$18,350,100

109%

YTD Expense: \$17,365,442
YTD Budget: \$17,622,300

99%



999 Overdue Notice (-80)

31 Turn-Offs (-95)

7,102 E-Bills - Customers (+76)

741 Afford. Rate Customers (+1)

1,023 Phone Calls Monthly (-472)

* 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 Five Months Ending Saturday, November 30, 2024

	November			YTD		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget
Operating Revenues						
Water Sales	\$3,425,367.61	\$3,190,300.00	107.37%	\$19,079,725.64	\$37,693,300.00	50.62%
Water Sales - Recycled	200,309.86	106,200.00	188.62%	1,291,725.27	1,714,900.00	75.32%
Hydroelectric Sales	4,730.37	2,500.00	189.21%	21,791.98	30,000.00	72.64%
Stand-by Charges	53,451.85	5,300.00	1008.53%	70,454.09	825,000.00	8.54%
Total Operating Revenues	3,683,859.69	3,304,300.00	111.49%	20,463,696.98	40,263,200.00	50.82%
Operating Expenses						
Operations	726,296.44	788,820.00	92.07%	3,152,853.95	7,781,600.00	40.52%
Engineering	148,197.92	162,730.00	91.07%	552,790.08	1,601,850.00	34.51%
Finance	235,542.04	262,660.00	89.68%	985,038.04	2,610,300.00	37.74%
Board of Directors/GM Office	154,853.26	176,970.00	87.50%	609,622.59	1,755,600.00	34.72%
Administrative Services	349,657.27	441,430.00	79.21%	1,514,470.16	4,417,150.00	34.29%
General Administration	108,701.28	120,270.00	90.38%	653,675.82	1,468,800.00	44.50%
Total Operating Expenses	1,723,248.21	1,952,880.00	88.24%	7,468,450.64	19,635,300.00	38.04%
Purchased Water & Related	1,680,982.79	1,508,600.00	111.43%	10,315,946.50	19,891,000.00	51.86%
Total Expenses	3,404,231.00	3,461,480.00	98.35%	17,784,397.14	39,526,300.00	44.99%
Income (Loss) From Operations	279,628.69	(157,180.00)	277.90%	2,679,299.84	736,900.00	363.59%
Nonoperating Revenues/(Expenses)	56,610.48	(78,800.00)	171.84%	165,605.37	1,818,900.00	9.10%
Income (Loss) Before Res. Rev & Deprec.	336,239.17	(235,980.00)	242.49%	2,844,905.21	2,555,800.00	111.31%
Restricted/Desig Rev & Other Exp.	139,122.97	0.00	0.00%	613,959.47	0.00	0.00%
Income (Loss) Before Depreciation	475,362.14	(235,980.00)	301.44%	3,458,864.68	2,555,800.00	135.33%
Depreciation & Amortization	471,841.87	0.00	0.00%	2,359,634.57	0.00	0.00%
Income Before Capital Contributions	3,520.27	(235,980.00)	101.49%	1,099,230.11	2,555,800.00	43.01%
Capital Contributions	22,765.94	0.00	0.00%	260,102.08	0.00	0.00%
Net Increase (Decrease) in Net Position	26,286.21	(235,980.00)	111.14%	1,359,332.19	2,555,800.00	53.19%

Walnut Valley Water District
Unaudited Statement of Net Position
Saturday, November 30, 2024

ASSETS

CURRENT ASSETS:

Cash & Investments - Unrestricted	\$30,688,097.22	
Accounts Receivable:		
Water	4,658,358.23	
Taxes	63,210.13	
Accrued Interest	118,135.10	
Other	1,418,487.11	
Standby Charges	35,304.23	
Materials Inventory	1,351,452.49	
Prepaid Expenses	477,634.47	
TOTAL CURRENT ASSETS		38,810,678.98

RESTRICTED ASSETS

Cash & Investments - Restricted	7,738,370.86	
Cash & Investments - Fiscal Agent	32,211,387.58	
Interest Receivable	13,708.46	
Investment in Joint Venture	23,520,192.51	
TOTAL RESTRICTED ASSETS		63,483,659.41

OTHER ASSETS

CAPITAL ASSETS

Capital Assets	241,016,040.08	
Construction in Progress	18,095,624.16	
Less: Accumulated Depreciation	(138,299,204.46)	
NET CAPITAL ASSETS		120,812,459.78
TOTAL ASSETS		223,106,798.17

Walnut Valley Water District
Unaudited Statement of Net Position
Saturday, November 30, 2024

DEFERRED OUTFLOW OF RESOURCES

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

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	(4,388,272.20)	
Other Current Liabilities	384,000.90	
Current Portion of Long Term Debt	(955,000.00)	
Interest Payable	(126,279.00)	
TOTAL CURRENT LIABILITES		<u>(5,085,550.30)</u>

RESTRICTED LIABILITIES

Accounts Payable	(18,315.14)	
Deposits	(3,075,645.13)	
Construction Advances	(2,716,408.08)	
TOTAL RESTRICTED LIABILITIES		<u>(5,810,368.35)</u>

LONG TERM DEBT & RELATED

Revenue Bonds	(44,535,000.00)	
Deferred Bond Preimum	(2,526,792.00)	
Net Pension Liability	(17,194,995.00)	
Other Long-term Debt	(3,682,736.83)	
TOTAL LONG TERM DEBT & RELATED		<u>(67,939,523.83)</u>
TOTAL LIABILITIES		<u><u>(78,835,442.48)</u></u>

Walnut Valley Water District
Unaudited Statement of Net Position
Saturday, November 30, 2024

DEFERRED INFLOW OF RESOURCES

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

NET POSITION

Invested in Capital Assets, Net of Related Debt	120,812,459.78	
Restricted	9,656,499.06	
Unrestricted	23,390,667.85	
TOTAL NET POSITION	<u>153,859,626.69</u>	
TOTAL NET POSITION		<u>153,859,626.69</u>

Walnut Valley Water District
 Unaudited Summary of Cash and Investments
 11/30/2024

CASH & CASH EQUIVALENTS

Cash on Hand	\$3,000.00	
<u>Cash in Bank</u>		
East West Bank - General	\$5,345,975.54	
East West Bank - Payroll	500,000.00	
East West Bank - Water Refund	15,351.60	
East West Bank - Revolving	20,190.39	
East West Bank - Credit Card	264,962.67	
East West Bank - Badillo Grand	314,459.65	
East West Bank - Payroll Reimbursement	25,453.83	
Total Cash in Bank	6,486,393.68	
TOTAL CASH	6,486,393.68	\$6,489,393.68

INVESTMENTS

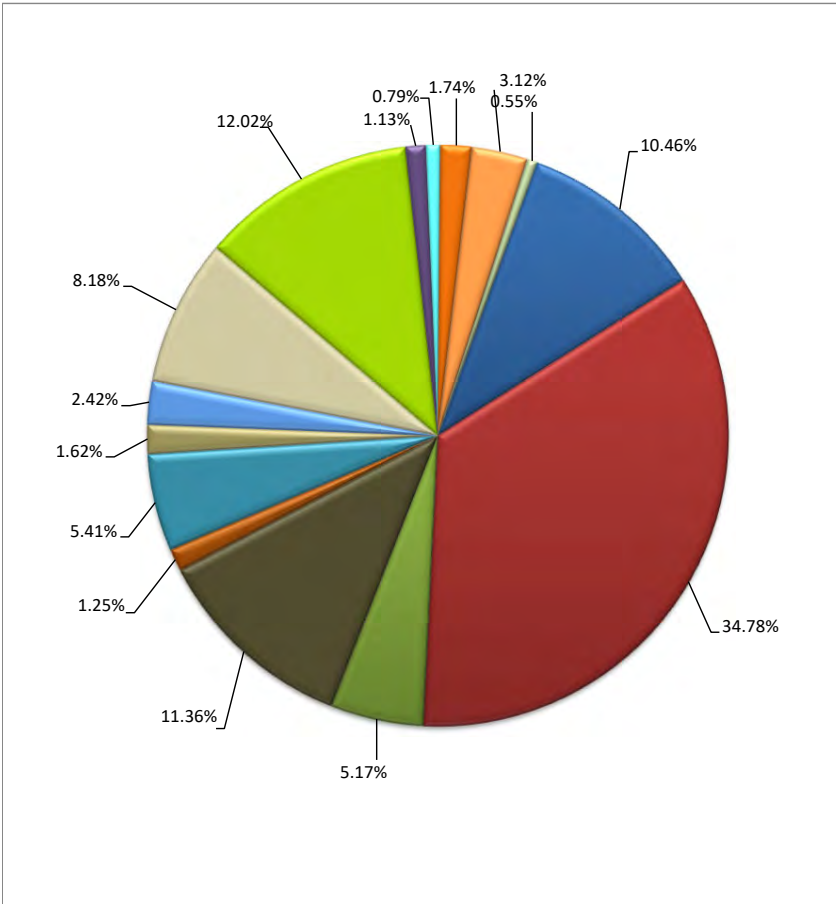
Certificates of Deposit	744,000.00	
Corporate Notes	8,125,000.00	
Supranational	1,100,000.00	
Local Agency Investment Fund (LAIF)	2,833,148.51	
BNY Mellon - Money Market (Sweep)	1,421,243.18	
US Agency	6,850,000.00	
US Treasury	12,440,000.00	
TOTAL INVESTMENTS	33,513,391.69	33,513,391.69
TOTAL CASH & INVESTMENTS	\$40,002,785.37	\$40,002,785.37

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



 Josh Byerrum
 Director of Finance

Walnut Valley Water District Summary of Cash and Investments by Reserve Fund November 30, 2024



ALLOCATION OF CASH AND INVESTMENTS		
Unrestricted		
Category 1		
General Account	\$ 4,184,251.59	10.46%
	\$ 4,184,251.59	10.46%
Designated		
Category 2		
Operating Reserve	\$ 3,272,600.00	8.18%
Replacement	\$ 13,917,412.61	34.78%
Capital Improvement	\$ 2,068,393.20	5.17%
Rate Stabilization	\$ 4,543,125.39	11.36%
B/G Catastrophic Ins	\$ 500,000.00	1.25%
Employee Liabilities	\$ 2,164,499.73	5.41%
Stored Water	\$ 646,900.00	1.62%
Project Reserve	\$ 967,231.99	2.42%
	\$ 28,080,162.92	70.19%

Restricted Reserves		
Category 3		
Customer/Developer Deposits	\$ 4,807,169.47	12.02%
	\$ 4,807,169.47	12.02%
Category 4		
ASC	\$ 451,483.97	1.13%
Badillo/Grand-Maintenance	\$ 314,459.65	0.79%
RCC	\$ 695,235.92	1.74%
WSC	\$ 1,249,525.11	3.12%
Capacity Charge	\$ 220,496.74	0.55%
	\$ 2,931,201.39	7.33%

Total \$ 40,002,785.37 100.00%

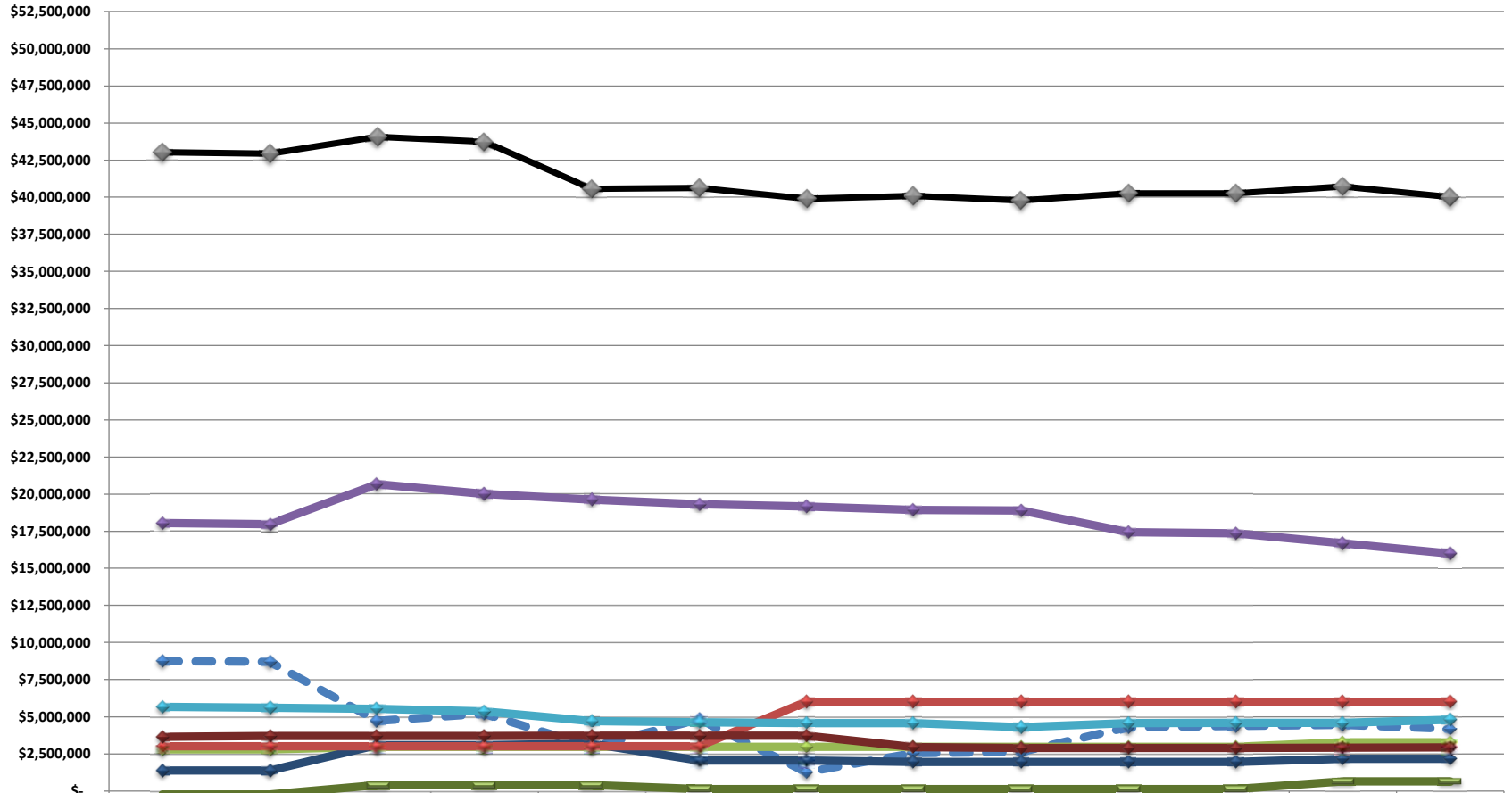
Category 1 - These are funds that accumulate from day-to-day operations and represent the net equity in the District's General Fund. All interest earned is retained in the General Fund.

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

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

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

**Walnut Valley Water District
Cash Balances
November 2023 - November 2024**



	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024
General Account	\$8,737,902	\$8,705,679	\$4,722,652	\$5,210,311	\$2,968,603	\$4,814,747	\$1,256,344	\$2,548,365	\$2,620,281	\$4,300,170	\$4,364,256	\$4,445,104	\$4,184,252
Operating Reserve	\$2,797,300	\$2,797,300	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$3,272,600	\$3,272,600
Capital/Replacement Reserve	\$18,044,477	\$17,965,785	\$20,659,045	\$20,015,976	\$19,631,210	\$19,304,568	\$19,173,664	\$18,942,097	\$18,903,365	\$17,421,447	\$17,347,374	\$16,680,226	\$15,985,806
Employee Liabilities Reserve	\$1,370,756	\$1,370,756	\$3,076,102	\$3,076,102	\$3,176,102	\$2,051,102	\$2,051,102	\$1,964,500	\$1,964,500	\$1,964,500	\$1,964,500	\$2,164,500	\$2,164,500
Stored Water Reserve	\$(230,500)	\$(230,500)	\$397,000	\$397,000	\$397,000	\$125,500	\$125,500	\$125,500	\$125,500	\$125,500	\$125,500	\$646,900	\$646,900
Other Designated Reserves	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357
Customer/Dev. Deposits	\$5,665,231	\$5,605,546	\$5,526,162	\$5,348,398	\$4,705,357	\$4,629,516	\$4,578,727	\$4,568,268	\$4,302,870	\$4,571,499	\$4,589,785	\$4,587,197	\$4,807,169
Developer & Other Restricted	\$3,640,001	\$3,703,039	\$3,707,853	\$3,712,735	\$3,714,114	\$3,722,781	\$3,721,746	\$2,948,878	\$2,894,704	\$2,898,151	\$2,894,511	\$2,909,901	\$2,931,201
Grand Total	\$43,035,525	\$42,927,963	\$44,061,272	\$43,732,980	\$40,564,843	\$40,620,672	\$39,879,541	\$40,070,065	\$39,783,678	\$40,253,724	\$40,258,383	\$40,716,785	\$40,002,785

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 21, 2025
SUBJECT: Budget Meeting Schedule

Action/Discussion
 Fiscal Impact
 Resolution
 Information Only

Tentative Date	Item
April 24, 2025 Special Budget Workshop	Review of Budget Process and Methodology Preliminary Review of Budget: Expenses Revenues Capital Projects
May 22, 2025 Special Budget Workshop	Final Review of Budget: Expenses Revenues Capital Projects
June 23, 2025 Board Meeting	Consideration of Adoption: Final Budget

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 21, 2025
SUBJECT: P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin Groundwater Sustainability Agency Audits for Fiscal Year Ending June 30, 2024

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

The Board of Directors receive and file the attached:

- A. Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for the Year-ended June 30, 2024;
- B. Puente Basin Water Agency Audit Report for the Year-ended June 30, 2024;
- C. Spadra Basin Groundwater Sustainability Agency for the Year-ended June 30, 2024

Background Information

The Walnut Valley Water District (District) is a party to the Pomona-Walnut-Rowland Joint Water Line Commission (PWR), Puente Basin Water Agency (PBWA), and Spadra Basin Groundwater Sustainability Agency (Spadra). Each of these entities are an integral part of the District's overall operation and are funded in part, and staffed by the District. Therefore, Staff recommends the audit report for these three entities be formally received and filed by the District's Board of Directors. Each report was reviewed and approved by their respective governing bodies on the following dates:

- PWR approved the audited financial statements on October 10, 2024
- PBWA approved the audited financial statements on December 12, 2024
- Spadra approved the audited financial statements on January 6, 2025

Attachments:

- PWR Annual Financial Report for FY 23-24
- PBWA Annual Financial Report for FY 23-24
- SBGSA Annual Financial Report for FY 23-24



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

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023



Board of Commissioners as of June 30, 2024

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

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

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

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

**Pomona-Walnut-Rowland Joint Water Line Commission
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

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Financial Section



C.J. Brown & Company CPAs

An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

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Riverside, California 92507
(657) 214-2307

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 Commission'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 Commission'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 audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Independent Auditor's Report, continued

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The other supplemental information on pages 26 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance. This report can be found on pages 30 and 31.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
October 10, 2024

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Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) provides an introduction to the financial statements of the Commission for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Commission's net position increased 2.78% or \$88,135 to \$3,262,423. In 2023, the Commission's net position increased 1.61% or \$50,358 to \$3,174,288.
- The Commission's operating revenues increased 3.94% or \$694,607 to \$18,324,232. In 2023, the Commission's operating revenues decreased 16.87% or \$3,576,792 to \$17,629,625.
- The Commission's non-operating revenues increased 158.98% or \$49,452 to \$80,558. In 2023, the Commission's non-operating revenues increased 1,368.65% or \$28,988 to \$31,106.
- The Commission's operating expenses increased 4.01% or \$706,282 to \$18,331,798. In 2023, the Commission's operating expenses decreased 16.86% or \$3,573,568 to \$17,625,516.
- The Commission had no reportable non-operating expenses in 2024. In 2023, non-operating expense decreased 100% or \$15,504.
- There was no change in capital contributions for the fiscal years ended June 30, 2024 and 2023, respectively.

Required Financial Statements

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

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

Pomona-Walnut-Rowland Joint Water Line Commission
Management’s Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Financial Analysis of the Commission

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

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 25.

