

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 20, 2026 5:00 P.M.

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

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

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

1. Flag Salute
2. Roll Call: Mr. Hilden_____ Ms. Kwong_____ Ms. Lee_____ Mr. Tang_____ Mr. Woo_____
3. Public Comment President Tang

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 Tang

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 Tang

A. Discussion	B. Action Taken
---------------	-----------------

6. Special Recognition
 - A. [Congratulations to Greg Galindo and Dave Rudy for being selected as the Employee of the Quarter.](#)
7. WVWD Team Milestones & Achievements
 - A. [Congratulations to Alejandro Roque for his promotion to Utility Service Lead.](#)
 - B. [Congratulations to Steven Carcano for his promotion to Water Production Operator I.](#)
 - C. [Congratulations to Yesenia Escobar for completing the JPIA Supervisor and Human Resources Program.](#)
 - D. [Congratulations to Trevor Hitchman at being the top driver in December with a safety score of 98.](#)

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

Consent Calendar Notice:

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

- A. [Minutes of the Regular Board Meeting held December 15, 2025](#)
 - B. [Check Register](#)
 - C. [Employee Expense Reimbursement Report](#)
 - D. [Community Outreach Update](#) (Information Only)
 - (1) Discussion
 - (2) Action Taken
9. [Consider Approval of Director Expense Reports](#)

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

 - (1) Discussion
 - (2) Action Taken
10. Treasurer's Report
 - A. [Financial Dashboard as of November 30, 2025](#)
 - B. [District Statement of Revenues, Expenses, and Change in Net Positions as of November 30, 2025](#)
 - C. [District Statement of Net Positions as of November 30, 2025](#)
 - D. [Summary of Cash and Investments as of November 30, 2025](#)
 - (1) Discussion
 - (2) Action Taken

Mr. Ning

COMMITTEE REPORTS

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

11. Public Information/Community Relations/Legislative Action Committee Director Kwong
 - There are no items to come to the Board at this time.
12. Finance Committee Director Lee
 - A. [Budget Meeting Schedule](#) (Information Only)
 - B. [P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin Groundwater Sustainability Agency Audits for Fiscal Year Ending June 30, 2025](#)
 - (1) Discussion
 - (2) Action Taken
 - C. [Receive, Approve, and File the Investment Transactions Report for the Month Ending December 31, 2025](#)
 - (1) Discussion
 - (2) Action Taken
 - D. [Review of Revenue Bonds Held in Trust – US Bank](#) (Information Only)
13. Engineering and Special Projects Director Woo
 - A. [Declaration of Surplus Property](#)
 - (1) Discussion
 - (2) Action Taken
 - B. [Chestnut Hill MCC Replacement \(PN 23-3803\)](#)
 - (1) Discussion
 - (2) Action Taken
 - C. [Purchase of District Vehicles for FY 25-26](#)
 - (1) Discussion
 - (2) Action Taken
 - D. [Acceptance of Work and Notice of Completion for District Headquarters Facility Parking Lot Phase 1A \(P.N. 19-3569-1\)](#)
 - (1) Discussion
 - (2) Action Taken
 - E. [Project Status Report](#) (Information Only)
 - F. [Operations Report](#) (Information Only)
14. Personnel Committee Director Tang
 - A. [Crime Victim Leave Policy Amendments](#)
 - (1) Discussion
 - (2) Action Taken

OTHER ITEMS

15. TVMWD/MWD Director Hilden
16. P-W-R Joint Water Line Commission Mr. Monk
A. [P-W-R JWL Report for Water Purchases for November 2025](#)
B. Other Items
17. Puente Basin Water Agency Director Lee
18. Spadra Basin Groundwater Sustainability Agency Director Tang
19. General Manager's Report Ms. Shaw
A. [District Activities Calendars for February, March, and April 2026](#)
B. [LAFCO Nomination of Candidates for Special District Voting Member](#)
C. Other Items
20. Water Supply and Conservation Ms. Shaw
A. [District Water Supply and Conservation Update](#)
B. [Statewide Water Supply Conditions](#)
21. Directors' Oral Reports All Directors
22. Legal Reports Mr. Ciampa
23. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting
24. Board of Directors Business President Tang
A. [Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2026](#)
(1) Discussion (2) Action Taken
B. [Adoption of Resolution No. 01-26-750 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission](#)
(1) Discussion (2) Action Taken
C. [Adoption of Resolution No. 01-26-751 Appointing Representatives to the Puente Basin Water Agency](#)
(1) Discussion (2) Action Taken
D. [Adoption of Resolution No. 01-26-752 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee](#)
(1) Discussion (2) Action Taken
E. [Authorize Use of On-Call Water System Repair and Construction Services for PRV 1 and PRV 2 Rehabilitation Projects \(P.N. 26-3893 and P.N. 26-3894\)](#)
(1) Discussion (2) Action Taken

F. General Employees Unit Terms and Conditions of Employment-Article 18- Sick Leave Provisions Revision and Mid-Management Terms and Conditions of Employment Section 5- Sick Leave Provision Revision

(1) Discussion

(2) Action Taken

G. Judicial Leave Policy Revision

(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, MMC, 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 15, 2026

Lucie Cazares, CMC, Executive Services Administrator

SPECIAL RECOGNITION



Congratulations to Greg Galindo and Dave Rudy for being selected as Employee of the Quarter!

TEAM MILESTONES & ACHIEVEMENTS PROMOTIONS



Congratulations to
Alejandro Roque for his
promotion to Utility
Service Lead.



Congratulations to
Steven Carcano for his
promotion to Water
Production Operator I



Congratulations to Yesenia Escobar for completing the JPIA Supervisor and Human Resources Certification Program!



Congratulations to Trevor Hitchman for being the top driver last month with a safety score of 98!

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

**December 15, 2025
At Diamond Bar Center, Sycamore Room
1600 Grand Ave, Diamond Bar, CA 91765**

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
Bertha Perez, Director of Engineering
James Ning, Director of Finance
Lily Lopez, Director of External Affairs & Sustainability
Tom Monk, Director of Operations
Lucie Cazares, Executive Services Administrator
Jim Ciampa, Legal Counsel

The meeting was called to order at 5:02 p.m. with President Kwong presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) General Manager Matt Litchfield, Director Jody Roberto, Mike Ti, and CFO Erica Gomez and WVWD employees Monique Fitchett, Fiona Tang and Greg Galindo. Also present were Jordan Chriss, Jonathan Brown and Keegan Gothie of SitelogIQ, and lastly, Chris Brown from C.J. Brown & Company CPAs.

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 Kwong for serving as the 2025 Board President and awarded her an engraved gavel. (Item 6)

Item 7: WVWD Team Milestones and Achievements

- ◆ Ms. Shaw recognized the following employees
 - Darnell Meyers for his promotion to Service Worker II (Item 7-A)
 - Christian Patton for his promotion to Utility Service Lead (Item 7-B)
 - Debby Chu for completing the JPIA Operations Certification Program (Item 7-C).

Item 8: Special Recognition

- ◆ Ms. Shaw recognized Jodi Johnson upon her retirement for her 21 years of dedicated service to the District.

Item 9: Conduct a Public Hearing and Consider Adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ

- ◆ President Kwong opened the public hearing to receive comments regarding the Adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ.

Motion No. 25-12-2242: Upon consideration thereof, it was moved by Director Tang, second by Director Hilden, and carried 4-0 (with Director Lee absent), to open the public hearing to receive comments regarding the Adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ

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

President Kwong indicated Motion No. 25-12-2242 was approved by a 4-0 (with Director Lee absent) vote

- ◆ Jordan Chris from SitelogIQ provided a presentation regarding the proposed implementation plan for integrated energy solutions, including energy generation systems, electric vehicle charging stations, and comprehensive energy management services. The presentation highlighted strategic benefits, operational considerations, and alignment with sustainability goals. No public comments were received.
- ◆ There being no public comments, and the public hearing was completed.

Motion No 25-12-2243: Upon consideration thereof, it was moved by Director Tang, second by Director Hilden, and carried 4-0 (with Director Lee absent), to close the public hearing regarding the approval of the adoption of a Resolution for the Energy Services Master Agreement with SitelogIQ

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

President Kwong indicated Motion No. 22-12-2243 was approved by a 4-0 (with Director Lee absent) vote

- ◆ The Board was asked to adopt the Resolution approving the Energy Services Master Agreement with SitelogIQ

Motion No 25-12-2244: Upon Consideration thereof, it was moved by Director Hilden, second by Director Tang, and carried 4-0 (with Director Lee absent), by roll call vote noted below, to adopt the Resolution approving the Energy Services Master Agreement with SitelogIQ.

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

President Kwong indicated Motion No. 22-12-2244 was approved by a 4-0 (with Director Lee absent) vote

Item 10: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held on November 10, 2025, the Special Board meeting held on November 13, 2025, the Check Register, the Employee Expense Reimbursement Report, and the Community, Outreach Report. (Item 10 A-E)

Motion No. 25-12-2245: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried 4-0 (with Director Lee absent), to approve the Consent Calendar, consisting of the Regular Board meeting held on November 10, 2025, the Special Board meeting held on November 13, 2025, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 10 A-E)

President Kwong indicated Motion No. 22-12-2245 was approved by a 4-0 (with Director Lee absent) vote

Item 11: 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 2025. (Item 11)

Motion No. 25-12-2246: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Woo, 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 2025. (Item 11)

President Kwong indicated Motion No. 25-12-2246 was approved by a 4-0 (with Director Lee absent) vote

Item 12: Treasurer’s Reports

- ◆ Mr. Ning presented the Financial Dashboard as of October 31, 2025, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2025, the District Statement of Net Position as of October 31, 2025, and the Summary of Cash and Investments as of October 31, 2025. (Items 11 - A, B, C, D)

Motion No. 25-12-2247: *Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 (with Director Lee absent) to receive, approve, and file the Financial Dashboard as of October 31, 2025, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2025, the District Statement of Net Position as of October 31, 2025, and the Summary of Cash and Investments as of October 31, 2025. (Items 11 - A, B, C, D)*

President Kwong indicated Motion No. 25-12-2247 was approved by a 4-0 (with Director Lee absent) vote

Committee Chair Reports

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

- ◆ The Board was asked to approve the agreement with Eco Tech Services, Inc. - Project #25-3872 for Leak Repair Program (Item 13)

Motion No. 25-12-2248: *Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo and carried 4-0 (with Director Lee Absent) to approve the agreement with Eco Tech Services, Inc. - Project #25-3872 for Leak Repair Program (Item 13).*

President Kwong indicated Motion No. 25-12-2248 was approved by a 4-0 (with Director Lee absent) vote

Item 14: Finance Committee – Director Tang

- ◆ The Board was asked to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2025. 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 reported that C.J. Brown & Company CPAs issued an Unmodified Opinion on the District’s financial statements, confirming compliance with Generally Accepted Accounting Principles. The audit found no significant deficiencies or material weaknesses in internal controls, no significant or unusual transactions, and no misstatements. (Item 14-A)

Motion No. 25-12-2249: *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 Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2025. (Items 14-A)*

President Kwong indicated Motion No. 25-12-2249 was approved by a 4-0 (with Director Lee absent) vote

- ◆ The Board was asked to approve the adjustments to the City of Industry’s Wheeling Rate, Wholesale Recycled Water Rate, and Potable Makeup Rate effective January 1, 2026, as listed in the Board meeting packet.

Motion No. 25-12-2250: *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 adjustments to the City of Industry’s Wheeling Rate, Wholesale Recycle Water Rate, and Potable Makeup Rate as listed in the Board meeting packet.*

President Kwong indicated Motion No. 25-12-2250 was approved by a 4-0 (with Director Lee absent) vote

- ♦ Mr. Ning reviewed the District's investment transaction report for the period ending November 30, 2025. The Board was then asked to receive, approve, and file the investment transactions report. (Item 14-C)

Motion No. 25-12-2251: Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 (with Director Lee absent), to receive, approve, and file the investment transactions report for the period ending November 30, 2025. (Item 14-C)

President Kwong indicated Motion No. 25-12-2251 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 – US Bank. (Item 14-D)

Item 15: Engineering Committee – Director Woo

- ♦ The Board was asked to authorize the General Manager to enter into agreements with Doty Bros. Construction Company and J. De Sigio Construction, Inc for On-Call Water System Repair and Construction Services. (Item 15-A)

Motion No. 25-12-2252: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong, and carried 4-0 (with Director Lee absent), authorizing the General Manager to enter into agreements with Doty Bros and J. De Sigio, for On-Call Water System Repair and Construction Services. (Item 14-A)

President Kwong indicated Motion No. 25-12-2252 was approved by a 4-0 (with Director Lee absent) vote

- ♦ Ms. Perez reviewed the Project Status Report included in the Board Packet. No action was taken by the Board. (Item 15-B)
- ♦ Mr. Monk reviewed the Operations Report included in the Board Packets. No action was taken by the board. (Item 15-C)

Item 16: Personnel Committee – Director Hilden

- ♦ There are no items to come to the Board at this time. (Item 16)

Item 17: TVMWD/MWD

- ♦ Updates on TVMWD/MWD business matters were provided by TVMWD Director David De Jesus and TVMWD General Manager Matt Litchfield. (Item 17)

Item 18: 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 2025. (Item 17)

Item 19 Puente Basin Water Agency (PBWA)

- ♦ There was no information to report to the Board. (Item 18)

Item 20: Spadra Basin Groundwater Sustainability Agency

- ♦ Director Tang reported that the next Spadra Basin GSA Executive Committee meeting will be on January 5, 2026. (Item 20)

Item 21: General Manager's Report

- ♦ The Board received the District's activities calendars for January, February and March 2026. (Item 21-A)
- ♦ The Board recognized the District for its recent ACWA/JPIA President's Special Recognition Award. (Item 20-B)

Item 22: Water Supply and Conservation

- ♦ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2025 purchased water estimate, conservation goal summary, climate summary, and 2025 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for November 2025 was 30.13% lower than usage in November 2020 and 39.26% lower than usage in November 2013. (Item 22-A)
- ♦ The Board viewed reports on California's water supply and reservoir conditions as of December 8, 2025. (Item 22-B)

Item 23: Directors’ Oral Reports

(NOTE: Board meeting minutes provide written reports of Board meetings, Committee meetings, and District associated activities. Directors may include reports of their participation in non-expense or per diem paid community events as a matter of information.) (Item 23)

- ◆ Director Hilden reported the following on his activities for November: Public Info Meeting, Finance Committee, Engineering Committee, Personnel Committee, TVMWD Board meeting, City’s Veterans Recognition Ceremony, Board Meeting, Workshop, and TVMWD Board Meeting.
- ◆ Director Kwong reported the following on her activities for November: Public Info Committee, Personnel Committee, RCCSGV Government Committee, Board Meeting, Board Workshop, and President’s duty.
- ◆ Director Lee’s written report disclosed the following activities for November: Spadra Basin Executive Committee Meeting, WVWD Finance Committee Meeting, San Dimas Rotary Marine 250 Years Birthday Dinner, WVWD Board Workshop, and West Coast Arborist Tour.
- ◆ Director Tang reported on the following activities for November: WVWD Board Meeting, and WVWD Board Workshop.
- ◆ Director Woo reported on the following activities for November: Public Info Meeting, Finance Committee Meeting, Engineering Committee Meeting, Three Valley Board Meeting, WVWD Board Meeting, Special Board Meeting, and Three Valley Board Meeting.

Item 24: Legal Reports

- ◆ Mr. Ciampa reported on the following matters: (i) the initial State Water Project allocation is ten percent (10%); and (ii) SB 827 was signed into law which adds department heads to the persons who must complete AB 1234 ethics training every two years and adds a new fiscal and financial management training for directors and management personnel that must be initially completed by January 1, 2028. (Item 24)

Item 25: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 25)

Item 26: Board of Directors Business

- ◆ The Board was asked to approve the 2026 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 26-A)

Motion No. 25-12-2253: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Woo, and carried 4-0 (with Director Lee absent), to approve the 2026 Board and Workshop meeting schedule as presented. (Item 25-A)

President Kwong indicated Motion No. 25-12-2253 was approved by a 4-0 (with Director Lee absent) vote

- ◆ Officers were rotated in accordance with the “Board Reorganization Rotation Policy.”
Jerry Tang, President
Henry Woo, First Vice President
Edwin Hilden, Second Vice President
Theresa Lee, Assistant Treasurer
Scarlett P. Kwong, Director
(Item 26-B)

Motion No. 25-12-2254: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Woo, and carried 4-0 (with Director Lee absent), to approve the Rotation of Officers as noted above. (Item 26-B)

President Kwong indicated Motion No. 25-12-2254 was approved by a 4-0 (with Director Lee absent) vote

- ◆ A schedule of 2026 key conferences/events was provided to the Board as a matter of information only. (Item 26-C)

Adjournment to closed session - 6:28 p.m.

Item 27: Closed Session

- ◆ The Board met in closed session in accordance with Government Code §54957.6 to conduct a labor negotiation session with the General Manager as an unrepresented employee. (Item 27)

Item 28: Reconvene to Open Session/ Report ActionTaken in Closed Session

General Counsel Ciampa reported on a labor negotiation occurred with the General Manager, as an unrepresented employee, and further action was postponed until the January 20, 2026 regular Board of Directors' meeting.

Adjournment at 6:55 p.m.

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
13243	12/9/2025	Rogue Water LLC-Voided	\$ -
13178	12/2/2025	ACWA Services Corporation	\$ 148,184.59
13179	12/2/2025	Badger Meter, Inc.	\$ 16.17
13180	12/2/2025	Diamond Bar High School	\$ 5,000.00
13181	12/2/2025	Federal Express	\$ 483.47
13182	12/2/2025	Geiger West Monrovia	\$ 541.13
13183	12/2/2025	Shaw, Sherry	\$ 75.00
13184	12/2/2025	Underground Service Alert	\$ 456.00
13185	12/2/2025	Western Water Works	\$ 9,411.59
13186	12/2/2025	Grainger	\$ 489.79
13187	12/2/2025	Cintas Corporation #150	\$ 213.85
13188	12/2/2025	Ewing Irrigation Products Inc.	\$ 529.83
13189	12/2/2025	Chandler Asset Management, Inc.	\$ 2,672.98
13190	12/2/2025	Applied Technology Group, Inc.	\$ 340.00
13191	12/2/2025	Ferguson Waterworks - Santa Ana	\$ 6,716.59
13192	12/2/2025	J. De Sigio Construction, Inc.	\$ 1,002.00
13193	12/2/2025	West Coast Sand and Gravel, Inc.	\$ 1,450.00
13194	12/2/2025	State Water Resources Ctrl Bd - Cert Rnw	\$ 90.00
13195	12/2/2025	State Water Resources Control Board-NPDES Permit	\$ 3,630.00
13196	12/2/2025	HQ Enterprises Inc.	\$ 69.67
13197	12/2/2025	HASA, Inc.	\$ 3,397.53
13198	12/2/2025	Lopez, Liliana	\$ 283.35
13199	12/2/2025	Autonovation Mobile Auto Repair	\$ 555.09
13200	12/2/2025	Interstate Battery System of Inland Valley	\$ 773.92
13201	12/2/2025	Public Water Agencies Group	\$ 2,637.81
13202	12/2/2025	West Yost & Associates, Inc.	\$ 21,671.00
13203	12/2/2025	Smith-Emery Laboratories, Inc	\$ 7,192.54
13204	12/2/2025	Equitable Financial Life Insurance Company of America	\$ 7,090.57
13205	12/2/2025	American Business Bank	\$ 24,392.90
13206	12/2/2025	Dr. Frank Olmos Consulting	\$ 3,043.42
13207	12/2/2025	Charter Communications	\$ 3,555.50
13208	12/9/2025	Azteca Landscape	\$ 15,675.00
13209	12/9/2025	McMaster-Carr Supply Company	\$ 435.21
13210	12/9/2025	Pollardwater	\$ 8,179.66
13211	12/9/2025	Western Water Works	\$ 263.40
13212	12/9/2025	Cintas Corporation #150	\$ 213.85
13213	12/9/2025	Dunn Edwards Corporation	\$ 727.97
13214	12/9/2025	Fuel Pros, Inc.	\$ 331.00
13215	12/9/2025	Verizon Connect Fleet USA LLC	\$ 664.24
13216	12/9/2025	Morrow-Meadows Corporation	\$ 1,414.96

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
13217	12/9/2025	EcoTech Services, Inc.	\$ 25,605.00
13218	12/9/2025	Western Exterminator Company	\$ 98.92
13219	12/9/2025	Shute, John	\$ 1,019.00
13220	12/9/2025	Cintas First Aid & Safety LOC#168	\$ 409.41
13221	12/9/2025	West Coast Sand and Gravel, Inc.	\$ 2,790.08
13222	12/9/2025	Pres-Tech Manufacturers Representatives, Inc.	\$ 333.47
13223	12/9/2025	Puente Hills Ford	\$ 1,993.81
13224	12/9/2025	S & J Supply Company, Inc.	\$ 4,807.66
13225	12/9/2025	Garza Industries	\$ 240.36
13226	12/9/2025	Hill Brothers Chemical Company	\$ 2,418.56
13227	12/9/2025	Managed Mobile, Inc.	\$ 898.39
13228	12/9/2025	Premier Family Medicine Associates, Inc.	\$ 110.00
13229	12/9/2025	HASA, Inc.	\$ 3,231.61
13230	12/9/2025	Green Media Creations, Inc.	\$ 1,226.50
13231	12/9/2025	Bay Alarm Company	\$ 315.63
13232	12/9/2025	Healthequity, Inc.	\$ 17.70
13233	12/9/2025	GNA - Brook Fire Protection, Inc.	\$ 171.00
13234	12/9/2025	Paper Recycling & Shredding Specialists, Inc.	\$ 100.00
13235	12/9/2025	Interstate Battery System of Inland Valley	\$ 965.58
13236	12/9/2025	Aqua Backflow, Inc	\$ 4,740.50
13237	12/9/2025	David Wilson's Villa Ford	\$ 120.01
13238	12/9/2025	Central Communications	\$ 933.99
13239	12/9/2025	Backgrounds Online	\$ 160.42
13240	12/9/2025	Valley Vista Services, Inc.	\$ 1,695.02
13241	12/9/2025	Corelogic Solutions, LLC	\$ 273.18
13242	12/9/2025	Axelliant LLC	\$ 5,603.44
13244	12/9/2025	11:11 Systems, Inc.	\$ 479.00
13245	12/9/2025	Searock Stafford CM, Inc.	\$ 20,280.00
13246	12/9/2025	Purchase Power	\$ 500.00
13247	12/9/2025	Total Clean	\$ 1,036.10
13248	12/9/2025	La Habra Fence Co., LLC	\$ 35,334.00
13249	12/16/2025	Foundation for Cross-Connection Control and Hydraulic Research	\$ 1,000.00
13250	12/16/2025	Core & Main LP	\$ 2,297.90
13251	12/16/2025	McMaster-Carr Supply Company	\$ 798.31
13252	12/16/2025	Pomona City Clerk	\$ 2,013.33
13253	12/16/2025	Cintas Corporation #150	\$ 213.85
13254	12/16/2025	Rowland Water District	\$ 280.40
13255	12/16/2025	Dunn Edwards Corporation	\$ 134.75

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
13256	12/16/2025	Diamond Bar Community Foundation	\$ 1,200.00
13257	12/16/2025	Chandler Asset Management, Inc.	\$ 2,682.36
13258	12/16/2025	Rowland High School	\$ 1,255.00
13259	12/16/2025	Walnut High School	\$ 3,000.00
13260	12/16/2025	County Sanitation Districts of LA County	\$ 56,356.12
13261	12/16/2025	InfoSend, Inc.	\$ 16,195.52
13262	12/16/2025	Genesis Computer Systems, Inc.	\$ 2,150.41
13263	12/16/2025	Industry Public Utility Commission	\$ 1,084.01
13264	12/16/2025	Ferguson Waterworks - Santa Ana	\$ 4,290.74
13265	12/16/2025	Online Information Services, Inc.	\$ 301.92
13266	12/16/2025	Associated Soils Engineering, Inc.	\$ 600.00
13267	12/16/2025	West Coast Sand and Gravel, Inc.	\$ 725.00
13268	12/16/2025	S & J Supply Company, Inc.	\$ 7,360.70
13269	12/16/2025	Frontier Communications	\$ 3,370.98
13270	12/16/2025	OPARC, Inc.	\$ 5,027.84
13271	12/16/2025	HASA, Inc.	\$ 5,607.23
13272	12/16/2025	A & J Tree Care, Inc.	\$ 7,500.00
13273	12/16/2025	Spadra Basin Groundwater Sustainability Agency	\$ 11,057.05
13274	12/16/2025	Bay Alarm Company	\$ 805.74
13275	12/16/2025	GovInvest, Inc.	\$ 2,800.00
13276	12/16/2025	La Canada Design Group, Inc.	\$ 33,677.18
13277	12/16/2025	Breaking The Chain Consulting, LLC	\$ 3,000.00
13278	12/16/2025	Southern Tire Mart, LLC	\$ 759.61
13279	12/16/2025	Eurofins Eaton Analytical, LLC	\$ 3,538.00
13280	12/16/2025	Leadership Development Network	\$ 67.50
13281	12/16/2025	Charter Communications	\$ 2,735.00
13282	12/23/2025	AT&T Mobility II, LLC	\$ 602.04
13283	12/23/2025	Core & Main LP	\$ 1,208.35
13284	12/23/2025	Industrial Shoeworks	\$ 250.00
13285	12/23/2025	Southern Calif Gas Company	\$ 219.28
13286	12/23/2025	Vulcan Materials Company	\$ 2,097.27
13287	12/23/2025	Cintas Corporation #150	\$ 213.85
13288	12/23/2025	Ewing Irrigation Products Inc.	\$ 36.08
13289	12/23/2025	Associated Soils Engineering, Inc.	\$ 9,448.00
13290	12/23/2025	Rodriguez, Manuel	\$ 80.00
13291	12/23/2025	West Coast Sand and Gravel, Inc.	\$ 4,820.62
13292	12/23/2025	Hill Brothers Chemical Company	\$ 2,902.27
13293	12/23/2025	Managed Mobile, Inc.	\$ 867.64
13294	12/23/2025	HASA, Inc.	\$ 1,770.85
13295	12/23/2025	Canon Solutions America, Inc.	\$ 6,644.37
13296	12/23/2025	SoCal SCADA Solutions, LLC	\$ 1,750.00
13297	12/23/2025	Autonovation Mobile Auto Repair	\$ 965.02
13298	12/23/2025	Interstate Battery System of Inland Valley	\$ 177.20

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

CHECK NUMBER	DATE	PAYEE	AMOUNT
13299	12/23/2025	Lagerlof, LLP	\$ 3,900.00
13300	12/23/2025	Nextiva, Inc.	\$ 2,878.22
13301	12/23/2025	D 7 Consulting Inc.	\$ 1,000.00
13302	12/23/2025	Resource Computer Solutions, Inc.	\$ 1,250.00
13303	12/30/2025	ACWA Services Corporation	\$ 162,821.06
13304	12/30/2025	American Water Works Association	\$ 347.00
13305	12/30/2025	Core & Main LP	\$ 296.55
13306	12/30/2025	Liebert, Cassidy, & Whitmore	\$ 120.00
13307	12/30/2025	United Rentals Northwest, Inc.	\$ 491.57
13308	12/30/2025	Cintas Corporation #150	\$ 204.29
13309	12/30/2025	Harrington Industrial Plastics, LLC	\$ 7,411.34
13310	12/30/2025	West Coast Sand and Gravel, Inc.	\$ 2,933.53
13311	12/30/2025	HASA, Inc.	\$ 600.44
13312	12/30/2025	Green Media Creations, Inc.	\$ 446.25
13313	12/30/2025	SoCal SCADA Solutions, LLC	\$ 24,646.00
13314	12/30/2025	Multiplier	\$ 775.00
13315	12/30/2025	C.J. Brown & Company, CPAs	\$ 3,955.00
13316	12/30/2025	Smith-Emery Laboratories, Inc	\$ 4,324.94
EFT000000001544	12/3/2025	Puente Basin Water Agency	\$ 701,108.40
EFT000000001545	12/3/2025	Pomona-Walnut-Rowland JWL Commission	\$ 1,308,439.61
EFT000000001546	12/3/2025	Willdan Financial Services	\$ 5,116.66
EFT000000001547	12/3/2025	Pacific Hydrotech Corporation	\$ 463,465.10
EFT000000001548	12/10/2025	Automated Gate Services, Inc.	\$ 2,535.00
EFT000000001549	12/10/2025	Doty Bros Equipment Co, Inc.	\$ 24,927.19
EFT000000001550	12/10/2025	Quest Building Services	\$ 2,350.00
EFT000000001551	12/10/2025	DPR Construction, A General Partnership	\$ 1,201,795.93
EFT000000001552	12/16/2025	Southern California Edison Company	\$ 118,949.11
EFT000000001553	12/16/2025	Home Depot Credit Services	\$ 275.25
EFT000000001554	12/16/2025	Bill Operations LLC	\$ 20,598.55
EFT000000001555	12/17/2025	Amazon Capital Services, Inc.	\$ 2,476.26
EFT000000001556	12/17/2025	AE Group Engineers IE	\$ 3,700.00
EFT000000001557	12/24/2025	Doty Bros Equipment Co, Inc.	\$ 32,493.40
EFT000000001558	12/24/2025	Boostlingo, LLC	\$ 95.00
EFT000000001559	12/24/2025	DPR Construction, A General Partnership	\$ 1,039,593.00
EFT000000001560	12/24/2025	Puente Basin Water Agency	\$ 22,973.53
EFT000000001561	12/31/2025	California Public Employees' Retirement System	\$ 25,891.44
XFR000009001	12/31/2025	WATER REFUND	\$ 19,931.77
TOTAL			\$ 5,834,835.60

Reviewed by:

Jan 10

Director of Finance

11/15/2026

Date

Reviewed by:

[Signature]

General Manager

1/15/2026

Date

**Walnut Valley Water District
Monthly Employee Expense Reimbursements
Exceeding the Amount of \$100.00
For the Month of December 31, 2025**



Date	Check Number	Employee Name	Description	Amount
12/2/2025	013198	Lopez, Liliana	Expense Reimbursement	\$ 283.35
12/9/2025	013219	Shute, John	Education Reimbursement	\$ 1,019.00

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: External Affairs & Sustainability
DATE: January 20, 2026
SUBJECT: Community Outreach Update

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

RECOMMENDATION

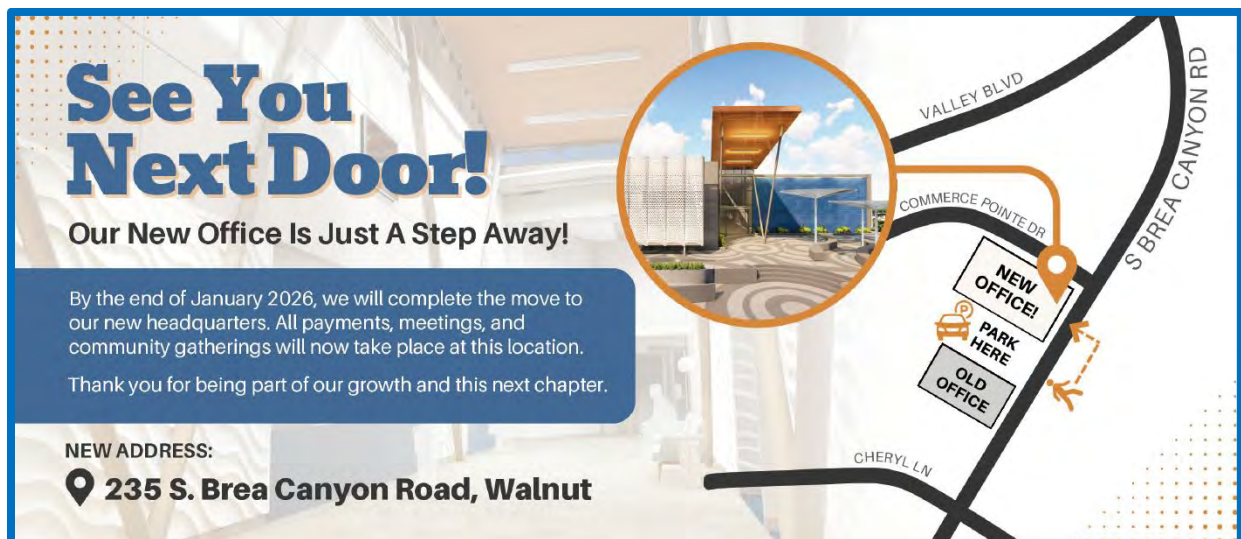
For information only.

BACKGROUND INFORMATION:

External Affairs & Sustainability Outreach Update

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

Insert Front



Insert Back

Set It & Forget It! ✓

Enroll in AutoPay and simplify your bill payments.

To get started, just log into your account in the Customer Portal and select "Sign Up" for AutoPay on your dashboard.

The portal also allows you to monitor water use, view your bills, and stay informed about leaks, service updates, and District programs and events.

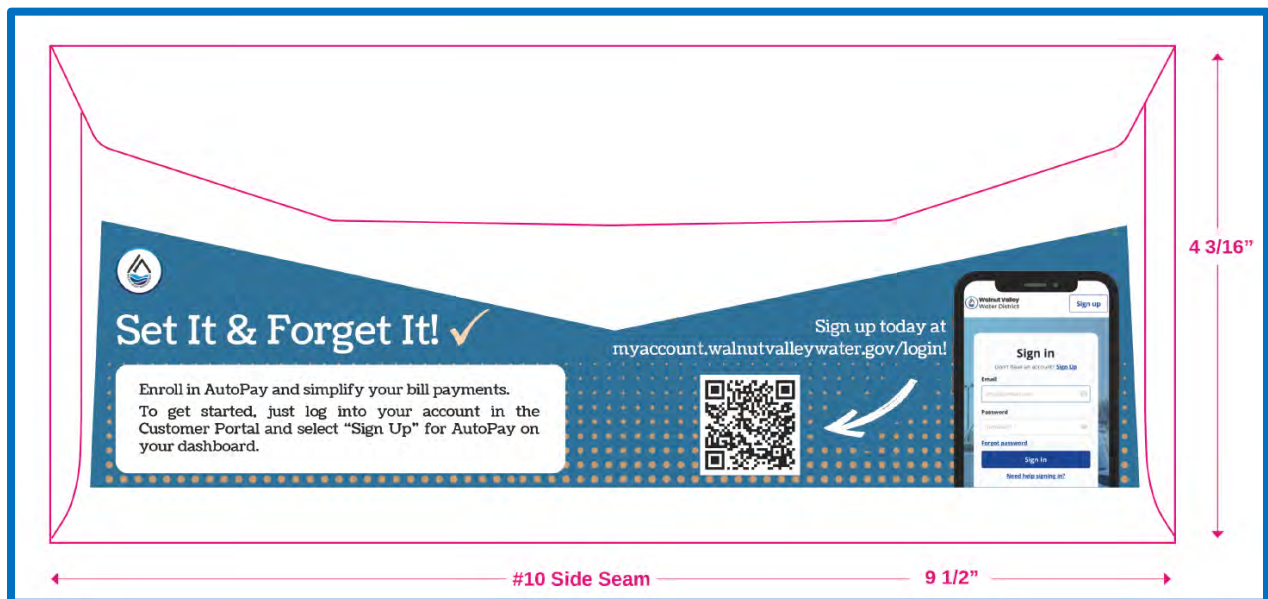
Sign up today at myaccount.walnutvalleywater.gov/login





January Bill Snipe

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

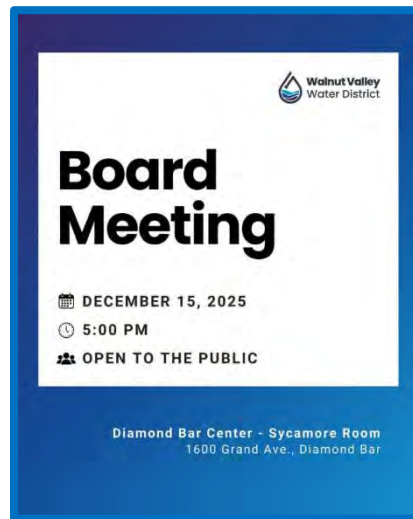


2. Facebook, Instagram, X, and YouTube

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

During December, the District shared the following:

- “Being Water Wise Is...” Art Contest
- Board Meeting Notice
- 2026 Scholar Dollar Scholarship
- Service Beyond Water: Volunteering at LA Regional Food Bank
- Office Closed: Christmas Eve & Christmas Day



Customer Portal Campaign

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

During January, the District shared the following:

- Customer Monthly Newsletter



Walnut Valley Water District

Monthly Connection

January 2026

What's New?

We want to hear from you! Tell us about your favorite events from 2025 and what you'd like to see next.

[Click For the Survey!](#)


Our Annual "Being Water Wise Is..." Student Art Contest is now open for 3rd-12th graders!

[Rules & Guidelines](#)

Scholarships available for high school seniors. Applications are available now until February 12th for a chance at \$1,000 toward college!

[Apply Online Today](#)

Our New Office Is Just A Step Away!




By the end of January 2026, we will complete the move to our new headquarters. All payments, meetings, and community gatherings will now take place at this location.

Thank you for being part of our growth and this next chapter.

New Address: 235 S. Brea Canyon Road, Walnut

In the Community



Thank you for making our December mulch giveaway and rain barrel distribution event a success!


Just this year over 40,000 lbs. of mulch was scooped and nearly 50 rain barrels purchased, reflecting our community's commitment to sustainability.

Special thanks to the City of Diamond Bar, Diamond Bar High School, and Rain Barrels International, Inc. for their continued partnerships.

Looking to Make a Change?

Products with the WaterSense® label help you use water efficiently while saving money. Just look for the label!

[View Products](#)

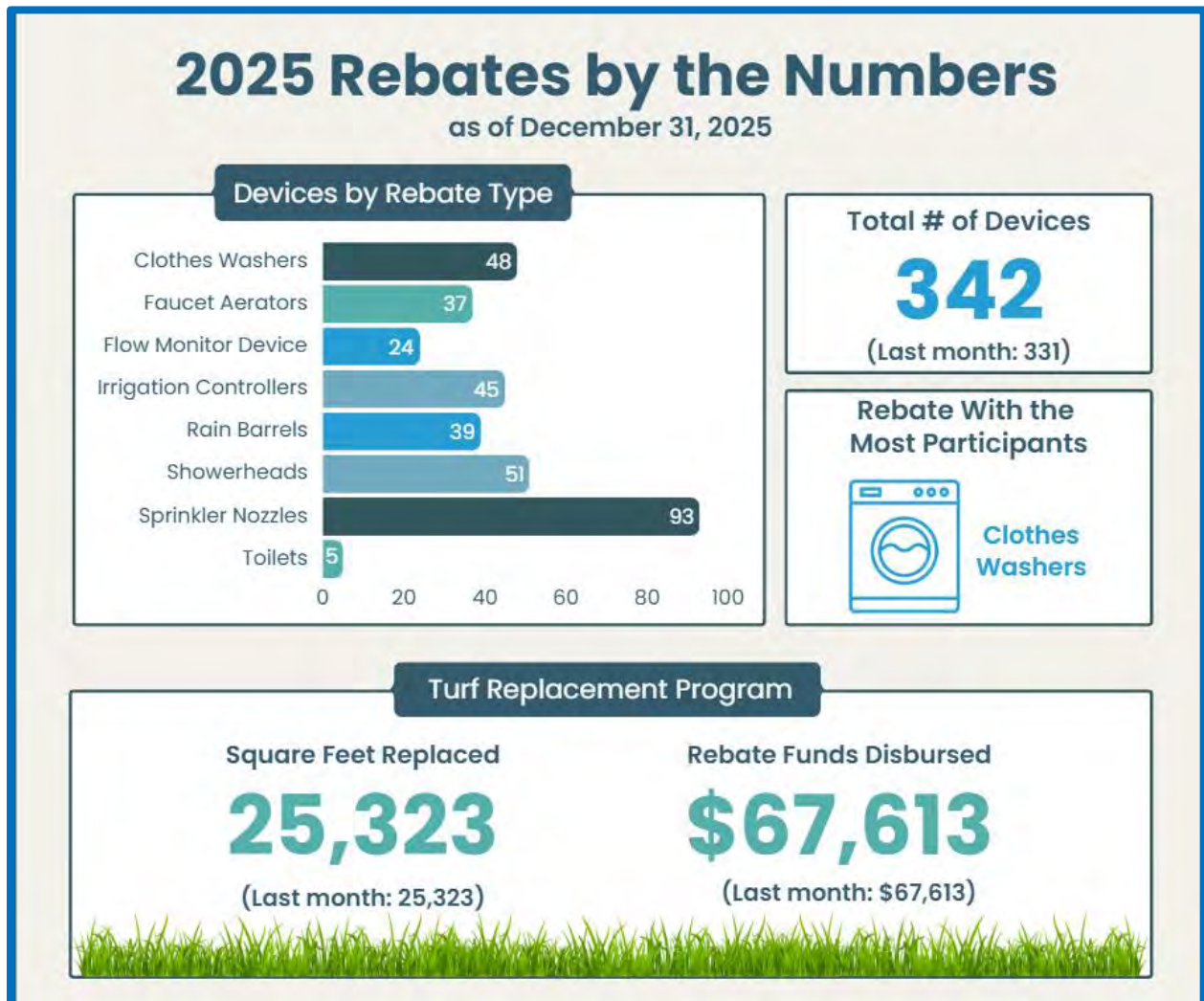


Office Hours:
Open: Monday–Thursday, 7AM – 6PM | Closed: Friday–Sunday

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

3. Residential and Commercial Rebates

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



4. Metropolitan Water District 2026 Calendar
Metropolitan Water District (MWD) has chosen one student, Jeremy Han from South Pointe Middle School, to showcase their artwork in the "Being Water Wise Is..." 2026 calendar.
5. "Being Water Wise Is..." Art Contest
The District announced the annual student art contest. This program invites 3rd-12th grade students to create artwork that reflects the theme "Being Water Wise Is...". The winners will be honored at an awards ceremony in April 2026.

External Affairs & Sustainability Activities

1. Outreach Booths at Vons
WVWD hosted a series of outreach booths outside the Vons store in Walnut to engage customers and promote district programs. Staff shared information on upcoming events and distributed leak-repair kits along with other water-conservation materials.
2. Rain Barrel Distribution and Mulch Giveaway
The District hosted a Rain Barrel Distribution and Mulch Giveaway Event on December 6 at Diamond Bar High School. There were 50 rain barrels distributed through our partnership with Rain Barrels International at this event. The mulch giveaway, in collaboration with the City of Diamond Bar, was distributed on a first-come, first-served basis.
3. Winter Wonderland
The District participated in the City of Walnut's Winter Wonderland on December 13 at Suzanne Park. This included a booth at the event to hand out giveaways and conservation-related flyers.
4. LA Regional Food Bank Volunteering
District employees participated in annual volunteering at the LA Regional Food Bank located in the City of Industry on Friday, December 19. This year, employees boxed over 900 kits serving residents and families in need.
5. High School Summer Internship Program Outreach
The District organized presentations to showcase careers in the water industry and our High School Summer Internship Program. Our team will present to students at Rowland High School on February 3, Walnut High School on February 20, Diamond Ranch High School on March 5 and Diamond Bar High School on March 11. Information about the program will be shared with all schools in our service area. Applications are open online from March 1 to April 11.
6. Splash Cash Teacher Grants
WVWD is awarding ten grants through the Splash Cash Program, administered by PWAG-CET, to teachers in the Pomona, Rowland, and Walnut Valley Unified School Districts. The funding will support student field trips, conservation-focused projects, and sustainability improvements across participating school campuses.

7. Leak Repair Programs

Through MWD's MAAP funding program, WVWD has secured \$75,000 to support its Leak Repair Program for qualifying customers. Eligible customers may participate through an invitation, which is extended following an assessment of water usage and need. To date, all available funding has been allocated to assist over 175 customers. The District is allocating additional funds to continue supporting additional repairs under this program. In addition, a separate program is available specifically for customers enrolled in the Affordable Rate Program. EcoTech Services is responsible for conducting all leak assessments and performing repairs for both indoor and outdoor leaks.

Local Sponsorships

1. Making Spirits Bright Toy Drive

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

2. Brahma Night Market

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

3. 26th Annual Teddy Bear Tea

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

4. Walnut/Diamond Bar Sheriff's Toy Drive

District employees participated in the Walnut/Diamond Bar Sheriff's toy drive which was held on Thursday, December 18 in Rowland Heights. The Sheriff's team had a team member dress up as Santa and ride his mobile sleigh through the community to pass out toys to families in need.

5. Diamond Bar High School Campus Beautification Project

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

6. Diamond Bar High School Music Concert Program

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

7. Diamond Bar Evergreen Club Journal Ads

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

8. City of Walnut Recreation Guide

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

9. Regional Chamber Annual Guide

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

10. MeterHero

The District has an ongoing partnership with MeterHero as part of its commitment to sustainability and community engagement. MeterHero is an innovative academic curriculum designed to provide high school students with hands-on experience in water conservation and data analysis. Students learn to collect and analyze water meter data from their homes and then develop and implement a water conservation strategy that benefits their household and the community. This year, two AP Environmental Science classes from Walnut High School will participate in the program.

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

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

DIRECTOR EXPENSE FORM



NAME: Edwin Hilden

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/7/2025	Making Spirits Bright Toy Drive	<input checked="" type="checkbox"/>				\$ -
2	12/8/2025	Public Info	<input type="checkbox"/>				\$ -
3	12/8/2025	Finance Committee	<input checked="" type="checkbox"/>				\$ -
4	12/9/2025	Engineering Committee	<input checked="" type="checkbox"/>				\$ -
5	12/13/2025	WVEF Teddy Bear Tea	<input checked="" type="checkbox"/>				\$ -
6	12/15/2025	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
7	12/17/2025	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.655 \$ -

Total Reimbursable Expenses \$ -

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

TOTAL \$ 900.00

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


Signature

12-22-2025
Date

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

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

DIRECTOR EXPENSE FORM



NAME: Scarlett Kwong

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/7/2025	Making Spirit Bright Toy Drive (certificate)	<input checked="" type="checkbox"/>				\$ -
2	12/8/2025	Public Info/Legislative Action committee	<input checked="" type="checkbox"/>				\$ -
3	12/9/2025	Personnel Committee	<input checked="" type="checkbox"/>				\$ -
4	12/11/2025	DB Evergreen Club Celebration	<input checked="" type="checkbox"/>				\$ -
5	12/13/2025	WVEF Teddy Bear Tea fundraiser (certificate)	<input checked="" type="checkbox"/>				\$ -
6	12/15/2025	Board meeting	<input checked="" type="checkbox"/>				\$ -
7	12/19/2025	Food Bank volunteering event	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

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

Total Reimbursable Expenses \$ -

Total Meeting Compensation 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 \$0.70

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

[GSA Per diem rates](#)

DIRECTOR EXPENSE FORM



NAME: Theresa Lee

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/8/2025	WVWD Finance Committee Meeting	<input checked="" type="checkbox"/>				\$ -
2	12/9/2025	WVWD Engineering Committee Meeting	<input type="checkbox"/>				\$ -
3	12/11/2025	PBWA Board Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/12/2025	Diamond Bar High Brahma Night Market	<input checked="" type="checkbox"/>				\$ -
5	12/13/2025	Teddy Bear Tea Walnut Valley Edu. Foundation	<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 \$0.70 \$ -

Total Reimbursable Expenses \$ -

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

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

TOTAL \$ 600.00

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.70

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

DIRECTOR EXPENSE FORM



NAME: Jerry C. Tang

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/2/2025	ACWA Winter Conference	<input checked="" type="checkbox"/>	WVWD, 271 S. Brea Canyon Rd, Walnut	Sheraton San Diego Resort, 1380 Harbor	218.0	\$ 152.60
2	12/3/2025	ACWA Winter Conference	<input checked="" type="checkbox"/>				\$ -
3	12/4/2025	ACWA Winter Conference	<input checked="" type="checkbox"/>				\$ -
4	12/7/2025	Heart of Hope Christmas Event	<input checked="" type="checkbox"/>				\$ -
5	12/8/2025	WVWD Public Information/Community Relations/Legislative Action Committee Meeting	<input checked="" type="checkbox"/>				\$ -
6	12/9/2025	WVWD Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
7	12/13/2025	Walnut Valley Educational Foundation Bear Tea Event	<input checked="" type="checkbox"/>				\$ -
8	12/15/2025	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: 218 X \$0.70 \$ 152.60

Total Reimbursable Expenses \$ -

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

TOTAL \$ 1,202.60

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

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.70

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

DIRECTOR EXPENSE FORM



NAME: Henry Woo

DATE: December 2025

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/7/2025	Attended Military family Toy Drive at Holiday Inn	<input checked="" type="checkbox"/>				\$ -
2	12/8/2025	Public Info/Legislature Committee meeting	<input checked="" type="checkbox"/>				\$ -
3	12/8/2025	Finance committee meeting	<input type="checkbox"/>				\$ -
4	12/9/2025	Engineering committee meeting	<input checked="" type="checkbox"/>				\$ -
5	12/11/2025	Puente Basin Water Agency board meeting	<input checked="" type="checkbox"/>				\$ -
6	12/15/2025	WVWD board meeting	<input checked="" type="checkbox"/>				\$ -
7	12/17/2025	Meet Tom Coleman on PBWA background	<input checked="" type="checkbox"/>				\$ -
8	12/18/2025	WVWD Special board meeting	<input checked="" type="checkbox"/>				\$ -
9	12/19/2025	Volunteering at LA county Regional Food Bank	<input checked="" type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -
14			<input type="checkbox"/>				\$ -

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

Total Reimbursable Expenses \$ -

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

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

TOTAL \$ 1,050.00

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.70

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

Monthly Board Expense Detail
Edwin Hilden
December 31, 2025

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	

Date _____

Date 01/15/2026

Director of Finance

Date _____

General Manager

Date _____

Monthly Board Expense Detail
Scarlett Kwong
December 31, 2025

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 _____

James King
Director of Finance

Director of Finance

1/15/2026

Date _____


Executive Services Administrator

Executive Services Administrator

01/15/2026
Date

Date _____


General Manager

General Manager

01/15/2026
Date

Date _____

Monthly Board Expense Detail
Theresa Lee
December 31, 2025

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	

Date _____

01/15/2020

Director of Finance

Date _____

General Manager

Date 01/15/2020

Monthly Board Expense Detail
Jerry Tang
December 31, 2025

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
12/06/25	2	Hotel	ACWA 2025 Fall Conference Lodging	Visa		845.22		845.22	10-5520-5720
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
Total Districts Charges						845.22	-	845.22	

Date _____

01/15/2024
Date

Director of Finance

Date _____

General Manager

Date _____

SHERATON SAN DIEGO RESORT
 1380 Harbor Island Drive
 San Diego, CA 92101
 United States Of America
 Tel: 619-291-2900 Fax: 619-692-2337



JERRY TANG
 AS6810 - ACWA FALL CONFERENCE & EXPO

Page Number : 1 Invoice Nbr : 1007011384
 Guest Number : 6371525
 Folio ID : A
 Arrive Date : 01-DEC-25 17:18
 Depart Date : 04-DEC-25 12:00
 No. Of Guest : 1
 Room Number : 409
 Marriott Bonvoy Number : 9150

Information Invoice

SHERATON SAN D SANSI 04-DEC-25 06:00 9999

Date	Reference	Description	Charges (USD)	Credits (USD)
01-DEC-25	RT409	Room Chrg - Grp - Association	199.00	
01-DEC-25	RT409	CA Tourism Assessment	0.40	
01-DEC-25	RT409	SD Tourism Mktg District Asses	3.98	
01-DEC-25	RT409	Transient Occupancy Tax	25.37	
01-DEC-25	RT409	Group Resort Fee	20.00	
01-DEC-25	RT409	Occupancy Tax	2.55	
01-DEC-25	RT409	CA Tourism Assessment	0.04	
01-DEC-25	RT409	SD Tourism Mrkt District Asses	0.40	
01-DEC-25	RT409	\$30 Parking	30.00	
02-DEC-25	RT409	Room Chrg - Grp - Association	199.00	
02-DEC-25	RT409	CA Tourism Assessment	0.40	
02-DEC-25	RT409	SD Tourism Mktg District Asses	3.98	
02-DEC-25	RT409	Transient Occupancy Tax	25.37	
02-DEC-25	RT409	Group Resort Fee	20.00	
02-DEC-25	RT409	Occupancy Tax	2.55	
02-DEC-25	RT409	CA Tourism Assessment	0.04	
02-DEC-25	RT409	SD Tourism Mrkt District Asses	0.40	
02-DEC-25	RT409	\$30 Parking	30.00	
03-DEC-25	RT409	Room Chrg - Grp - Association	199.00	
03-DEC-25	RT409	CA Tourism Assessment	0.40	
03-DEC-25	RT409	SD Tourism Mktg District Asses	3.98	
03-DEC-25	RT409	Transient Occupancy Tax	25.37	
03-DEC-25	RT409	Group Resort Fee	20.00	
03-DEC-25	RT409	Occupancy Tax	2.55	