Statements of Net Position

	Condensed Statements of Net Position				
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Assets:					
Current assets	\$ 4,447,196	3,598,236	848,960	4,221,592	(623,356)
Restricted assets	933,012	889,689	43,323	846,366	43,323
Capital assets, net	<u>1,391,191</u>	<u>1,419,371</u>	<u>(28,180)</u>	<u>1,447,551</u>	<u>(28,180)</u>
Total assets	<u>6,771,399</u>	<u>5,907,296</u>	<u>864,103</u>	<u>6,515,509</u>	<u>(608,213)</u>
Liabilities:					
Current liabilities	<u>3,508,976</u>	<u>2,733,008</u>	<u>775,968</u>	<u>3,391,579</u>	<u>(658,571)</u>
Total liabilities	<u>3,508,976</u>	<u>2,733,008</u>	<u>775,968</u>	<u>3,391,579</u>	<u>(658,571)</u>
Net position:					
Net investment in capital assets	1,391,191	1,419,371	(28,180)	1,447,551	(28,180)
Restricted for capital asset repairs and replacement	933,012	889,689	43,323	846,366	43,323
Unrestricted	<u>938,220</u>	<u>865,228</u>	<u>72,992</u>	<u>830,013</u>	<u>35,215</u>
Total net position	<u>\$ 3,262,423</u>	<u>3,174,288</u>	<u>88,135</u>	<u>3,123,930</u>	<u>50,358</u>

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Commission, assets exceeded liabilities by \$3,262,423 and \$3,174,288, as of June 30, 2024 and 2023, respectively.

The Commission’s total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (3) unrestricted net position.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Net Position, continued

By far the largest portion of the Commission's net position (43% and 45% as of June 30, 2024 and 2023, respectively) reflects the Commission's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its member agencies; consequently, these assets are not available for future spending.

At the end of fiscal years 2024 and 2023, the Commission showed a positive balance in its unrestricted net position of \$938,220 and \$865,228, respectively, which may be utilized in future years.

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 18,324,232	17,629,625	694,607	21,206,417	(3,576,792)
Non-operating revenue	80,558	31,106	49,452	2,118	28,988
Total revenues	<u>18,404,790</u>	<u>17,660,731</u>	<u>744,059</u>	<u>21,208,535</u>	<u>(3,547,804)</u>
Expenses:					
Operating expenses	18,331,798	17,625,516	706,282	21,199,084	(3,573,568)
Non-operating expense	-	-	-	13,509	(13,509)
Depreciation	28,180	28,180	-	28,180	-
Total expenses	<u>18,359,978</u>	<u>17,653,696</u>	<u>706,282</u>	<u>21,240,773</u>	<u>(3,587,077)</u>
Net income (loss) before capital contributions	<u>44,812</u>	<u>7,035</u>	<u>37,777</u>	<u>(32,238)</u>	<u>39,273</u>
Capital contributions:					
Surcharges	43,323	43,323	-	43,323	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>43,323</u>	<u>-</u>
Change in net position	88,135	50,358	37,777	11,085	39,273
Net position, beginning of period	<u>3,174,288</u>	<u>3,123,930</u>	<u>50,358</u>	<u>3,112,845</u>	<u>11,085</u>
Net position, end of period	<u>\$ 3,262,423</u>	<u>3,174,288</u>	<u>88,135</u>	<u>3,123,930</u>	<u>50,358</u>

The Statement of Revenues, Expenses, and Changes in Net Position show how the Commission's net position changed during the fiscal years. In 2024, net position increased 2.78% or \$88,135 to \$3,262,423, due to net income of \$44,812 from ongoing operations and \$43,323 in capital contributions. In 2023, net position increased 1.61% or \$50,358 to \$3,174,288, due to net income of \$7,035 from ongoing operations and \$43,323 in capital contributions.

A closer examination of net position reveals that:

In 2024, total revenues increased 4.21% or \$744,059 to \$18,404,790. Operating revenues increased 3.94% or \$694,607 to \$18,324,232, due to an increase in water sales to member agencies.

In 2023, total revenues decreased 16.73% or \$3,547,804 to \$17,660,731. Operating revenues decreased 16.87% or \$3,576,792 to \$17,629,625, due primarily to a decrease in water sales to member agencies.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

In 2024, non-operating revenues increased 158.98% or \$49,452 to \$80,558, due to an increase in investment income.

In 2023, non-operating revenues increased 1,368.65% or \$28,988 to \$31,106, primarily due to an increase of \$30,974 in investment income.

In 2024, total expenses increased 4.00% or \$706,282 to \$18,359,978. Operating expenses increased 4.01% or \$706,282 to \$18,331,798, primarily due to an increase of \$694,607 in water purchases.

In 2023, total expenses decreased 16.89% or \$3,587,077 to \$17,653,696. Operating expenses decreased 16.86% or \$3,573,568 to \$17,625,516, primarily due to a decrease of \$3,577,792 in water purchases.

In 2024 and 2023, there were no reportable non-operating expenses, respectively.

In 2024 and 2023, depreciation expense did not change from prior year, respectively.

As of June 30, 2024 and 2023, total capital contributions were \$43,323, respectively.

Actual vs. Budget - 2024				
	<u>2024</u>	<u>2024</u>	<u>Dollar</u>	<u>Percent</u>
	<u>Actual</u>	<u>Budget</u>	<u>Change</u>	<u>Change</u>
Revenues:				
Operating revenues	\$ 18,324,232	21,794,547	(3,470,315)	-15.92%
Non-operating revenues	80,558	7,000	73,558	1050.83%
Total revenues	<u>18,404,790</u>	<u>21,801,547</u>	<u>(3,396,757)</u>	<u>-15.58%</u>
Expenses:				
Operating expenses (incl. depr.)	18,359,978	22,244,547	(3,884,569)	17.46%
Total expenses	<u>18,359,978</u>	<u>22,244,547</u>	<u>(3,884,569)</u>	<u>17.46%</u>
Net (loss) income before capital contributions	<u>44,812</u>	<u>(443,000)</u>	<u>487,812</u>	<u>110.12%</u>
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 88,135</u>	<u>(399,677)</u>	<u>487,812</u>	<u>122.05%</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

	Actual vs. Budget - 2023			
	<u>2023 Actual</u>	<u>2023 Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 17,629,625	20,648,994	(3,019,369)	-14.62%
Non-operating revenues	31,106	7,000	24,106	344.37%
Total revenues	<u>17,660,731</u>	<u>20,655,994</u>	<u>(2,995,263)</u>	<u>-14.50%</u>
Expenses:				
Operating expenses (incl. depr.)	17,653,696	21,098,994	(3,445,298)	16.33%
Total expenses	<u>17,653,696</u>	<u>21,098,994</u>	<u>(3,445,298)</u>	<u>16.33%</u>
Net (loss) income before capital contributions	<u>7,035</u>	<u>(443,000)</u>	<u>450,035</u>	<u>101.59%</u>
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 50,358</u>	<u>(399,677)</u>	<u>450,035</u>	<u>112.60%</u>

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

In fiscal year 2024, the Commission estimated 17,208 acre-feet of Tier I water purchases at an average rate of \$1,232 per acre-foot. The Commission actually purchased 15,204 acre-feet of Tier I water.

In fiscal year 2023, the Commission estimated 18,050 acre-feet of Tier I water purchases at an average rate of \$1,161 per acre-foot. The Commission actually purchased 14,713 acre-feet of Tier I water.

Capital Asset Administration

Changes in capital assets for 2024, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Capital assets:				
Depreciable assets	\$ 2,470,480	-	-	2,470,480
Accumulated depreciation	<u>(1,051,109)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,079,289)</u>
Total capital assets	<u>\$ 1,419,371</u>	<u>(28,180)</u>	<u>-</u>	<u>1,391,191</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Capital Asset Administration

Changes in capital assets for 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Capital assets:				
Depreciable assets	\$ 2,470,480	-	-	2,470,480
Accumulated depreciation	<u>(1,022,929)</u>	<u>(28,180)</u>	-	<u>(1,051,109)</u>
Total capital assets	<u>\$ 1,447,551</u>	<u>(28,180)</u>	-	<u>1,419,371</u>

At the end of fiscal year 2024 and 2023, the Commission's capital assets amounted to \$1,391,191 and \$1,419,371 (net of accumulated depreciation), respectively. These capital assets include pipelines and improvements, service connections, and telemetry systems. See note 3 to the basic financial statements for further detailed information on the Commission's capital assets.

Economic Factors and Next Year's Budget and Rates

Fiscal Year 2024 Actual vs. Fiscal Year 2025 Budget

	<u>2024 Actual</u>	<u>2025 Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 18,324,232	20,934,245	(2,610,013)	-14.24%
Non-operating revenues	<u>80,558</u>	<u>457,000</u>	<u>(376,442)</u>	<u>-467.29%</u>
Total revenues	<u>18,404,790</u>	<u>21,391,245</u>	<u>(2,986,455)</u>	<u>-16.23%</u>
Expenses:				
Operating expenses (incl. depr.)	<u>18,359,978</u>	<u>21,384,245</u>	<u>(3,024,267)</u>	<u>-16.47%</u>
Total expenses	<u>18,359,978</u>	<u>21,384,245</u>	<u>(3,024,267)</u>	<u>-16.47%</u>
Net income before capital contributions	<u>44,812</u>	<u>7,000</u>	<u>37,812</u>	<u>-84.38%</u>
Capital contributions:				
Surcharges	<u>43,323</u>	<u>43,323</u>	-	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	-	-
Change in net position	88,135	50,323	37,812	-42.90%
Net position, beginning of period	<u>3,174,288</u>	<u>3,262,423</u>	<u>(88,135)</u>	<u>-2.78%</u>
Net position, end of period	<u>\$ 3,262,423</u>	<u>3,312,746</u>	<u>(50,323)</u>	<u>-1.54%</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Fiscal Year 2023 Actual vs. Fiscal Year 2024 Budget

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Revenues:				
Operating revenues	\$ 17,629,625	21,794,547	(4,164,922)	-23.62%
Non-operating revenues	31,106	7,000	24,106	77.50%
Total revenues	<u>17,660,731</u>	<u>21,801,547</u>	<u>(4,140,816)</u>	<u>-23.45%</u>
Expenses:				
Operating expenses (incl. depr.)	17,653,696	22,244,547	(4,590,851)	-26.01%
Total expenses	<u>17,653,696</u>	<u>22,244,547</u>	<u>(4,590,851)</u>	<u>-26.01%</u>
Net income (loss) before capital contributions	<u>7,035</u>	<u>(443,000)</u>	<u>450,035</u>	<u>6397.09%</u>
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	50,358	(399,677)	450,035	893.67%
Net position, beginning of period	<u>3,123,930</u>	<u>3,174,288</u>	<u>(50,358)</u>	<u>-1.61%</u>
Net position, end of period	<u>\$ 3,174,288</u>	<u>2,774,611</u>	<u>399,677</u>	<u>12.59%</u>

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

In fiscal year 2024 and 2023, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line.

In fiscal year 2024 and 2023, an amount equal to \$43,323 of the change in ending net position, shown in the table above, is/was projected to be transferred to reserves for depreciation and replacement, respectively.

Conditions Affecting Current Financial Position

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

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Requests for Information

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

Basic Financial Statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,499,890	851,246
Accrued interest receivable	17,661	11,838
Accounts receivable	2,928,175	2,733,612
Prepaid expenses	1,470	1,540
Total current assets	4,447,196	3,598,236
Restricted Assets		
Cash and cash equivalents (note 2)	922,181	878,858
Accounts receivable	10,831	10,831
Total restricted assets	933,012	889,689
Non-current assets:		
Capital assets – being depreciated, net (note 3)	1,391,191	1,419,371
Total non-current assets	1,391,191	1,419,371
Total assets	6,771,399	5,907,296
Current liabilities:		
Accounts payable	3,336,498	2,733,008
Related party payables	172,478	-
Total current liabilities	3,508,976	2,733,008
Total liabilities	3,508,976	2,733,008
Net position (note 4):		
Net investment in capital assets	1,391,191	1,419,371
Restricted for capital asset repairs and replacement	933,012	889,689
Unrestricted	938,220	865,228
Total net position	\$ 3,262,423	3,174,288

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Water sales to member agencies	\$ 18,223,432	17,528,825
Member agency assessments	100,800	100,800
Total operating revenues	18,324,232	17,629,625
Operating expenses:		
Water purchases	18,223,432	17,528,825
Maintenance	31,024	18,216
General and administrative	64,200	64,200
Insurance expense	2,282	2,296
Legal fees	215	245
Auditing	3,969	6,156
Other	6,676	5,578
Total operating expenses	18,331,798	17,625,516
Operating income before depreciation	(7,566)	4,109
Depreciation	(28,180)	(28,180)
Operating loss	(35,746)	(24,071)
Non-operating revenue:		
Investment income	80,425	30,974
Other non-operating revenue	133	132
Total non-operating revenue	80,558	31,106
Net income before capital contributions	44,812	7,035
Capital contributions:		
Surcharges	43,323	43,323
Total capital contributions	43,323	43,323
Changes in net position	88,135	50,358
Net position, beginning of period	3,174,288	3,123,930
Net position, end of period	\$ 3,262,423	3,174,288

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from member agencies	\$ 18,129,669	18,293,181
Cash paid to vendors and suppliers for materials and services	(17,555,760)	(18,284,169)
Net cash provided by operating activities	573,909	9,012
Cash flows from capital and related financing activities:		
Capital surcharge	43,323	43,323
Net cash provided by capital and related financing activities	43,323	43,323
Cash flows from investing activities:		
Investment income, net of fair value	74,735	22,043
Net cash provided by investing activities	74,735	22,043
Net increase in cash and cash equivalents	691,967	74,378
Cash and cash equivalents – beginning of year	1,730,104	1,655,726
Cash and cash equivalents – end of year	\$ 2,422,071	1,730,104
Reconciliation of cash and cash equivalents to statements of financial position:		
Cash and cash equivalents	\$ 1,499,890	851,246
Cash and cash equivalents – restricted	922,181	878,858
Total cash and cash equivalents	\$ 2,422,071	1,730,104
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (35,746)	(24,071)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	28,180	28,180
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(194,563)	663,556
Prepaid expenses	70	(82)
Increase (decrease) in liabilities:		
Accounts payable	775,968	(658,571)
Total adjustments	609,655	33,083
Net cash provided by operating activities	\$ 573,909	9,012

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

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

B. Basis of Accounting and Measurement Focus

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

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

C. Financial Reporting

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting, continued

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

Governmental Accounting Standards Board Statement No. 99

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

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

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

Governmental Accounting Standards Board Statement No. 100

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

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

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

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

3. Investments and Investment Policy

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

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

4. Fair Value Measurements

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

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

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

5. Restricted Assets

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

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

6. Accounts Receivable and Allowance for Uncollectible Accounts

The Commission extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Commission uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024 and 2023, there is no allowance for uncollectible accounts as management believes all accounts will be collected, respectively.

7. 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.

8. Capital Assets

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

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

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

9. Net Position

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

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

10. Water Sales and Services

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

11. Capital Contributions

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

12. Budgetary Policies

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

(2) Cash and Cash Equivalents

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

	2024	2023
Cash and cash equivalents	\$ 1,499,890	851,246
Cash and cash equivalents – restricted	922,181	878,858
Total cash and cash equivalents	\$ 2,422,071	1,730,104

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

	2024	2023
Deposits with financial institutions	\$ 862,557	245,192
Deposits in		
Local Agency Investment Fund (LAIF)	1,559,514	1,484,912
Total cash and cash equivalents	\$ 2,422,071	1,730,104

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

	2024	2023
Deposits in		
Local Agency Investment Fund (LAIF)	217 days	260 days

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the Agency's money	None
Commercial Paper - Non-Pooled Funds (< \$100,000,000 investments)	270 days	25% of the Agency's money	None
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

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

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

Interest Rate Risk

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

Custodial Credit Risk

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

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

The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Commission's name.

Credit Risk

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

Concentration of Credit Risk

The Commission's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Commission's deposit portfolio with governmental agencies, LAIF, is 64% and 86% as of June 30, 2024 and 2023, respectively, of the Commission's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Commission's total investments.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Capital Assets

Changes in capital assets for the year ended June 30, 2024, were as follows:

	<u>Balance</u> <u>2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>2024</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,281,203	-	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,470,480</u>	<u>-</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(927,405)	(17,211)	-	(944,616)
Service connections	(38,111)	(569)	-	(38,680)
Telemetry system	(85,593)	(10,400)	-	(95,993)
Total accumulated depreciation	<u>(1,051,109)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,079,289)</u>
Total depreciable assets, net \$	<u>1,419,371</u>	<u>(28,180)</u>	<u>-</u>	<u>1,391,191</u>

Changes in capital assets for the year ended June 30, 2023, were as follows:

	<u>Balance</u> <u>2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>2023</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,281,203	-	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,470,480</u>	<u>-</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(910,194)	(17,211)	-	(927,405)
Service connections	(37,542)	(569)	-	(38,111)
Telemetry system	(75,193)	(10,400)	-	(85,593)
Total accumulated depreciation	<u>(1,022,929)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,051,109)</u>
Total depreciable assets, net \$	<u>1,447,551</u>	<u>(28,180)</u>	<u>-</u>	<u>1,419,371</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Net Position

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

	2024	2023
Net investment in capital assets:		
Capital assets, net	\$ 1,391,191	1,419,371
Restricted:		
Capital asset repairs and replacement	933,012	889,689
Unrestricted:	938,220	865,228
Total net position	\$ 3,262,423	3,174,288

(5) Risk Management

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

On June 30, 2024, the Commission participated in the liability programs of the ACWA/JPIA as follows:

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Commission's insurance coverage during the fiscal years ended June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

Governmental Accounting Standards Board Statement No. 101

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

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

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

Governmental Accounting Standards Board Statement No. 102

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

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

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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.

(7) Commitments and Contingencies

Litigation

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

(8) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of October 10, 2024, which is the date the financial statements were available to be issued.

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Supplementary Information

Pomona-Walnut-Rowland Joint Water Line Commission
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 18,223,432	-	18,223,432
Member agency assessments	-	100,800	100,800
Total operating revenues	<u>18,223,432</u>	<u>100,800</u>	<u>18,324,232</u>
Operating expenses:			
Water purchases	18,223,432	-	18,223,432
Maintenance	31,024	-	31,024
General and administrative	-	64,200	64,200
Insurance expense	-	2,282	2,282
Legal fees	-	215	215
Auditing	-	3,969	3,969
Other	-	6,676	6,676
Total operating expenses	<u>18,254,456</u>	<u>77,342</u>	<u>18,331,798</u>
Operating (loss) income before depreciatio	(31,024)	23,458	(7,566)
Depreciation	(28,180)	-	(28,180)
Operating (loss) income	<u>(59,204)</u>	<u>23,458</u>	<u>(35,746)</u>
Non-operating revenue:			
Investment income	80,425	-	80,425
Other non-operating revenue	133	-	133
Total non-operating revenue	<u>80,558</u>	<u>-</u>	<u>80,558</u>
Net income before capital contributions	<u>21,354</u>	<u>23,458</u>	<u>44,812</u>
Capital contributions:			
Surcharges	43,323	-	43,323
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	64,677	23,458	88,135
Net position, beginning of period	<u>2,935,583</u>	<u>238,705</u>	<u>3,174,288</u>
Net position, end of period	<u>\$ 3,000,260</u>	<u>262,163</u>	<u>3,262,423</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 17,528,825	-	17,528,825
Member agency assessments	-	100,800	100,800
Total operating revenues	<u>17,528,825</u>	<u>100,800</u>	<u>17,629,625</u>
Operating expenses:			
Water purchases	17,528,825	-	17,528,825
Maintenance	18,216	-	18,216
General and administrative	-	64,200	64,200
Insurance expense	-	2,296	2,296
Legal fees	-	245	245
Auditing	-	6,156	6,156
Other	-	5,578	5,578
Total operating expenses	<u>17,547,041</u>	<u>78,475</u>	<u>17,625,516</u>
Operating (loss) income before depreciatio	(18,216)	22,325	4,109
Depreciation	(28,180)	-	(28,180)
Operating (loss) income	<u>(46,396)</u>	<u>22,325</u>	<u>(24,071)</u>
Non-operating revenue:			
Unrealized loss on investments, net	30,974	-	30,974
Other non-operating revenue	132	-	132
Total non-operating revenues, net	<u>31,106</u>	<u>-</u>	<u>31,106</u>
Net (loss) income before capital contributions	<u>(15,290)</u>	<u>22,325</u>	<u>7,035</u>
Capital contributions:			
Surcharges	43,323	-	43,323
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	28,033	22,325	50,358
Net position, beginning of period	<u>2,907,550</u>	<u>216,380</u>	<u>3,123,930</u>
Net position, end of period	<u>\$ 2,935,583</u>	<u>238,705</u>	<u>3,174,288</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
For the Fiscal Year Ended June 30, 2024

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

* This schedule does not include accumulated depreciation

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
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* This schedule does not include accumulated depreciation

Report on Internal Controls and Compliance



C.J. Brown & Company CPAs

An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
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Jeffrey Palmer

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 10, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
October 10, 2024



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Our Focus

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

**Puente Basin Water Agency
Board of Commissioners as of June 30, 2024**

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

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



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

**Puente Basin Water Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

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Financial Section



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Independent Auditor's Report

Board of Commissioners
Puente Basin Water Agency
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), as of and for the years ended, June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report, continued

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance. This report can be found on pages 28 and 29.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
December 12, 2024

**Puente Basin Water Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Puente Basin Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

Fiscal Year 2024

- The Agency's net position as of June 30, 2024, was \$45,865,381, an increase of \$1,266,060, or 2.84% from the prior year.
- Operating revenues amounted to \$14,087,691 for the year, a decrease of \$2,484,827 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2024, the total of these pass-through costs were reflected in both the revenues amounting to \$12,539,526 and expenses amounting to \$12,537,466 of the Agency.
- Operating expenses including depreciation for the year totaled \$14,876,134 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs of \$3,681, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,060 acre-feet of water. The costs related to the production of water totaled \$1,492,524 for the year. These costs included the use of stored water in the amount of \$602,111, that was purchased and paid for in prior years.
- In 2024, the Agency recorded an additional \$1,560,527 in construction costs related to the Pomona Basin project which is currently being constructed. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2024, the ending balance of the Pomona Basin project totaled \$10,476,271.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2024, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,572,335.