Continued on the next page

SHERATON SAN DIEGO RESORT
1380 Harbor Island Drive
San Diego, CA 92101
United States Of America
Tel: 619-291-2900 Fax: 619-692-2337



JERRY TANG
AS6810 - ACWA FALL CONFERENCE & EXPO

Page Number	:	3	Invoice Nbr	:	1007011384
Guest Number	:	6371525			
Folio ID	:	A			
Arrive Date	:	01-DEC-25	17:18		
Depart Date	:	04-DEC-25	12:00		
No. Of Guest	:	1			
Room Number	:	409			
Marriott Bonvoy Number	:	9150			

See our "Privacy & Cookie Statement" on [Marriott.com](https://www.marriott.com)

Bring the Sheraton sleep experience home with you. Visit [SheratonStore.com](https://www.sheratonstore.com).

billing.inquiring@sheratonsandiegohotel.com

Monthly Board Expense Detail
Henry Woo
December 31, 2025

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	

<p>Henry Woo _____ Date _____</p> <p><i>Lucie Cazzary</i> _____ Date <u>01/26/2026</u></p> <p>Executive Services Administrator</p>	<p><i>Joe Ing</i> _____ Date <u>1/15/2026</u></p> <p>Director of Finance</p> <p><i>JD</i> _____ Date <u>01/15/2026</u></p> <p>General Manager</p>
--	---



**WALNUT VALLEY WATER DISTRICT
TREASURER'S REPORT
January 20, 2026**

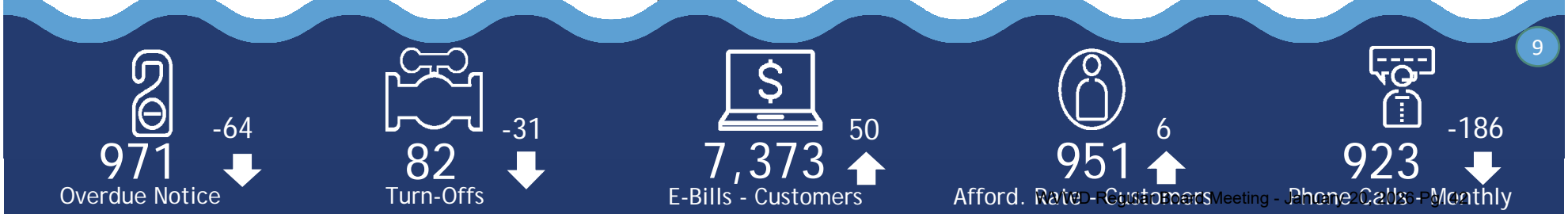
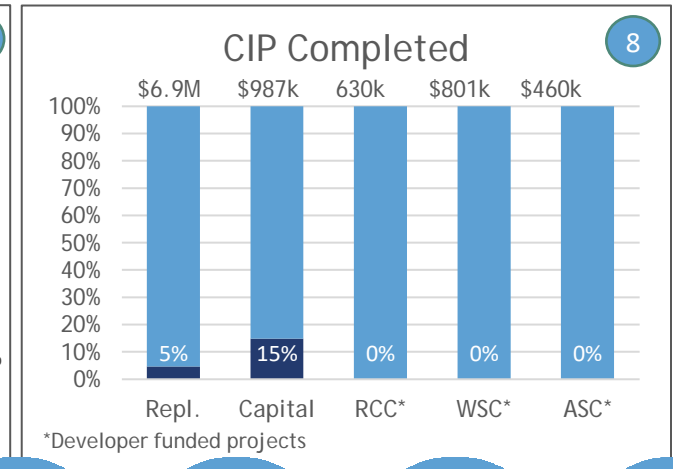
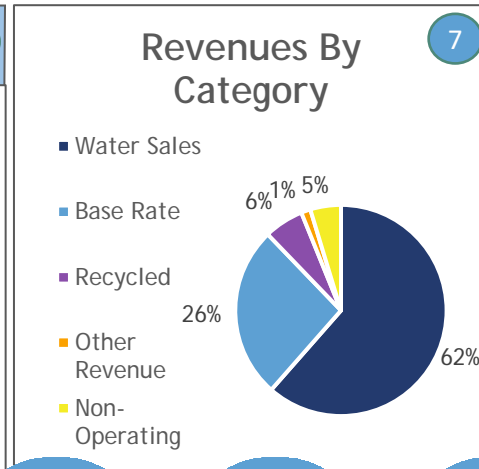
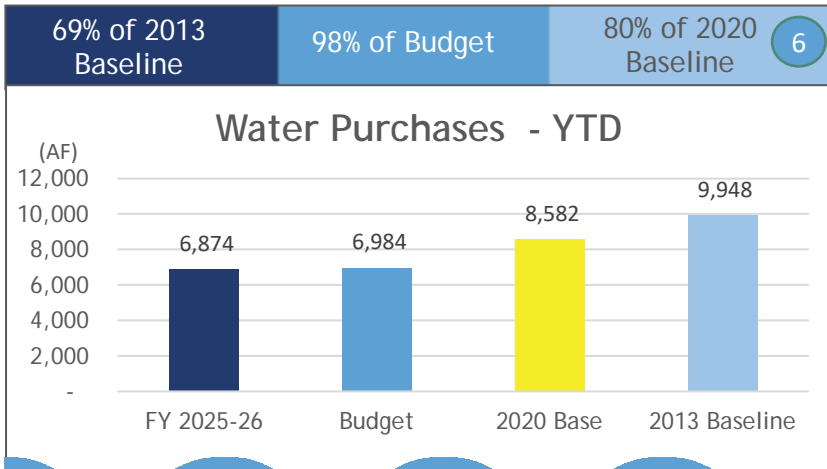
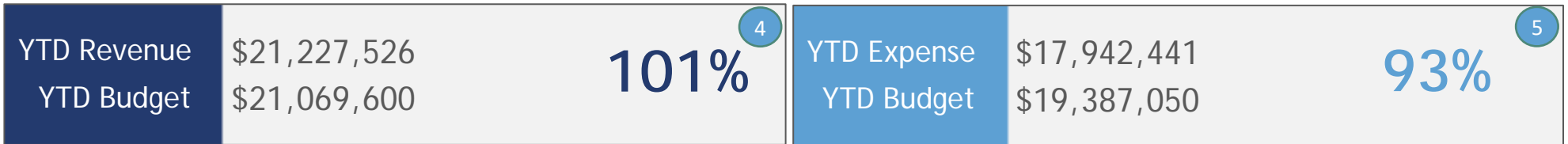
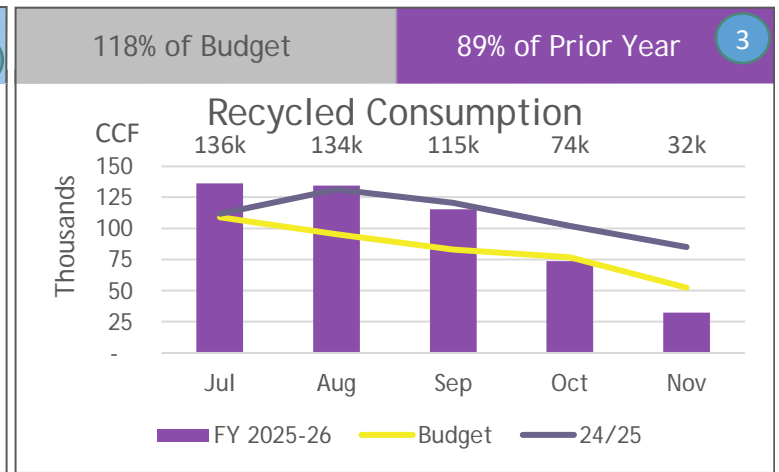
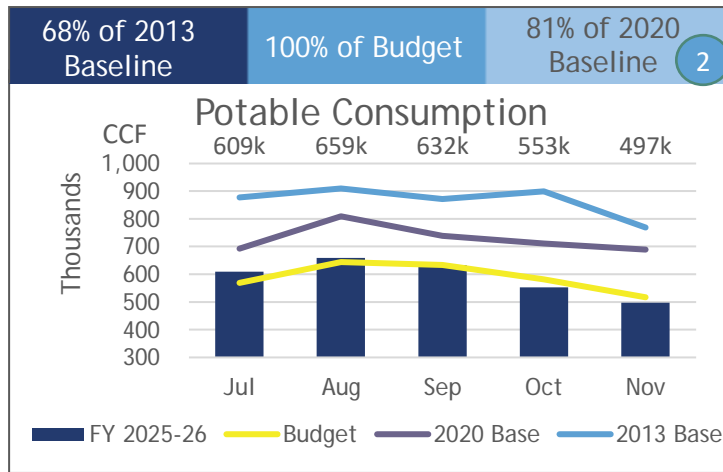
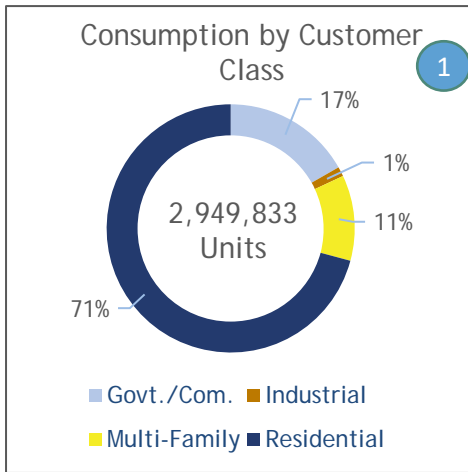
- A. Financial Dashboard as of November 30, 2025
- B. District Statement of Revenues, Expenses, and Change in Net Position as of November 30, 2025
- C. District Statement of Net Position as of November 30, 2025
- D. Summary of Cash Investments as of November 30, 2025



Walnut Valley Water District Financial Dashboard



November 30, 2025



* Consumption revenue and expense data excludes wholesale water

Walnut Valley Water District
Unaudited Statement of Revenues, Expenses & Changes in Net Position
Summary by Division
For the Five Months Ending Sunday, November 30, 2025

	Actual	November Budget	% of Budget	YTD Actual	Budget	Annual % of Budget
Operating Revenues						
Water Sales	\$3,534,778.74	\$3,612,000.00	97.86%	\$20,767,129.84	\$42,665,763.00	48.67%
Water Sales - Recycled	108,844.09	156,900.00	69.37%	1,355,145.89	2,107,600.00	64.30%
Hydroelectric Sales	3,215.61	2,500.00	128.62%	20,690.15	30,000.00	68.97%
Stand-by Charges	8,310.23	5,300.00	156.80%	66,440.49	825,000.00	8.05%
Total Operating Revenues	3,655,148.67	3,776,700.00	96.78%	22,209,406.37	45,628,363.00	48.67%
Operating Expenses						
Operations	626,538.44	876,180.00	71.51%	3,018,995.47	8,517,750.00	35.44%
Engineering	130,193.67	190,160.00	68.47%	682,641.57	1,854,750.00	36.81%
Finance	183,743.70	274,200.00	67.01%	923,655.74	2,721,450.00	33.94%
Board of Directors/GM Office	123,701.17	194,800.00	63.50%	646,394.76	1,910,000.00	33.84%
Administrative Services	289,375.84	452,750.00	63.92%	1,615,822.73	4,519,550.00	35.75%
General Administration	122,980.38	144,980.00	84.83%	731,223.48	1,721,845.00	42.47%
Total Operating Expenses	1,476,533.20	2,133,070.00	69.22%	7,618,733.75	21,245,345.00	35.86%
Purchased Water & Related	1,503,315.10	1,767,400.00	85.06%	11,312,099.43	22,281,550.00	50.77%
Total Expenses	2,979,848.30	3,900,470.00	76.40%	18,930,833.18	43,526,895.00	43.49%
Income (Loss) From Operations	675,300.37	(123,770.00)	645.61%	3,278,573.19	2,101,468.00	156.01%
Nonoperating Revenues/(Expenses)	77,776.14	(798,500.00)	109.74%	910,357.41	410,900.00	221.55%
Income (Loss) Before Res. Rev & Deprec.	753,076.51	(922,270.00)	181.65%	4,188,930.60	2,512,368.00	166.73%
Restricted/Desig Rev & Other Exp.	98,807.28	0.00	0.00%	470,201.30	0.00	0.00%
Income (Loss) Before Depreciation	851,883.79	(922,270.00)	192.37%	4,659,131.90	2,512,368.00	185.45%
Depreciation & Amortization	476,008.20	0.00	0.00%	2,391,158.42	0.00	0.00%
Income Before Capital Contributions	375,875.59	(922,270.00)	140.76%	2,267,973.48	2,512,368.00	90.27%
Capital Contributions	26,721.13	0.00	0.00%	81,650.57	0.00	0.00%
Net Increase (Decrease) in Net Position	402,596.72	(922,270.00)	143.65%	2,349,624.05	2,512,368.00	93.52%

Walnut Valley Water District
Unaudited Statement of Net Position
Sunday, November 30, 2025

ASSETS

CURRENT ASSETS:

Cash & Investments - Unrestricted	\$37,464,511.00	
Accounts Receivable:		
Water	4,676,680.23	
Taxes	80,846.14	
Accrued Interest	147,624.74	
Other	773,352.21	
Standby Charges	36,137.85	
Materials Inventory	1,569,409.28	
Prepaid Expenses	452,817.72	
TOTAL CURRENT ASSETS		45,201,379.17

RESTRICTED ASSETS

Cash & Investments - Restricted	6,300,150.22	
Cash & Investments - Fiscal Agent	13,938,922.10	
Investment in Joint Venture	23,442,113.84	
TOTAL RESTRICTED ASSETS		43,681,186.16

OTHER ASSETS

CAPITAL ASSETS

Capital Assets	247,886,356.94	
Construction in Progress	36,635,250.20	
Less: Accumulated Depreciation	(144,080,729.41)	
NET CAPITAL ASSETS		140,440,877.73
TOTAL ASSETS		229,323,443.06

Walnut Valley Water District
Unaudited Statement of Net Position
Sunday, November 30, 2025

DEFERRED OUTFLOW OF RESOURCES

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

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	(9,410,289.74)	
Other Current Liabilities	574,753.33	
Current Portion of Long Term Debt	(1,460,000.00)	
Interest Payable	(143,132.00)	
TOTAL CURRENT LIABILITIES	<u></u>	(10,438,668.41)

RESTRICTED LIABILITIES

Accounts Payable	(19,668.34)	
Deposits	(2,740,027.89)	
Construction Advances	(997,752.87)	
TOTAL RESTRICTED LIABILITIES	<u></u>	(3,757,449.10)

LONG TERM DEBT & RELATED

Revenue Bonds	(43,075,000.00)	
Deferred Bond Premium	(2,442,331.00)	
Net Pension Liability	(15,836,594.00)	
Other Long-term Debt	(2,994,308.49)	
TOTAL LONG TERM DEBT & RELATED	<u></u>	(64,348,233.49)
TOTAL LIABILITIES		<u>(78,544,351.00)</u>

Walnut Valley Water District
Unaudited Statement of Net Position
Sunday, November 30, 2025

DEFERRED INFLOW OF RESOURCES

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

NET POSITION

Invested in Capital Assets, Net of Related Debt	140,440,877.73	
Restricted	(7,053,593.94)	
Unrestricted	23,575,459.27	
TOTAL NET POSITION	<u>156,962,743.06</u>	
TOTAL NET POSITION		<u>156,962,743.06</u>

Walnut Valley Water District
Unaudited Summary of Cash and Investments
11/30/2025

CASH & CASH EQUIVALENTS

Cash on Hand		\$3,000.00	
<u>Cash in Bank</u>			
East West Bank - General	\$6,820,797.39		
East West Bank - Payroll	1,112,352.25		
East West Bank - Water Refund	15,068.23		
East West Bank - Revolving	22,526.35		
East West Bank - Credit Card	1,416,914.01		
East West Bank - Badillo Grand	320,207.13		
East West Bank - Payroll Reimbursement	27,510.04		
Total Cash in Bank		9,735,375.40	
TOTAL CASH			\$9,738,375.40

INVESTMENTS

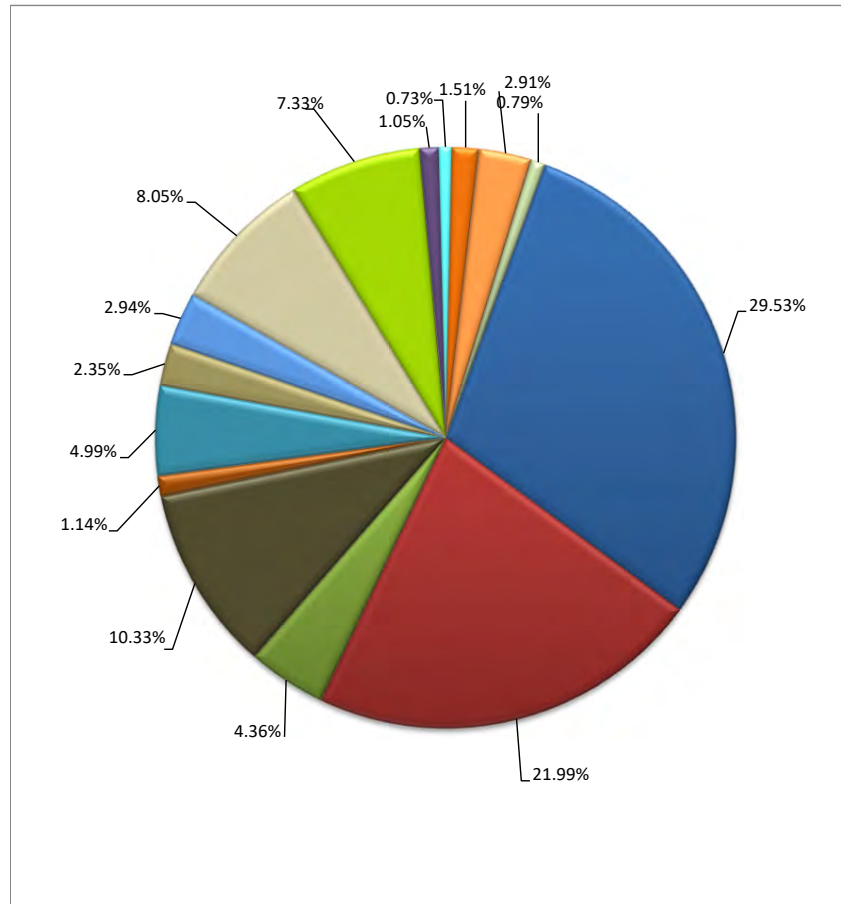
Certificates of Deposit	248,000.00		
Corporate Notes	7,575,000.00		
Supranational	500,000.00		
Local Agency Investment Fund (LAIF)	2,956,792.19		
BNY Mellon - Money Market (Sweep)	204,698.22		
US Agency	1,825,000.00		
US Treasury	18,865,000.00		
CA Class	2,078,441.65		
TOTAL INVESTMENTS		34,252,932.06	
TOTAL CASH & INVESTMENTS			\$43,991,307.46

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



James Ning
Director of Finance

Walnut Valley Water District Summary of Cash and Investments by Reserve Fund November 30, 2025



ALLOCATION OF CASH AND INVESTMENTS			
Unrestricted			
Category 1			
General Account	\$	12,993,029.67	29.53%
	\$	12,993,029.67	29.53%
Designated			
Category 2			
Operating Reserve	\$	3,542,600.00	8.05%
Replacement	\$	9,673,809.93	21.99%
Capital Improvement	\$	1,918,187.94	4.36%
Rate Stabilization	\$	4,543,125.39	10.33%
B/G Catastrophic Ins	\$	500,000.00	1.14%
Employee Liabilities	\$	2,193,294.04	4.99%
Stored Water	\$	1,034,800.00	2.35%
Project Reserve	\$	1,292,310.27	2.94%
	\$	24,698,127.57	56.15%

Restricted Reserves			
Category 3			
Customer/Developer Deposits	\$	3,223,350.32	7.33%
	\$	3,223,350.32	7.33%
Category 4			
ASC	\$	462,386.57	1.05%
Badillo/Grand-Maintenance	\$	320,207.13	0.73%
RCC	\$	665,098.74	1.51%
WSC	\$	1,279,699.11	2.91%
Capacity Charge	\$	349,408.35	0.79%
	\$	3,076,799.90	6.99%
Total	\$	43,991,307.46	100.00%

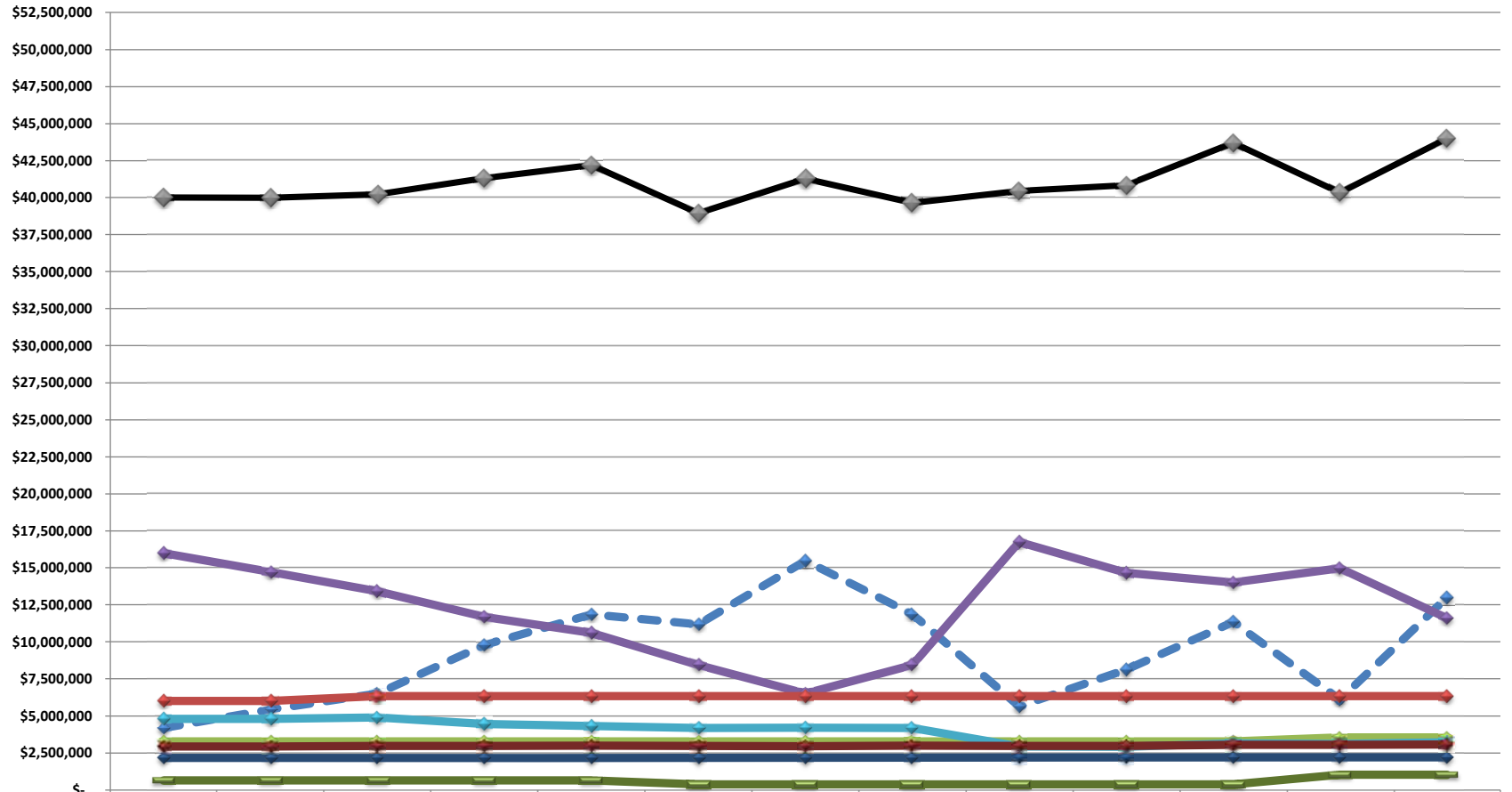
Category 1 - These are funds that accumulate from day-to-day operations and represent the net equity in the District's General Fund. All interest earned is retained in the General Fund.

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 2024 - November 2025



	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025
General Account	\$4,184,252	\$5,436,974	\$6,514,350	\$9,801,732	\$11,862,056	\$11,178,231	\$15,470,841	\$11,881,599	\$5,638,935	\$8,112,126	\$11,343,531	\$6,106,464	\$12,993,030
Operating Reserve	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,272,600	\$3,542,600	\$3,542,600
Capital/Replacement Reserve	\$15,985,806	\$14,723,126	\$13,416,472	\$11,677,002	\$10,602,340	\$8,441,217	\$6,508,211	\$8,441,217	\$16,742,066	\$14,655,171	\$14,006,245	\$14,957,965	\$11,591,998
Employee Liabilities Reserve	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,164,500	\$2,193,294	\$2,193,294	\$2,193,294	\$2,193,294	\$2,193,294
Stored Water Reserve	\$646,900	\$646,900	\$646,900	\$646,900	\$646,900	\$373,300	\$373,300	\$373,300	\$373,300	\$373,300	\$373,300	\$1,034,800	\$1,034,800
Other Designated Reserves	\$6,010,357	\$6,010,357	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436	\$6,335,436
Customer/Dev. Deposits	\$4,807,169	\$4,807,060	\$4,895,771	\$4,448,233	\$4,317,319	\$4,190,433	\$4,204,071	\$4,190,433	\$2,933,474	\$2,915,787	\$3,140,659	\$3,104,749	\$3,223,350
Developer & Other Restricted	\$2,931,201	\$2,927,451	\$2,971,102	\$2,975,867	\$2,988,191	\$2,986,006	\$2,953,302	\$2,986,987	\$2,975,327	\$2,979,294	\$3,046,997	\$3,054,323	\$3,076,800
Grand Total	\$40,002,785	\$39,988,967	\$40,217,131	\$41,322,270	\$42,189,341	\$38,941,723	\$41,282,261	\$39,646,072	\$40,464,433	\$40,837,009	\$43,712,062	\$40,329,631	\$43,991,307

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 20, 2026
SUBJECT: Budget Meeting Schedule

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

Tentative Date	Item
April 23, 2026 Special Budget Workshop	Review of Budget Process and Methodology Preliminary Review of Budget: Expenses Revenues Capital Projects
May 21, 2026 Special Budget Workshop	Final Review of Budget: Expenses Revenues Capital Projects
June 15, 2026 Board Meeting	Adoption of Final Budget

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 20, 2026
SUBJECT: P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin Groundwater Sustainability Agency Audits for Fiscal Year Ending June 30, 2025

☒ **Action/Discussion**

☐ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

That the Board of Directors receive and file the attached:

- A. Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for the Year-ended June 30, 2025;
- B. Puente Basin Water Agency Audit Report for the Year-ended June 30, 2025;
- C. Spadra Basin Groundwater Sustainability Agency for the Year-ended June 30, 2025

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 Annual Comprehensive Financial Report on October 09, 2025
- PBWA approved the Audited Annual Comprehensive Financial Report on December 11, 2025
- Spadra approved the Audited Annual Comprehensive Financial Report on January 5, 2026

Attachments:

- PWR Annual Financial Report for FY 24-25
- PBWA Annual Financial Report for FY 24-25
- SBGSA Annual Financial Report for FY 24-25

**POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)**



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

For the Fiscal Year Ended June 30, 2025

Table of Contents

FINANCIAL SECTION

Page

Independent Auditors' Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Proprietary Fund:	
Balance Sheets.....	11
Statements of Revenues, Expenses and Changes in Net Position.....	12
Statements of Cash Flows.....	13
Notes to Financial Statements	15

SUPPLEMENTARY INFORMATION

Combining Schedules of Revenue, Expenses, and Changes in Net Position.....	24
Schedule of Assets Invested in Capital Assets by Member Agency.....	26

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
---	----

Financial Section



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2025, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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.

Auditor's Responsibilities for the Audit 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 generally accepted auditing standards 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 generally accepted auditing standards 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 audit 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 audit 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 as a whole. The Combining Schedules of Revenues, Expenses, and Changes in Net Position and Schedules of Assets Invested in Capital Assts by Member Agency are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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. Such 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated September 15, 2025, 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 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 the Commission's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Nigro" followed by a stylized flourish or initials.

Murrieta, California
September 15, 2025

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

Management's Discussion and Analysis (MD&A) offers readers of Pomona-Walnut-Rowland Joint Water Line Commission's financial statements a narrative overview of the Commission's financial activities for the year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the Commission's net position increased 3.22%, or \$105,044 from the prior year's net position of \$3,262,423 to \$3,367,467, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased 35.03%, or \$6,418,867 from \$18,324,232 to \$24,743,099, from the prior year, primarily due to increases in water sales to member agencies.
- In fiscal year 2025, operating expenses before depreciation increased by 34.94% or \$6,404,729 from \$18,331,798 to \$24,736,527, from the prior year, primarily due to increases of water purchases.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement 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 Balance Sheet includes all of the Commission's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Commission and assessing the liquidity and financial flexibility of the Commission. 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 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 rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Commission's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

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 Balance Sheet and the Statement 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 and liabilities 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, deferred outflows of resources, 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.

Condensed Balance Sheets

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Assets:			
Current assets	\$ 5,683,771	\$ 4,447,196	\$ 1,236,575
Non-current assets	976,335	933,012	43,323
Capital assets, net	<u>1,365,406</u>	<u>1,391,191</u>	<u>(25,785)</u>
Total assets	<u>8,025,512</u>	<u>6,771,399</u>	<u>1,254,113</u>
Liabilities:			
Current liabilities	<u>4,658,045</u>	<u>3,508,976</u>	<u>1,149,069</u>
Total liabilities	<u>4,658,045</u>	<u>3,508,976</u>	<u>1,149,069</u>
Net position:			
Investment in capital assets	1,365,406	1,391,191	(25,785)
Restricted for capital asset repairs and replacement	976,335	933,012	43,323
Unrestricted	<u>1,025,726</u>	<u>938,220</u>	<u>87,506</u>
Total net position	<u>3,367,467</u>	<u>3,262,423</u>	<u>105,044</u>
Total liabilities and net position	<u>\$ 8,025,512</u>	<u>\$ 6,771,399</u>	<u>\$ 1,254,113</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 and deferred outflows of resources of the Commission exceeded liabilities and deferred inflows of resources by \$3,367,467 as of June 30, 2025.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the Commission's net position reflects the Commission's 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 customers; consequently, these assets are not available for future spending.

At the end of year 2025, the Commission showed a positive balance in its unrestricted net position of \$1,025,726 which may be utilized in future years.

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Operating revenues	\$ 24,743,099	\$ 18,324,232	\$ 6,418,867
Operating expenses	<u>(24,736,527)</u>	<u>(18,331,798)</u>	<u>(6,404,729)</u>
Operating income(loss) before depr.	6,572	(7,566)	14,138
Depreciation expense	<u>(25,785)</u>	<u>(28,180)</u>	<u>2,395</u>
Operating loss	(19,213)	(35,746)	16,533
Non-operating revenues(expenses), net	<u>80,934</u>	<u>80,558</u>	<u>376</u>
Change in net position before capital	61,721	44,812	16,909
Capital contributions:			
Contributed capital	<u>43,323</u>	<u>43,323</u>	<u>-</u>
Change in net position	105,044	88,135	16,909
Net position:			
Beginning of year	<u>3,262,423</u>	<u>3,174,288</u>	<u>88,135</u>
End of year	<u>\$ 3,367,467</u>	<u>\$ 3,262,423</u>	<u>\$ 105,044</u>

The statement of revenues, expenses and changes in net position shows how the Commission's net position changed during the fiscal years. In the case of the Commission, the Commission's net position increased 3.22%, or \$105,044 from the prior year's net position of \$3,262,423 to \$3,367,467, as a result of the year's operations.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Total Revenues

	2025	2024	Increase (Decrease)
Operating revenues:			
Water sales to member agencies	\$ 24,629,099	\$ 18,223,432	\$ 6,405,667
Member agency assessments	114,000	100,800	13,200
Total operating revenues	<u>24,743,099</u>	<u>18,324,232</u>	<u>6,418,867</u>
Non-operating revenues:			
Investment earnings	80,934	80,425	509
Other non-operating revenues	-	133	(133)
Contributed capital	43,323	43,323	-
Total non-operating revenues	<u>124,257</u>	<u>123,881</u>	<u>376</u>
Total revenues	<u>\$ 24,867,356</u>	<u>\$ 18,448,113</u>	<u>\$ 6,419,243</u>

In fiscal year 2025, operating revenues increased 35.03%, or \$6,418,867 from \$18,324,232 to \$24,743,099, from the prior year, primarily due to increases in water sales to member agencies.

Also, non-operating revenues increased by 0.30%, or \$376 from \$123,881 to \$124,257.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Total Expenses

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Water purchases	\$ 24,629,099	\$ 18,223,432	\$ 6,405,667
Maintenance	27,774	31,024	(3,250)
General and administrative	64,200	64,200	-
Other	15,454	13,142	2,312
Total operating expenses	<u>24,736,527</u>	<u>18,331,798</u>	<u>6,404,729</u>
Depreciation expense	<u>25,785</u>	<u>28,180</u>	<u>(2,395)</u>
Total expenses	<u>\$ 24,762,312</u>	<u>\$ 18,359,978</u>	<u>\$ 6,402,334</u>

In fiscal year 2025, operating expenses before depreciation expense increased by 34.94% or \$6,404,729 from \$18,331,798 to \$24,736,527, from the prior year, primarily due to increases in water purchases.

Capital Assets

	<u>Balance June 30, 2025</u>	<u>Balance June 30, 2024</u>
Capital assets:		
Depreciable assets	\$ 2,470,480	\$ 2,470,480
Accumulated depreciation	<u>(1,105,074)</u>	<u>(1,079,289)</u>
Total capital assets, net	<u>\$ 1,365,406</u>	<u>\$ 1,391,191</u>

At the end of year 2025, the Commission's investment in capital assets amounted to \$1,364,406 (net of accumulated depreciation). These capital assets includes pipelines and improvements, service connections, and telemetry systems. See Note 3 for further information.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Actual Vs. Budget 2025

	2025 Actual	2025 Budget	Dollar Change	Percent Change
Revenues:				
Operating revenues	\$ 24,743,099	\$ 20,934,245	\$ 3,808,854	18.19%
Non-operating revenue	80,934	457,000	(376,066)	-82.29%
Total revenues	\$ 24,824,033	\$ 21,391,245	\$ 3,432,788	16.05%
Expenses:				
Operating expenses (incl. depr.)	24,762,312	21,384,245	3,378,067	-15.80%
Total expenses	24,762,312	21,384,245	3,378,067	-15.80%
Net (loss) income before capital contributions	61,721	7,000	54,721	-781.73%
Capital Contributions:				
Contributed capital	43,323	43,323	-	0.00%
Total capital contributions	43,323	43,323	-	0.00%
Change in net position	\$ 105,044	\$ 50,323	\$ 54,721	-108.74%

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 2025, the Commission estimated 15,315 acre-feet of Tier I water purchases at an average rate of \$1,324 per acre-foot. The Commission actually purchased 18,283 acre-foot of Tier I water.

Economic Factor and Next Year's Budget and Rates

	2025 Actual	2026 Budget	Dollar Change	Percent Change
Revenues:				
Operating revenues	\$ 24,743,099	\$ 23,309,110	\$ 1,433,989	5.80%
Non-operating revenue	80,934	457,000	(376,066)	-464.66%
Total revenues	\$ 24,824,033	\$ 23,766,110	\$ 1,057,923	4.26%
Expenses:				
Operating expenses (incl. depr.)	24,762,312	23,759,110	1,003,202	4.05%
Total expenses	24,762,312	23,759,110	1,003,202	4.05%
Net (loss) income before capital contributions	61,721	7,000	54,721	-88.66%
Capital Contributions:				
Contributed capital	43,323	50,074	(6,751)	15.58%
Total capital contributions	43,323	50,074	(6,751)	15.58%
Change in net position	105,044	57,074	47,970	-45.67%
Net postion, beginning of period	3,262,423	3,367,467	(105,044)	-3.22%
Net postion,end of period	\$ 3,367,467	\$ 3,424,541	\$ (57,074)	-1.69%

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE COMMISSION (continued)

Economic Factors and Next Year's Budget and Rates (continued)

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 2025, the commission factored in actual costs when looking at the administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line.

The last factor is the funding of depreciation and replacement of water line. In fiscal year 2025, an amount equal to \$43,323 of the change in ending net position, shown in the table above is projected to be transferred to reserves for deprecation and replacement.

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.

CONDITIONS AFFECTING CURRENT AND FUTURE 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.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Commission's funding sources, customers, stakeholders and other interested parties 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 the Commission's Treasurer at Rowland Water District, 3021 S. Fullerton Rd., Rowland Heights, CA 91748 – (562) 697-1726.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Balance Sheets**June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current assets:			
Cash and cash equivalents (Note 2)		\$ 1,201,786	\$ 1,499,890
Accrued interest receivable		17,948	17,661
Accounts receivable		4,462,526	2,928,175
Prepaid expenses		1,511	1,470
Total current assets		<u>5,683,771</u>	<u>4,447,196</u>
Non-current assets:			
Restricted –cash and cash equivalents (Note 2)		965,504	922,181
Restricted –accounts receivable		10,831	10,831
Capital assets – being depreciated, net (Note 3)		1,365,406	1,391,191
Total non-current assets		<u>2,341,741</u>	<u>2,324,203</u>
Total assets		<u>\$ 8,025,512</u>	<u>\$ 6,771,399</u>
	<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:			
Accounts payable		\$ 4,658,045	\$ 3,336,498
Related party payables		-	172,478
Total current liabilities		<u>4,658,045</u>	<u>3,508,976</u>
Net position: (Note 4)			
Investment in capital assets		1,365,406	1,391,191
Restricted for capital asset repairs and replacement		976,335	933,012
Unrestricted		1,025,726	938,220
Total net position		<u>3,367,467</u>	<u>3,262,423</u>
Total liabilities and net position		<u>\$ 8,025,512</u>	<u>\$ 6,771,399</u>

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	2025	2024
Operating revenues:		
Water sales to member agencies	\$ 24,629,099	\$ 18,223,432
Member agency assessments	114,000	100,800
Total operating revenues	24,743,099	18,324,232
Operating expenses:		
Water purchases	24,629,099	18,223,432
Maintenance	27,774	31,024
General and administrative	64,200	64,200
Other	15,454	13,142
Total operating expenses	24,736,527	18,331,798
Operating income(loss) before depreciation	6,572	(7,566)
Depreciation expense	(25,785)	(28,180)
Operating loss	(19,213)	(35,746)
Non-operating revenues(expenses):		
Investment earnings	80,934	80,425
Other non-operating revenues	-	133
Total non-operating revenues	80,934	80,558
Change in net position before capital contributions	61,721	44,812
Capital contributions:		
Contributed capital	43,323	43,323
Total capital contributions	43,323	43,323
Change in net position	105,044	88,135
Net position:		
Beginning of year	3,262,423	3,174,288
End of year	\$ 3,367,467	\$ 3,262,423

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from member agencies	\$ 23,208,748	\$ 18,129,669
Cash paid to vendors and suppliers for materials and services	<u>(23,587,499)</u>	<u>(17,555,760)</u>
Net cash provided by (used in) operating activities	<u>(378,751)</u>	<u>573,909</u>
Cash flows from capital and related financing activities:		
Capital contribution	<u>43,323</u>	<u>43,323</u>
Net cash provided by capital and related financing activities	<u>43,323</u>	<u>43,323</u>
Cash flows from investing activities:		
Investment earnings	<u>80,647</u>	<u>74,735</u>
Net cash provided by investing activities	<u>80,647</u>	<u>74,735</u>
Net increase(decrease) in cash and cash equivalents	(254,781)	691,967
Cash and cash equivalents:		
Beginning of year	<u>2,422,071</u>	<u>1,730,104</u>
End of year	<u>\$ 2,167,290</u>	<u>\$ 2,422,071</u>
Reconciliation of cash and cash equivalents to statement of financial position:		
Cash and cash equivalents	\$ 1,201,786	\$ 1,499,890
Restricted –cash and cash equivalents	<u>965,504</u>	<u>922,181</u>
	<u>\$ 2,167,290</u>	<u>\$ 2,422,071</u>

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss	<u>\$ (19,213)</u>	<u>\$ (35,746)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	25,785	28,180
Change in assets - (increase)decrease:		
Accounts receivable	(1,534,351)	(194,563)
Prepaid expenses	(41)	70
Change in liabilities - increase(decrease):		
Accounts payable	<u>1,149,069</u>	<u>775,968</u>
Total adjustments	<u>(359,538)</u>	<u>609,655</u>
Net cash provided by (used in) operating activities	<u><u>\$ (378,751)</u></u>	<u><u>\$ 573,909</u></u>

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Pomona-Walnut-Rowland Joint Water Line Commission (Commission) was formed under the Joint Power 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 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 Presentation, Basis of Accounting

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 costs (including depreciation) of providing goods or services to the member agencies on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the Commission. The Commission reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the Commission as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the Commission. All other expenses are reported as non-operating expenses.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

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

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Commission categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Commission has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Commission's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. 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.

4. Account 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, 2025, there is no allowance for uncollectible accounts as management believes all accounts will be collected, respectively.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Prepaids

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

6. 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:

Description	Estimated Lives
Pipeline and improvements	150 years
Service connections	150 years
Telemetry systems	10 years
Valve replacements	50 years

7. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This component consists of assets that have restriction placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributions, or laws and regulation of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** - This component consists of the new amount of assets, deferred outflow of resources, liabilities, and deferred inflows of resources that are not included in the determination of the investment in capital assets or restricted components of net position.

8. Water Sales and Services

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

9. Capital Contribution

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

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

Description	June 30, 2025	June 30, 2024
Cash and cash equivalents	\$ 1,201,786	\$ 1,499,890
Restricted – cash and cash equivalents	965,504	922,181
Total cash and investments	\$ 2,167,290	\$ 2,422,071

Cash and investments consisted of the following:

Description	June 30, 2025	June 30, 2024
Deposits with financial institutions	\$ 527,129	\$ 862,557
Deposit in Local Agency Investment Fund (LAIF)	1,640,161	1,559,514
Total cash and investments	\$ 2,167,290	\$ 2,422,071

Demand Deposits with Financial Institutions

At June 30, 2025, the carrying amount of the Commission's demand deposits were \$527,129 and the financial institution's balances were \$527,260. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Commission's balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the Commission 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 the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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. As of June 30, 2025, the Commission's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special Commissions to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff.

Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The Commission is a voluntary participant in LAIF. The fair value of the Commission's investment in this pool is reported at an amount 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 the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the Commission considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the Commission held \$1,640,161 in LAIF.

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

The table below identifies the investment types that are authorized for the Commission in accordance with the California Government Code (or the Commission's investments 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 contrition of credit risk.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
Local Agency Bond	5-years	None	None
U.S. Treasury Obligations	5-years	None	None
State of California Obligations	5-years	None	None
CA Local Agency Obligations	5-years	None	None
U. S. Agency Obligations	5-years	None	None
Negotiable Certificates of Deposit (Negotiable CD)	5-years	30%	Other
Collateralized Bank Deposits	5-years	None	None
Corporate Debt - Short and Long Term	5-years	None	None
Commercial Paper - Pooled Funds	270 days	40%	None
Commercial Paper - Non Pooled Funds	270 days	25%	None
Repurchase Agreements	1-year	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, 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 is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the Commission's investments by maturity as of June 30, 2025.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the Commission's investments as of June 30, 2025. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

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 76% and 64% as of June 30, 2025 and 2024, 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.

Fair Value Measurements

The Commission categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the Commission's investments were assigned a Level 2 input on the Investment Table.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 3 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
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	2,470,480	-	-	2,470,480
Accumulated depreciation:				
Pipeline and improvements	(944,616)	(17,211)	-	(961,827)
Service connections	(38,680)	(569)	-	(39,249)
Telemetry system	(95,993)	(8,005)	-	(103,998)
Total accumulated depreciation	(1,079,289)	(25,785)	-	(1,105,074)
Total capital assets, net	\$ 1,391,191	\$ (25,785)	\$ -	\$ 1,365,406

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

Description	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
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	2,470,480	-	-	2,470,480
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	(1,051,109)	(28,180)	-	(1,079,289)
Total capital assets, net	\$ 1,419,371	(28,180)	-	\$ 1,391,191

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 4 – NET POSITION

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

Description	2025	2024
Net investment in capital assets:		
Capital assets, net – being depreciated	\$ 1,365,406	\$ 1,391,191
Restricted		
Capital assets repairs and replacement	976,335	933,012
Unrestricted	1,025,726	938,220
Total net investment in capital assets	<u>\$ 3,367,467</u>	<u>\$ 3,262,423</u>

NOTE 5 – RISK MANAGEMENT POOL

The Commission is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Further information about the Insurance Authority is as follows:

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2024 – 401 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2024
Audit dated	March 27, 2025
Statement of financial position:	Sept 30, 2024
Total assets	<u>\$ 308,144,466</u>
Deferred outflows	<u>3,099,110</u>
Total liabilities	<u>177,706,110</u>
Deferred inflows	<u>4,357,741</u>
Net position	<u>\$ 129,179,725</u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 261,895,930
Total expenses	<u>(253,429,117)</u>
Change in net position	8,466,813
Beginning – net position	<u>120,712,912</u>
Ending – net position	<u>\$ 129,179,725</u>
F. Member agencies share of year-end financial position	Not Calculated

The Commission participated in the self-insurance programs of the Insurance Authority as follows:

General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limit 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 official's liability, which increases the limits on the insurance coverage noted above.

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

Notes to Financial Statements

June 30, 2025

NOTE 5 – RISK MANAGEMENT POOL (continued)

The Commission participates in group purchase Cyber Liability made available for all Agencies participating in the Liability Program. It protects the Commission from risk 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 years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The Commission does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months or less), including any options to extend, regardless of their probability of being exercised. Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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.

NOTE 7 – SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through September 15, 2025, the date which the financial statements were available to be issued.

Supplementary Information

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Combining Schedule of Revenues, Expenses, and Changes in Net Position**June 30, 2025*

	Water Operations	General and Administrative	Total
Operating revenues:			
Water sales to member agencies	\$ 24,629,099	\$ -	\$ 24,629,099
Member agency assessments	-	114,000	114,000
Total operating revenues	24,629,099	114,000	24,743,099
Operating expenses:			
Water purchases	24,629,099	-	24,629,099
Maintenance	27,774	-	27,774
General and administrative	-	64,200	64,200
Other	-	15,454	15,454
Total operating expenses	24,656,873	79,654	24,736,527
Operating income(loss) before depreciation	(27,774)	34,346	6,572
Depreciation expense	(25,785)	-	(25,785)
Operating income(loss)	(53,559)	34,346	(19,213)
Non-operating revenues(expenses):			
Investment earnings	80,934	-	80,934
Total non-operating revenues	80,934	-	80,934
Change in net position before capital contributions	27,375	34,346	61,721
Capital contributions:			
Contributed capital	43,323	-	43,323
Total capital contributions	43,323	-	43,323
Change in net position	70,698	34,346	105,044
Net position:			
Beginning of year	3,000,260	262,163	3,262,423
End of year	<u>\$ 3,070,958</u>	<u>\$ 296,509</u>	<u>\$ 3,367,467</u>

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Combining Schedule of Revenues, Expenses, and Changes in Net Position**June 30, 2024*

	Water Operations	General and Administrative	Total
Operating revenues:			
Water sales to member agencies	\$ 18,223,432	\$ -	\$ 18,223,432
Member agency assessments	-	100,800	100,800
Total operating revenues	18,223,432	100,800	18,324,232
Operating expenses:			
Water purchases	18,223,432	-	18,223,432
Maintenance	31,024	-	31,024
General and administrative	-	64,200	64,200
Other	-	13,142	13,142
Total operating expenses	18,254,456	77,342	18,331,798
Operating income(loss) before depreciation	(31,024)	23,458	(7,566)
Depreciation expense	(28,180)	-	(28,180)
Operating income(loss)	(59,204)	23,458	(35,746)
Non-operating revenues(expenses):			
Investment earnings	80,425	-	80,425
Other non-operating revenues	133	-	133
Total non-operating revenues	80,558	-	80,558
Change in net position before capital contributions	21,354	23,458	44,812
Capital contributions:			
Contributed capital	43,323	-	43,323
Total capital contributions	43,323	-	43,323
Change in net position	64,677	23,458	88,135
Net position:			
Beginning of year	2,935,583	238,705	3,174,288
End of year	\$ 3,000,260	\$ 262,163	\$ 3,262,423

POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION*Schedule of Assets Invested in Capital Assets by Member Agency**June 30, 2025*

Description	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 DF	-	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 per member	<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

June 30, 2024

Description	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 DF	-	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 per member	<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

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
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), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 15, 2025.

Report on 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) as a basis for designing audit procedures 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 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 Commission'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of 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 financial statements. 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*.

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.

Murrieta, California
September 15, 2025

**PUENTE BASIN WATER AGENCY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)**



PUENTE BASIN WATER AGENCY
For the Fiscal Year Ended June 30, 2025
Table of Contents

FINANCIAL SECTION		<u>Page</u>
Independent Auditors' Report		1
Management's Discussion and Analysis.....		3
Basic Financial Statements:		
Proprietary Fund:		
Balance Sheets		9
Statements of Revenues, Expenses and Changes in Net Position.....		10
Statements of Cash Flows.....		11
Notes to Financial Statements		13
 OTHER INDEPENDENT AUDITORS' REPORTS		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		24

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Puente Basin Water Agency
Walnut, California

Opinion

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2025, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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.

Auditor's Responsibilities for the Audit 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 generally accepted auditing standards 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 generally accepted auditing standards 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 audit 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.

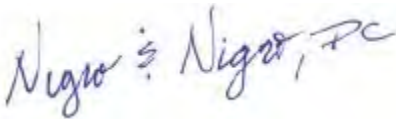
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 11, 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 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 the Agency's internal control over financial reporting and compliance.



Murrieta, California
December 11, 2025

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

Management's Discussion and Analysis (MD&A) offers readers of Puente Basin Water Agency's financial statements a narrative overview of the Agency's financial activities for the year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the Agency's net position increased 0.05%, or \$23,708 from the prior year's net position of \$45,865,381 to \$45,889,089, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased 4.30%, or \$605,837 from \$14,087,691 to \$14,693,529, from the prior year, primarily due to increases in sale of water to member agencies.
- In fiscal year 2025, operating expenses before depreciation expense increased by 5.49% or \$792,548 from \$14,446,849 to \$15,239,397, from the prior year, primarily due to increases in water supply expenses.
- 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 2025, the total of these pass-through costs were reflected in both the revenues amounting to \$12,986,398 and expenses amounting to \$12,984,338 of the Agency.
- Operating expenses including depreciation for the year totaled \$15,668,682 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 \$2,805 were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,344 acre-feet of water. The costs related to the production of water totaled \$1,887,179 for the year. These costs included the use of stored water in the amount of \$798,892, that was purchased and paid for in prior years.
- In 2025, the Agency recorded an additional \$499,114 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, 2025, the ending balance of the Pomona Basin project totaled \$10,975,385.
- 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, 2025, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,452,258.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement 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 Balance Sheet includes all of the Agency's investments in resources (assets) and the obligations to creditors (liabilities). 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 credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Balance Sheet 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 and liabilities 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 Agency's net position and changes in them. You can think of the Agency's net position – the difference between assets, deferred outflows of resources, 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 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.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Condensed Balance Sheets

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Assets:			
Current assets	\$ 18,400,710	\$ 18,760,952	\$ (360,242)
Non-current assets	33,182,331	33,266,792	(84,461)
Capital assets, net	<u>31,844,382</u>	<u>31,774,553</u>	<u>69,829</u>
Total assets	<u>\$ 83,427,423</u>	<u>\$ 83,802,297</u>	<u>\$ (374,874)</u>
Liabilities:			
Current liabilities	\$ 3,398,745	\$ 3,154,865	\$ 243,880
Non-current liabilities	<u>34,139,589</u>	<u>34,782,051</u>	<u>(642,462)</u>
Total liabilities	<u>37,538,334</u>	<u>37,936,916</u>	<u>(398,582)</u>
Net position:			
Net investment in capital assets	30,329,123	30,202,218	126,905
Unrestricted	<u>15,559,966</u>	<u>15,663,163</u>	<u>(103,197)</u>
Total net position	<u>45,889,089</u>	<u>45,865,381</u>	<u>23,708</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 83,427,423</u>	<u>\$ 83,802,297</u>	<u>\$ (374,874)</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 exceeded liabilities by \$45,889,090 as of June 30, 2025.