Fiscal Year 2023

- The Agency's net position as of June 30, 2023, was \$44,599,321, an increase of \$3,135,477, or 7.56% from the prior year.
- Operating revenues amounted to \$16,572,518 for the year, a decrease of \$2,604,164 from the prior year.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023**

Financial Highlights, continued

Fiscal Year 2023, continued

- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2023, the total of these pass-through costs were reflected in both the revenues amounting to \$14,949,929 and expenses amounting to \$14,947,869 of the Agency.
- Operating expenses including depreciation for the year totaled \$17,543,703 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs of \$2,895, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,390 acre-feet of water. The costs related to the production of water totaled \$1,883,237 for the year. These costs included the use of stored water in the amount of \$778,655, that was purchased and paid for in prior years.
- In 2023, the Agency recorded an additional \$2,063,479 in construction costs related to the Pomona Basin project which is currently being constructed. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2023, the ending balance of the Pomona Basin project totaled \$8,915,744.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2023, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,623,819.

Required Financial Statements

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

Statements of Net Position

The Statements of Net Position present the Agency's financial position (assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as of June 30, 2024 and 2023. The Statements of Net Position include all the Agency's investments in resources (assets) and the obligations to creditors (liabilities). They also provide the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2024 and 2023, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,865,381 and \$44,599,321, respectively.

**Puente Basin Water Agency
Management’s Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023**

Required Financial Statements, continued

Statements of Revenues, Expenses & Changes in Net Position

All the current year’s revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Agency’s operations and can be used to determine whether the Agency has successfully recovered all of its costs through member assessments and other revenues. Revenues are recognized (recorded) when services are provided, and expenses are recognized when incurred. Operating revenues and expenses are related to the Agency’s core activities. The changes in net position for the years ending June 30, 2024 and 2023, were \$1,266,060 and \$3,135,477, respectively.

Statements of Cash Flows

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

As of June 30, 2024, cash and cash equivalents totaled \$460,682, an increase of \$105,710 from the previous fiscal year. As of June 30, 2023, cash and cash equivalents totaled \$354,972, a decrease of \$768,066 from the previous fiscal year.

Financial Analysis of the Agency

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 28.

Puente Basin Water Agency
Management’s Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Net Position

Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Assets:					
Cash & investments	\$ 460,682	354,972	105,710	1,123,038	(768,066)
Accrued interest receivable	106,465	2,049	104,416	1,292	757
Accounts receivable	2,997,156	2,591,658	405,498	3,855,973	(1,264,315)
Grants receivable	278,029	278,029	-	278,029	-
Water-in-storage inventory	14,918,620	14,977,731	(59,111)	13,127,717	1,850,014
Installment purchase receivable	33,266,792	-	33,266,792	-	-
Capital assets, net	31,774,553	30,643,311	1,131,242	29,009,117	1,634,194
Total assets	<u>83,802,297</u>	<u>48,847,750</u>	<u>34,954,547</u>	<u>47,395,166</u>	<u>1,452,584</u>
Liabilities:					
Accounts payable	2,994,381	2,624,610	369,771	4,261,296	(1,636,686)
Accrued interest payable	103,408	-	103,408	-	-
Long-term debt	34,839,127	1,623,819	33,215,308	1,670,026	(46,207)
Total liabilities	<u>37,936,916</u>	<u>4,248,429</u>	<u>33,688,487</u>	<u>5,931,322</u>	<u>(1,682,893)</u>
Net position:					
Net investment in capital assets	30,202,218	29,019,492	1,182,726	27,339,091	1,680,401
Unrestricted	15,663,163	15,579,829	83,334	14,124,753	1,455,076
Total net position	<u>\$ 45,865,381</u>	<u>44,599,321</u>	<u>1,266,060</u>	<u>41,463,844</u>	<u>3,135,477</u>

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. As seen from the table above, the Agency’s net position exceeded liabilities by \$45,865,381 and \$44,599,321 for the fiscal years ending June 30, 2024 and 2023, respectively.

By far, the largest component of net position is the Agency’s net investment in capital assets. As of June 30, 2024 and 2023, net investment in capital assets increased by \$1,182,726 and \$1,680,401, from the prior year, respectively. These increases were due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2024 and 2023, the balance in construction-in-process amounted to \$10,476,271 and \$8,915,744, respectively.

In 2024, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds related to capital facilities of WWWD with an additional \$2,526,792 recorded as bond premium. In accordance with the installment purchase agreement, WWWD is obligated to pay the interest and principal payments related to the bonds and the premium. To account for the debt and installment purchase agreement, a liability and corresponding asset was recorded. As of June 30, 2024, the balance of the installment purchase receivable and related liability was \$33,266,792. The Series 2024A Water Revenue Bonds are reported in the fiscal year ending June 30, 2024 financial statements of Walnut Valley Water District.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Operating revenues:					
Sale of water (TVMWD)	\$ 12,539,526	14,949,929	(2,410,403)	18,324,933	(3,375,004)
Sale of water (Project)	1,015,535	1,224,669	(209,134)	583,439	641,230
Member assessments	330,505	250,628	79,877	173,810	76,818
Other revenue	202,125	147,292	54,833	94,500	52,792
Total operating revenues	<u>14,087,691</u>	<u>16,572,518</u>	<u>(2,484,827)</u>	<u>19,176,682</u>	<u>(2,604,164)</u>
Non-operating revenues:					
Investment income, net of fair market value	13,922	10,588	3,334	-	10,588
Total non-operating revenues	<u>13,922</u>	<u>10,588</u>	<u>3,334</u>	<u>-</u>	<u>10,588</u>
Total revenues	<u>14,101,613</u>	<u>16,583,106</u>	<u>(2,481,493)</u>	<u>19,176,682</u>	<u>(2,593,576)</u>
Operating expenses:					
Water supply (TVMWD)	12,537,466	14,947,869	(2,410,403)	18,322,873	(3,375,004)
Water supply (Project)	1,497,818	1,887,194	(389,376)	807,255	1,079,939
Engineering	1,500	1,200	300	1,200	-
Professional services	320,738	187,962	132,776	122,600	65,362
Legal	8,655	6,873	1,782	5,553	1,320
Administrative	71,606	75,058	(3,452)	69,280	5,778
Accounting	9,066	8,262	804	9,237	(975)
Depreciation and amortization	429,285	429,285	-	414,968	14,317
Total operating expenses	<u>14,876,134</u>	<u>17,543,703</u>	<u>(2,667,569)</u>	<u>19,752,966</u>	<u>(2,209,263)</u>
Non-operating expenses:					
Investment expense, net of fair market value	-	-	-	3,440	(3,440)
Interest expense	63,046	62,973	73	64,859	(1,886)
Total non-operating expenses	<u>63,046</u>	<u>62,973</u>	<u>73</u>	<u>68,299</u>	<u>(5,326)</u>
Total expenses	<u>14,939,180</u>	<u>17,606,676</u>	<u>(2,667,496)</u>	<u>19,821,265</u>	<u>(2,214,589)</u>
Net loss before capital contributions	<u>(837,567)</u>	<u>(1,023,570)</u>	<u>186,003</u>	<u>(644,583)</u>	<u>(378,987)</u>
Capital contributions	<u>2,103,627</u>	<u>4,159,047</u>	<u>(2,055,420)</u>	<u>634,247</u>	<u>3,524,800</u>
Changes in net position	<u>1,266,060</u>	<u>3,135,477</u>	<u>(1,869,417)</u>	<u>(10,336)</u>	<u>3,145,813</u>
Net position, beginning of year	<u>44,599,321</u>	<u>41,463,844</u>	<u>3,135,477</u>	<u>41,474,180</u>	<u>(10,336)</u>
Net position, end of year	<u>\$ 45,865,381</u>	<u>44,599,321</u>	<u>1,266,060</u>	<u>41,463,844</u>	<u>3,135,477</u>

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023**

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

Fiscal Year 2024 – Revenues and Expenses

For fiscal year 2024, the Agency had total operating revenues of \$14,087,691, a decrease of \$2,484,827 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$12,539,526, a decrease of \$2,410,403 from the prior year. In addition, the Cal Domestic project produced 1,060 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,771,890, an increase of \$602,111 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$330,505, an increase of \$79,877 over the prior year.

For fiscal year 2024, the Agency had total operating expenses (including depreciation) of \$14,876,134, a decrease of \$2,667,569 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$14,035,284 for the year, a decrease of \$2,799,779 from the prior year.

Capital contributions for the year totaled \$2,103,627, a decrease of \$2,055,420 from the prior year, which was primarily due to decreases of \$2,085,669 in contributions sourcing from stored water from member agencies, offset by an increase of \$30,249 in capital contributions from member agency assessments. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Fiscal Year 2023 – Revenues and Expenses

For fiscal year 2023, the Agency had total operating revenues of \$16,572,518, a decrease of \$2,604,164 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$14,949,929, a decrease of \$3,375,004 from the prior year. In addition, the Cal Domestic project produced 1,390 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,883,237, an increase of \$968,221 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$250,628, an increase of \$76,818 over the prior year.

For fiscal year 2023, the Agency had total operating expenses (including depreciation) of \$17,543,703, a decrease of \$2,209,263 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$16,835,063 for the year, a decrease of \$2,295,065 from the prior year.

Capital contributions for the year totaled \$4,159,047, an increase of \$3,524,800 from the prior year, which was primarily due to increases of \$2,148,069 in contributions sourcing from stored water from member agencies and \$1,376,731 in capital contributions from member agency assessments. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

**Puente Basin Water Agency
Management’s Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023**

Capital Asset Administration

Changes in capital assets for 2024, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ 19,318,698	1,560,527	-	20,879,225
Depreciable and amortizable assets	13,854,616	-	-	13,854,616
Accumulated depreciation and amortization	<u>(2,530,003)</u>	<u>(429,285)</u>	-	<u>(2,959,288)</u>
Total capital assets, net	<u>\$ 30,643,311</u>	<u>1,131,242</u>	<u>-</u>	<u>31,774,553</u>

Changes in capital assets for 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Capital assets:				
Non-depreciable assets	\$ 17,255,219	2,063,479	-	19,318,698
Depreciable and amortizable assets	13,854,616	-	-	13,854,616
Accumulated depreciation and amortization	<u>(2,100,718)</u>	<u>(429,285)</u>	-	<u>(2,530,003)</u>
Total capital assets, net	<u>\$ 29,009,117</u>	<u>1,634,194</u>	<u>-</u>	<u>30,643,311</u>

As of June 30, 2024 and 2023, the Agency’s cumulative investment in capital assets was \$31,774,553 and \$30,643,311, respectively. As of June 30 2024 and 2023, additions were \$1,560,527 and \$2,063,479, respectively. These assets were comprised of construction-in-process capital assets related to several alternative water supply projects.

Debt Administration

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Long-term debt:					
2024 Series A Water Revenue Bonds (WVWD Project)	\$ 33,266,792	-	33,266,792	-	-
Capital lease payable	<u>1,572,335</u>	<u>1,623,819</u>	<u>(51,484)</u>	<u>1,670,026</u>	<u>(46,207)</u>
Total	<u>\$ 34,839,127</u>	<u>1,623,819</u>	<u>33,215,308</u>	<u>1,670,026</u>	<u>(46,207)</u>

As of June 30, 2024, the Agency’s long-term debt amounted to \$34,839,127, an increase from issued bonds of \$33,266,792 offset by a decrease due to lease payments of \$51,484 as compared to the prior fiscal year.

As of June 30, 2023, the Agency’s long-term debt amounted to \$1,623,819, a decrease from lease payments of \$46,207 as compared to the prior fiscal year.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023**

Conditions Affecting Current Financial Position

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

Requests for Information

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

Basic Financial Statements

Puente Basin Water Agency
Statements of Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 460,682	354,972
Accrued interest receivable	106,465	2,049
Accounts receivable	2,997,156	2,591,658
Grants receivable	278,029	278,029
Water-in-storage inventory	14,918,620	14,977,731
Total current assets	18,760,952	18,204,439
Non-current assets:		
Long-term assets – due after one year:		
Installment purchase receivable (note 3)	33,266,792	-
Capital assets – not being depreciated and amortized (note 4)	20,879,225	19,318,698
Capital assets – being depreciated and amortized, net (note 4)	10,895,328	11,324,613
Total non-current assets	65,041,345	30,643,311
Total assets	83,802,297	48,847,750
Current liabilities:		
Accounts payable and accrued expenses	2,994,381	2,624,610
Accrued interest payable	103,408	-
Long-term liabilities – due in one year:		
Capital lease payable (note 5)	57,076	51,484
Total current liabilities	3,154,865	2,676,094
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Bond payable (note 5)	33,266,792	-
Capital lease payable (note 5)	1,515,259	1,572,335
Total non-current liabilities	34,782,051	1,572,335
Total liabilities	37,936,916	4,248,429
Net position: (note 6)		
Net investment in capital assets	30,202,218	29,019,492
Unrestricted	15,663,163	15,579,829
Total net position	\$ 45,865,381	44,599,321

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Sale of water to member agencies – TVMWD	\$ 12,539,526	14,949,929
Sale of water to member agencies – Project	1,015,535	1,224,669
Member assessments	330,505	250,628
Water leases	123,125	120,625
Other water service charges	79,000	26,667
Total operating revenues	14,087,691	16,572,518
Operating expenses:		
Water supply – TVMWD	12,537,466	14,947,869
Water supply – Project	1,497,818	1,887,194
Engineering	1,500	1,200
Professional services	320,738	187,962
Legal	8,655	6,873
Administrative	71,606	75,058
Accounting	9,066	8,262
Total operating expenses	14,446,849	17,114,418
Operating loss before depreciation and amortization expense	(359,158)	(541,900)
Depreciation and amortization expense	(429,285)	(429,285)
Operating loss	(788,443)	(971,185)
Non-operating revenue(expense):		
Investment income, net of fair market value	13,922	10,588
Interest expense – long-term debt	(63,046)	(62,973)
Total non-operating revenue(expense), net	(49,124)	(52,385)
Net loss before capital contributions	(837,567)	(1,023,570)
Capital contributions:		
Capital contributions – member agency assessments	1,560,627	1,530,378
Contributions – stored water purchases from member agencies	543,000	2,628,669
Total capital contributions	2,103,627	4,159,047
Changes in net position	1,266,060	3,135,477
Net position, beginning of the year	44,599,321	41,463,844
Net position, end of year	\$ 45,865,381	44,599,321

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received for water sales and assessments	\$ 13,682,193	17,836,833
Cash paid to vendors and suppliers for materials and services	(14,017,967)	(20,601,118)
Net cash used in operating activities	(335,774)	(2,764,285)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,560,527)	(2,063,479)
Capital contributions	2,103,627	4,159,047
Payments received for loans receivable	(33,266,792)	-
Principal paid on debt service	33,215,308	(46,207)
Interest paid on debt	40,362	(62,973)
Net cash provided by capital and related financing activities	531,978	1,986,388
Cash flows from investing activities:		
Interest and investment earnings	(90,494)	9,831
Net cash (used in) provided by investing activities	(90,494)	9,831
Net increase(decrease) in cash and cash equivalents	105,710	(768,066)
Cash and cash equivalents, beginning of year	354,972	1,123,038
Cash and cash equivalents, end of year	\$ 460,682	354,972
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (788,443)	(971,185)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	429,285	429,285
(Increase)Decrease in assets:		
Accounts receivable	(405,498)	1,264,315
Inventory – water	59,111	(1,850,014)
Increase in liabilities:		
Accounts payable and accrued expenses	369,771	(1,636,686)
Total adjustments	452,669	(1,793,100)
Net cash used in operating activities	\$ (335,774)	(2,764,285)

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

B. Basis of Accounting and Measurement Focus

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

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

C. Financial Reporting

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

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

Governmental Accounting Standards Board Statement No. 99

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

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 99, continued

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

Governmental Accounting Standards Board Statement No. 100

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

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

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

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

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

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

3. Investments and Investment Policy

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

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

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024 and 2023, the Agency had no allowance for uncollectible accounts as management believes all accounts will be collected.

5. Water-In-Storage Inventory

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

In 2024, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2024, the Agency had a total of 22,817 acre-feet of water-in-storage valued using an average cost of \$645 per acre-foot.

In 2023, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. In addition, the Agency received 2,400 acre-feet from Rowland Water District and Walnut Valley Water District and is held in storage with the Six Basins Watermaster. As of June 30, 2023, the Agency had a total of 21,666 acre-feet of water-in-storage valued using an average cost of \$606 per acre-foot.

6. Prepaid Expenses

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

7. Capital Assets

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

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

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

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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

8. Unearned Revenue

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

9. Net Position

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

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

10. Water Sales and Services

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

11. Capital Contributions

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

12. Budgetary Policies

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

(2) Cash and Cash Equivalents

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

	2024	2023
Cash and investments		
Deposits with financial institutions	\$ 190,713	97,918
Deposits in Local Agency		
Investment Fund (LAIF)	269,969	257,054
Total cash and investments	\$ 460,682	354,972

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

	2024	2023
Deposits in Local Agency		
Investment Fund (LAIF)	217 days	260 days

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

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

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the Agency's money	None
Commercial Paper - Non-Pooled Funds (< \$100,000,000 investments)	270 days	25% of the Agency's money	None
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

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

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

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

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

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. As of June 30, 2024 and 2023, the Agency's deposit portfolio with a government-sponsored agency, LAIF, is 59% and 72%, respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Agency's total investments.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Installment Purchase Receivable

In fiscal year 2024, the Agency entered into an Installment Purchase Contracts with Walnut Valley Water District (WVWD) related to the issuing of Bonds. WVWD received the proceeds of the Bonds and are required to make semi-annual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semi-annual basis by the Agency to the holders of the Bonds. Please see note 5 for further detail.