By far, the largest component of net position is the Agency's net investment in capital assets. As of June 30, 2025, net investment in capital assets increased by \$126,905 from the prior year. This increase was due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2025, the balance in construction-in-process amounted to \$10,975,385.

In 2025, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds related to capital facilities of WVWD with an additional \$2,526,792 recorded as bond premium. In accordance with the installment purchase agreement, WVWD 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, 2025, the balance of the installment purchase receivable and related liability was \$32,687,331. The Series 2024A Water Revenue Bonds are reported in the fiscal year ending June 30, 2025 financial statements of WVWD.

PUENTE BASIN WATER AGENCY*Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)***FINANCIAL ANALYSIS OF THE AGENCY (continued)****Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Operating revenues	\$ 14,693,528	\$ 14,087,691	\$ 605,837
Operating expenses	<u>(15,239,397)</u>	<u>(14,446,849)</u>	<u>(792,548)</u>
Operating loss before depreciation	<u>(545,869)</u>	<u>(359,158)</u>	<u>(186,711)</u>
Depreciation expense	<u>(429,285)</u>	<u>(429,285)</u>	<u>-</u>
Operating loss	<u>(975,154)</u>	<u>(788,443)</u>	<u>(186,711)</u>
Non-operating revenues (expenses), net	<u>(47,452)</u>	<u>(49,124)</u>	<u>1,672</u>
Change in net position before capital	<u>(1,022,606)</u>	<u>(837,567)</u>	<u>(185,039)</u>
Capital contributions:			
Contributed capital – other	<u>1,046,314</u>	<u>2,103,627</u>	<u>(1,057,313)</u>
Change in net position	<u>23,708</u>	<u>1,266,060</u>	<u>(1,242,352)</u>
Net position:			
Beginning of year	<u>45,865,381</u>	<u>44,599,321</u>	<u>1,266,060</u>
End of year	<u>\$ 45,889,089</u>	<u>\$ 45,865,381</u>	<u>\$ 23,708</u>

The statement of revenues, expenses and changes in net position shows how the Agency's net position changed during the fiscal years. In the case of the Agency, the Agency's net position increased 0.05%, or \$23,708 from the prior year's net position of \$45,865,381 to \$45,889,089, as a result of the year's operations.

Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Sale of water to member agencies – TVMWD	\$ 12,986,398	\$ 12,539,526	\$ 446,872
Sale of water to member agencies – Project	1,219,883	1,015,535	204,348
Member assessments	316,742	330,505	(13,763)
Water leases	123,125	123,125	-
Other water service charges	<u>47,380</u>	<u>79,000</u>	<u>(31,620)</u>
Total operating revenues	<u>14,693,528</u>	<u>14,087,691</u>	<u>605,837</u>
Non-operating revenues:			
Investment earnings	14,010	13,922	88
Contributed capital	<u>1,046,314</u>	<u>2,103,627</u>	<u>(1,057,313)</u>
Total non-operating revenues	<u>1,060,324</u>	<u>2,117,549</u>	<u>(1,057,225)</u>
Total revenues	<u>\$ 15,753,852</u>	<u>\$ 16,205,240</u>	<u>\$ (451,388)</u>

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Total Revenues (continued)

In fiscal year 2025, operating revenues increased 4.30%, or \$605,837 from \$14,087,691 to \$14,693,528, from the prior year, primarily due to increases in sale of water to member agencies. Also, non-operating revenues decreased by 49.93%, or \$1,057,225, from \$2,117,549 to \$1,046,314 due to the decrease in contributed capital revenue.

The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD are invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$12,986,398, an increase of \$446,872 from prior year. In addition, the Cal Domestic project produced 1,344 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,887,179, an increase of \$394,655 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 \$316,742, a decrease of \$13,763 over the prior year.

Capital contributions for the year totaled \$1,046,314, a decrease of \$1,057,313 from prior year, which was primarily due to decreases in capital contributions from member agencies for alternative water supply projects.

Total Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Water supply – TVMWD	\$ 12,984,338	\$ 12,537,466	\$ 446,872
Water supply – Project	1,893,514	1,497,818	395,696
Professional services	255,560	320,738	(65,178)
Other operating	105,985	90,827	15,158
Total operating expenses	<u>15,239,397</u>	<u>14,446,849</u>	<u>792,548</u>
Depreciation expense	<u>429,285</u>	<u>429,285</u>	<u>-</u>
Non-operating expenses:			
Interest expense	<u>61,462</u>	<u>63,046</u>	<u>(1,584)</u>
Total non-operating expenses	<u>61,462</u>	<u>63,046</u>	<u>(1,584)</u>
Total expenses	<u>\$ 15,730,144</u>	<u>\$ 14,939,180</u>	<u>\$ 790,964</u>

In fiscal year 2025, operating expenses before depreciation expense increased by 5.49% or \$792,548 from \$14,446,849 to \$15,239,397, from the prior year, primarily due to increases in water supply expense.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Capital Assets

	Balance	Balance
Capital assets:	June 30, 2025	June 30, 2024
Non-depreciable assets	\$ 21,378,339	\$ 20,879,225
Depreciable assets	13,854,616	13,854,616
Accumulated depreciation	<u>(3,388,573)</u>	<u>(2,959,288)</u>
Total capital assets, net	<u>\$ 31,844,382</u>	<u>\$ 31,774,553</u>

At the end of year 2025, the Agency's investment in capital assets amounted to \$31,844,382 (net of accumulated depreciation), respectively. See Note 3 for further information.

Debt Administration

The long-term debt of the Agency is summarized below:

	Balance	Balance
Long-term debt:	June 30, 2025	June 30, 2024
Bonds payable	\$ 32,750,332	\$ 33,323,868
Capital lease payable	<u>1,515,259</u>	<u>1,572,335</u>
	<u>\$ 34,265,591</u>	<u>\$ 34,896,203</u>

Long-term debt decreased during the 2025 fiscal year. See Note 4 and 5 for further information.

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.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE AGENCY (continued)

CONDITIONS AFFECTING CURRENT AND FUTURE 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.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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.

PUENTE BASIN WATER AGENCY*Balance Sheets**June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents (Note 2)	\$ 568,648	\$ 460,682
Accrued interest receivable	123,974	106,465
Accounts receivable	2,763,131	2,997,156
Grant receivable	278,029	278,029
Water -in-storage inventory	14,666,928	14,918,620
Total current assets	18,400,710	18,760,952
Non-current assets:		
Installment purchase receivable (Note 3)	33,182,331	33,266,792
Capital assets – not being depreciated and amortized (Note 4)	21,378,339	20,879,225
Capital assets – being depreciated and amortized, net (Note 4)	10,466,043	10,895,328
Total non-current assets	65,026,713	65,041,345
Total assets	\$ 83,427,423	\$ 83,802,297
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,719,877	\$ 2,994,381
Accrued interest payable	120,867	103,408
Long-term liabilities – due within one year:		
Bond payable (Note 5)	495,000	-
Right-to-use lease payable (Note 6)	63,001	57,076
Total current liabilities	3,398,745	3,154,865
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Bond payable (Note 5)	32,687,331	33,266,792
Right-to-use lease payable (Note 6)	1,452,258	1,515,259
Total non-current liabilities	34,139,589	34,782,051
Total liabilities	37,538,334	37,936,916
Net position:		
Net investment in capital assets (Note 7)	30,329,123	30,202,218
Unrestricted	15,559,966	15,663,163
Total net position	45,889,089	45,865,381
Total liabilities, deferred inflows of resources and net position	\$ 83,427,423	\$ 83,802,297

PUENTE BASIN WATER AGENCY*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Sale of water to member agencies –TVMWD	\$ 12,986,398	\$ 12,539,526
Sale of water to member agencies –Project	1,219,883	1,015,535
Member assessments	316,742	330,505
Water leases	123,125	123,125
Other water service charges	47,380	79,000
Total operating revenues	<u>14,693,528</u>	<u>14,087,691</u>
Operating expenses:		
Water supply –TVMWD	12,984,338	12,537,466
Water supply –Project	1,893,514	1,497,818
Professional services	255,560	320,738
Other operating	105,985	90,827
Total operating expenses	<u>15,239,397</u>	<u>14,446,849</u>
Operating loss before depreciation and amortization	<u>(545,869)</u>	<u>(359,158)</u>
Depreciation and amortization expense	<u>(429,285)</u>	<u>(429,285)</u>
Operating loss	<u>(975,154)</u>	<u>(788,443)</u>
Non-operating revenues(expenses):		
Investment earnings	14,010	13,922
Interest expense	<u>(61,462)</u>	<u>(63,046)</u>
Total non-operating revenues(expenses), net	<u>(47,452)</u>	<u>(49,124)</u>
Change in net position before capital contributions	<u>(1,022,606)</u>	<u>(837,567)</u>
Capital contributions:		
Capital contributions –member agency assessments	499,114	1,560,627
Contributions - stored water purchases from member agencies	547,200	543,000
Total capital contributions	<u>1,046,314</u>	<u>2,103,627</u>
Change in net position	<u>23,708</u>	<u>1,266,060</u>
Net position:		
Beginning of year	<u>45,865,381</u>	<u>44,599,321</u>
End of year	<u>\$ 45,889,089</u>	<u>\$ 45,865,381</u>

PUENTE BASIN WATER AGENCY*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts for water sales and assessments	\$ 14,927,553	\$ 13,682,193
Cash paid to vendors and suppliers for materials and services	<u>(15,262,209)</u>	<u>(14,017,967)</u>
Net cash used in operating activities	<u>(334,656)</u>	<u>(335,774)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(499,114)	(1,560,527)
Capital contributions	1,046,314	2,103,627
Issuance of installment purchase receivable	-	(33,266,792)
Issuance of long-term debt	-	33,266,792
Principal paid on debt	(57,076)	(51,484)
Interest paid on debt	<u>(61,462)</u>	<u>(63,046)</u>
Net cash provided by capital and related financing activities	<u>428,662</u>	<u>428,570</u>
Cash flows from investing activities:		
Investment earnings	<u>13,960</u>	<u>12,914</u>
Net cash provided by (used in) investing activities	<u>13,960</u>	<u>12,914</u>
Net increase in cash and cash equivalents	107,966	105,710
Cash and cash equivalents:		
Beginning of year	<u>460,682</u>	<u>354,972</u>
End of year	<u>\$ 568,648</u>	<u>\$ 460,682</u>

PUENTE BASIN WATER AGENCY*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	<u>\$ (975,154)</u>	<u>\$ (788,443)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	429,285	429,285
Change in assets – (increase)decrease:		
Accounts receivable	234,025	(405,498)
Inventory – water-in-storage	251,692	59,111
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	<u>(274,504)</u>	<u>369,771</u>
Total adjustments	<u>640,498</u>	<u>452,669</u>
Net cash used in operating activities	<u><u>\$ (334,656)</u></u>	<u><u>\$ (335,774)</u></u>

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

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 Presentation, Basis of Accounting

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 (including depreciation) of providing water to its member agencies on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the Agency. The Agency reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the Agency as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the Agency. All other expenses are reported as non-operating expenses.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. 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.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the Agency categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Agency has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Agency's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Account Receivables and Allowance for Doubtful Accounts

The Agency extended credit to customers in the normal course of operations. When management deems customer accounts uncollectable, the Agency uses the allowance method for the reservation and write-off those accounts. As of June 30, 2025, there is no allowance for uncollectable accounts as management believes all accounts will be collected.

4. 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.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Water in Storage Inventory

Water-in-storage inventory consists 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 2025, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valey Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2025, the Agency had a total of 22,551 acre-feet of water -in- storage value using an average cost of \$650 per acre-foot.

6. 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:

Description	Estimated Lives
Water mains	60 years
Pipeline and improvements	20 years

7. Right-To-Use Leased Asset and Right-To-Use Lease Payable

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. The Agency has established a single model for lease accounting based on the principle that leases are financings of a right-to-use underlying asset. As a lessee, the Agency is required to recognize a lease liability(payable) and an intangible right-to-use leased asset. At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life. The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and lease payable if certain changes occur that are expected to significantly affect the amount of the lease payable

8. Unearned Revenue

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** – This component consists of assets that have restriction placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributions, or laws and regulations of the other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted net position** - This component consists of the net amount of assets, deferred outflow of resources, liabilities and deferred inflow or 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 revenue when they are earned.

11. Capital Contribution

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.

D. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Reclassifications

Certain amounts from the prior year have been reclassified to conform to the current year's presentation.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2025</u>
Cash and cash equivalents	\$ 568,648
Total cash and cash equivalents	\$ 568,648

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>
Demand deposits held with financial institutions	284,718
Local Agency Investment Fund (LAIF)	283,930
Total cash and cash equivalents	\$ 568,648

Demand Deposits with Financial Institutions

At June 30, 2025, the carrying amount of the Agency's demand deposits were \$284,718 and the financial institution's balances were \$284,994. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the Agency's balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the Agency 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 the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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.

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties, and special Agency to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff.

Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF) (continued)

The Agency is a voluntary participant in LAIF. The fair value of the Agency's investment in this pool is reported at an amount 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 the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the Agency considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the Agency held \$283,930 in LAIF.

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5-years	None	None
U.S. Treasury Obligations	5-years	None	None
State of California Obligations	5-years	None	None
CA Local Agency Obligations	5-years	None	None
U.S. Agency Obligation	5-years	None	None
Negotiable Certificates of Deposit (Negotiable CD)	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%	None
Commercial Paper - Non Pooled Funds	270 days	25%	None
Repurchase agreement	1-years	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, 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 is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Disclosures Relating to 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 issuer as stipulated by the California Government Code. As of June 30, 2025, and 2024, the Agency's deposit portfolio with government sponsored agency, LAIF, is 50% and 59% respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represents 5% or more of the Agency's total investment.

Fair Value Measurements

The Agency categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the Agency's investments were assigned a Level 2 input on the Investment Table.

NOTE 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 is 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.

PUENTE BASIN WATER AGENCY*Notes to Financial Statements**June 30, 2025***NOTE 4 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Non-depreciable assets:				
Water rights	\$ 10,402,954	\$ -	\$ -	\$ 10,402,954
Construction-in-process	10,476,271	499,114	-	10,975,385
Total non-depreciable assets	20,879,225	499,114	-	21,378,339
Depreciable assets:				
Right-to-use leased asset	1,841,213	-	-	1,841,213
Pumping plant and equipment	12,013,403	-	-	12,013,403
Total depreciable and amortizable assets	13,854,616	-	-	13,854,616
Accumulated depreciation/amortization:				
Right-to-use leased asset	(559,727)	(88,378)	-	(648,105)
Pumping plant and equipment	(2,399,561)	(340,907)	-	(2,740,468)
Total accumulated depreciation and amortization	(2,959,288)	(429,285)	-	(3,388,573)
Total depreciable and amortizable assets, net	10,895,328	(429,285)	-	10,466,043
Total capital assets, net	\$ 31,774,553	\$ 69,829	\$ -	\$ 31,844,382

NOTE 5 – BOND PAYABLE

Changes in bond payable for the year ended June 30, 2025, are as follows:

Description	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-term Portion
2024A Series Water Revenue Bonds:						
WVWD – Principal	\$ 30,740,000	\$ -	\$ -	\$ 30,740,000	\$ 495,000	\$ 30,245,000
WVWD – Bond Premium	2,526,792	-	(84,461)	2,442,331	-	2,442,331
	\$ 33,266,792	\$ -	\$ (84,461)	\$ 33,182,331	\$ 495,000	\$ 32,687,331

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 Financial Statements**June 30, 2025***NOTE 5 – BOND PAYABLE (continued)**

Future annual bond payments are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 495,000	\$ 1,450,400	\$ 1,945,400
2027	520,000	1,425,650	1,945,650
2028	545,000	1,399,650	1,944,650
2029	575,000	1,372,400	1,947,400
2030	605,000	1,343,650	1,948,650
2031-2035	3,505,000	6,233,500	9,738,500
2036-2040	4,465,000	5,265,500	9,730,500
2041-2045	5,700,000	4,032,500	9,732,500
2046-2050	7,270,000	2,458,250	9,728,250
2051-2054	7,060,000	720,000	7,780,000
Total	30,740,000	<u>\$ 25,701,500</u>	<u>\$ 56,441,500</u>
Current	<u>(495,000)</u>		
Long-term	<u>\$ 30,245,000</u>		

NOTE 6 – RIGHT-TO-USE LEASED ASSET AND RIGHT-TO-USE LEASE PAYABLE

Changes in right-to-use lease payable for fiscal year ending June 30, 2025 was as follows:

Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion	Long-term Portion
<u>\$ 1,572,335</u>	<u>\$ -</u>	<u>\$ (57,076)</u>	<u>\$ 1,515,259</u>	<u>\$ 63,001</u>	<u>\$ 1,452,258</u>

Annual debt service requirements for the right-to-use lease payable are as follows:

Fiscal Year	Principal	Interest	Total
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	90,353	48,071	138,424
2031-2035	578,613	178,343	756,956
2036-2038	555,180	46,004	601,184
Total	1,515,259	<u>\$ 495,838</u>	<u>\$ 2,011,097</u>
Current	<u>(63,001)</u>		
Long-term	<u>\$ 1,452,258</u>		

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 6 – RIGHT-TO-USE LEASED ASSET AND RIGHT-TO-USE LEASE PAYABLE (continued)

The Agency is reporting a total right-to-use leased asset, net of \$1,193,108 and a right-to-use lease payable of \$1,515,259 for the year ending June 30, 2024. Also, the Agency is reporting total amortization expense of \$88,378, principal payments of \$57,076 and interest expense of \$61,462 related to the above noted lease.

The lease held by the Agency does not have an implicit rate of return, therefore the Agency used their incremental borrowing rate of 4.00% to discount the lease payments to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease.

The Agency's lease is summarized as follows:

Old Baldy Well Facility

On March 1, 2018, the Agency entered into a 30 year lease for use of the Old Baldy Well facility. An initial right-to-use lease liability was recorded in the amount of \$1,841,213. The Agency made semi-annually fixed lease payments of \$61,494 during the 2025 fiscal year end. Payments are 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 3%. The lease has an implied interest rate of 4.0%. The Agency is amortizing the right-to-use leased asset of \$1,841,213 at \$7,365 per month.

NOTE 7 – NET POSITION

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

Description	June 30, 2025	June 30, 2024
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 21,378,339	20,879,225
Capital assets, net – being depreciated	10,466,043	10,895,328
Right-to-use lease payable, current portion	(63,001)	-
Right-to-use lease payable, non - current portion	<u>(1,452,258)</u>	<u>(1,515,259)</u>
Total net investment in capital assets	<u>\$ 30,329,123</u>	<u>\$ 30,259,294</u>

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 8 – RISK MANAGEMENT POOL

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Further information about the Insurance Authority is as follows:

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2024 – 401 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2024
Audit dated	March 27, 2025
Statement of financial position:	Sept 30, 2024
Total assets	<u>\$ 308,144,466</u>
Deferred outflows	<u>3,099,110</u>
Total liabilities	<u>177,706,110</u>
Deferred inflows	<u>4,357,741</u>
Net position	<u><u>\$ 129,179,725</u></u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 261,895,930
Total expenses	<u>(253,429,117)</u>
Change in net position	8,466,813
Beginning – net position	<u>120,712,912</u>
Ending – net position	<u><u>\$ 129,179,725</u></u>
F. Member agencies share of year-end financial position	Not Calculated

The Agency participated in the self-insurance programs of the Insurance Authority 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.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 8 – RISK MANAGEMENT POOL (Continued)

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.

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 years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The Agency does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months or less), including any options to extend, regardless of their probability of being exercised. Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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.

Construction Commitments

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.

NOTE 10 – SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through December 11, 2025, the date which the financial statements were available to be issued.

Other Independent Auditors' Reports



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
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), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on 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) as a basis for designing audit procedures 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 Agency'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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 financial statements. 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*.

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.

Murrieta, California
December 11, 2025



Spadra Basin Groundwater Sustainability Agency
Walnut, California

Annual Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

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, 2025

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

Spadra Basin Groundwater Sustainability Agency

James Ning, Treasurer

271 S Brea Canyon Rd.

Walnut, California 91789

(909) 595-7554 – www.spadrabasin.com

**Spadra Basin Groundwater Sustainability Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**

Table of Contents

	<u>Page No.</u>
Table of Contents	i
Financial Section	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Basic Financial Statements:	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to the Basic Financial Statements	11-16
Report on Internal Controls and Compliance	
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 <i>Government Auditing Standards</i>	17-18

< Page Intentionally Left Blank >

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, 2025 and 2024, 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, 2025 and 2024, 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 5, 2026, 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 17 and 18.

C.J. Brown & Company, CPAs
Cypress, California
January 5, 2026

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Spadra Basin Groundwater Sustainability Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2025 and 2024. 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 2025, the Agency's net position decreased by \$20,923 to \$938,165. In 2024, the Agency's net position decreased by \$20,923 to \$959,088.
- In 2025, the Agency's operating revenues decreased by \$44,999 to \$79,741. In 2024, the Agency's operating revenues decreased by \$216,779 to \$124,740.
- In 2025, the Agency's operating expenses decreased by \$44,999 to \$79,741. In 2024, the Agency's operating expenses increased by \$15,221 to \$124,740.
- In 2025, the Agency had no reportable non-operating revenues. In 2024, the Agency had no reportable non-operating revenues.
- In 2025, the Agency's depreciation expense was unchanged from 2024, at \$20,923. In 2024, the Agency's depreciation expense increased by \$6,974 to \$20,923.
- In 2025, the Agency had no reportable capital contributions. In 2024, the Agency had no reportable capital contributions.

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, 2025 and 2024

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 16.

Statements of Net Position

Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 586,551	633,657	(47,106)	584,228	49,429
Capital assets, net	362,665	383,588	(20,923)	404,511	(20,923)
Total assets	<u>949,216</u>	<u>1,017,245</u>	<u>(68,029)</u>	<u>988,739</u>	<u>28,506</u>
Liabilities:					
Current liabilities	11,051	58,157	(47,106)	8,728	49,429
Total liabilities	<u>11,051</u>	<u>58,157</u>	<u>(47,106)</u>	<u>8,728</u>	<u>49,429</u>
Net position:					
Net investment in capital assets	362,665	383,588	(20,923)	404,511	(20,923)
Unrestricted	575,500	575,500	-	575,500	-
Total net position	<u>\$ 938,165</u>	<u>959,088</u>	<u>(20,923)</u>	<u>980,011</u>	<u>(20,923)</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 \$938,165 and \$959,088 as of June 30, 2025 and 2024, respectively.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position

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

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 79,741	124,740	(44,999)	341,519	(216,779)
Non-operating revenues	-	-	-	94,480	(94,480)
Total Revenues	<u>79,741</u>	<u>124,740</u>	<u>(44,999)</u>	<u>435,999</u>	<u>(311,259)</u>
Expenses:					
Operating expenses	79,741	124,740	(44,999)	109,519	15,221
Depreciation expense	20,923	20,923	-	13,949	6,974
Total Expenses	<u>100,664</u>	<u>145,663</u>	<u>(44,999)</u>	<u>123,468</u>	<u>22,195</u>
Net income before capital contributions	(20,923)	(20,923)	-	312,531	(333,454)
Capital contributions	-	-	-	418,460	(418,460)
Change in net position	(20,923)	(20,923)	-	730,991	(751,914)
Net position, beginning of year	959,088	980,011	(20,923)	249,020	730,991
Net position, end of year	<u>\$ 938,165</u>	<u>959,088</u>	<u>(20,923)</u>	<u>980,011</u>	<u>(20,923)</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 \$938,165, due to depreciation expense. In the fiscal year 2024, the Agency's net position decreased \$20,923 to \$959,088, due to depreciation expense.

In fiscal year 2025, the Agency's operating revenues decreased \$44,999 to \$79,741, due to a decrease in administrative assessments of \$44,999. 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 2025, the Agency's operating expenses decreased \$44,999 to \$79,741, primarily due to a decrease of \$46,518 in professional services, offset by an increase of \$3,538 in other administrative expenses. In fiscal year 2024, the Agency's operating expenses increased \$15,221 to \$124,740, principally 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 2025, the Agency had no reportable non-operating revenue. In fiscal year 2024, the Agency's non-operating revenue decreased by \$94,480 to \$0, due to a decrease in grant revenue.

In fiscal year 2025, the Agency had no reportable capital contributions. In fiscal year 2024, the Agency had no reportable capital contributions.

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.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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, James Ning, 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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 562,976	341,451
Accounts receivable – member agencies	<u>23,575</u>	<u>292,206</u>
Total current assets	<u>586,551</u>	<u>633,657</u>
Non-current assets:		
Capital assets – being depreciated, net (note 3)	<u>362,665</u>	<u>383,588</u>
Total non-current assets	<u>362,665</u>	<u>383,588</u>
Total assets	<u>949,216</u>	<u>1,017,245</u>
Current liabilities:		
Accounts payable – member agencies	<u>11,051</u>	<u>58,157</u>
Total current liabilities	<u>11,051</u>	<u>58,157</u>
Net position:		
Net investment in capital assets	362,665	383,588
Unrestricted	<u>575,500</u>	<u>575,500</u>
Total net position	<u>\$ 938,165</u>	<u>959,088</u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Administrative assessments	\$ 79,741	124,740
Total operating revenues	<u>79,741</u>	<u>124,740</u>
Operating expenses:		
General and administrative	79,741	124,740
Total operating expenses	<u>79,741</u>	<u>124,740</u>
Operating income (expense) before depreciation expense	<u>-</u>	<u>-</u>
Depreciation expense	(20,923)	(20,923)
Operating loss	<u>(20,923)</u>	<u>(20,923)</u>
Change in net position	(20,923)	(20,923)
Net position, beginning of year	<u>959,088</u>	<u>980,011</u>
Net position, end of year	<u>\$ 938,165</u>	<u>959,088</u>

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from administrative and member assessments	\$ 348,372	73,269
Cash paid to vendors and suppliers for materials and services	<u>(126,847)</u>	<u>(75,311)</u>
Net cash provided by (used in) operating activities	<u>221,525</u>	<u>(2,042)</u>
Net increase (decrease) in cash and cash equivalents	221,525	(2,042)
Cash and cash equivalents – beginning of year	<u>341,451</u>	<u>343,493</u>
Cash and cash equivalents – end of year	<u><u>\$ 562,976</u></u>	<u><u>341,451</u></u>
 Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating loss	\$ <u>(20,923)</u>	<u>(20,923)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	20,923	20,923
Changes in assets and liabilities:		
Decrease (Increase) in assets:		
Accounts receivable – member assessments	268,631	(51,471)
(Decrease) Increase in liabilities:		
Accounts payable – member assessments	<u>(47,106)</u>	<u>49,429</u>
Total adjustments	<u>242,448</u>	<u>18,881</u>
Net cash provided by (used in) operating activities	<u><u>\$ 221,525</u></u>	<u><u>(2,042)</u></u>

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The 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:

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, 2025 and 2024

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

C. Financial Reporting, 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.

D. Assets, Liabilities, and Net Position

1. Use of Estimates

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

2. Cash and Cash Equivalents

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

D. Assets, Liabilities, and Net Position, continued

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, 2025, and 2024, 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.

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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ <u>562,976</u>	<u>341,451</u>

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued

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

	<u>2025</u>	<u>2024</u>
Deposits with financial institutions	\$ 562,976	341,451
Total cash and cash equivalents	<u>\$ 562,976</u>	<u>341,451</u>

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, 2025, were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Depreciable assets:				
Monitoring Well	\$ 418,460	-	-	418,460
Total depreciable assets	418,460	-	-	418,460
Accumulated depreciation:				
Monitoring Well	(34,872)	(20,923)	-	(55,795)
Total accumulated depreciation	(34,872)	(20,923)	-	(55,795)
Total depreciable assets, net	<u>\$ 383,588</u>	<u>(20,923)</u>	<u>-</u>	<u>362,665</u>

For the fiscal year ending June 30, 2025, the Agency had \$0 in additions or deletions to depreciable assets.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(3) Capital Assets, continued

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/</u> <u>Transfers</u>	<u>Balance</u> <u>2024</u>
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 \$	<u>404,511</u>	<u>(20,923)</u>	<u>-</u>	<u>383,588</u>

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

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

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

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

Governmental Accounting Standards Board Statement No. 104

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

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

Governmental Accounting Standards Board Statement No. 104, continued

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

(5) 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.

(6) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of January 5, 2026, which is the date the financial statements were available to be issued.

< Page Intentionally Left Blank >

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, 2025 and 2024, 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 5, 2026.

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 5, 2026

MONTHLY ACCOUNT STATEMENT

Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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

Custodian:

PORTFOLIO SUMMARY



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Portfolio Characteristics

Average Modified Duration	1.42
Average Coupon	2.98%
Average Purchase YTM	3.12%
Average Market YTM	3.38%
Average Credit Quality*	AA
Average Final Maturity	1.55
Average Life	1.54

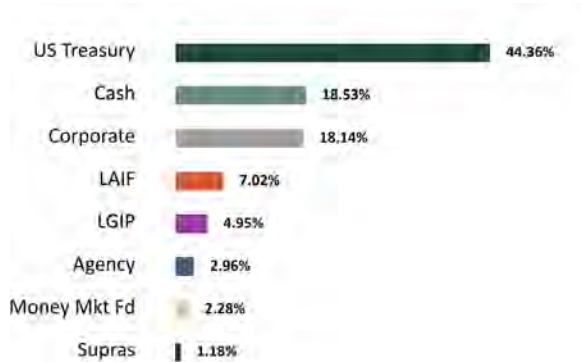
Account Summary

	End Values as of 11/30/2025	End Values as of 12/31/2025
Market Value	44,008,499.95	42,132,570.08
Accrued Interest	200,191.50	200,551.46
Total Market Value	44,208,691.45	42,333,121.53
Income Earned	51,444.75	116,228.42
Cont/WD	3,583,215.65	(1,961,676.71)
Par	43,991,307.46	42,125,533.85
Book Value	43,908,875.17	42,041,878.02
Cost Value	43,751,077.48	41,885,842.62

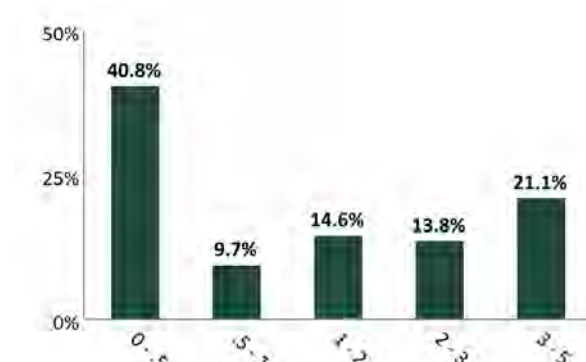
Top Issuers

United States	44.36%
Cash	18.46%
LAIF	7.02%
CA CLASS	4.95%
Federal Home Loan Banks	2.96%
Federated Hermes, Inc.	2.28%
Deere & Company	1.21%
PACCAR Inc	1.21%

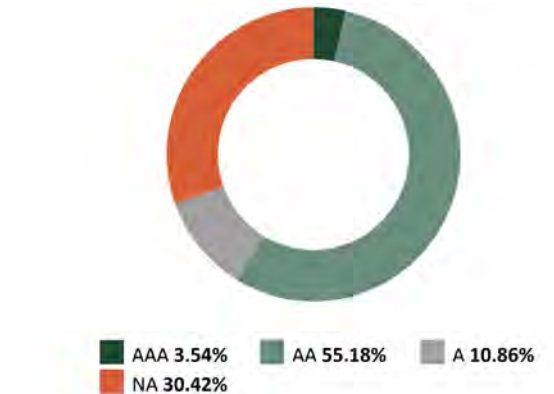
Sector Allocation



Maturity Distribution



Credit Quality*



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

Execution Time: 01/07/2026 06:39:19 PM

Chandler Asset Management | info@chandlerasset.com | www.chandlerasset.com | WALNUT VALLEY WATER DISTRICT CONS REGULAR BOARD MEETING - JANUARY 20, 2026 CONFIDENTIAL | 2

PORTFOLIO SUMMARY



Walnut Valley Water District | Account #10074 | As of December 31, 2025

Portfolio Characteristics

Average Modified Duration	2.05
Average Coupon	3.11%
Average Purchase YTM	3.30%
Average Market YTM	3.66%
Average Credit Quality*	AA
Average Final Maturity	2.24
Average Life	2.23

Account Summary

	End Values as of 11/30/2025	End Values as of 12/31/2025
Market Value	28,971,724.61	29,039,529.96
Accrued Interest	199,592.22	199,731.02
Total Market Value	29,171,316.83	29,239,260.98
Income Earned	44,386.96	109,124.19
Cont/WD	0.00	0.00
Par	28,949,357.10	29,028,264.09
Book Value	28,866,924.81	28,944,608.26
Cost Value	28,709,127.12	28,788,572.86

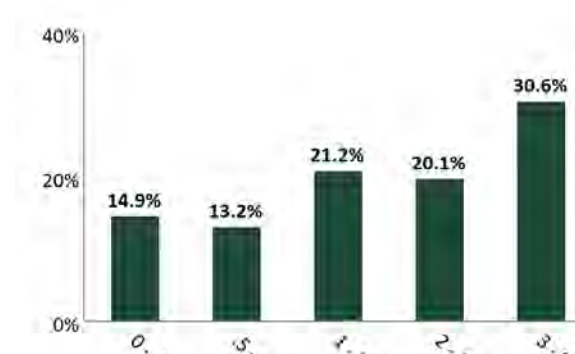
Top Issuers

United States	64.36%
Federal Home Loan Banks	4.29%
Federated Hermes, Inc.	3.31%
Deere & Company	1.75%
PACCAR Inc	1.75%
Bank of America Corporation	1.74%
Northern Trust Corporation	1.73%
PepsiCo, Inc.	1.72%

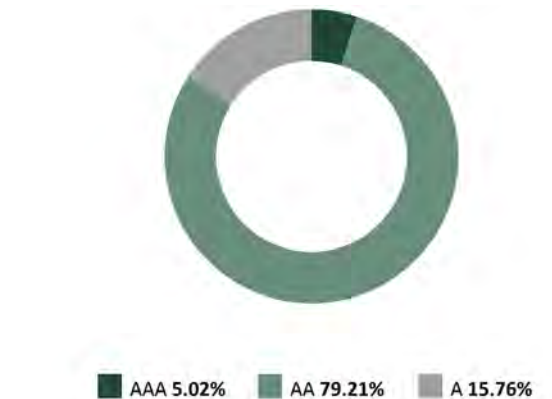
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (08/01/09)
Walnut Valley WD	0.23%	1.10%	5.37%	5.37%	4.79%	4.73%	1.65%	2.08%	1.89%
Benchmark Return	0.19%	1.11%	5.73%	5.73%	4.57%	4.48%	1.34%	1.83%	1.66%

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

**Periods over 1 year are annualized.

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

RECONCILIATION SUMMARY



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Maturities / Calls

Month to Date	(1,300,000.00)
Fiscal Year to Date	(4,325,000.00)

Principal Paydowns

Month to Date	0.00
Fiscal Year to Date	0.00

Purchases

Month to Date	2,006,390.08
Fiscal Year to Date	17,990,115.77

Sales

Month to Date	(2,556,787.29)
Fiscal Year to Date	(11,216,924.28)

Interest Received

Month to Date	112,202.58
Fiscal Year to Date	499,492.73

Purchased / Sold Interest

Month to Date	(923.08)
Fiscal Year to Date	(30,069.86)

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	43,908,875.17	39,571,808.27
Maturities/Calls	(1,300,000.00)	(4,325,000.00)
Principal Paydowns	0.00	0.00
Purchases	2,006,390.08	17,990,115.77
Sales	(2,556,787.29)	(11,216,924.28)
Change in Cash, Payables, Receivables	(21,188.90)	(3,381.62)
Amortization/Accretion	4,588.96	25,259.88
Realized Gain (Loss)	0.00	0.00
Ending Book Value	42,041,878.02	42,041,878.02

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	44,008,499.95	39,423,958.03
Maturities/Calls	(1,300,000.00)	(4,325,000.00)
Principal Paydowns	0.00	0.00
Purchases	2,006,390.08	17,990,115.77
Sales	(2,556,787.29)	(11,216,924.28)
Change in Cash, Payables, Receivables	(21,188.90)	(3,381.62)
Amortization/Accretion	4,588.96	25,259.88
Change in Net Unrealized Gain (Loss)	(8,932.73)	238,542.30
Realized Gain (Loss)	0.00	0.00
Ending Market Value	42,132,570.07	42,132,570.07

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY									
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 479,853.46	101.44 3.47%	481,848.55 1,177.60	1.14% 1,995.09	Aa1/AA+ AA+	1.94 1.85
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	750,000.00	07/21/2023 4.17%	756,637.50 753,315.03	102.04 3.50%	765,264.75 2,005.21	1.82% 11,949.72	Aa1/AA+ AA+	2.44 2.29
Total Agency		1,225,000.00	3.98%	1,243,826.00 1,233,168.49	101.81 3.49%	1,247,113.30 3,182.81	2.96% 13,944.81		2.25 2.12
CASH									
90CASH\$00	Custodial Cash Account	7,776,698.69	-- 3.00%	7,776,698.69 7,776,698.69	1.00 3.00%	7,776,698.69 0.00	18.46% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	923.70	--	923.70 923.70	1.00	923.70 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	30,454.16	--	30,454.16 30,454.16	1.00	30,454.16 0.00	0.07% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		7,808,076.55	3.00%	7,808,076.55 7,808,076.55	1.00 3.00%	7,808,076.55 0.00	18.53% 0.00		0.00 0.00
CORPORATE									
89114TZD7	TORONTO-DOMINION BANK 1.2 06/03/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,123.45	98.85 3.98%	395,408.40 373.33	0.94% (4,715.05)	A2/A- AA-	0.42 0.41
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,028.59	100.91 4.04%	504,539.50 10,207.75	1.20% 4,510.91	Aa2/A+ AA	0.63 0.52
87612EBM7	TARGET CORP 1.95 01/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 500,363.80	98.20 3.73%	491,009.00 4,495.83	1.17% (9,354.80)	A2/A A	1.04 1.00
06406RBA4	BANK OF NEW YORK MELLON CORP 2.05 01/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,079.76	98.15 3.84%	490,737.50 4,413.19	1.16% (9,342.26)	Aa3/A AA-	1.07 1.03
023135CF1	AMAZON.COM INC 3.3 04/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,193.02	99.58 3.64%	398,302.40 2,860.00	0.95% (1,890.62)	A1/AA AA-	1.28 1.23
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,011.99	100.33 3.75%	501,631.00 2,833.33	1.19% 1,619.01	A2/A+ A+	1.36 1.22
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 503,040.29	101.79 3.67%	508,972.00 10,925.00	1.21% 5,931.71	A1/A+ NA	2.03 1.88
24422EWR6	JOHN DEERE CAPITAL CORP 4.75 01/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 504,235.81	101.92 3.77%	509,576.00 10,621.53	1.21% 5,340.19	A1/A A+	2.05 1.90

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 432,244.58	102.09 3.91%	433,898.65 7,947.50	1.03% 1,654.07	A2/A A	2.13 1.89
713448FL7	PEPSICO INC 3.6 02/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 494,429.54	99.78 3.71%	498,885.50 6,650.00	1.18% 4,455.96	A1/A+ NA	2.13 2.00
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,387.93	102.27 3.78%	460,234.80 6,825.00	1.09% 9,846.87	Aa3/A+ NA	2.19 1.96
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	400,000.00	06/26/2023 4.70%	382,788.00 391,719.95	99.60 3.88%	398,394.40 2,466.67	0.95% 6,674.45	A1/A NA	2.33 2.20
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	450,000.00	-- 4.67%	444,781.50 447,498.38	101.25 3.84%	455,604.30 2,530.00	1.08% 8,105.92	Aa2/A+ AA-	2.37 2.07
74340XCG4	PROLOGIS LP 4.875 06/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 449,162.91	102.36 3.86%	460,629.90 975.00	1.09% 11,466.99	A2/A NA	2.46 2.22
89236TLB9	TOYOTA MOTOR CREDIT CORP 5.25 09/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 449,036.11	103.51 3.86%	465,795.00 7,218.75	1.11% 16,758.89	A1/A+ A+	2.70 2.46
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	300,000.00	06/17/2025 4.59%	304,347.00 303,832.36	102.92 4.17%	308,752.50 5,940.00	0.73% 4,920.14	A2/NA A	4.10 3.55
857477DB6	STATE STREET CORP 4.834 04/24/2030	350,000.00	05/28/2025 4.72%	351,652.00 351,448.32	102.95 4.08%	360,335.85 3,148.81	0.86% 8,887.53	Aa3/A AA-	4.31 3.77
Total Corporate		7,575,000.00	4.02%	7,582,473.00 7,577,836.78	100.92 3.84%	7,642,706.70 90,431.70	18.14% 64,869.92		1.96 1.78
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,956,792.19	-- 3.98%	2,956,792.19 2,956,792.19	1.00 3.98%	2,956,792.19 0.00	7.02% 0.00	NA/NA NA	0.00 0.00
Total LAIF		2,956,792.19	3.98%	2,956,792.19 2,956,792.19	1.00 3.98%	2,956,792.19 0.00	7.02% 0.00		0.00 0.00
LOCAL GOV INVESTMENT POOL									
90CACLA\$0	California CLASS	2,085,324.72	-- 0.00%	2,085,324.72 2,085,324.72	1.00 0.00%	2,085,324.72 0.00	4.95% 0.00	NA/NA NA	0.00 0.00
Total Local Gov Investment Pool		2,085,324.72	0.00%	2,085,324.72 2,085,324.72	1.00 0.00%	2,085,324.72 0.00	4.95% 0.00		0.00 0.00

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
MONEY MARKET FUND									
60934N807	FEDERATED HRMS GV O SVC	962,340.39	-- 3.41%	962,340.39 962,340.39	1.00 3.41%	962,340.39 0.00	2.28% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		962,340.39	3.41%	962,340.39 962,340.39	1.00 3.41%	962,340.39 0.00	2.28% 0.00		0.00 0.00
NEGOTIABLE CD									
38149MZJ5	Goldman Sachs Bank USA 1.05 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	98.29 3.60%	243,770.36 820.44	0.58% (4,229.64)	A1/A+ AA-	0.69 0.67
Total Negotiable CD		248,000.00	1.05%	248,000.00 248,000.00	98.29 3.60%	243,770.36 820.44	0.58% (4,229.64)		0.69 0.67
SUPRANATIONAL									
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,905.52	99.14 3.77%	495,695.00 862.85	1.18% (4,210.52)	Aaa/AAA NA	0.30 0.30
Total Supranational		500,000.00	0.94%	498,425.00 499,905.52	99.14 3.77%	495,695.00 862.85	1.18% (4,210.52)		0.30 0.30
US TREASURY									
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 549,790.73	99.74 3.68%	548,571.10 863.11	1.30% (1,219.63)	Aa1/AA+ AA+	0.08 0.08
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 649,667.15	99.48 3.82%	646,616.10 1,104.28	1.53% (3,051.05)	Aa1/AA+ AA+	0.16 0.16
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	440,000.00	03/29/2021 0.87%	437,301.56 439,868.48	99.34 3.49%	437,103.04 843.13	1.04% (2,765.44)	Aa1/AA+ AA+	0.25 0.24
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 849,567.64	98.85 3.60%	840,217.35 560.44	1.99% (9,350.29)	Aa1/AA+ AA+	0.41 0.40
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 748,335.58	98.32 3.58%	737,418.75 1,961.62	1.75% (10,916.83)	Aa1/AA+ AA+	0.58 0.57
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 848,645.16	98.17 3.59%	834,449.25 2,166.09	1.98% (14,195.91)	Aa1/AA+ AA+	0.67 0.64
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 648,187.81	98.03 3.59%	637,174.20 1,453.13	1.51% (11,013.61)	Aa1/AA+ AA+	0.75 0.73

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,742.33	97.99 3.62%	563,432.73 1,107.91	1.34% (11,309.60)	Aa1/AA+ AA+	0.83 0.81
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	575,000.00	04/26/2022 2.74%	537,827.15 567,623.03	97.95 3.56%	563,226.88 631.87	1.34% (4,396.15)	Aa1/AA+ AA+	0.91 0.89
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	700,000.00	06/13/2022 3.44%	670,878.91 692,449.47	98.76 3.53%	691,331.90 4,471.15	1.64% (1,117.57)	Aa1/AA+ AA+	1.25 1.20
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 547,310.28	99.66 3.49%	548,109.65 49.38	1.30% 799.37	Aa1/AA+ AA+	1.50 1.45
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	550,000.00	09/08/2022 3.39%	543,232.42 547,735.44	99.43 3.48%	546,841.90 5,839.95	1.30% (893.54)	Aa1/AA+ AA+	1.67 1.58
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 399,573.04	101.07 3.48%	404,281.20 4,215.66	0.96% 4,708.16	Aa1/AA+ AA+	1.75 1.65
91282CFU0	UNITED STATES TREASURY 4.125 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 747,855.45	101.11 3.49%	758,320.50 5,298.69	1.80% 10,465.05	Aa1/AA+ AA+	1.83 1.74
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 852,200.29	97.78 3.49%	855,586.38 2,556.11	2.03% 3,386.09	Aa1/AA+ AA+	1.87 1.80
91282CDF5	UNITED STATES TREASURY 1.375 10/31/2028	450,000.00	09/23/2025 3.58%	421,066.41 423,594.59	94.21 3.55%	423,949.05 1,059.74	1.01% 354.46	Aa1/AA+ AA+	2.84 2.72
9128285M8	UNITED STATES TREASURY 3.125 11/15/2028	450,000.00	09/23/2025 3.59%	443,882.81 444,410.34	98.88 3.54%	444,972.60 1,825.79	1.06% 562.26	Aa1/AA+ AA+	2.88 2.71
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	400,000.00	04/07/2025 3.72%	404,406.25 403,656.49	101.29 3.61%	405,172.00 6,695.65	0.96% 1,515.51	Aa1/AA+ AA+	3.58 3.26
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	800,000.00	04/23/2025 3.92%	790,687.50 792,163.44	99.98 3.63%	799,875.20 9,853.59	1.90% 7,711.76	Aa1/AA+ AA+	3.67 3.36
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	425,000.00	07/01/2025 3.80%	428,303.71 427,921.55	101.31 3.63%	430,561.55 2,911.60	1.02% 2,640.00	Aa1/AA+ AA+	3.83 3.50
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	600,000.00	02/13/2025 4.41%	592,546.88 593,914.00	101.73 3.65%	610,359.60 2,175.82	1.45% 16,445.60	Aa1/AA+ AA+	3.91 3.58
91282CMD0	UNITED STATES TREASURY 4.375 12/31/2029	600,000.00	01/07/2025 4.47%	597,539.06 598,023.67	102.67 3.65%	616,031.40 72.51	1.46% 18,007.73	Aa1/AA+ AA+	4.00 3.65
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	600,000.00	02/03/2025 4.36%	597,187.50 597,698.44	102.22 3.66%	613,336.20 10,671.20	1.46% 15,637.76	Aa1/AA+ AA+	4.08 3.66
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	400,000.00	04/07/2025 3.75%	404,515.63 403,849.96	101.27 3.67%	405,093.60 4,087.91	0.96% 1,243.64	Aa1/AA+ AA+	4.25 3.84
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	450,000.00	05/07/2025 3.89%	449,771.48 449,801.40	100.78 3.68%	453,515.85 2,986.53	1.08% 3,714.45	Aa1/AA+ AA+	4.33 3.93

HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	425,000.00	07/01/2025 3.82%	428,370.12 428,026.35	101.27 3.68%	430,411.95 1,494.51	1.02% 2,385.60	Aa1/AA+ AA+	4.41 4.00
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	450,000.00	07/21/2025 3.90%	449,419.92 449,472.33	100.75 3.69%	453,392.55 48.17	1.08% 3,920.22	Aa1/AA+ AA+	4.50 4.09
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	600,000.00	11/19/2025 3.68%	605,039.06 604,915.58	100.74 3.70%	604,429.80 9,729.62	1.43% (485.78)	Aa1/AA+ AA+	4.58 4.10
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	600,000.00	11/19/2025 3.68%	598,476.56 598,513.23	99.64 3.71%	597,867.00 7,390.19	1.42% (646.23)	Aa1/AA+ AA+	4.67 4.20
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	600,000.00	11/19/2025 3.69%	598,289.06 598,329.54	99.61 3.71%	597,679.80 5,557.01	1.42% (649.74)	Aa1/AA+ AA+	4.75 4.28
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	600,000.00	11/19/2025 3.69%	598,312.50 598,351.74	99.58 3.72%	597,468.60 3,725.14	1.42% (883.14)	Aa1/AA+ AA+	4.83 4.36
91282CPN5	UNITED STATES TREASURY 3.5 11/30/2030	600,000.00	12/15/2025 3.72%	594,187.50 594,238.88	98.99 3.73%	593,953.20 1,846.15	1.41% (285.68)	Aa1/AA+ AA+	4.91 4.45
Total US Treasury		18,765,000.00	3.02%	18,500,584.77 18,670,433.38	99.63 3.61%	18,690,750.87 105,253.66	44.36% 20,317.48		2.52 2.31
Total Portfolio		42,125,533.85	3.12%	41,885,842.62 42,041,878.02	67.58 3.38%	42,132,570.08 200,551.46	100.00% 90,692.06		1.55 1.42
Total Market Value + Accrued						42,333,121.53			

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/01/2025	60934N807	27,656.25	FEDERATED HRMS GV O SVC	1.000	3.65%	(27,656.25)	0.00	(27,656.25)	0.00
Purchase	12/02/2025	60934N807	4,575.76	FEDERATED HRMS GV O SVC	1.000	3.65%	(4,575.76)	0.00	(4,575.76)	0.00
Purchase	12/03/2025	60934N807	2,400.00	FEDERATED HRMS GV O SVC	1.000	3.61%	(2,400.00)	0.00	(2,400.00)	0.00
Purchase	12/09/2025	60934N807	16,406.25	FEDERATED HRMS GV O SVC	1.000	3.54%	(16,406.25)	0.00	(16,406.25)	0.00
Purchase	12/10/2025	60934N807	10,093.75	FEDERATED HRMS GV O SVC	1.000	3.54%	(10,093.75)	0.00	(10,093.75)	0.00
Purchase	12/12/2025	60934N807	1,125.00	FEDERATED HRMS GV O SVC	1.000	3.40%	(1,125.00)	0.00	(1,125.00)	0.00
Purchase	12/12/2025	60934N807	600,000.00	FEDERATED HRMS GV O SVC	1.000	3.40%	(600,000.00)	0.00	(600,000.00)	0.00
Purchase	12/15/2025	60934N807	10,968.75	FEDERATED HRMS GV O SVC	1.000	3.40%	(10,968.75)	0.00	(10,968.75)	0.00
Purchase	12/16/2025	91282CPN5	600,000.00	UNITED STATES TREASURY 3.5 11/30/2030	99.031	3.72%	(594,187.50)	(923.08)	(595,110.58)	0.00
Purchase	12/31/2025	60934N807	32,093.75	FEDERATED HRMS GV O SVC	1.000	3.41%	(32,093.75)	0.00	(32,093.75)	0.00
Purchase	12/31/2025	60934N807	700,000.00	FEDERATED HRMS GV O SVC	1.000	3.41%	(700,000.00)	0.00	(700,000.00)	0.00
Purchase	12/31/2025	90CACLAS0	6,883.07	California CLASS	1.000	0.00%	(6,883.07)	0.00	(6,883.07)	0.00
Total Purchase			2,012,202.58				(2,006,390.08)	(923.08)	(2,007,313.16)	0.00
TOTAL ACQUISITIONS			2,012,202.58				(2,006,390.08)	(923.08)	(2,007,313.16)	0.00
DISPOSITIONS										
Maturity	12/12/2025	3130AKFA9	(600,000.00)	FEDERAL HOME LOAN BANKS 0.375 12/12/2025	100.000	0.42%	600,000.00	0.00	600,000.00	0.00
Maturity	12/31/2025	91282CBC4	(700,000.00)	UNITED STATES TREASURY 0.375 12/31/2025	100.000	0.52%	700,000.00	0.00	700,000.00	0.00