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2024, are as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-Process	8,915,744	1,560,527	-	10,476,271
Total non-depreciable assets	<u>19,318,698</u>	<u>1,560,527</u>	<u>-</u>	<u>20,879,225</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	12,013,403	-	-	12,013,403
Total depreciable and amortizable assets	<u>13,854,616</u>	<u>-</u>	<u>-</u>	<u>13,854,616</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(471,349)	(88,378)	-	(559,727)
Pumping plant and equipment	(2,058,654)	(340,907)	-	(2,399,561)
Total accumulated depreciation and amortization	<u>(2,530,003)</u>	<u>(429,285)</u>	<u>-</u>	<u>(2,959,288)</u>
Total depreciable and amortizable assets, net	<u>11,324,613</u>	<u>(429,285)</u>	<u>-</u>	<u>10,895,328</u>
Total capital assets, net	<u>\$ 30,643,311</u>	<u>1,131,242</u>	<u>-</u>	<u>31,774,553</u>

For the fiscal year ending June 30, 2024, the Agency had additions of \$1,560,527 in construction-in-process.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2023, are as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-process	<u>6,852,265</u>	<u>2,063,479</u>	-	<u>8,915,744</u>
Total non-depreciable assets	<u>17,255,219</u>	<u>2,063,479</u>	-	<u>19,318,698</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>12,013,403</u>	-	-	<u>12,013,403</u>
Total depreciable and amortizable assets	<u>13,854,616</u>	-	-	<u>13,854,616</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(382,971)	(88,378)	-	(471,349)
Pumping plant and equipment	<u>(1,717,747)</u>	<u>(340,907)</u>	-	<u>(2,058,654)</u>
Total accumulated depreciation and amortization	<u>(2,100,718)</u>	<u>(429,285)</u>	-	<u>(2,530,003)</u>
Total depreciable and amortizable assets, net	<u>11,753,898</u>	<u>(429,285)</u>	-	<u>11,324,613</u>
Total capital assets, net	<u>\$ 29,009,117</u>	<u>1,634,194</u>	-	<u>30,643,311</u>

For the fiscal year ending June 30, 2023, the Agency had additions of \$2,063,479 in construction-in-process.

Construction-in-Process

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

	<u>2024</u>	<u>2023</u>
Six Basins Groundwater Project	\$ <u>10,476,271</u>	<u>8,915,744</u>
Total construction-in-process	<u>\$ 10,476,271</u>	<u>8,915,744</u>

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(5) Long-Term Debt

Changes in long-term debt for the year ended June 30, 2024, are as follows:

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
Series 2024A Water Revenue Bonds:						
WVWD - Principal	\$ -	30,740,000	-	30,740,000	-	30,740,000
WVWD - Bond Premium	-	2,526,793	(1)	2,526,792	-	2,526,792
Total bonds payable	-	33,266,793	(1)	33,266,792	-	33,266,792
Capital lease payable	1,623,819	-	(51,484)	1,572,335	57,076	1,515,259
Total	1,623,819	33,266,793	(51,485)	34,839,127	57,076	34,782,051
Current portion	(51,484)			(57,076)		
Non-current portion	\$ 1,572,335			34,782,051		

Changes in long-term debt for the year ended June 30, 2023, are as follows:

	<u>Balance 2022</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Capital lease payable	1,670,026	-	(46,207)	1,623,819	51,484	1,572,335
Total	1,670,026	-	(46,207)	1,623,819	51,484	1,572,335
Current portion	(46,207)			(51,484)		
Non-current portion	\$ 1,623,819			1,572,335		

Series 2024A Water Revenue Bonds – Walnut Valley Water District

On June 1, 2024, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of Walnut Valley Water District (WVWD), a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$2,526,793, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning December 1, 2025 with an interest only payment due on June 1, 2025, interest rates will range 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 WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(5) Long-Term Debt, continued

Future annual bond payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	1,345,649	1,345,649
2026	495,000	1,450,400	1,945,400
2027	520,000	1,425,650	1,945,650
2028	545,000	1,399,650	1,944,650
2029	575,000	1,372,400	1,947,400
2030-2034	3,340,000	6,400,500	9,740,500
2035-2039	4,255,000	5,477,950	9,732,950
2040-2044	5,425,000	4,303,750	9,728,750
2045-2049	6,925,000	2,804,500	9,729,500
2050-2054	8,660,000	1,066,400	9,726,400
Total	30,740,000	<u>27,046,849</u>	<u>57,786,849</u>
Premium	2,526,792		
Current	<u>-</u>		
Non-current	\$ <u>33,266,792</u>		

Lease Payable

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

Future annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 57,076	62,329	119,405
2026	63,001	59,986	122,987
2027	69,273	57,404	126,677
2028	75,909	54,568	130,477
2029	82,930	51,462	134,392
2030-2034	534,742	200,167	734,909
2035-2039	689,404	72,251	761,655
Total	1,572,335	<u>558,167</u>	<u>2,130,502</u>
Current	<u>(57,076)</u>		
Non-current	\$ <u>1,515,259</u>		

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Net Position

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

	2024	2023
Net investment in capital assets:		
Capital assets, net	\$ 31,774,553	30,643,311
Capital lease, current	(57,076)	(51,484)
Capital lease, non-current	(1,515,259)	(1,572,335)
Total investment in capital assets	30,202,218	29,019,492
Unrestricted net position	15,663,163	15,579,829
Total net position	\$ 45,865,381	44,599,321

(7) Risk Management

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

On June 30, 2024, the Agency participated in the ACWA/JPIA pooled programs for liability, property, programs as follows:

- General and auto liability, public officials and employees’ errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials’ liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to the following deductibles per occurrence; \$2,500 deductible for buildings, fixed equipment, and personal property; \$1,000 deductible for mobile equipment and \$500 for vehicles. Scheduled vehicles and mobile equipment are covered on an actual cash basis at the time of loss
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor’s forgery or alteration, theft, computer, and funds transfer fraud coverages. subject to \$1,000 deductible per loss.

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

- Cyber liability including cyber security up to \$2,000,000 per member and \$5,000,000 aggregate limit. Cyber liability deductible varies from \$10,000 to \$50,000 depending on Agency scheduled total values.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Risk Management, continued

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the fiscal years ended June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2024, 2023, and 2022.

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

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

Governmental Accounting Standards Board Statement No. 101

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

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

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

Governmental Accounting Standards Board Statement No. 102

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

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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.

(9) Commitments and Contingencies

Grant Awards

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

Construction Contracts

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

Litigation

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

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of December 12, 2024, which is the date the financial statements were available to be issued.

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Report on Internal Controls and Compliance



C.J. Brown & Company CPAs
An Accountancy Corporation

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

Board of Commissioners
Puente Basin Water Agency
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Puente Basin Water Agency (Agency) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 12, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
December 12, 2024



Spadra Basin Groundwater Sustainability Agency
Walnut, California

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Working Draft Subject to Review

Our Mission Statement

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

Spadra Basin Groundwater Sustainability Agency

Executive Committee Members as of June 30, 2024

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

Spadra Basin Groundwater Sustainability Agency

Josh Byerrum, Treasurer

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Walnut, California 91789

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**Spadra Basin Groundwater Sustainability Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

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Working Draft Subject to Review

Financial Section

Working Draft Subject to Review

Working Draft Subject to Review

Independent Auditor's Report

Executive Committee
Spadra Basin Groundwater Sustainability Agency
Walnut, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Spadra Basin Groundwater Sustainability Agency (Agency), as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance. This report can be found on pages 18 and 19.

C.J. Brown & Company, CPAs
Cypress, California
January 6, 2025

Working Draft Subject to Review

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Spadra Basin Groundwater Sustainability Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2024, the Agency's net position decreased by \$20,923 to \$959,088. In 2023, the Agency's net position increased by \$730,991 to \$980,011.
- In 2024, the Agency's operating revenues decreased by \$216,779 to \$124,740. In 2023, the Agency's operating revenues increased by \$95,431 to \$341,519.
- In 2024, the Agency's operating expenses increased by \$15,221 to \$124,740. In 2023, the Agency's operating expenses decreased by \$136,569 to \$109,519.
- In 2024, the Agency had no reportable non-operating revenues. In 2023, the Agency's non-operating revenue decreased by \$25,089 to \$94,480.
- In 2024, the Agency's depreciation expense increased by \$6,974 to \$20,923. In 2023, the Agency's depreciation expense increased by \$13,949 to \$13,949.
- In 2024, the Agency had no reportable capital contributions. In 2023, the Agency's capital contributions increased by \$418,460 to \$418,460.

Using This Financial Report

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

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

Financial Analysis of the Agency

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

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Financial Analysis of the Agency, continued

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 11 through 17.

Statements of Net Position

Condensed Statements of Net Position					
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Assets:					
Current assets	\$ 633,657	584,228	49,429	261,770	322,458
Capital assets, net	383,588	404,511	(20,923)	-	404,511
Total assets	<u>1,017,245</u>	<u>988,739</u>	<u>28,506</u>	<u>261,770</u>	<u>726,969</u>
Liabilities:					
Current liabilities	58,157	8,728	49,429	12,750	(4,022)
Total liabilities	<u>58,157</u>	<u>8,728</u>	<u>49,429</u>	<u>12,750</u>	<u>(4,022)</u>
Net position:					
Net investment in capital assets	383,588	404,511	(20,923)	-	404,511
Unrestricted	575,500	575,500	-	249,020	326,480
Total net position	<u>\$ 959,088</u>	<u>980,011</u>	<u>(20,923)</u>	<u>249,020</u>	<u>730,991</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets of the Agency exceeded liabilities by \$959,088 and \$980,011 as of June 30, 2024 and 2023, respectively.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 124,740	341,519	(216,779)	246,088	95,431
Non-operating revenues	-	94,480	(94,480)	119,569	(25,089)
Total Revenues	<u>124,740</u>	<u>435,999</u>	<u>(311,259)</u>	<u>365,657</u>	<u>70,342</u>
Expenses:					
Operating expenses	124,740	109,519	15,221	246,088	(136,569)
Depreciation expense	20,923	13,949	6,974	-	13,949
Total Expenses	<u>145,663</u>	<u>123,468</u>	<u>22,195</u>	<u>246,088</u>	<u>(122,620)</u>
Net income before capital contributions	(20,923)	312,531	(333,454)	119,569	192,962
Capital contributions	-	418,460	(418,460)	-	418,460
Change in net position	(20,923)	730,991	(751,914)	119,569	611,422
Net position, beginning of year	980,011	249,020	730,991	129,451	119,569
Net position, end of year	<u>\$ 959,088</u>	<u>980,011</u>	<u>(20,923)</u>	<u>249,020</u>	<u>730,991</u>

The Statements of Revenues, Expenses, and Changes in Net Position shows how the Agency's net position changed during the fiscal year. In the case of the Agency, the net position decreased \$20,923 to \$959,088, due to depreciation expense. In the fiscal year 2023, the Agency's net position increased \$730,991 to \$980,011, due to \$418,460 in capital contributions, and net income of \$312,531 from ongoing operations.

In fiscal year 2024, the Agency's operating revenues decreased \$216,779 to \$124,740, primarily due to a decrease of \$331,968 in member assessments, offset by an increase in administrative assessments of \$115,189. In fiscal year 2023, the Agency's operating revenues increased \$95,431 to \$341,519, primarily due to an increase of \$104,424 in member assessments.

In fiscal year 2024, the Agency's operating expenses increased \$15,221 to \$124,740, due to an increase of \$115,189 in general and administrative expenses, offset by a decrease of \$99,968 in expenses related to the Agency's Ground Water Sustainability Plan. In fiscal year 2023, the Agency's operating expenses decreased \$136,569 to \$109,519, primarily due to a decrease of \$127,576 in expenses related to the Agency's Ground Water Sustainability Plan.

In fiscal year 2024, the Agency had no reportable non-operating revenue. In fiscal year 2023, the Agency's non-operating revenue decreased \$25,089 to \$94,480, sourcing from a Department of Water Resources Sustainable Groundwater Planning grant.

In fiscal year 2024, the Agency had no reportable capital contributions. In fiscal year 2023, the Agency's capital contributions increased to \$418,460, primarily due to increases of \$232,000 in contributions from other agencies, sourcing from Three Valleys Municipal Water District for a new monitoring well, and \$186,460 in contributions from member agencies, sourcing from Walnut Valley Water District and the City of Pomona.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Conditions Affecting Current Financial Position

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

Requests for Information

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

Working Draft Subject to Review

Basic Financial Statements

Working Draft Subject to Review

Spadra Basin Groundwater Sustainability Agency
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 341,451	343,493
Accounts receivable – member agencies	292,206	240,735
Total current assets	633,657	584,228
Non-current assets:		
Capital assets – being depreciated, net (note 3)	383,588	404,511
Total non-current assets	383,588	404,511
Total assets	1,017,245	988,739
Current liabilities:		
Accounts payable – member agencies	58,157	8,728
Total current liabilities	58,157	8,728
Net position (note 4):		
Net investment in capital assets	383,588	404,511
Unrestricted	575,500	575,500
Total net position	\$ 959,088	980,011

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Administrative assessments	\$ 124,740	9,551
Member assessments	-	331,968
Total operating revenues	124,740	341,519
Operating expenses:		
General and administrative	124,740	9,551
Groundwater Sustainability Plan	-	99,968
Total operating expenses	124,740	109,519
Operating income before depreciation expense	-	232,000
Depreciation expense	(20,923)	(13,949)
Operating (loss) income	(20,923)	218,051
Non-operating revenue:		
Sustainable Groundwater Planning Grant – Dept. Water Resources	-	94,480
Net (loss) income before capital contributions	(20,923)	312,531
Capital contributions:		
Capital Contribution - Agency	-	186,460
Capital Contribution - Other	-	232,000
Total capital contributions	-	418,460
Change in net position	(20,923)	730,991
Net position, beginning of year	980,011	249,020
Net position, end of year	\$ 959,088	980,011

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash receipts from administrative and member assessments	\$ 73,269	168,582
Cash paid to vendors and suppliers for materials and services	(75,311)	(113,541)
Net cash (used in) provided by operating activities	(2,042)	55,041
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	(418,460)
Capital contributions	-	418,460
Cash received from grants	-	94,480
Net cash provided by capital and related financing activities	-	94,480
Net (decrease) increase in cash and cash equivalents	(2,042)	149,521
Cash and cash equivalents – beginning of year	343,493	193,972
Cash and cash equivalents – end of year	\$ 341,451	343,493
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss) Income	\$ (20,923)	218,051
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:		
Depreciation expense	20,923	13,949
Changes in assets and liabilities:		
Increase in assets:		
Accounts receivable – member assessments	(51,471)	(172,937)
Increase (decrease) in liabilities :		
Accounts payable – member assessments	49,429	(4,022)
Total adjustments	18,881	(163,010)
Net cash (used in) provided by operating activities	\$ (2,042)	55,041

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

B. Basis of Accounting and Measurement Focus

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

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

C. Financial Reporting

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

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

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

C. Financial Reporting, continued

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

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

D. Assets, Liabilities, and Net Position

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

3. Accounts Receivable

The Agency extends credit to its members in the normal course of operations. Management has evaluated the accounts and believes all accounts are collectible at June 30. When management deems accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024, and 2023, there is no allowance for uncollectible accounts as management believes all accounts will be collected, respectively.

4. Revenue Recognition

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

D. Assets, Liabilities, and Net Position, continued

5. Capital Assets

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

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

- Monitoring wells – 20 years

6. Net Position

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

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

(2) Cash and Cash Equivalents

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

	2024	2023
Cash and cash equivalents	\$ 341,451	343,493

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

	2024	2023
Deposits with financial institutions	\$ 341,451	343,493
Total cash and cash equivalents	\$ 341,451	343,493

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

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

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

The California Government Code and the Agency’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency’s name.

(3) Capital Assets

Changes in capital assets for the year ended June 30, 2024, were as follows:

	Balance 2023	Additions	Deletions/ Transfers	Balance 2024
Depreciable assets:				
Monitoring Well	\$ 418,460	-	-	418,460
Total depreciable assets	418,460	-	-	418,460
Accumulated depreciation:				
Monitoring Well	(13,949)	(20,923)	-	(34,872)
Total accumulated depreciation	(13,949)	(20,923)	-	(34,872)
Total depreciable assets, net \$	404,511	(20,923)	-	383,588

For the fiscal year ending June 30, 2024, the Agency had \$0 in additions to depreciable assets.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Depreciable assets:				
Monitoring Well	\$ -	418,460	-	418,460
Total depreciable assets	-	418,460	-	418,460
Accumulated depreciation:				
Monitoring Well	-	(13,949)	-	(13,949)
Total accumulated depreciation	-	(13,949)	-	(13,949)
Total depreciable assets, net \$	-	404,511	-	404,511

For the fiscal year ending June 30, 2023, the Agency had \$418,460 in additions to the Agency's Monitoring Well.

(4) Net Position

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

	<u>2024</u>	<u>2023</u>
Net investment in capital assets	\$ 383,588	404,511
Unrestricted	575,500	575,500
Total net position	\$ 959,088	980,011

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

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

Governmental Accounting Standards Board Statement No. 101

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

Governmental Accounting Standards Board Statement No. 101, continued

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

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

Governmental Accounting Standards Board Statement No. 102

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

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

Governmental Accounting Standards Board Statement No. 103

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

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

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

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.

(6) Contingencies

Litigation

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

Grant Awards

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

(7) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of January 6, 2025, which is the date the financial statements were available to be issued.

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Working Draft Subject to Review

Report on Internal Controls and Compliance

Working Draft Subject to Review

Working Draft Subject to Review

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

Executive Committee
Spadra Basin Groundwater Sustainability Agency
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Spadra Basin Groundwater Sustainability Agency (Agency) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the Agency’s basic financial statements, and have issued our report thereon dated January 6, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
January 6, 2025

Working Draft Subject to Review

MONTHLY ACCOUNT STATEMENT

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

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 December 31, 2024

Portfolio Characteristics

Average Modified Duration	1.12
Average Coupon	1.76%
Average Purchase YTM	1.86%
Average Market YTM	3.43%
Average Quality	AA
Average Final Maturity	1.20
Average Life	1.15

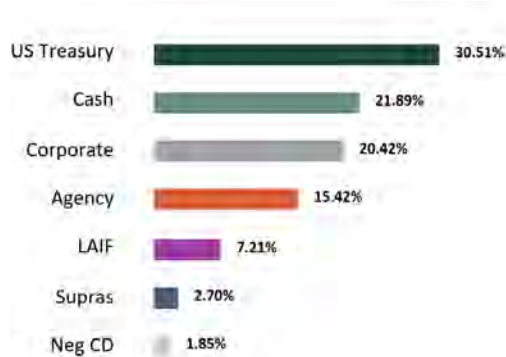
Account Summary

	Beg. Values as of 12/01/2024	End Values as of 12/31/2024
Market Value	39,288,980.34	39,270,901.31
Accrued Interest	153,796.23	137,946.01
Total Market Value	39,442,776.57	39,408,847.32
Income Earned	41,087.20	66,489.15
Cont/WD	(785,293.05)	(95,575.91)
Par	40,002,785.37	39,988,967.06
Book Value	39,909,538.21	39,898,974.76
Cost Value	39,839,996.65	39,793,733.34

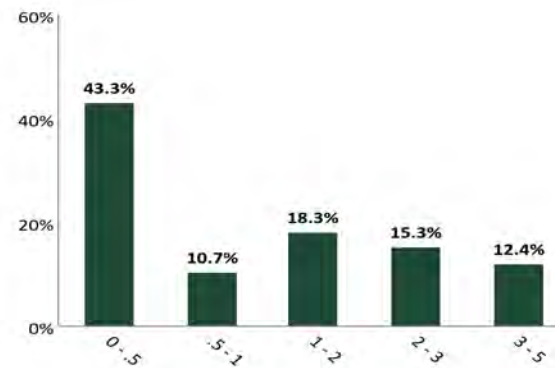
Top Issuers

Government of The United States	30.51%
LAIF	7.21%
Federal Home Loan Banks	6.09%
FNMA	5.08%
FHLMC	4.25%
International Bank for Recon and Dev	1.48%
Bank of America Corporation	1.29%
Deere & Company	1.28%