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Total Maturity			(1,300,000.00)				1,300,000.00	0.00	1,300,000.00	0.00
Sale	12/16/2025	60934N807	(595,110.58)	FEDERATED HRMS GV O SVC	1.000	3.43%	595,110.58	0.00	595,110.58	0.00
Sale	12/31/2025	90CASH\$00	(1,961,676.71)	Custodial Cash Account	1.000	3.00%	1,961,676.71	0.00	1,961,676.71	0.00
Total Sale			(2,556,787.29)				2,556,787.29	0.00	2,556,787.29	0.00
TOTAL DISPOSITIONS			(3,856,787.29)				3,856,787.29	0.00	3,856,787.29	0.00
OTHER TRANSACTIONS										
Cash Transfer	12/31/2025	CCYUSD	(1,961,676.71)	Cash		0.00%	(1,961,676.71)	0.00	(1,961,676.71)	0.00
Total Cash Transfer			(1,961,676.71)				(1,961,676.71)	0.00	(1,961,676.71)	0.00
Coupon	12/03/2025	89114TZD7	0.00	TORONTO-DOMINION BANK 1.2 06/03/2026		1.12%	2,400.00	0.00	2,400.00	0.00
Coupon	12/09/2025	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	12/10/2025	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	12/12/2025	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	12/15/2025	74340XCG4	0.00	PROLOGIS LP 4.875 06/15/2028		4.96%	10,968.75	0.00	10,968.75	0.00
Coupon	12/31/2025	91282CMD0	0.00	UNITED STATES TREASURY 4.375 12/31/2029		4.47%	13,125.00	0.00	13,125.00	0.00
Coupon	12/31/2025	91282CNK3	0.00	UNITED STATES TREASURY 3.875 06/30/2030		3.90%	8,718.75	0.00	8,718.75	0.00
Coupon	12/31/2025	91282CEW7	0.00	UNITED STATES TREASURY 3.25 06/30/2027		3.61%	8,937.50	0.00	8,937.50	0.00
Coupon	12/31/2025	91282CBC4	0.00	UNITED STATES TREASURY 0.375 12/31/2025		0.52%	1,312.50	0.00	1,312.50	0.00
Total Coupon			0.00				73,087.50	0.00	73,087.50	0.00
Dividend	12/31/2025	90CACLAS0	0.00	California CLASS		0.00%	6,883.07	0.00	6,883.07	0.00

TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of December 31, 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/ Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Dividend	12/31/2025	60934N807	0.00	FEDERATED HRMS GV O SVC		3.42%	923.71	0.00	923.71	0.00
Total Dividend			0.00				7,806.78	0.00	7,806.78	0.00
TOTAL OTHER TRANSACTIONS			(1,961,676.71)				(1,880,782.43)	0.00	(1,880,782.43)	0.00

STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	4.3	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	50.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	26.3	Compliant	
Max % Issuer (MV)	5.0	1.8	Compliant	
Max Maturity (Years)	5	4	Compliant	

STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	4.3	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	4.3	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	2	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % Issuer (MV)	5.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	3.3	Compliant	
Max % Issuer (MV)	20.0	3.3	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, 2025

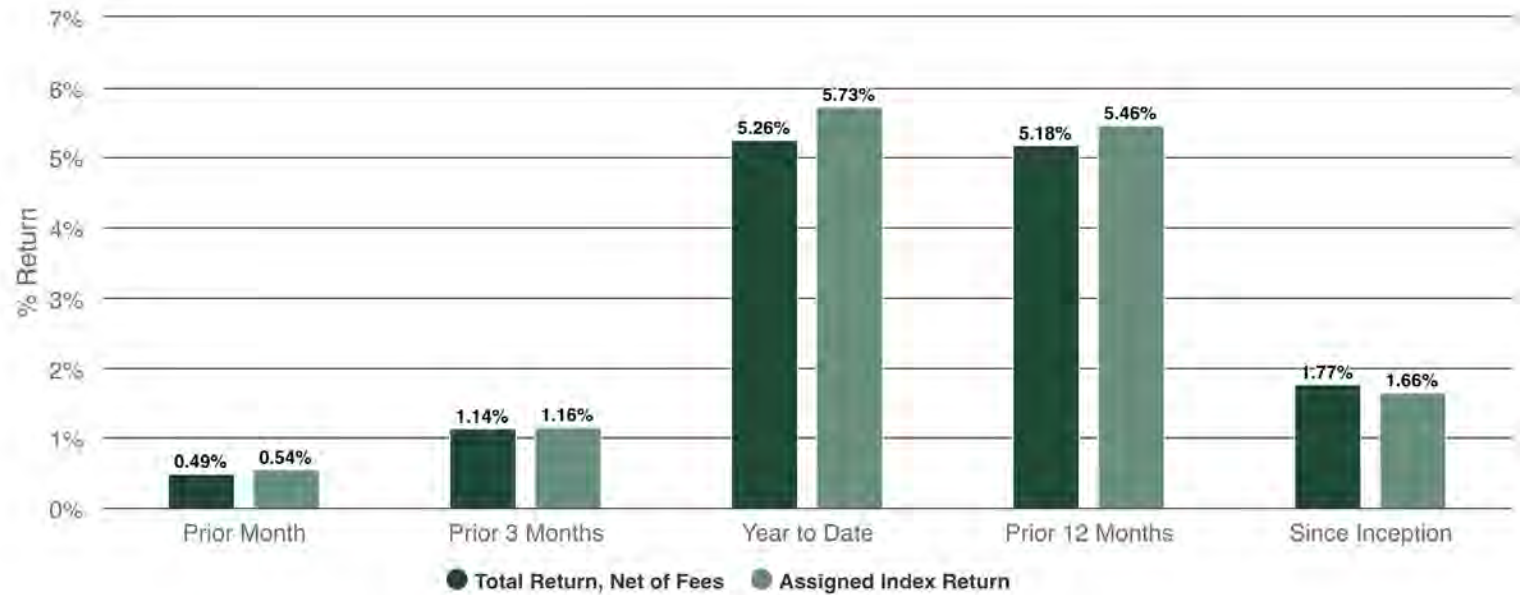
Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
REVERSE REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	92.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.7	Compliant	
Max % Issuer (MV)	10.0	1.7	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	64.4	Compliant	
Max Maturity (Years)	5	4	Compliant	

Net of Fees Performance

As of 12/31/2025

Walnut Valley WD (331583)

Dated: 01/12/2026



Period	Period Begin	Period End	Total Return, Net of Fees	Assigned Index Return
Prior Month	11/01/2025	11/30/2025	0.49%	0.54%
Prior 3 Months	09/01/2025	11/30/2025	1.14%	1.16%
Year to Date	01/01/2025	12/31/2025	5.26%	5.73%
Prior 12 Months	12/01/2024	11/30/2025	5.18%	5.46%
Since Inception	08/01/2009	12/31/2025	1.77%	1.66%

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

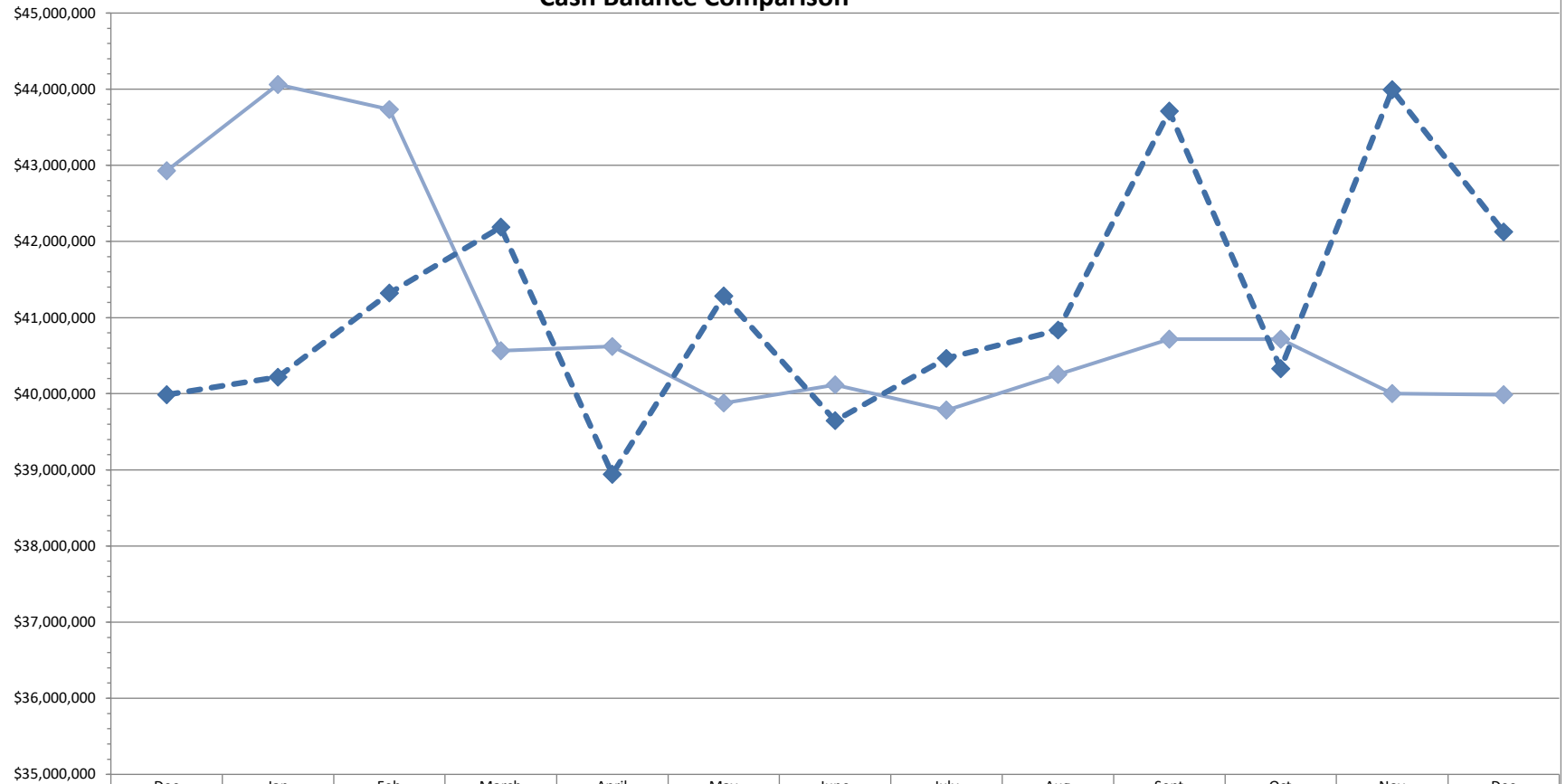
As of 12/31/2025

Walnut Valley WD (331583)

Dated: 01/12/2026

Reported Index Return is always Total Return.

Walnut Valley Water District Cash Balance Comparison



Walnut Valley Water District
Revenue Bond - Held at US Bank
Life to Date
December 31, 2025

Bond Proceeds	\$ 33,176,590.01
---------------	------------------

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)	(31,500.00)	
	<hr/>	(162,900.00)

Projects

Administration Headquarters Phase 1	(19,825,282.63)	
Administration Headquarters Phase 2	<hr/>	(19,825,282.63)

Interest Income	1,202,074.20
District Payment of Principal and Interest	924,081.11
Interest Expense	(2,070,848.87)

Ending Balance of Bond Funds	<hr/> <hr/> \$ 13,243,713.82
------------------------------	------------------------------

Walnut Valley Water District
Revenue Bond - Held at US Bank
December 31, 2025

Beginning Balance of Bonds		\$	13,938,922.10
Receipts:			
Interest Income			29,991.72
Prepayment of Interest			
Disbursements:			
Cost of Issuance			
Administration Headquarters Phase 1			
Administration Headquarters Phase 2		0.00	
Interest Expense		(725,200.00)	
			(725,200.00)
Ending Balance of Bond Funds		\$	13,243,713.82

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Executive Services Administrator
DATE: January 20, 2026
SUBJECT: Declaration of Surplus Property

☒ **Action/Discussion**

☒ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

The Board of Directors declares the list of fully depreciated furniture as surplus property and dispose of the furniture 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.

A list of District Obsolete Furniture is attached.

Staff recommends the Board of Directors declare the furniture referenced as "surplus property" and authorize the General Manager to dispose of this property in accordance with District Surplus Property policy.

Attachment

Obsolete Furniture

Item	Qty	Description	Approximate Value (ea.)
Cubicle Desks	21	Modular workstations.	\$750.00
Large Office Desks	10	Large office desk	\$1500.00
Small Bookshelf	5	Small bookshelf	\$85.00
Large Bookshelf	4	Large bookshelf	\$250.00
Credenza	5	Credenza	\$350.00
Drawer	5	Drawer	\$100.00
Drafting Table	2	Drafting Table	\$350.00

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Operations
DATE: January 20, 2026
SUBJECT: Chestnut Hill MCC Replacement (PN 23-3803)

☒ **Action/Discussion**

☒ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

The Board of Directors authorizes the General Manager:

- 1) Approve a transfer of \$54,800 from the Towable Emergency Pump CIP # 51 Project to PN# 23-3803 Chestnut Hill MCC Replacement; and
- 2) Approve a change order with Morrow-Meadows Corporation, adding \$54,800 for additional labor and materials.

Background

The District has many Motor Control Centers (MCC) that are obsolete, and it is becoming increasingly difficult to find replacement parts. The existing MCC panels are also not energy efficient. The District is developing a standard design for these new panels so that all units will use the same equipment with readily available parts. The upgrade process includes replacing the existing MCC and all wiring with new liquid-tight flex to each pump and valve, including motor leads. In addition, the upgrade will include the furnishing and installation of a new 15-inch touch screen into the PLC (Programmable Logic Controller) section of the MCC. The new panels will include soft-start units for all pumps and motors, reducing voltage inrush at startup. All work includes site testing, commissioning and startup.

The scope of this project includes: removing the existing PLC and installing it into a temporary enclosure; mounting the temporary enclosure adjacent to the existing MCC on the handrails of the valve vault; relocating the existing radios into the temporary enclosure; connecting power and low voltage signals to the temporary panel to maintain SCADA functionality; designing and fabricating a new SCADA RTU panel complete with PLC rack, CPU, power supply, UPS, discrete input and output modules, analog input and output modules, Ethernet Switch, terminal blocks and wiring to match existing for a complete operating system; reinstalling the existing radios and cabling into the new MCC enclosure; providing a complete set of control panel drawings and as-built drawings for the new panel, and providing a printed and electronic copy to WVWD. Any demoed equipment will be turned over to WVWD. WVWD will also provide a temporary generator for the site during this Project.

Funds for the additional \$54,800 will be transferred from the Towable Emergency Pump CIP # 51 Project and added to the original approved budget amount of \$363,000 for a new total of \$417,800.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Operations
DATE: January 20, 2026
SUBJECT: Purchase of District Vehicles for FY 25-26

☒ Action/Discussion

☒ Fiscal Impact

☐ Resolution

☐ Information Only

Recommendation

The Board of Directors authorizes the General Manager to procure three 2026 Ford F-150 work trucks, including all required upfitting and appurtenances, at a total cost not to exceed \$247,800.

Background

In accordance with the District's vehicle replacement schedule and the need to maintain reliable service continuity, three work trucks are scheduled for replacement in the FY 2025–26 fiscal year due to age and wear.

The District's approved FY 2025-26 Capital Improvement Program (CIP) budget allocates \$247,800 for vehicle replacement. The proposed purchase, including vehicle costs and upfitting, is within the approved budget. Three vendor bids were solicited for the vehicles, with the results summarized below:

Vendor	Vehicle	Quantity	Pricing
Puente Hills Ford	F-150	3 each	\$ 167,335.50
Villa Ford	F-150	3 each	\$ 157,438.11
Raceway Ford	F-150	3 each	\$ 163,545.00

Final upfitting of each vehicle will be completed when the vehicles are received.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Engineering
DATE: January 20, 2026
SUBJECT: Acceptance of Work and Notice of Completion for District Headquarters Facility Parking Lot Phase 1A (P.N. 19-3569-1)

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

Recommendation

The Board of Directors:

1. Accept the work as installed for the project listed below.
2. Authorize the filing of Notice of Completion for the project listed below.

<u>Project</u>	<u>Description</u>	<u>Contractor</u>
19-3569-1	District Headquarters Facility Parking Lot Phase 1A	DPR Construction

Background

The contractor has completed work on the District Headquarters Facility Parking Lot Phase 1A project and all work has been performed in accordance with the contract documents. The monthly progress report is attached which includes the project description and vicinity map.

Attachments:
Monthly Progress Report
Notice of Completion

Monthly Progress Report – January 2026

DISTRICT HEADQUARTERS PARKING LOT PHASE 1A P.N. 19-3569-1

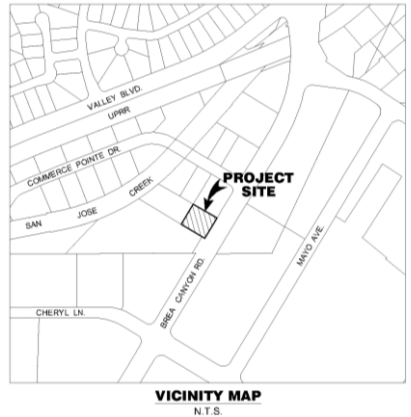


PROJECT MANAGER: BERTHA PEREZ/TAI DIEP

DESCRIPTION:

The District is proposing to improve the existing Headquarters site (future Operations & Maintenance building) under Phase 1A, which will construct a public parking lot for the New District Headquarters. The site improvements include earthwork, demolition and the new parking lot. Additionally, low-impact development and stormwater pollution prevention plan measures will be implemented to manage on-site stormwater runoff, incorporating BMPs, storm drains, curb gutters, and catch basins.

LOCATION:



CONTRACT INFORMATION:

Consultant: Civiltec Engineering, Inc.

Schedule	Days
Award Date	05/22/25
Notice to Proceed	05/22/25
Start	05/22/25
Change Orders	N/A
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$56,280.00
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$3,166.50
Earnings to Date	\$51,800.00

CONTRACT INFORMATION:

Contractor: DPR Construction

Schedule	Days
Award Date	09/02/25
Notice to Proceed	09/02/25
Start	09/02/25
Change Orders	N/A
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$976,087
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$96,379.35
Earnings to Date	\$563,240.26

PROGRESS STATUS:

Civiltec:

- Approved by the Board on 05/22/25
- Notice to Proceed issued on 05/22/25
- Grading permit issued on 07/15/25
- Planning Permit issued 09/04/25
- LA County Public Works Permit issued 9/5/25
- SWPPP Amendment completed 09/04/25
- 92% completion

DPR:

- City of Industry Permit issued 11/24/25
- City of Industry Approval 12/22/25 (End of Work)
- Notice of Completion file date: 01/20/26
- 58% Completion

--

RECORDING REQUESTED BY:

Walnut Valley Water District

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice is hereby given that:

Walnut Valley Water District, a California Water District, hereby requests this Notice of Completion be filed for the installation of a parking lot.

The work of improvement was completed on December 22, 2025. The contractor for said work of improvement was DPR Construction. The name and address of the contractor's surety is:

Liberty Mutual Insurance Company, 175 Berkeley St., Boston, MA 02116
Continental Casualty Company, 151 N. Franklin St., Chicago, IL 60606
Fidelity and Deposit Company of Maryland, 1299 Zurich Way, Schaumburg, IL 60196
Berkshire Hathaway Specialty Insurance Company, 1314 Douglas St., Ste. 1400, Omaha, NE 68102

The property upon which work of improvement was completed is in the City of Industry, County of Los Angeles, State of California and is described as follows:

District Headquarters Facility Parking Lot Phase 1A
Property Owner: Walnut Vally Water District
Project No.: 19-3569-1

Dated: January 20, 2026

WALNUT VALLEY WATER DISTRICT

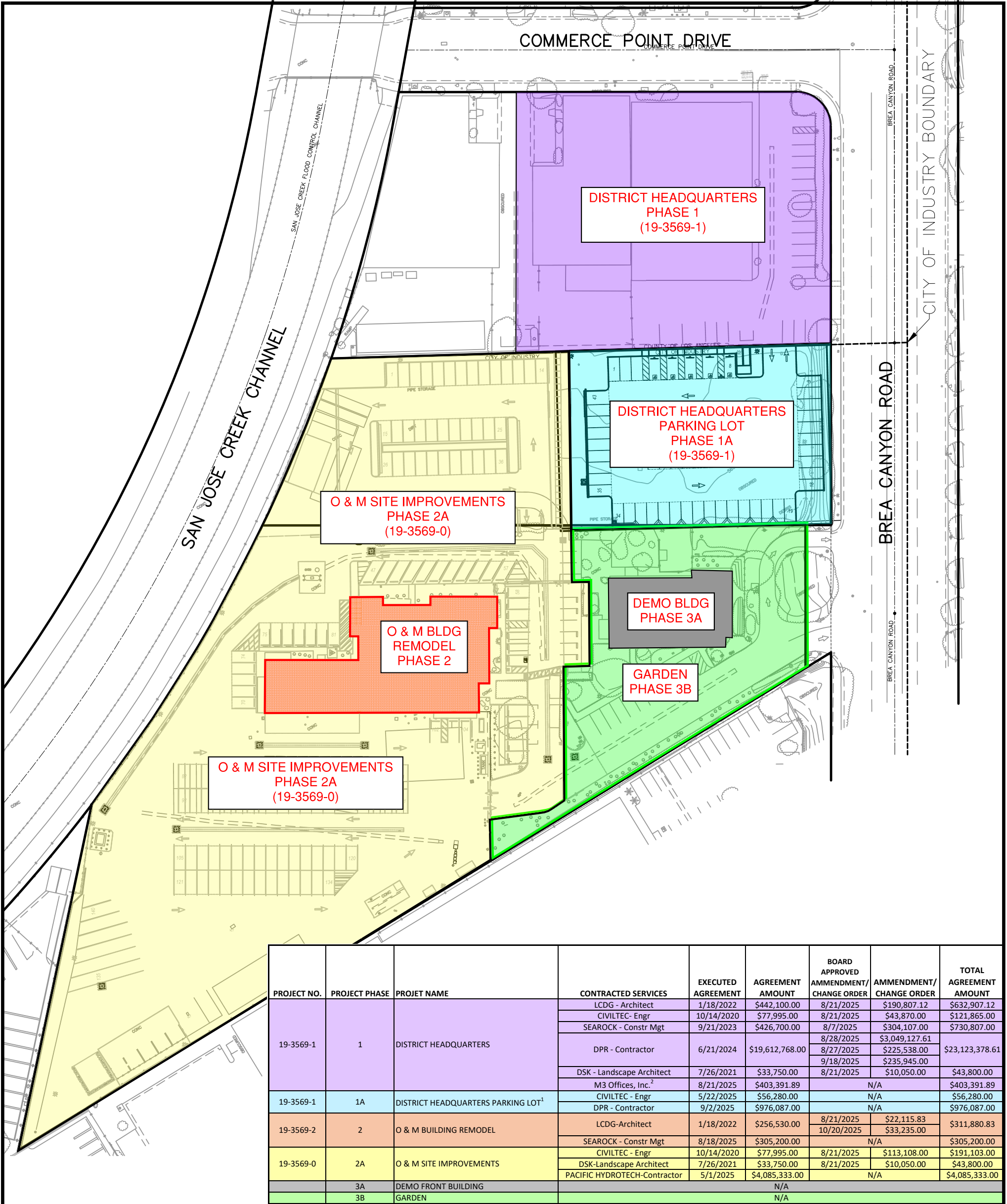
By: _____
Sheryl L. Shaw, General Manager

VERIFICATION

The undersigned declares that he is the Secretary of the public corporation that executed the foregoing notice as owner of the interest on the property described therein, that he makes this verification on behalf of said corporation, that he has read said notice and knows its contents, and that the facts therein are true to the best of his knowledge and belief.

The undersigned declares under penalty of perjury that the foregoing is true and correct.
Executed at Walnut, California this 20th day of January 20, 2026.

By: _____
Sheryl L.Shaw



¹ The Board of Directors approved a \$1.5M budget for the project on 8/7/2025
² The Board of Directors approved a \$550k budget for the FF&E on 8/21/2025

Monthly Progress Report – January 2026

DISTRICT HEADQUARTERS PARKING LOT PHASE 1A P.N. 19-3569-1

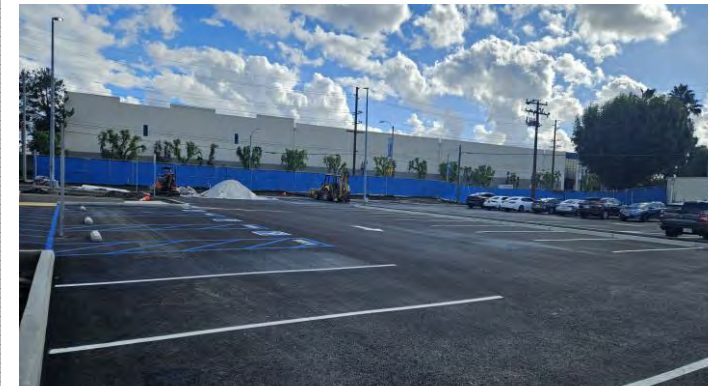
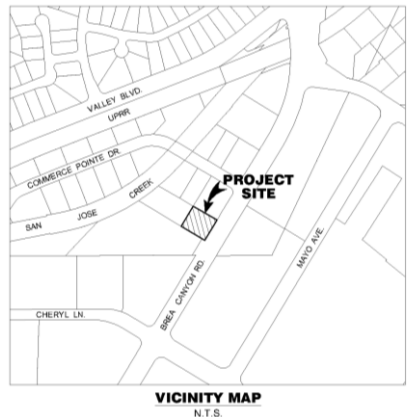


PROJECT MANAGER: BERTHA PEREZ/TAI DIEP

DESCRIPTION:

The District is proposing to improve the existing Headquarters site (future Operations & Maintenance building) under Phase 1A, which will construct a public parking lot for the New District Headquarters. The site improvements include earthwork, demolition and the new parking lot. Additionally, low-impact development and stormwater pollution prevention plan measures will be implemented to manage on-site stormwater runoff, incorporating BMPs, storm drains, curb gutters, and catch basins.