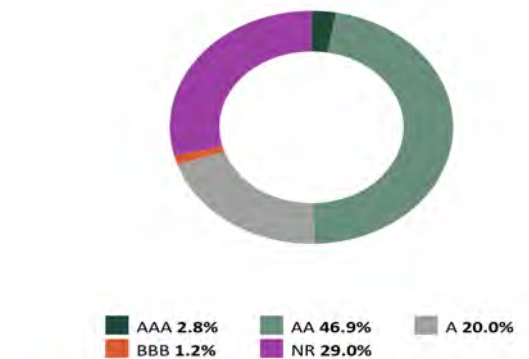
Sector Allocation



Maturity Distribution



Credit Quality



*See Footnote

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

Execution Time: 01/10/2025 10:07:51 AM

PORTFOLIO SUMMARY



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

Portfolio Characteristics

Average Modified Duration	1.60
Average Coupon	2.06%
Average Purchase YTM	2.21%
Average Market YTM	4.38%
Average Quality	AA
Average Final Maturity	1.72
Average Life	1.64

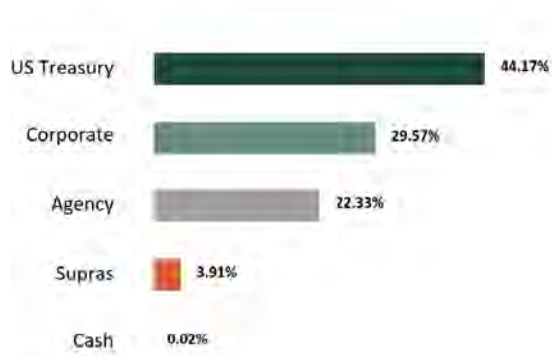
Account Summary

	Beg. Values as of 12/01/2024	End Values as of 12/31/2024
Market Value	29,222,916.26	27,121,728.37
Accrued Interest	153,151.43	136,669.32
Total Market Value	29,376,067.69	27,258,397.69
Income Earned	40,475.69	65,857.26
Cont/WD	2,437.87	(2,164,666.55)
Par	29,914,999.45	27,821,310.56
Book Value	29,821,752.29	27,731,318.26
Cost Value	29,752,210.73	27,626,076.84

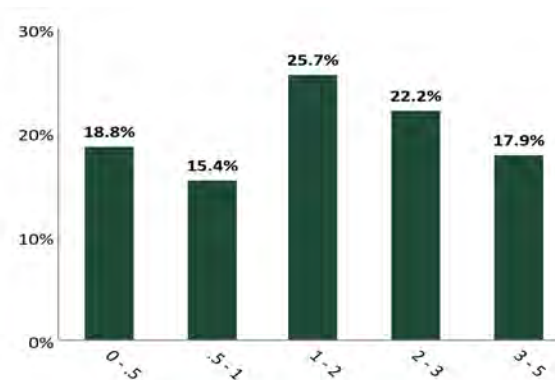
Top Issuers

Government of The United States	44.17%
Federal Home Loan Banks	8.81%
FNMA	7.36%
FHLMC	6.16%
International Bank for Recon and Dev	2.14%
Bank of America Corporation	1.87%
Deere & Company	1.85%
PACCAR Inc	1.84%

Sector Allocation



Maturity Distribution



Credit Quality



*See Footnote

Performance Review

Total Rate of Return	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (08/01/09)
Walnut Valley WD	0.16%	0.06%	4.22%	4.22%	4.41%	1.30%	1.43%	1.66%	1.67%
Benchmark Return*	(0.07%)	(0.76%)	3.42%	3.42%	3.86%	0.74%	1.05%	1.37%	1.40%

*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index Secondary Benchmark: The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch

Execution Time: 01/03/2025 06:26:24 PM

RECONCILIATION SUMMARY



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

Maturities / Calls

Month to Date	(700,000.00)
Fiscal Year to Date	(6,900,000.00)

Principal Paydowns

Month to Date	0.00
Fiscal Year to Date	0.00

Purchases

Month to Date	3,537,925.14
Fiscal Year to Date	16,565,296.58

Sales

Month to Date	(2,154,416.55)
Fiscal Year to Date	(12,632,376.69)

Interest Received

Month to Date	79,084.50
Fiscal Year to Date	826,062.62

Purchased / Sold Interest

Month to Date	0.00
Fiscal Year to Date	0.00

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2024)
Beginning Book Value	39,909,538.21	42,837,250.67
Maturities/Calls	(700,000.00)	(6,900,000.00)
Principal Paydowns	0.00	0.00
Purchases	3,537,925.14	16,565,296.58
Sales	(2,154,416.55)	(12,632,376.69)
Change in Cash, Payables, Receivables	(697,326.90)	(225.51)
Amortization/Accretion	3,254.86	29,029.71
Realized Gain (Loss)	0.00	0.00
Ending Book Value	39,898,974.76	39,898,974.76

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2024)
Beginning Market Value	39,288,980.34	41,623,106.86
Maturities/Calls	(700,000.00)	(6,900,000.00)
Principal Paydowns	0.00	0.00
Purchases	3,537,925.14	16,565,296.58
Sales	(2,154,416.55)	(12,632,376.69)
Change in Cash, Payables, Receivables	(697,326.90)	(225.51)
Amortization/Accretion	3,254.86	29,029.71
Change in Net Unrealized Gain (Loss)	(7,515.59)	586,070.36
Realized Gain (Loss)	0.00	0.00
Ending Market Value	39,270,901.31	39,270,901.31

HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
3135G0X24	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	600,000.00	02/14/2020 1.48%	604,074.00 600,013.69	99.97 3.87%	599,810.23 4,712.50	1.53% (203.46)	Aaa/AA+ AA+	0.02 0.01
3137EAEP0	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,011.21	99.67 4.42%	598,046.83 3,475.00	1.52% (1,964.38)	Aaa/AA+ AA+	0.12 0.11
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	800,000.00	-- 0.53%	803,537.00 800,220.72	98.91 4.24%	791,253.22 958.33	2.01% (8,967.50)	Aaa/AA+ AA+	0.31 0.30
3130AJKW8	FEDERAL HOME LOAN BANKS 0.5 06/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,898.66	98.29 4.40%	589,732.92 150.00	1.50% (10,165.74)	Aaa/AA+ AA+	0.45 0.44
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,827.87	97.84 4.37%	391,361.58 666.67	1.00% (8,466.30)	Aaa/AA+ AA+	0.55 0.54
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 699,379.28	97.25 4.27%	680,756.75 714.58	1.73% (18,622.53)	Aaa/AA+ AA+	0.73 0.71
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,961.55	96.88 4.29%	605,478.63 468.75	1.54% (19,482.92)	Aaa/AA+ AA+	0.85 0.83
3130AKFA9	FEDERAL HOME LOAN BANKS 0.375 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,747.14	96.40 4.31%	578,401.80 118.75	1.47% (21,345.34)	Aaa/AA+ AA+	0.95 0.92
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 482,355.60	99.86 4.30%	474,336.97 1,177.60	1.21% (8,018.63)	Aaa/AA+ AA+	2.94 2.73
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	750,000.00	07/21/2023 4.17%	756,637.50 754,674.56	99.77 4.45%	748,286.25 2,005.21	1.91% (6,388.31)	Aaa/AA+ AA+	3.44 3.15
Total Agency		6,150,000.00	1.39%	6,168,458.00 6,161,090.28	98.51 4.29%	6,057,465.17 14,447.40	15.42% (103,625.11)	Aaa/AA+ AA+	1.05 0.98
CASH									
90CASH\$00	Custodial Cash Account	8,558,484.32	-- 0.00%	8,558,484.32 8,558,484.32	1.00 0.00%	8,558,484.32 0.00	21.79% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	6,310.56	-- 0.00%	6,310.56 6,310.56	1.00 0.00%	6,310.56 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	32,023.67	-- 0.00%	32,023.67 32,023.67	1.00 0.00%	32,023.67 0.00	0.08% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		8,596,818.55	0.00%	8,596,818.55 8,596,818.55	1.00 0.00%	8,596,818.55 0.00	21.89% 0.00	Aaa/AAA AAA	0.00 0.00

HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CORPORATE									
06367WB85	BANK OF MONTREAL 1.85 05/01/2025	400,000.00	02/15/2022 2.25%	395,048.00 399,491.67	99.07 4.70%	396,269.18 1,233.33	1.01% (3,222.49)	A2/A- AA-	0.33 0.33
717081EX7	PFIZER INC 0.8 05/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,949.76	98.46 4.66%	393,848.81 293.33	1.00% (6,100.96)	A2/A WR	0.41 0.40
78015K7H1	ROYAL BANK OF CANADA 1.15 06/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 400,332.56	98.47 4.70%	393,886.09 268.33	1.00% (6,446.47)	A1/A AA-	0.44 0.43
89114TZD7	TORONTO-DOMINION BANK 1.2 06/03/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,417.94	95.23 4.72%	380,908.36 373.33	0.97% (19,509.58)	A2/A- AA-	1.42 1.38
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,081.28	101.32 4.67%	506,599.01 10,207.75	1.29% 6,517.73	Aa1/A+ AA	1.63 1.44
87612EBM7	TARGET CORP 1.95 01/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 500,745.38	95.14 4.47%	475,703.54 4,495.83	1.21% (25,041.84)	A2/A A	2.04 1.94
06406RBA4	BANK OF NEW YORK MELLON CORP 2.05 01/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,161.30	95.23 4.49%	476,168.09 4,413.19	1.21% (23,993.21)	Aa3/A AA-	2.07 1.97
023135CF1	AMAZON.COM INC 3.3 04/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,354.60	97.36 4.53%	389,435.20 2,860.00	0.99% (10,919.40)	A1/AA AA-	2.28 2.15
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,021.43	98.68 4.59%	493,421.16 2,833.33	1.26% (6,600.27)	A2/A+ A+	2.36 2.21
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 504,541.93	99.81 4.67%	499,056.32 10,925.00	1.27% (5,485.61)	A1/A+ NA	3.03 2.73
24422EWR6	JOHN DEERE CAPITAL CORP 4.75 01/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 506,299.99	100.51 4.57%	502,562.03 10,621.53	1.28% (3,737.96)	A1/A A+	3.05 2.75
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 435,798.71	101.14 4.55%	429,859.29 7,947.50	1.09% (5,939.42)	A2/A A	3.13 2.74
713448FL7	PEPSICO INC 3.6 02/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 491,816.15	97.26 4.55%	486,308.98 6,650.00	1.24% (5,507.17)	A1/A+ NA	3.13 2.88
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,572.06	101.14 4.49%	455,116.11 6,825.00	1.16% 4,544.05	Aa3/A+ NA	3.19 2.81
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	400,000.00	06/26/2023 4.70%	382,788.00 388,168.57	96.66 4.80%	386,636.07 2,466.67	0.98% (1,532.50)	A1/A WR	3.33 3.07
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	450,000.00	-- 4.67%	444,781.50 446,442.78	99.00 4.72%	445,513.21 2,530.00	1.13% (929.57)	Aa2/A+ AA-	3.37 3.08
74340XCG4	PROLOGIS LP 4.875 06/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 448,821.91	100.24 4.80%	451,095.30 975.00	1.15% 2,273.39	A3/A NA	3.46 3.07

HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89236TLB9	TOYOTA MOTOR CREDIT CORP 5.25 09/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 448,678.58	101.40 4.83%	456,307.54 7,218.75	1.16% 7,628.97	A1/A+ A+	3.70 3.28
Total Corporate		8,125,000.00	3.58%	8,123,970.00 8,122,696.59	98.74 4.64%	8,018,694.27 83,137.89	20.42% (104,002.31)	A1/A A+	2.40 2.19
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,833,148.51	-- 4.43%	2,833,148.51 2,833,148.51	1.00 4.43%	2,833,148.51 0.00	7.21% 0.00	NA/NA NA	0.00 0.00
Total LAIF		2,833,148.51	4.43%	2,833,148.51 2,833,148.51	1.00 4.43%	2,833,148.51 0.00	7.21% 0.00	NA/NA NA	0.00 0.00
NEGOTIABLE CD									
7954506L4	Sallie Mae Bank 0.85 05/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	98.65 4.31%	244,646.24 202.14	0.62% (3,353.76)	Baa1/BBB- BBB-	0.40 0.39
856285TQ4	State Bank of India - New York Branch 1.1 05/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	98.74 4.30%	244,873.02 254.12	0.62% (3,126.98)	Baa3/BBB- NA	0.41 0.39
38149MZJ5	Goldman Sachs Bank USA 1.05 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	95.16 4.05%	235,997.18 820.44	0.60% (12,002.82)	A1/A+ AA-	1.69 1.64
Total Negotiable CD		744,000.00	1.00%	744,000.00 744,000.00	97.54 4.22%	725,516.44 1,276.69	1.85% (18,483.56)	Baa2/ BBB BBB	0.82 0.80
SUPRANATIONAL									
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,087.11	96.86 4.44%	581,137.19 525.00	1.48% (18,949.93)	Aaa/AAA NA	0.82 0.80
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,589.13	95.62 4.38%	478,108.05 862.85	1.22% (21,481.09)	Aaa/AAA NA	1.30 1.27
Total Supranational		1,100,000.00	0.69%	1,098,941.00 1,099,676.24	96.30 4.41%	1,059,245.23 1,387.85	2.70% (40,431.01)	Aaa/AAA NA	1.04 1.01
US TREASURY									
912828Z52	UNITED STATES TREASURY 1.375 01/31/2025	575,000.00	03/04/2020 0.72%	593,328.13 575,306.66	99.76 4.35%	573,645.65 3,308.59	1.46% (1,661.02)	Aaa/AA+ AA+	0.08 0.08

HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282ZF0	UNITED STATES TREASURY 0.5 03/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,995.71	99.11 4.23%	743,291.44 958.10	1.89% (6,704.28)	Aaa/AA+ AA+	0.25 0.24
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 698,517.75	96.78 4.26%	677,439.68 299.72	1.73% (21,078.07)	Aaa/AA+ AA+	0.83 0.81
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 698,989.87	96.29 4.22%	674,047.68 7.25	1.72% (24,942.19)	Aaa/AA+ AA+	1.00 0.97
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 547,244.57	95.95 4.25%	527,730.98 863.11	1.34% (19,513.60)	Aaa/AA+ AA+	1.08 1.05
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 647,572.49	95.81 4.25%	622,744.94 1,104.28	1.59% (24,827.55)	Aaa/AA+ AA+	1.16 1.13
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	440,000.00	03/29/2021 0.87%	437,301.56 439,329.08	95.78 4.27%	421,449.18 843.13	1.07% (17,879.91)	Aaa/AA+ AA+	1.25 1.21
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 848,515.56	95.24 4.26%	809,555.90 560.44	2.06% (38,959.65)	Aaa/AA+ AA+	1.41 1.37
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 745,456.36	94.50 4.26%	708,784.91 1,961.62	1.80% (36,671.46)	Aaa/AA+ AA+	1.58 1.54
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 846,601.70	94.43 4.26%	802,696.80 2,166.09	2.04% (43,904.89)	Aaa/AA+ AA+	1.67 1.61
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 645,756.00	94.37 4.26%	613,399.33 1,453.13	1.56% (32,356.68)	Aaa/AA+ AA+	1.75 1.69
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,431.93	94.53 4.27%	543,569.69 1,107.91	1.38% (30,862.24)	Aaa/AA+ AA+	1.83 1.77
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	575,000.00	04/26/2022 2.74%	537,827.15 559,537.16	94.54 4.26%	543,618.52 631.87	1.38% (15,918.63)	Aaa/AA+ AA+	1.91 1.85
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	700,000.00	06/13/2022 3.44%	670,878.91 686,379.11	96.29 4.25%	674,032.04 4,471.15	1.72% (12,347.07)	Aaa/AA+ AA+	2.25 2.13
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 545,508.91	97.65 4.25%	537,100.86 49.38	1.37% (8,408.05)	Aaa/AA+ AA+	2.50 2.36
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	550,000.00	09/08/2022 3.39%	543,232.42 546,373.71	97.12 4.28%	534,161.05 5,839.95	1.36% (12,212.66)	Aaa/AA+ AA+	2.67 2.49
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 399,328.40	99.61 4.28%	398,420.37 4,215.66	1.01% (908.03)	Aaa/AA+ AA+	2.75 2.54
91282CFU0	UNITED STATES TREASURY 4.125 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 746,683.66	99.61 4.27%	747,040.87 5,298.69	1.90% 357.21	Aaa/AA+ AA+	2.83 2.62
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 840,015.96	94.55 4.29%	827,283.27 2,556.11	2.11% (12,732.70)	Aaa/AA+ AA+	2.87 2.72

HOLDINGS REPORT



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

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
	Total US Treasury	12,440,000.00	1.84%	12,228,397.28 12,341,544.59	96.34 4.26%	11,980,013.14 37,696.19	30.51% (361,531.46)	Aaa/AA+ AA+	1.66 1.58
	Total Portfolio	39,988,967.06	1.86%	39,793,733.34 39,898,974.76	69.44 3.43%	39,270,901.31 137,946.01	100.00% (628,073.46)	Aa3/AA- AA	1.20 1.12
	Total Market Value + Accrued					39,408,847.32			

TRANSACTION LEDGER



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

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest	Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS											
Purchase	12/02/2024	60934N807	700,000.00	FEDERATED HRMS GV O SVC	1.000	4.29%	(700,000.00)	0.00		(700,000.00)	0.00
Purchase	12/02/2024	60934N807	12,031.25	FEDERATED HRMS GV O SVC	1.000	4.29%	(12,031.25)	0.00		(12,031.25)	0.00
Purchase	12/03/2024	60934N807	4,784.50	FEDERATED HRMS GV O SVC	1.000	4.29%	(4,784.50)	0.00		(4,784.50)	0.00
Purchase	12/09/2024	60934N807	16,406.25	FEDERATED HRMS GV O SVC	1.000	4.28%	(16,406.25)	0.00		(16,406.25)	0.00
Purchase	12/10/2024	60934N807	12,393.75	FEDERATED HRMS GV O SVC	1.000	4.28%	(12,393.75)	0.00		(12,393.75)	0.00
Purchase	12/12/2024	60934N807	1,125.00	FEDERATED HRMS GV O SVC	1.000	4.28%	(1,125.00)	0.00		(1,125.00)	0.00
Purchase	12/13/2024	60934N807	700,000.00	FEDERATED HRMS GV O SVC	1.000	4.28%	(700,000.00)	0.00		(700,000.00)	0.00
Purchase	12/13/2024	60934N807	1,500.00	FEDERATED HRMS GV O SVC	1.000	4.28%	(1,500.00)	0.00		(1,500.00)	0.00
Purchase	12/16/2024	60934N807	20,593.75	FEDERATED HRMS GV O SVC	1.000	4.28%	(20,593.75)	0.00		(20,593.75)	0.00
Purchase	12/31/2024	90CASH\$00	2,069,090.64	Custodial Cash Account	1.000	0.00%	(2,069,090.64)	0.00		(2,069,090.64)	0.00
Total Purchase			3,537,925.14				(3,537,925.14)	0.00		(3,537,925.14)	0.00
TOTAL ACQUISITIONS			3,537,925.14				(3,537,925.14)	0.00		(3,537,925.14)	0.00
OTHER											
Maturity	12/13/2024	3130A3GE8	(700,000.00)	FEDERAL HOME LOAN BANKS 2.75 12/13/2024	100.000	2.75%	700,000.00	0.00		700,000.00	0.00
Total Maturity			(700,000.00)				700,000.00	0.00		700,000.00	0.00
Sale	12/31/2024	60934N807	(2,039,032.07)	FEDERATED HRMS GV O SVC	1.000	4.12%	2,039,032.07	0.00		2,039,032.07	0.00
Sale	12/31/2024	60934N807	(115,384.48)	FEDERATED HRMS GV O SVC	1.000	4.12%	115,384.48	0.00		115,384.48	0.00
Total Sale			(2,154,416.55)				2,154,416.55	0.00		2,154,416.55	0.00

TRANSACTION LEDGER



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

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
TOTAL OTHER TRANSACTIONS			(2,854,416.55)				2,854,416.55	0.00	2,854,416.55	0.00
OTHER										
Cash Transfer	12/31/2024	CCYUSD	(95,575.91)	Cash		0.00%	(95,575.91)	0.00	(95,575.91)	0.00
Total Cash Transfer			(95,575.91)				(95,575.91)	0.00	(95,575.91)	0.00
Coupon	12/03/2024	89114TZD7	0.00	TORONTO-DOMINION BANK 1.2 06/03/2026		1.12%	2,400.00	0.00	2,400.00	0.00
Coupon	12/09/2024	3130AWMN7	0.00	FEDERAL HOME LOAN BANKS 4.375 06/09/2028		4.17%	16,406.25	0.00	16,406.25	0.00
Coupon	12/10/2024	78015K7H1	0.00	ROYAL BANK OF CANADA 1.15 06/10/2025		0.96%	2,300.00	0.00	2,300.00	0.00
Coupon	12/10/2024	3130ATUS4	0.00	FEDERAL HOME LOAN BANKS 4.25 12/10/2027		3.67%	10,093.75	0.00	10,093.75	0.00
Coupon	12/12/2024	3130AKFA9	0.00	FEDERAL HOME LOAN BANKS 0.375 12/12/2025		0.42%	1,125.00	0.00	1,125.00	0.00
Coupon	12/13/2024	3130AJKW8	0.00	FEDERAL HOME LOAN BANKS 0.5 06/13/2025		0.54%	1,500.00	0.00	1,500.00	0.00
Coupon	12/13/2024	3130A3GE8	0.00	FEDERAL HOME LOAN BANKS 2.75 12/13/2024		2.75%	9,625.00	0.00	9,625.00	0.00
Coupon	12/15/2024	74340XCG4	0.00	PROLOGIS LP 4.875 06/15/2028		4.96%	10,968.75	0.00	10,968.75	0.00
Coupon	12/31/2024	91282CBC4	0.00	UNITED STATES TREASURY 0.375 12/31/2025		0.52%	1,312.50	0.00	1,312.50	0.00
Coupon	12/31/2024	91282CEW7	0.00	UNITED STATES TREASURY 3.25 06/30/2027		3.61%	8,937.50	0.00	8,937.50	0.00
Total Coupon			0.00				64,668.75	0.00	64,668.75	0.00
Dividend	12/31/2024	60934N807	0.00	FEDERATED HRMS GV O SVC		4.12%	6,310.56	0.00	6,310.56	0.00
Total Dividend			0.00				6,310.56	0.00	6,310.56	0.00
TOTAL OTHER TRANSACTIONS			(95,575.91)				(24,596.60)	0.00	(24,596.60)	0.00

STATEMENT OF COMPLIANCE



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

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	8.8	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	29.6	Compliant	
Max % Issuer (MV)	5.0	1.9	Compliant	
Max Maturity (Years)	5	3	Compliant	

STATEMENT OF COMPLIANCE



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

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	22.3	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	8.8	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	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	0.0	Compliant	
Max % Issuer (MV)	20.0	0.0	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 December 31, 2024

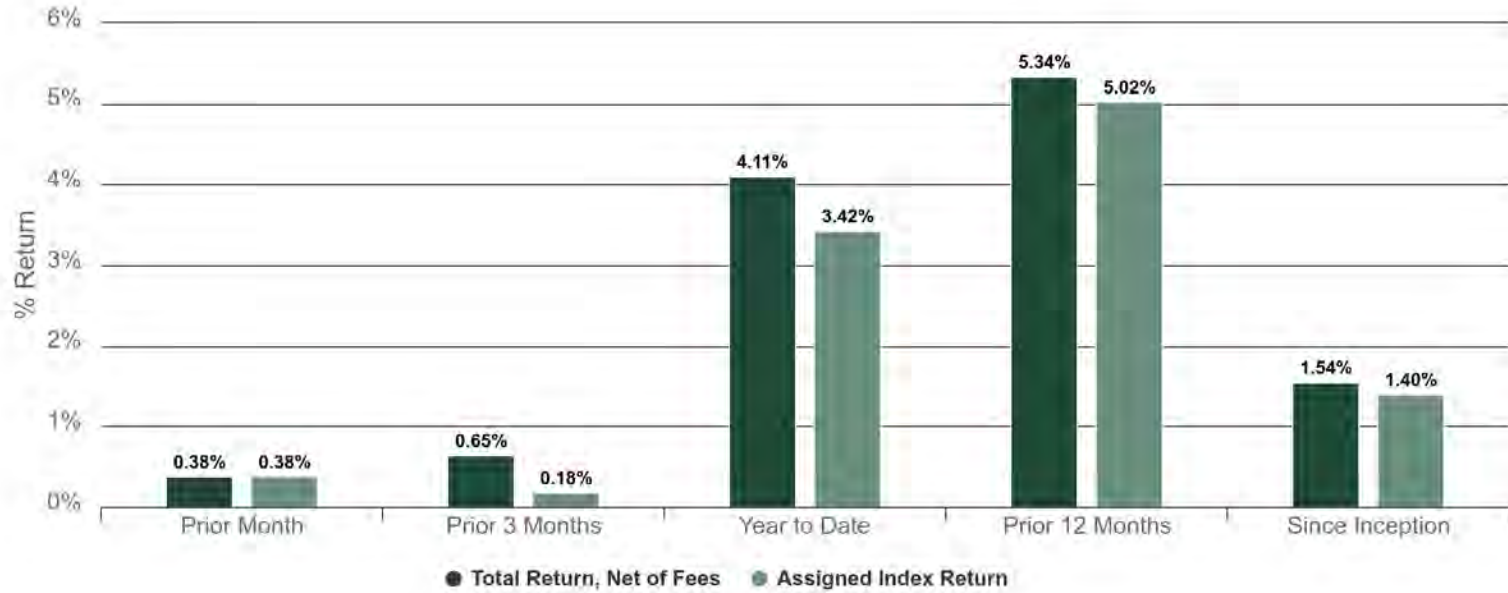
Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
REPURCHASE AGREEMENTS				
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	3.9	Compliant	
Max % Issuer (MV)	10.0	2.1	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	44.2	Compliant	
Max Maturity (Years)	5	2	Compliant	

Net of Fees Performance

As of 12/31/2024

Walnut Valley WD (331583)

Dated: 01/13/2025



Period	Period Begin	Period End	Total Return, Net of Fees	Assigned Index Return
Prior Month	11/01/2024	11/30/2024	0.38%	0.38%
Prior 3 Months	09/01/2024	11/30/2024	0.65%	0.18%
Year to Date	01/01/2024	12/31/2024	4.11%	3.42%
Prior 12 Months	12/01/2023	11/30/2024	5.34%	5.02%
Since Inception	08/01/2009	12/31/2024	1.54%	1.40%

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

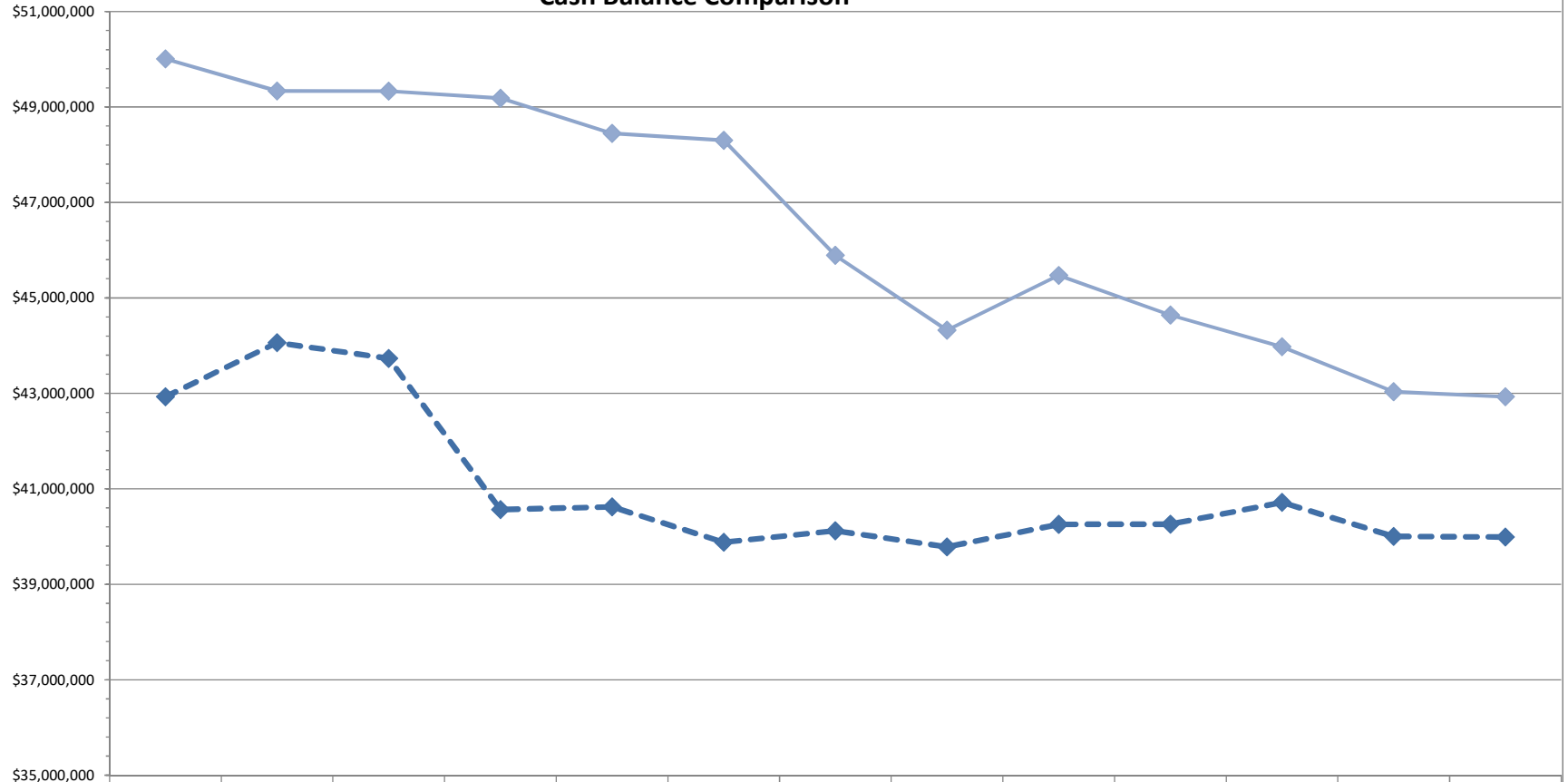
As of 12/31/2024

Walnut Valley WD (331583)

Dated: 01/13/2025

Reported Index Return is always Total Return.

Walnut Valley Water District Cash Balance Comparison



12/2022-12/2023	\$50,007,632	\$49,334,092	\$49,329,596	\$49,184,641	\$48,443,917	\$48,299,033	\$45,889,232	\$44,322,236	\$45,472,657	\$44,639,576	\$43,974,194	\$43,035,525	\$42,927,963
12/2023-12/2024	\$42,927,963	\$44,061,272	\$43,732,980	\$40,564,843	\$40,620,672	\$39,879,541	\$40,118,644	\$39,783,678	\$40,253,724	\$40,258,383	\$40,716,785	\$40,002,785	\$39,988,967

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

Bond Proceeds	\$	19,940,487.80
Disbursements:		
<u>Cost of Issuance</u>		
Fieldmann, Rolapp & Associates (Financial Advisors)	\$	(26,270.57)
Hawkins, Delafield & Wood, LLP. (Bond Counsel)		(45,000.00)
Union Bank, N.A. (Trustee)		(3,708.00)
Standard & Poor's Rating Services (Credit Rating)		(17,000.00)
Image Master (Official Statement)		(3,158.31)
Hawkins Delafield & Wood (Bond Counsel)		(1,743.31)
		(96,880.19)
<u>Projects</u>		
Puente Basin Water Agency - Pomona Basin ¹		(2,052,008.87)
Puente Basin Water Agency - LHHCWWD Project ¹		(350,566.00)
Puente Basin Water Agency - CDWC Project ¹		(4,090,549.30)
Puente Basin Water Agency - Pathfinder Project ⁴		-
Administration Headquarters ¹		(9,277,715.28)
Water Rights - Central Basin		(3,630,907.50)
		(19,401,746.95)
<u>Substitute Projects</u>		
Ace Nogales Grade Separation (P#03-2820) ²		(706,545.61)
Ridgeline Pump Station Modifications (P#12-3267) ³		(221,195.68)
30 kw Diesel Portable Generator (P#13-3290) ³		(39,490.70)
		(967,231.99)
Interest Income		526,404.96
Close out of Bond Account		(1,033.63)
Ending Balance of Bond Funds	\$	(0.00)

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

Walnut Valley Water District
 Revenue Bond - East West Bank
 December 31, 2024

Beginning Balance of Bonds	\$	1,032.95
Receipts:		
Interest Income		0.68
Disbursements:		
PBWA - Pomona Basin Project		
PBWA - Cal Domestic Project	-	
PBWA - Pathfinder Project	-	
Administration Headquarters		
	\$	-
Close out of Bond Account	\$	(1,033.63)
Ending Balance of Bond Funds	\$	0.00

Walnut Valley Water District
Revenue Bond - Held at US Bank
Life to Date
December 31, 2024

Bond Proceeds	\$	33,176,590.01
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Disbursements:

Cost of Issuance

Urban Futures (Financial Advisors)	\$	(51,250.00)	
US Bank (Trustee)	\$	(7,200.00)	
Stradling Yocca Carlson and Rauth (Bond Counsel)		(71,500.00)	
Ava Communications Inc (Official Statement)		(1,450.00)	
Standard & Poor's Rating Services (Credit Rating)		<u>(31,500.00)</u>	
			(162,900.00)

Projects

Administration Headquarters Phase 1		(1,519,679.78)	
Administration Headquarters Phase 2		<u>(1,519,679.78)</u>	
			(1,519,679.78)

Interest Income		508,108.16
Prepayment of Interest		295,370.59
Interest Expense		(620,448.87)

Ending Balance of Bond Funds	\$	<u><u>31,677,040.11</u></u>
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Walnut Valley Water District
Revenue Bond - Held at US Bank
December 31, 2024

Beginning Balance of Bonds		\$ 32,210,354.63
Receipts:		
Interest Income		87,134.35
Disbursements:		
Cost of Issuance	-	
Administration Headquarters Phase 1		
Administration Headquarters Phase 2	0.00	
Interest Expense	(620,448.87)	
	<hr/>	(620,448.87)
Ending Balance of Bond Funds		<hr/> <u>\$ 31,677,040.11</u>

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Operations
DATE: January 21, 2025
SUBJECT: Declaration of Surplus Property

Action/Discussion
 Fiscal Impact
 Resolution
 Information Only

Recommendation

The Board of Directors declare the list of fully depreciated vehicles and equipment below as surplus property and dispose of the vehicles in accordance with District policy.

Background Information

The District’s surplus property policy states:

The General Manager shall periodically review District property requirements. For property of the District found to be obsolete, non-functional, or is no longer necessary for District purposes, the General Manager shall advise the Board of the property, its condition, approximate value, and the intent to dispose of the property. The Board may then find and declare the property surplus to the needs of the District and the General Manager may dispose of it, as he or she shall reasonably determine, in accordance with the methods as set forth hereafter.

List of District vehicles and equipment replaced in the fleet per replacement schedule:

Vehicle/ Equipment	Mileage	Notes
Vehicle 50 – 2016 Ford F-150	70 K	Approximate value: \$5,000- \$7,000 Fair condition
Vehicle 51 – 2016 Ford F-150	68 K	Approximate value: \$5,000- \$7,000 Fair condition
Vehicle 54 – 2017 Ford F-150	88 K	Approximate value: \$5,000- \$7,000 Fair condition
Arrow board 106 - 2002 Arolite	N/A	Approximate value: \$200- \$500 Fair condition
Quadient Postage Machine	N/A	Approximate value: \$500- \$1,000 Obsolete

Staff recommends the Board of Directors declare the vehicles and equipment referenced above as “surplus property” and authorize the General Manager to dispose of this property in accordance with District Surplus Property policy.

December 2024 Operations Report



Field Customer Service

Type of Completed Service Order	Dec-24	FY Total	Monthly Avg	% of Total
Get Read/Verify Read	292	1439	240	22.9%
Customer Transfer	143	1174	196	18.7%
Meter Repair	155	801	134	12.8%
Delinquent Turn Off	103	652	109	10.4%
Delinquent Reconnection	95	635	106	10.1%
Leak Inspection	41	387	65	6.2%
Customer Leak Inspection - Beacon	8	137	23	2.2%
Customer Leak Follow Up	16	131	22	2.1%
Customer Requested Turn On/Off for Repair	22	124	21	2.0%
After Hours	24	89	15	1.4%
Other	85	703	117	11.2%
Total	984	6272	1045	

Underground Service Alerts

USAs Processed	Dec	FY Total	Monthly Avg
Marked	87	662	110
No Marks Required	479	2735	547
Total	566	3397	566



Water Distribution System Maintenance

Maintenance Type	Dec	FY Total	Monthly Avg
Valves	60	297	50
Fire Hydrants	31	93	16
Blow Offs	10	37	6
Air Vacs	10	61	10
Fire Hydrants Painted	144	778	130
Blow Offs Painted	22	176	29
Air Vacs Painted	5	131	22



December 2024 Operations Report (cont.)



Water System Repairs

The Field Team performed 17 excavations to complete water system repairs in December and responded to 1 sheared fire hydrant event. The table below provides dates and locations of the work events:

Board Division	Work Date	Address	City	Repair Type
Division 1	12/9/2024	215 Ridgemont Ln.	Walnut	Service Line & Saddle Replacement
Division 1	12/13/2024	20437 Loyalton Dr.	Walnut	Service Line Replacement
Division 1	12/22/2024	20945 Gartel Dr.	Walnut	Main Repair
Division 1	12/30/2024	21932 Sorrel Ct.	Walnut	Service Line Replacement
Division 2	12/3/2024	625 Acolito Place	Diamond Bar	Service Line Replacement
Division 2	12/8/2024	Golden Springs & Sunset Crossing	Diamond Bar	Sheared Fire Hydrant
Division 3	12/2/2024	21233 Chirping Sparrow Rd.	Diamond Bar	Service Line Replacement
Division 3	12/31/2024	24039 Lodge Pole Rd.	Diamond Bar	Service Line & Saddle Replacement
Division 4	12/10/2024	19240 Aguiro St.	Rowland Heights	Service Line Replacement
Division 4	12/11/2024	2233 Alexdale Ln.	Rowland Heights	Service Line Replacement
Division 4	12/12/2024	19710 Reedview Dr.	Rowland Heights	Service Line & Saddle Replacement
Division 4	12/23/2024	19514 Cronin Dr.	Rowland Heights	Service Line Replacement
Division 5	12/5/2024	20957 Currier Rd.	Walnut	Service Line Replacement
Division 5	12/16/2024	S. Brea Canyon Rd. 500'south of Diamond Crest Ln.	Diamond Bar	Air Vac Line Replacement
Division 5	12/18/2024	821 Windwood Dr.	Diamond Bar	Service Line Replacement
Division 5	12/19/2024	19144 E San Jose Ave.	Rowland Heights	Service Line Replacement
Division 5	12/24/2024	875 Fairway Dr.	Walnut	Fire Service Line Repair
Division 5	12/31/2024	321 N Palo Cedro Dr.	Diamond Bar	Service Line Replacement

December 2024 Operations Report (cont.)



Water System Repairs

Monthly Totals

Type of Repair	Oct	Nov	Dec	Qtr Totals
Angle Meter Stop Replacement	6	5	3	14
Meter Setter Replacement	7	1	3	11
Service Line Replacement	3	6	12	21
Service Line & Saddle Replacement		4	3	7
Main Repair	1	1	1	3
Main Replacement	1	1	1	3
Valve Replacement		1		1
Sheared Fire Hydrant	3	3	1	7
Total	21	22	24	67

Fire Service Lateral Repair at 875 Fairway Dr., Walnut on December 24th



December 2024 Operations Report (cont.)



Water System Repairs

Main Repair of Easement Line from Gartel Drive to Silver Valley Trail in Walnut



321 N Palo Cedro Dr.



24039 Lodge Pole Rd.



821 Winwood Dr.



Service Line Replacement for 20957 Currier Rd. In Walnut



December 2024 Operations Report (cont.)



Production & Water Quality

130 bacteriological samples and 26 general physical samples were collected from the distribution system to comply with the Total Coliform Rule. The bacteriological samples were analyzed at District's lab and all results were within standards.

The Production Team also collected 18 samples from its purchased water connections as part of its Disinfection Byproducts monitoring program.

There was 1 water quality complaint this month that was investigated and resolved by the Production Team. The Production Team submitted 5 compliance reports to State Water Board Division of Drinking Water.



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	July	August	September	October	November	December	FY Average
Average Disinfectant Residual (ppm)	2.23	2.39	2.44	2.32	2.14	2.41	2.32
Average Nitrite Level (ppm)	0.033	0.029	0.023	0.021	0.022	0.010	0.023
Hypochlorite Delivered (gal)	5742	4473	4848	3345	3811	3040	4210
Ammonium Sulfate Delivered (gal)	335	950	895	1172	1026	0	730
No. of Manual Tank Dosings	12	17	12	15	15	10	14

The Production Team operated the potable water system facilities to meet an average daily demand of 14.5 million gallons a day (MGD). The maximum day demand was 18.7 MGD on December 19th.

Other notable work performed by the Production Team:

- Badillo Grand transmission line meter calibrations
- Ridgeline Tank B interior cleaning/maintenance (in progress)
- Addressed issues with reservoir mixers at Pathfinder and Ridgeline
- 3 team members participated in Cla-Val (pressure control valve) two-day training program
- Monthly Puente Basin well level monitoring (6 wells)



December 2024 Operations Report (cont.)



General Services

The General Services team performed over 130 tasks related to the maintenance of facilities and the District's fleet.

Type of Work Completed	Dec		CY Total	Monthly Avg
General Services Miscellaneous Tasks	113		1626	136
General Building Maintenance	3		57	5
Warehouse Maintenance	2		36	3
Fleet Maintenance	8		83	7
Equipment Maintenance & Repairs	1		25	2
Site Irrigation Leak Repairs	3		60	5
Site Tree Maintenance	2		13	1
Site Miscellaneous Repairs	1		21	2
Inventory Movement	350		4812	401
Total	483		6733	562

Notable work completed this month included easement landscape maintenance to access and inspect 5 critical easement waterlines and appurtenances.



Spadra Easement



Eastgate Easement



Summitridge Easement



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION WATER USE DISTRIBUTION & BILLING NOVEMBER 2024

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	281.634	18.571%
Walnut	892.510	58.852%
Rowland	342.394	22.577%
LaVerne	-	0.000%
TOTAL	1,516.538	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	379.10	25.040%
TVMWD	1,134.90	74.960%
LaVerne	-	0.000%
Total	1,514.000	100.000%
PWR	1,516.538	
Difference	(2.538)	

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)
				25.040%	74.960%	0.000%	100.000%
Pomona	281.634	(0.471)	281.163	281.2	70.4	210.8	281.2
Walnut	892.510	(1.494)	891.016	891.0	223.1	667.9	891.0
Rowland	342.394	(0.573)	341.821	341.8	85.6	256.2	341.8
LaVerne	-	-	-	-	-	-	-
TOTAL	1,516.538	(2.538)	1,514.000	1,514.0	379.1	1,134.9	1,514.0

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	70.4	210.8							101.6	
	Allocation %			30.43%	52.00%	22.40%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 88,988.25	\$ 266,401.37	\$ 7,469.60	\$ 3,949.19	\$ 1,672.55	\$ -	\$ -	\$ -	\$ (10,160.00)	\$ 358,320.96
Walnut Valley Water District	Cons. (AF)	223.1	667.9							-	
	Allocation %			43.48%	28.00%	47.69%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 282,007.50	\$ 844,237.16	\$ 10,672.96	\$ 2,126.49	\$ 3,560.89	\$ -	\$ -	\$ -	\$ -	\$ 1,142,605.00
Rowland Water District	Cons. (AF)	85.6	256.2							-	
	Allocation %			26.09%	20.00%	29.91%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 108,186.64	\$ 323,875.07	\$ 6,404.27	\$ 1,518.92	\$ 2,233.30	\$ -	\$ -	\$ -	\$ -	\$ 442,218.20
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (A.F.)		379.1	1,134.9								1,514.0
Total (\$)		\$ 479,182.39	\$ 1,434,513.60	\$ 24,546.83	\$ 7,594.60	\$ 7,466.74	\$ -	\$ -	\$ -	\$ (10,160.00)	\$ 1,943,144.16

February 2025



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4 6:30 PM Diamond Bar City Council Meeting	5 8AM TVMWD Board Meeting	6 8AM PBWA Meeting	7	8
9	10 4PM Public Info Committee 4:30 PM Finance Committee	11 4PM Engineering Committee 4:30 PM Personnel Committee	12 7PM Walnut City Council Meeting	13 4PM P-W-R Meeting	14	15
16  President's Day - District Closed	17	18 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	19 8AM TVMWD Board Meeting	20 4PM WVWD Workshop Meeting	21	22
23	24	25	26 7PM Walnut City Council Meeting	27	28	1
2	3	Notes				

March 2025



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
23	24	25	26	27	28	1
2	3 3:30PM SPADRA Executive Committee Meeting	4 6:30 PM Diamond Bar City Council Meeting	5 8AM TVMWD Board Meeting	6	7	8
9	10 4PM Public Info Committee 4:30 PM Finance Committee	11 4 PM Engineering Committee 4:30 PM Personnel Committee	12 7PM Walnut City Council Meeting	13	14	15
16	17 5PM WVWD Board Meeting	18 6:30 PM Diamond Bar City Council Meeting	19 8AM TVMWD Board Meeting	20 4PM WVWD Workshop Meeting	21	22
23	24	25	26 7PM Walnut City Council Meeting	27	28	29
30	31	Notes				

April 2025



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	1 6:30 PM Diamond Bar City Council Meeting	2 8AM TVMWD Board Meeting	3 8AM PBWA Meeting	4	5
6	7	8	9 7PM Walnut City Council Meeting	10	11	12
13	14 4PM Public Info Committee 4:30 PM Finance Committee	15 4PM Engineering Committee 4:30 PM Personnel Committee 6:30PM Diamond Bar City Council Meeting	16 8AM TVMWD Board Meeting	17	18	19
20	21 5PM WVWD Board Meeting	22	23 7PM Walnut City Council Meeting	24 4PM WVWD Workshop Meeting	25	26
27	28	29	30	1	2	3
4	5	Notes				

**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
January 21, 2025**

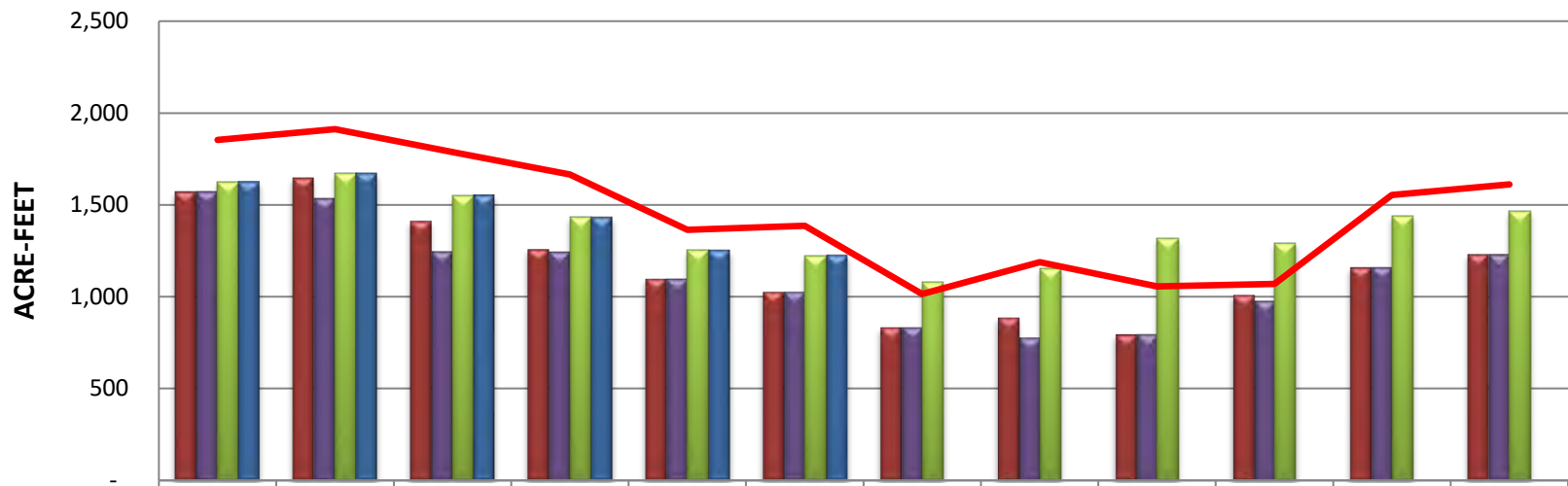


A	<p><u>Water Use</u> – Water usage for December 2024 was 1,225.07 acre-feet, a decrease of 11.67% compared to December 2020 and a decrease of 12.57% from December 2013. The average inflow into the system during the month was approximately 20.62 cfs (9,257.31 gallons per minute).</p>	Exhibits
B	<p><u>Recycled Water Use</u> – During the month of December the recycled water system delivered 1,658,846.84 G.P.D., an increase of 88.17% compared to the use in December 2023. Of the recycled water delivered, 70.29% was from the District wells and no potable make-up water was used.</p>	
C	<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) 	

WALNUT VALLEY WATER DISTRICT
Fiscal Year 2024-2025 Purchased Water Estimate

Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
July	1,624	1,573	1,573	1,624	1,596	2,149	1,854
August	1,671	1,647	1,535	1,671	1,618	2,309	1,912
September	1,551	1,412	1,245	1,551	1,403	2,064	1,787
October	1,432	1,258	1,245	1,432	1,311	1,858	1,665
November	1,252	1,097	1,097	1,252	1,164	1,569	1,364
December	1,225	1,025	1,025	1,225	1,105	1,401	1,387
January	-	832	832	1,077	946	1,156	1,015
February	-	886	776	1,156	939	1,123	1,188
March	-	795	795	1,316	985	1,496	1,056
April	-	1,008	976	1,293	1,092	1,700	1,070
May	-	1,159	1,159	1,442	1,266	1,904	1,554
June	-	1,230	1,230	1,463	1,349	2,082	1,611
Total	8,757	13,921	13,488	16,502	14,775	20,810	17,461
Remaining Projected Purchases		5,910	5,768	7,745	6,578		
Total Projected Purchases		14,667	14,525	16,502	15,335		

Fiscal Year 2024-2025 Purchased Water



	July	August	September	October	November	December	January	February	March	April	May	June
Budget	1,573	1,647	1,412	1,258	1,097	1,025	832	886	795	1,008	1,159	1,230
Low	1,573	1,535	1,245	1,245	1,097	1,025	832	776	795	976	1,159	1,230
High	1,624	1,671	1,551	1,432	1,252	1,225	1,077	1,156	1,316	1,293	1,442	1,463
FY 24-25	1,624	1,671	1,551	1,432	1,252	1,225	-	-	-	-	-	-
2020	1,854	1,912	1,787	1,665	1,364	1,387	1,015	1,188	1,056	1,070	1,554	1,611

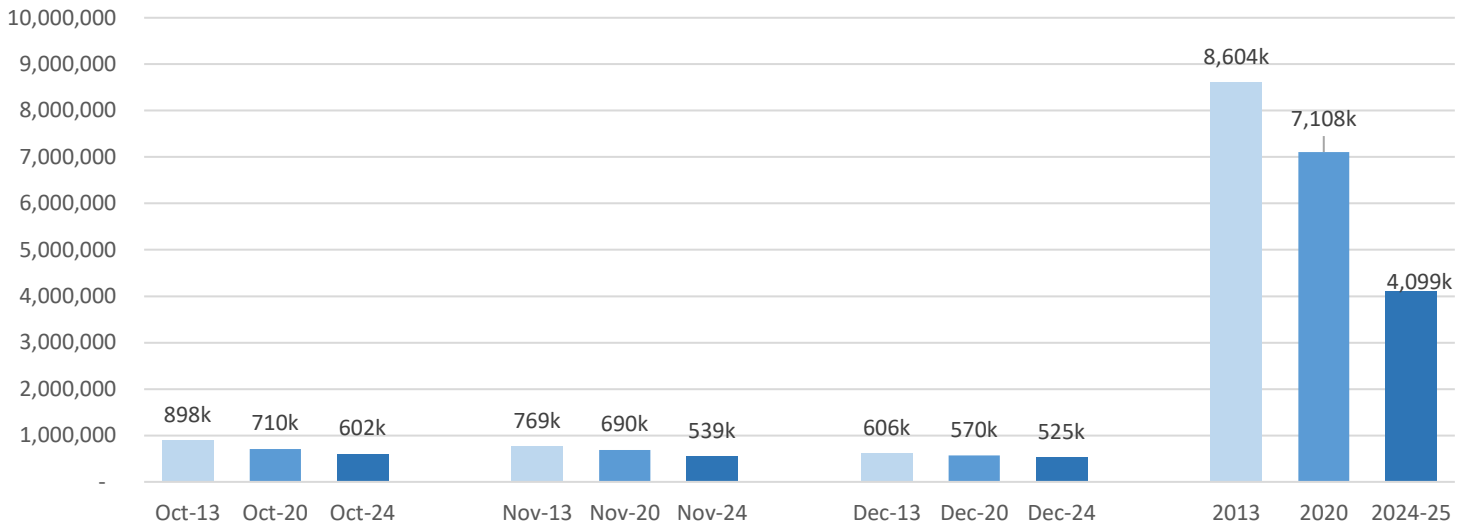
Walnut Valley Water District
 Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
User Class	October					November					December					YTD (FY 23-24)				
	Oct-13	Oct-20	Oct-24	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-24	Change	% Change	Dec-13	Dec-20	Dec-24	Change	% Change	2013 YTD	2020 YTD	FY 23-24	% Change 2013	% Change 2020
COG	54,851	40,245	36,076	-34%	-10%	45,006	30,560	31,308	(13,698)	-30%	33,742	20,445	25,143	(8,599)	-25%	287,285	207,975	205,684	-28%	-1%
COM	95,658	71,070	69,248	-28%	-3%	89,223	70,581	64,123	(25,100)	-28%	69,595	57,748	57,007	(12,588)	-18%	539,798	408,122	399,460	-26%	-2%
IND	13,214	11,587	8,409	-36%	-27%	13,714	10,071	7,650	(6,064)	-44%	12,022	8,446	7,050	(4,972)	-41%	77,590	60,118	46,512	-40%	-23%
MUL	80,692	74,198	69,274	-14%	-7%	75,248	73,966	64,818	(10,430)	-14%	61,002	62,178	60,963	(39)	0%	456,871	435,981	400,237	-12%	-8%
RES	654,001	513,332	419,131	-36%	-18%	546,052	504,668	370,972	(175,080)	-32%	429,303	420,842	374,518	(54,785)	-13%	3,569,314	3,097,434	2,530,170	-29%	-18%
	898,416	710,432	602,138	-33%	-15%	769,243	689,846	538,871	(230,372)	-30%	605,664	569,659	524,681	(80,983)	-13%	4,930,858	4,209,630	3,582,063	-27%	-15%
IRRIGATION																				
User Class	IRRIGATION					IRRIGATION					IRRIGATION					YTD IRRIGATION				
	Oct-13	Oct-20	Oct-24	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-24	Change	% Change	Dec-13	Dec-20	Dec-24	Change	% Change	2013 YTD	2020 YTD	FY 23-24	% Change 2013	% Change 2020
COG	33,685	28,134	22,967	-32%	-18%	28,767	21,607	137,926	109,159	379%	20,529	14,125	19,872	(657)	-3%	184,548	149,244	255,929	39%	71%
COM	33,660	28,832	22,587	-33%	-22%	28,388	27,214	156,576	128,188	452%	18,794	19,517	18,112	(682)	-4%	172,898	161,013	265,764	54%	65%
IND	2,072	2,042	1,157	-44%	-43%	2,204	145	11,071	8,867	402%	1,320	837	1,281	(39)	-3%	12,004	7,958	16,765	40%	111%
RES	321	216	156	-51%	-28%	271	85	1,228	957	353%	258	110	129	(129)	-50%	1,777	900	1,941	9%	116%
	69,738	59,224	46,867	-33%	-21%	59,630	49,051	306,801	247,171	415%	40,901	34,589	39,394	(1,507)	-4%	371,227	319,115	540,399	46%	69%
RESIDENTIAL																				
Residential	RESIDENTIAL				RESIDENTIAL				RESIDENTIAL				YTD RESIDENTIAL							
	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total
2013	277,665	277,554	98,782	654,001	267,823	216,199	62,030	546,052	250,744	142,104	36,455	429,303	1,629,171	1,470,206	469,937	3,569,314				
2020	208,520	252,498	52,314	513,332	208,727	244,479	51,462	504,668	202,118	187,874	30,850	420,842	1,251,395	1,526,787	319,252	3,097,434				
FY 24-25	197,883	186,927	34,321	419,131	192,550	154,046	24,377	370,973	194,628	156,381	23,511	374,520	1,187,710	1,137,104	205,359	2,530,173				
% Change 2013	-29%	-33%	-65%	-36%	-28%	-29%	-61%	-32%	-22%	10%	-36%	-13%	-27%	-23%	-56%	-29%				
% Change 2020	-5%	-26%	-34%	-18%	-8%	-37%	-53%	-26%	-4%	-17%	-24%	-11%	-5%	-26%	-36%	-18%				

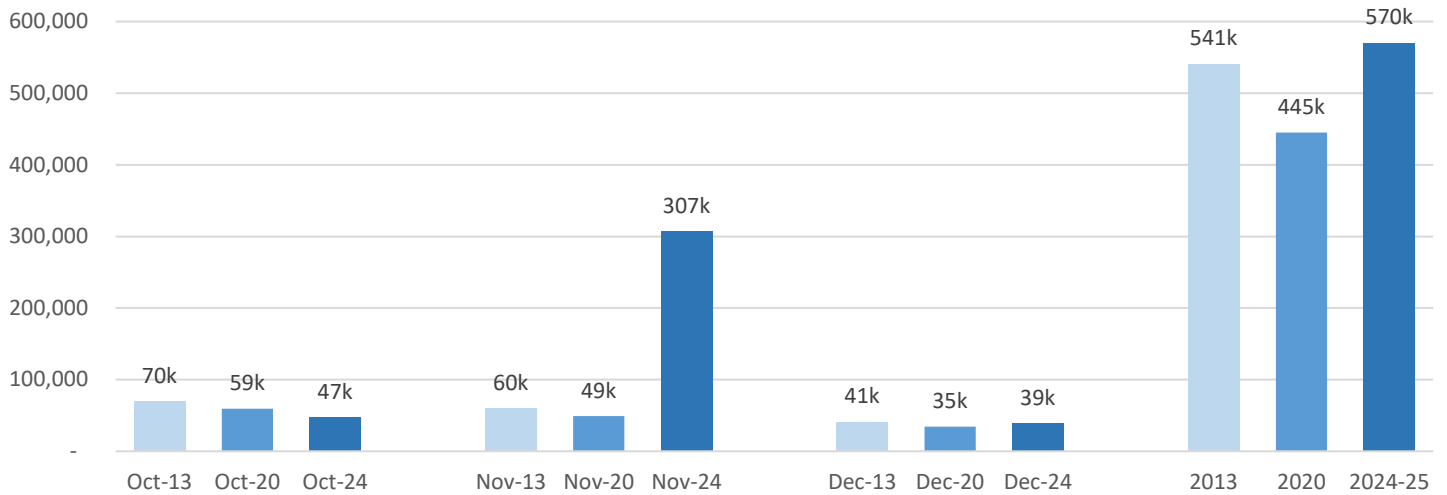
Water Purchases				
	October	November	December	Total
2013	2,308.73	1,569.13	1,401.17	9,651.36
2020	1,912.15	1,363.83	1,386.99	8,361.87
FY 24-25	1,432.01	1,252.42	1,225.07	7,135.19
% Change 2013	-38%	-20%	-13%	-123%
% Change 2020	-25%	-8%	-12%	(0.71)

WALNUT VALLEY WATER DISTRICT
CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE

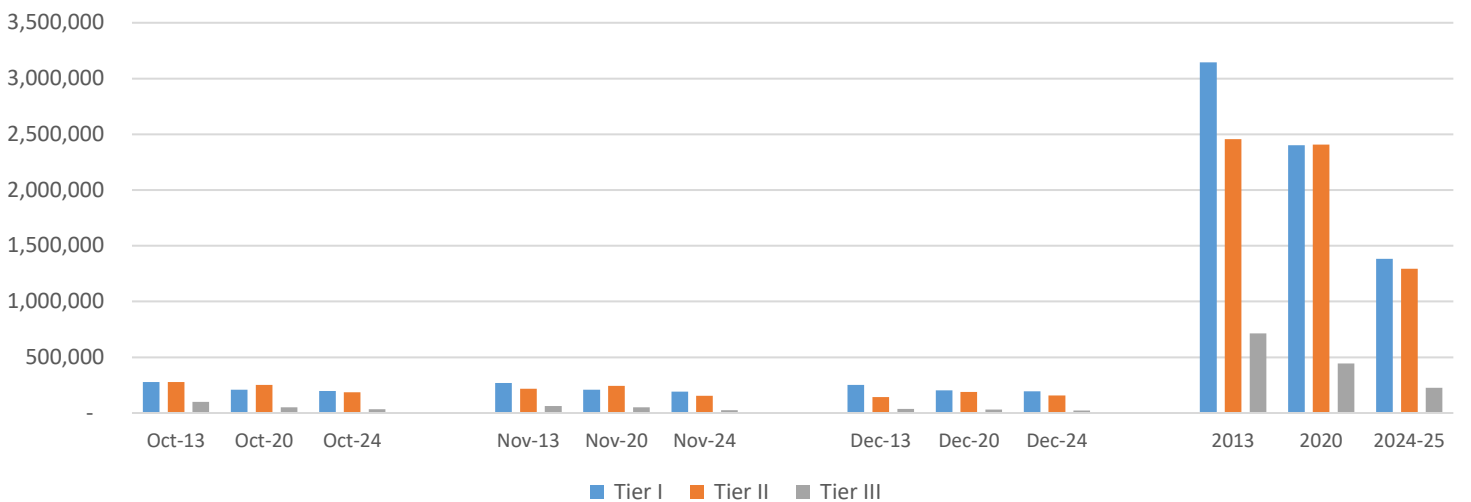
YTD Consumption Versus 2013 & 2020 Baseline



Irrigation Consumption Versus 2013 & 2020 Baseline



Residential Tiers Versus 2013 & 2020 Baseline



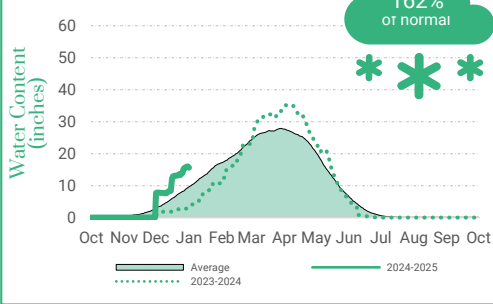


The Metropolitan Water District of Southern California's Water Supply Conditions Report (WSCR)

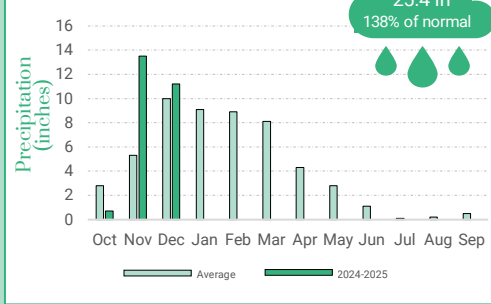
Water Year 2024-2025
As of: 01/01/2025

State Water Project

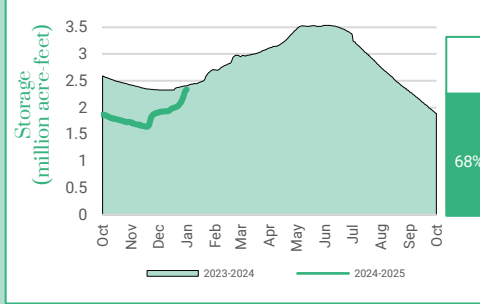
Northern Sierra Snow



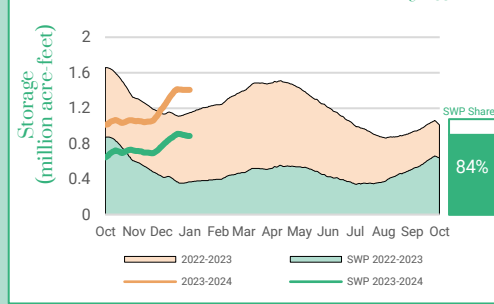
8 Station Index Rain



Lake Oroville

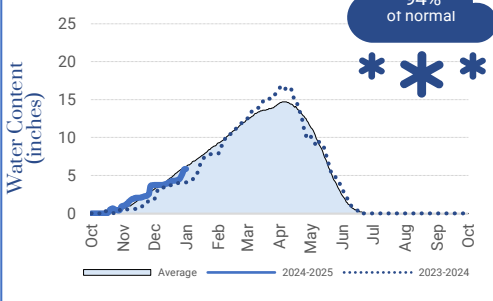


San Luis Reservoir

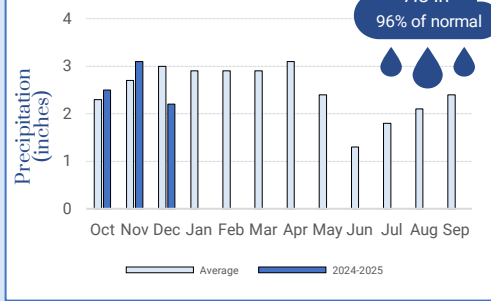


Colorado River

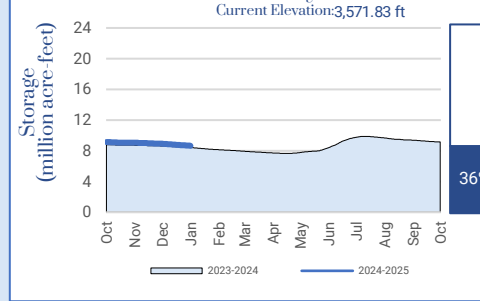
Colorado River Basin Snow



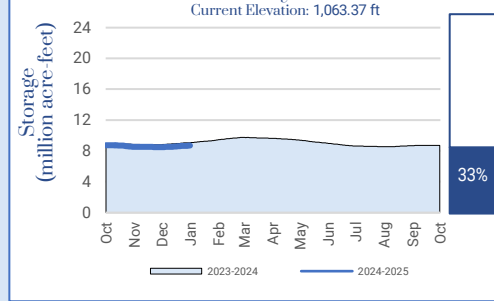
Colorado River Basin Rain



Lake Powell

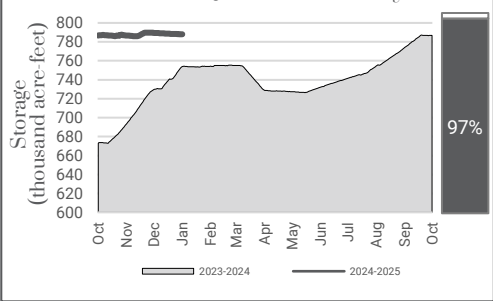


Lake Mead

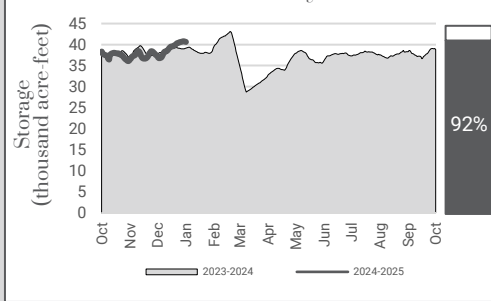


Metropolitan

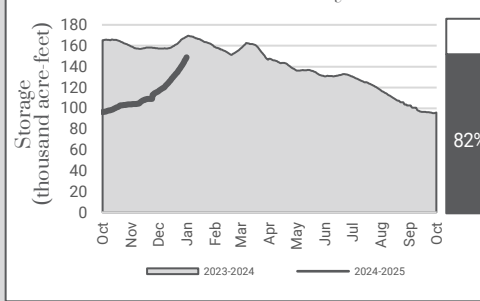
Diamond Valley Lake



Lake Skinner



Lake Mathews



Learn about Metropolitan Infrastructure

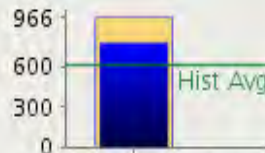
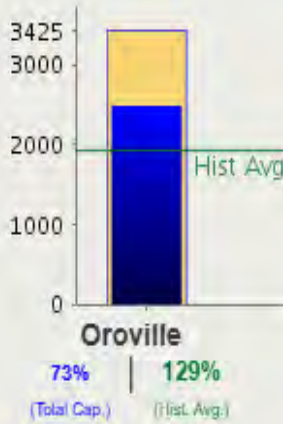
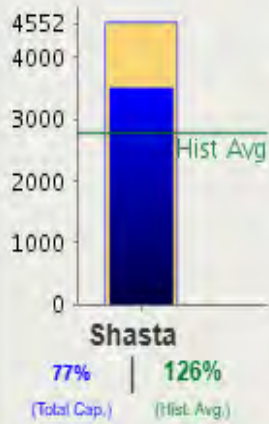


This report is produced by the Imported Supply Unit staff (mferreira at mwdh2o.com) and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information.

CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:12-JAN-2025

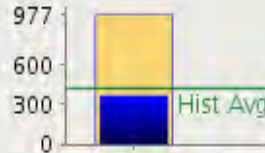
Data as of Midnight: 12-Jan-2025

Change Date:



New Bullards Bar

80% | 126%
(Total Cap.) | (Hist. Avg.)



Folsom

38% | 88%
(Total Cap.) | (Hist. Avg.)

Data from: 01/09



Camanche

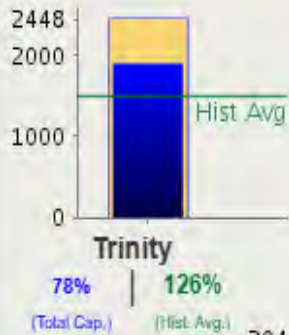
73% | 122%
(Total Cap.) | (Hist. Avg.)

LEGEND

Blue Bar: Storage level for date
Gold Bar: Total reservoir capacity
Green Line: Historic level for date.

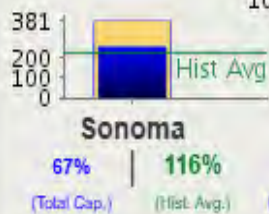
Capacity (TAF) } Historical Avg Mark

% of Capacity | % Hist. Avg.
 (Click res. 3 char. code for details)



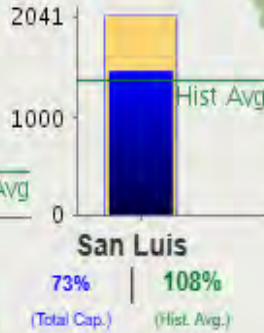
Trinity

78% | 126%
(Total Cap.) | (Hist. Avg.)



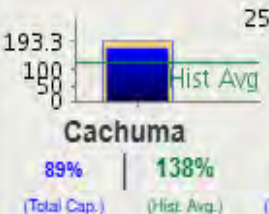
Sonoma

67% | 116%
(Total Cap.) | (Hist. Avg.)



San Luis

73% | 108%
(Total Cap.) | (Hist. Avg.)



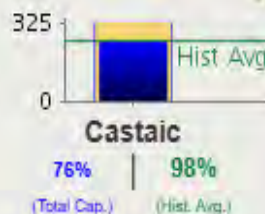
Cachuma

89% | 138%
(Total Cap.) | (Hist. Avg.)



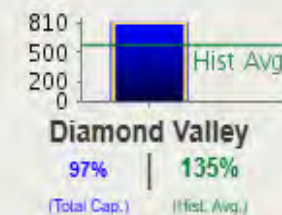
Casitas

96% | 124%
(Total Cap.) | (Hist. Avg.)



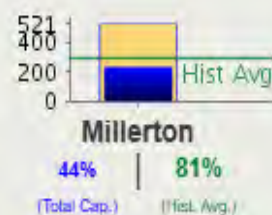
Castaic

76% | 98%
(Total Cap.) | (Hist. Avg.)



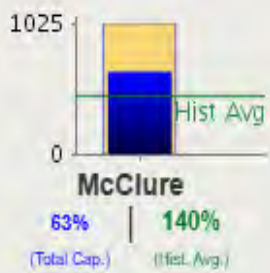
Diamond Valley

97% | 135%
(Total Cap.) | (Hist. Avg.)



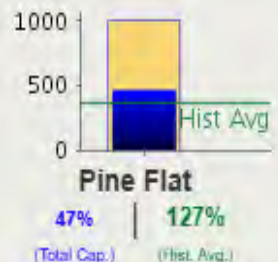
Millerton

44% | 81%
(Total Cap.) | (Hist. Avg.)



McClure

63% | 140%
(Total Cap.) | (Hist. Avg.)



Pine Flat

47% | 127%
(Total Cap.) | (Hist. Avg.)



[Click for printable version of current data.](#)

Report Generated: 13-Jan-2025 2:56 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: January 21, 2025
SUBJECT: Revise 2025 Board and Workshop Meeting Dates

Action/Discussion
 Fiscal Impact
 Resolution
 Information Only

Recommendation

That the Board of Directors consider revising and approving the following proposed list of 2025 Board meeting and Workshop dates. The revision pertains to the May Board and Workshop Meeting to allow the Board and Staff members to attend the 2025 Spring ACWA Conference.

Month	Board Meeting Date	Workshop Date
January	Tuesday, January 21	Thursday, January 23
February	Tuesday, February 18	Thursday, February 20
March	Monday, March 17	Thursday, March 20
April	Monday, April 21	Thursday, April 24
May	Monday, May 19	Thursday, May 22
June	Monday, June 23	Thursday, June 26
July	Monday, July 21	None scheduled
August	Monday, August 18	Thursday, August 21
September	Monday, September 15	Thursday, September 18
October	Monday, October 20	Thursday, October 23
November	Monday, November 10	Thursday, November 13
December	Monday, December 15	<i>To be Determined</i>

Please note that this schedule is subject to change at the Board’s discretion and in accordance with the Brown Act.

Regular Board meetings are scheduled to commence at 5:00 p.m., and Workshops generally start at 4:00 p.m., unless otherwise specified.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 21, 2025
SUBJECT: Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2025

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That President Kwong appoints District representatives to commission and agency assignments for the calendar year 2025.

Background Information

At the December 16, 2024 Board meeting, the Board approved the 2025 Standing Committee assignments and deferred approval of the commission/agency assignments to the January 21, 2025 Board meeting. The Board was asked to advise Director Kwong of their interest in serving as District representatives on the commissions and agencies listed on the attached list.

The roster of the 2024 composition of Commission/Agency assignments is attached for President Kwong's consideration.

Attachment as noted



Commission/Agency Assignments

Position	2024
Joint Water Line Commissioner*	Scarlett Kwong
Joint Water Line Commissioner – Alternate*	Edwin Hilden
Puente Basin Water Agency Representative*	Theresa Lee
Puente Basin Water Agency Representative*	Henry Woo
Puente Basin Water Agency Representative – Alternate*	Scarlett Kwong
TVMWD Representative	Edwin Hilden
TVMWD Representative – Alternate	Henry Woo
JPIA Board Member	Theresa Lee
JPIA Board Member – Alternate	Edwin Hilden
JPIA Property Program Committee Member	Theresa Lee
ACWA Voting Delegate	Edwin Hilden
ACWA Voting Delegate – Alternate	Henry Woo
ACWA Region 8 Delegate	Theresa Lee
ACWA Region 8 Delegate – Alternate	Henry Woo
Regional Chamber Representative	Scarlett Kwong
Regional Chamber Representative – Alternate	Edwin Hilden
Spadra Basin Executive Committee Member*	Jerry Tang
Spadra Basin Executive Committee Member—Alternate*	Theresa Lee
Ad Hoc Committee	
Succession Ad Hoc (established August 24, 2023)	Theresa Lee Jerry Tang
New Building Ad Hoc (established August 24, 2023)	Theresa Lee Henry Woo

* *Approved by resolution*

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 21, 2025
SUBJECT: Adoption of Resolution No. 01-25-738 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission

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

Recommendation

That the Board of Directors approve Resolution No. 01-25-738 appointing representatives to the Pomona-Walnut-Rowland (P-W-R) Joint Water Line Commission.

Background Information

To comply with the P-W-R Joint Water Line Commission Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
P-W-R Joint Water Line Commission	One Representative / One Alternate

Following adoption, staff will prepare the resolution for signature by President Kwong and provide copies of the signed resolution to the commission.

Attachments

Resolution No. 01-25-738

RESOLUTION NO. 01-25-738

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE P-W-R JOINT WATER LINE COMMISSION**

WHEREAS, the Walnut Valley Water District is a contracting public agency with a vested interest in the POMONA-WALNUT-ROWLAND (P-W-R) JOINT WATER LINE; and

WHEREAS, the P-W-R Joint Waterline Commission Bylaws provide that the P-W-R JOINT WATER LINE shall be governed by a Commission consisting of three commissioners, and that the governing body of each of the contracting agencies shall annually appoint one representatives to the Commission and one alternate to serve in the absence of the appointed representative; and,

WHEREAS, each contracting public agency must file with the P-W-R JOINT WATER LINE COMMISSION a certified copy of the resolution appointing the Commissioner and Alternate(s);

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION in the absence of the appointed representative.
4. That the representative and the alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the P-W-R JOINT WATER LINE COMMISSION.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT HELD
January 21, 2025.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Scarlett Kwong
President, Board of Directors

ATTEST:

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 21, 2025
SUBJECT: Adoption of Resolution No. 01-25-739 Appointing Representatives to the Puente Basin Water Agency

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

Recommendation

The Board of Directors approve Resolution No. 01-25-739, appointing representatives to the Puente Basin Water Agency (PBWA).

Background Information

To comply with the PBWA Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
Puente Basin Water Agency Commission	Two Representatives / One Alternate

Following adoption, staff will prepare the resolutions for signature by President Kwong and provide copies of the signed resolution to the agency.

Attachments

Resolution No. 01-25-739

RESOLUTION NO. 01-25-739

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE PUENTE BASIN WATER AGENCY**

WHEREAS, the Walnut Valley Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Rowland Water District, (the PBWA Agreement); and,

WHEREAS, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

WHEREAS, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a director on the governing board of the appointing member; and,

WHEREAS, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.
4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD January 21, 2025.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Scarlett Kwong
President, Board of Directors

ATTEST:

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 21, 2025
SUBJECT: Adoption of Resolution No. 01-25-740 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee

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

Recommendation

That the Board of Directors approve Resolution No. 01-24-740, appointing representatives to the Spadra Basin Groundwater Sustainability Agency (GSA) Executive Committee.

Background Information

To comply with the Spadra Basin GSA Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
Spadra Basin GSA Executive Committee	One Representative / One Alternate

Following adoption, staff will prepare the resolution for signature by President Kwong and provide copies of the signed resolution to the respective agency.

Attachments

Resolution No. 01-25-740

RESOLUTION NO. 01-25-740

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING DISTRICT REPRESENTATION ON THE EXECUTIVE COMMITTEE OF THE
SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the Walnut Valley Water District entered into a multiagency agency agreement with the city of Pomona to establish the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY (the "Agency"), through execution of a Memorandum of Agreement dated January 2017, with the city of Pomona (the "Agreement"); and,

WHEREAS, the Agreement provides that the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY shall be governed by a two-member Executive Committee, and that the governing body of each of the members shall annually appoint one representative to the Executive Committee, and the Agency's operating rules will provide for one alternate to be appointed to serve in the absence of the appointed representative; and,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, Director, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve on the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
2. That _____, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve as an Alternate Representative to the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
3. That each of the representative and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
4. That a certified copy of this Resolution shall be provided to the Spadra Basin Groundwater Sustainability Agency.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD January 21, 2025.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Scarlett Kwong
President, Board of Directors

ATTEST:

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