LOCATION:



CONTRACT INFORMATION:

Consultant: Civiltec Engineering, Inc.

<u>Schedule</u>	<u>Days</u>
Award Date	05/22/25
Notice to Proceed	05/22/25
Start	05/22/25
Change Orders	N/A
End	
Acceptance of Work	

<u>Contract Amount</u>	<u>Costs</u>
Original	\$56,280.00
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$3,166.50
Earnings to Date	\$51,800.00

CONTRACT INFORMATION:

Contractor: DPR Construction

<u>Schedule</u>	<u>Days</u>
Award Date	09/02/25
Notice to Proceed	09/02/25
Start	09/02/25
Change Orders	N/A
End	
Acceptance of Work	

<u>Contract Amount</u>	<u>Costs</u>
Original	\$976,087
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$96,379.35
Earnings to Date	\$563,240.26

PROGRESS STATUS:

Civiltec:

- Approved by the Board on 05/22/25
- Notice to Proceed issued on 05/22/25
- Grading permit issued on 07/15/25
- Planning Permit issued 09/04/25
- LA County Public Works Permit issued 9/5/25
- SWPPP Amendment completed 09/04/25
- 92% completion

DPR:

- City of Industry Permit issued 11/24/25
- City of Industry Approval 12/22/25 (End of Work)
- Notice of Completion file date: 01/20/26
- 58% Completion

Monthly Progress Report – January 2026

OPERATIONS & MAINTENANCE SITE IMPROVEMENTS PHASE 2A P.N. 19-3569-0



PROJECT MANAGER: BERTHA PEREZ/TAI DIEP

DESCRIPTION:

The District is proposing to improve the existing Headquarters site (future Operations & Maintenance building) which will enhance material and equipment storage, house operations activities and provide parking for employees. The site improvements include earthwork, demolition, construction of a concrete pad for a new storage building, a new parking lot and rolling gate, and enhancements to the existing parking area in the southwest and northwest vicinities of the existing O&M building, developing the entrance and visitor parking area to the southeast, incorporating security fencing, a pedestrian gate, a rolling gate, on-site drainage improvements, and electrical work. Additionally, low-impact development and stormwater pollution prevention plan measures will be implemented to manage on-site stormwater runoff, incorporating BMPs, storm drains, curb gutters, and catch basins.



CONTRACT INFORMATION:

Contractor: Pacific Hydrotech Corp.
Contract Days: 270 calendar days

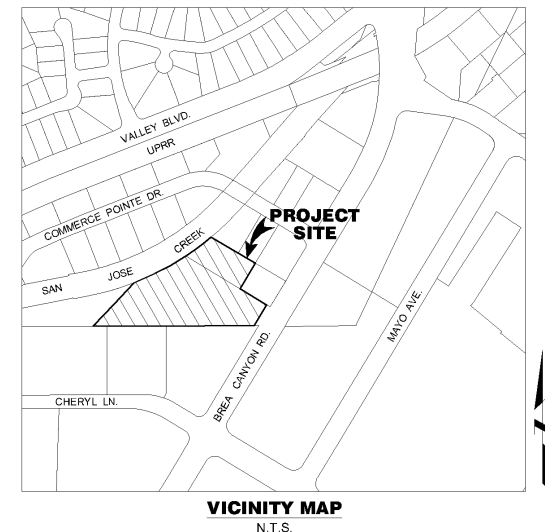
Schedule	Days
Award Date	05/01/25
Notice to Proceed	05/14/25
Start	07/08/25
Change Orders	N/A
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$4,085,333.00
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$138,050.00
Earnings to Date	\$1,214,336.00

PROGRESS STATUS:

- 420 linear feet of storm drain piping installed.
- Installed 2 catch basin & filter.
- Installed 2 communication handholes and below ground electrical conduit.
- Demo & remove existing paving and rough grade for new employee parking lot
- 30% completion

LOCATION:



Monthly Progress Report – January 2026

INTEGRATED POTABLE AND RECYCLED WATER MASTER PLAN (P.N. 24-3813)

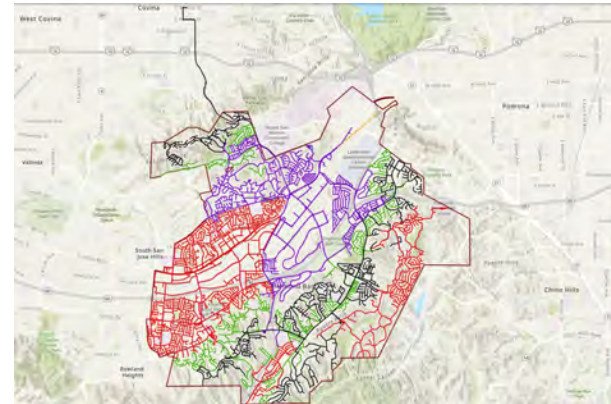


PROJECT MANAGER: TAI DIEP/ BERTHA PEREZ

DESCRIPTION:

The Integrated Potable and Recycled Water Master Plan (IWMP) will evaluate the District's potable and recycled water systems, identify existing infrastructure deficiencies, and recommend mitigating Capital Improvement Program projects while incorporating additional potential regional water resources identified in companion studies (i.e. "Puente Basin Water Agency Regional Water Supply Program Update"). In addition, the IWMP will evaluate potable and recycled system operations, facilities, and demands based on the State Water Resources Control Board's adoption of water use efficiency objectives impacting the amount of water allowed for District's residential, commercial, industrial, and institutional customers. The IWMP will evaluate both the potable and recycled water systems to address infrastructure deficiencies by providing a comprehensive system evaluation and identifying a list of 20-year CIP projects.

LOCATION:



CONTRACT INFORMATION:

Company: West Yost
Contract Days: 365 calendar days

Schedule	Days
Award Date	02/18/2025
Executed Agreement	03/25/2025
Start	04/30/2025
Change Order(s)	None
End	
Acceptance of Work	

Contract Amount	Costs
Original	\$293,958
Change Order(s)	None
Revised	N/A
Earnings previous Month	\$159,822.25
Earnings to Date	\$174,847.25

PROGRESS STATUS:

- 60% completion.
- West Yost completed Chapter 3 incorporating Staff comments.
- West Yost is reviewing pipeline age and developing remaining useful-life tables.

Useful Life		
		Base UL
Asbestos Cement	ACP	90
	RCP	90
Steel Mortar Lined	SMLC	75
Ductile Iron	DIP	100
Galvanized Steel	GAL	95
Polyvinyl	PVC	100
Coated Steel	SCL	90
	ALP	75
Cast Iron	CI	75
	CIP	75
	CCP	100
Unknown	unknown	75
Copper	COP	50

Table of Useful Life (Year) Assumptions for Pipe

Summary				
Remaining Useful Life	Pipe Segments	Pipe Length, ft	Pipe Length, mi	% system
Less than 10 yrs (6-8)	220	37,858	7.17	2%
Less than 20 yrs	400	23,059	4.37	1%
Less than 30 yrs	4,055	422,367	79.99	20%
30 or more yrs	16,373	1,597,029	302.47	77%
Grand Total	21,048	2,080,313	394.00	100%

Table of Remaining Useful Life Based on Pipe Age

December 2025 Operations Report



Field Customer Service

Type of Completed Service Order	Dec-25	FY Total	Monthly Avg (12 Month)	% of Total
Get Read/Verify Read	199	1345	226	24.1%
Meter Repair	157	640	116	11.4%
Customer Transfer	80	979	151	17.5%
Delinquent Turn Off	102	701	111	12.5%
Delinquent Reconnection	94	628	101	11.2%
Leak Inspection	54	318	49	5.7%
Customer Leak Inspection - Beacon	16	138	20	2.5%
Customer Leak Follow Up	8	58	13	1.0%
Customer Requested Turn On/Off for Repair	7	99	16	1.8%
Cross Connection Control	18	115	17	2.1%
After Hours	21	116	59	2.1%
Other	70	453	87	8.1%
Total	826	5590	965	

Underground Service Alerts

USAs Processed	Dec	FY Total	Monthly Avg
Marked	124	431	81
Verified No Marks Required	481	2490	406
Total	605	2921	487



Water Distribution System Maintenance

Maintenance Type	Dec	FY Total	Monthly Avg
Valves	93	689	115
Fire Hydrants	66	394	66
Blow Offs	15	112	19
Air Vacs	0	2	0
Fire Hydrants Painted	33	629	105
Blow Offs Painted	10	157	26
Air Vacs Painted	11	117	20



December 2025 Operations Report (cont.)



Water System Repairs

The Field Team performed 23 excavations to complete water system repairs in December. The table below provides dates and locations of work events:

Board Division	Work Date	Address	City	Repair Type
Division 5	12/1/2025	3224 Merrygrove St.	West Covina	Service Line Replacement
Division 1	12/2/2025	Grand Ave. & La Puente Rd.	Walnut	Meter Relocation
Division 4	12/3/2025	1242 Fountain Springs Rd.	Diamond Bar	Service Line Replacement
Division 5	12/3/2025	3220 Hollingworth St.	West Covina	Service Line Replacement
Division 5	12/3/2025	Sunwood Dr.	Walnut	Blow Off Replacement
Division 1	12/4/2025	408 Vista Rambla	Walnut	Fire Hydrant Replacement
Division 1	12/4/2025	418 Vista Rambla	Walnut	Service Line Replacement
Division 4	12/5/2025	2402 Pepperdale Dr.	Rowland Heights	Service Line & Saddle Replacement
Division 4	12/8/2025	3051 Crooked Creek Dr.	Diamond Bar	Valve Replacement
Division 5	12/9/2025	235 Brea Canyon Rd.	Walnut	Fire Service Abandonment
Division 5	12/10/2025	Commerce Point Dr. & Brea Canyon Rd.	Walnut	Service Abandonment
Division 3	12/10/2025	2133 Evergreen Springs Dr.	Diamond Bar	Service Line Replacement
Division 4	12/11/2025	2445 Flintwood Dr.	Rowland Heights	Service Line Replacement
Division 1	12/12/2025	1332 Dubuque Ave.	Walnut	Service Line Replacement
Division 1	12/15/2025	20704 San Jose Hills Rd.	Walnut	Service Line Replacement
Division 1	12/15/2025	705 Flint Spear Rd.	Walnut	Main Repair
Division 1	12/16/2025	310 La Ballen Dr.	Walnut	Service Line Replacement
Division 1	12/16/2025	Flint Spear Rd.	Walnut	Valve Installation
Division 1	12/17/2025	333 Muirfield Ln.	Walnut	Service Line Replacement
Division 3	12/17/2025	22310 Broken Twig Rd.	Diamond Bar	Service Line Replacement
Division 4	12/18/2025	2035 & 2063 Otterbein Ave.	Rowland Heights	Service Upgrade
Division 5	12/22/2025	22941 Dry Creek Rd.	Diamond Bar	Service Line Replacement
Division 4	12/22/2025	1724 Morning Sun Ave.	Rowland Heights	Service Line Replacement
Division 3	12/23/2025	1602 Maple Hill Rd.	Diamond Bar	Service Line Replacement
Division 5	12/29/2025	4330 Valley Blvd.	Walnut	Fire Hydrant Replacement
Division 4	12/26/2025	Pathfinder Rd. 500ft West of Presado Dr.	Diamond Bar	Main Replacement

December 2025 Operations Report (cont.)



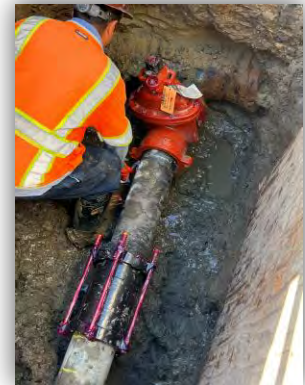
Monthly Totals

Type of Repair	Jul	Aug	Sep	Oct	Nov	Dec	Monthly Avg
Angle Meter Stop Replacement	1	11	9	1	2	3	5
Meter Setter Replacement	2	5	3	3	1	1	3
Service Line Repair	0	1	0	2	0	0	1
Service Line Replacement	6	3	5	7	2	14	7
Service Line & Saddle Replacement	2	2	1	0	2	1	2
Main Repair	1	0	5	0	0	1	1
Main Replacement	1	0	1	0	1	1	1
Valve Replacement	0	1	2	3	2	2	1
Sheared Fire Hydrant	0	0	1	1	1	0	1
Fire Hydrant & Blow Off Repair/Rep	3	0	0	7	4	3	3
Other	1	3	5	1	3	6	3
Total	17	26	32	25	18	32	27

310 La Ballen Dr. – Service Line Replacement



3051 Crooked Creek Dr. – Valve Replacement



Pathfinder Rd. 500ft West of Presado Dr. – Main Replacement



December 2025 Operations Report (cont.)



Production & Water Quality

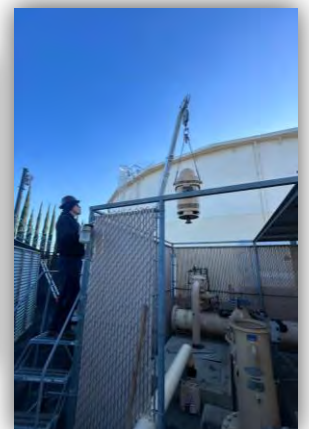
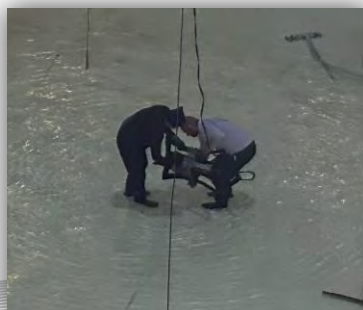
The Production Team performs various maintenance and repair activities to ensure the reliability of the District's water production and supply facilities. The table below is a summary of these activities.

Production Maintenance Items	Oct-25	Nov-25	Dec-25	CY Total
Pump & Motor Maintenance	3	0	0	67
Production Meter Testing / Calibration	0	4	6	36
Cla-Val Inspections & Maintenance	13	0	0	33
Facility/Station Valve Maintenance	20	5	5	48
Generator & Emergency Pump Maint & Testing	29	16	16	171
Chemical Feed System & Analyzer Maintenance	10	10	42	208
Reservoir Inspections and Cleanings	5	0	2	14
Transmission Line Inspections	2	2	2	24
Motor Dip & Bake	1	0	0	4
Pump Rehabs	0	0	0	4
Electrical Panel Maintenance	0	0	0	0
Corrective Maintenance Items	12	7	8	116
Other General Maintenance Items	0	0	0	64
Total	95	44	81	725

The Production Team operated the potable water system facilities to meet an average daily demand of 10.74 million gallons a day (MGD). The maximum day demand was 12.07 MGD on December 15th.

Other notable work performed by the Production Team:

- Pulled Armitos Pump 1 for Rehab
- Completed BGTM 4th Qtr Meter Calibrations
- 24 Manual Reservoir Dosings
- Pulled Brea Canyon Pump 2 Motors for Rehab
- Completed Ridgeline Pump 2 Efficiency Testing
- Completed Armitos Tank B Cleaning and Inspection



December 2025 Operations Report (cont.)



Production & Water Quality

The Production Team collects water quality samples to meet various drinking water regulations. The table below summarizes the water quality monitoring activities and regulatory reporting.

Compliance Monitoring Summary	Oct	Nov	Dec	CY Total	Monthly Avg
Distribution System Bacteriological Samples	100	100	125	1300	108
Monthly THM's @ Inlets Samples	6	6	6	72	6
Monthly General Physical Samples	26	26	26	312	26
Qtrly THM's & HAA5 Samples	0	16	0	64	5
Qtrly TDS Reclaimed Samples	0	11	0	44	4
Other Samples Collected	7	5	7	59	5
Samples analyzed by District LAB	107	105	132	1364	114
Reports Submitted to Regulator	4	4	5	71	6

There were 2 water quality complaints in December.



Using the SCADA system, along with reservoir sampling, the Production Team continually monitors and adjust disinfectant residuals in the District's 28 potable water reservoirs. The table below summarizes the monthly data pertaining to effective management of disinfectant residuals:

Reservoir WQ Management	Jul	Aug	Sep	Oct	Nov	Dec	Monthly Avg (12 Month)
Average Disinfectant Residual (ppm)	1.99	2.49	2.44	2.26	1.79	2.22	2.15
Average Nitrite Level (ppm)	0.047	0.038	0.020	0.026	0.031	0.017	0.025
Hypochlorite Delivered (gal)	3249	5832	2926	3903	4376	3204	3278
Ammonium Sulfate Delivered (gal)	617	907	364	1100	575	690	519
No. of Manual Tank Dosings	43	26	24	37	35	24	19

December 2025 Operations Report (cont.)



Water Maintenance and Facility

The Water Maintenance & Facility team performed 94 tasks related to the maintenance of facilities and the District's fleet submitted through the Work Order system (W.O.).

Type of Work Completed	Oct	Nov	Dec	CY Total	Monthly Avg
General Services Miscellaneous Tasks	86	74	94	403	81
General Building Maintenance	3	8	7	34	7
Warehouse Maintenance	0	1	2	6	1
Fleet Maintenance	5	4	7	32	6
Equipment Maintenance & Repairs	2	1	2	12	2
Site Irrigation Leak Repairs	2	2	1	27	5
Site Tree Maintenance	3	0	0	9	2
Site Miscellaneous Repairs	1	0	0	4	1
Inventory Movement	653	340	590	2469	494
Total	755	430	703	2996	599

Notable Work Items:

- Assisted with Reservoir Cleaning and Inspection
- Headquarter File Storage Training
- Headquarter Emergency Generator Training



Clearing Pipe Yard

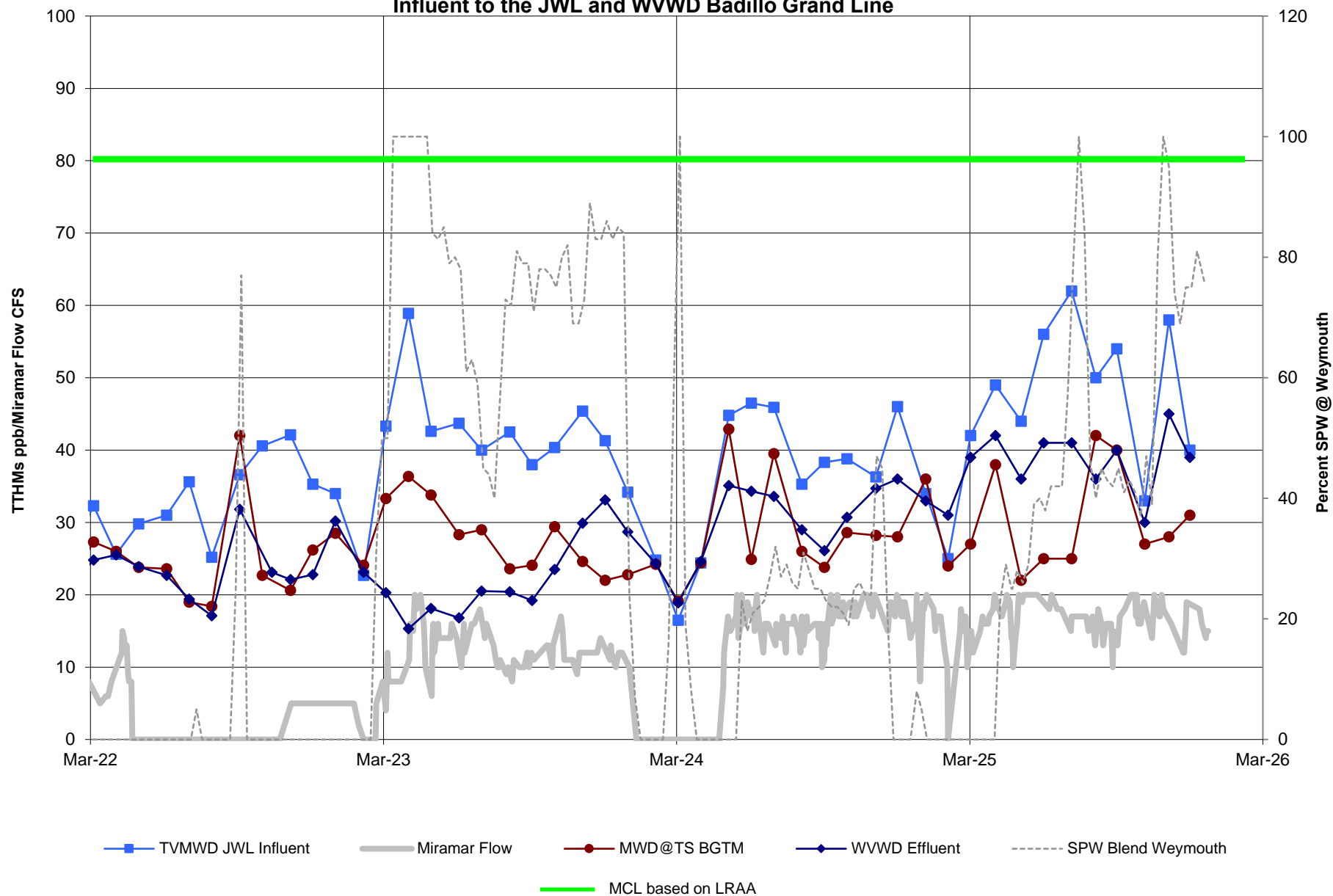


HQ File Storage



HQ Generator

Total Trihalomethanes (TTHMs) @ the Influent to the JWL and WWD Badillo Grand Line



WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Administrative Services
DATE: January 20, 2026
SUBJECT: Crime Victim Leave Policy Amendments

☒ **Action/Discussion**

☐ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

The Board of Directors adopt the proposed Crime Victim Leave Policy amendments drafted by District staff and reviewed by labor counsel.

Background

Assembly Bill (AB) 406 strengthens California's crime victim leave and protection framework through the following changes:

1. Expanded Definitions

- **Family Member:** Now includes a "designated person," defined as an individual related by blood or whose association is equivalent to a family relationship. Employees may identify one designated person per 12-month period.

2. Leave Provisions

- **Unpaid Leave:** Leave is unpaid unless the employee elects to use accrued vacation, sick leave, or compensatory time.
- **Duration:** Up to 12 weeks for an employee victim; up to 10 days for care of a family member victim.
- **Documentation:** Expanded acceptable forms of certification (police report, court order, medical or counseling documentation, or other reasonable verification).

Attachments:

- *Crime Victim Leave Policy Amendments*

WALNUT VALLEY WATER DISTRICT CRIME VICTIM LEAVE POLICY

1. **STATEMENT OF DISTRICT POLICY:**

The District provides employees, who are victims of ~~domestic violence, sexual assault, stalking, or other crimes~~ or a qualifying act of violence, or whose family member is a victim of a crime or a qualifying act of violence, with unpaid leave from work to attend legal proceedings; obtain or attempt to obtain any temporary or permanent injunctive relief, such as restraining orders; restraining orders or injunctive relief, or to obtain medical attention, counseling or for safety planning.

~~The District provides unpaid leave to any employee who is a victim of a crime or who is an immediate family member or registered domestic partner of a victim of a crime, to attend judicial proceedings related to the crime.~~

The District ~~may~~ also provides ~~other~~ reasonable accommodations through an interactive process to employees who are victims or whose family member is a victim of domestic a qualifying act of violence, sexual assault, stalking, or other crimes.

2. **DEFINITIONS:**

“Family member” means child, parent, grandparent, grandchild, sibling, spouse, or domestic partner as those terms are defined in Government Code section 12945.2, or designated person. A “designated person” is any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. The District limits an employee to one designated person in a 12-month period.

A-“Qualifying Act of Violence” means any of the following, regardless of whether anyone is arrested for, prosecuted for, or convicted of committing any crime:

A. Domestic violence:

B. Sexual assault, which means any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent:

C. Stalking, which means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for that person’s safety or the safety of others or suffer substantial emotional distress; or

—An act, conduct, or pattern of conduct that includes any of the following: (i) in which an individual causes bodily injury or death to another individual; (ii) in which an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual; (iii) in which an individual uses, or makes a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death.

D.

“Victim of a crime” means:

~~An individual against whom a qualifying act of violence is committed;~~

~~A person against whom one of the following crimes has been committed:~~

- ~~A. A violent felony, as defined in subdivision (c) of § 667.5 of the Penal Code;~~
- ~~B. A serious felony, as defined in subdivision (c) of § 1192.7 of the Penal Code;~~
- ~~— A felony provision of law proscribing theft or embezzlement;~~

~~A person who suffers direct or threatened physical, psychological, or financial harm as a result of the commission or attempted commission of any of the following crimes or delinquent acts:~~

- ~~— Vehicular manslaughter while intoxicated, as defined in subdivision (b) of Section 191.5 of the Penal Code;~~
- ~~— Felony child abuse likely to produce great bodily harm or a death, as defined in Section 273a of the Penal Code;~~
- ~~— Assault resulting in the death of a child under eight years of age, as defined in Section 273ab of the Penal Code;~~
- ~~— Felony domestic violence, as defined in Section 273.5 of the Penal Code;~~
- ~~— Felony physical abuse of an elder or dependent adult, as defined in subdivision (b) of Section 368 of the Penal Code;~~
- ~~— Felony stalking, as defined in Section 646.9 of the Penal Code;~~
- ~~— Solicitation for murder, as defined in subdivision (b) of Section 653f of the Penal Code;~~
- ~~— A serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code;~~
- ~~— Hit and run causing death or injury, as defined in Section 20001 of the Vehicle Code;~~
- ~~— Felony driving under the influence causing injury, as defined in Section 23153 of the Vehicle Code;~~
- ~~A. Sexual assault as set forth in Section 261, 261.5, 265, 266, 266a, 266b, 266c, 266g, 266j, 267, 269, 273.4, 285, 286, 287, 288, 288.5, 289, or 311.4 of, or former Section 288a of, the Penal Code.~~

~~“Registered domestic partner” means a domestic partner, as defined in Section 297 of the Family Code, and registered pursuant to Part 2 (commencing with Section 298) of Division 2.5 of the Family Code.~~

~~“Immediate family member” means spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.~~

3. POLICY:

~~Unpaid leave under this policy is available to an employee who is the victim of domestic violence, sexual assault, stalking, or other a crimes or a family member of a victim of a crime for the following purposes. Leave is unpaid unless the employee elects to use accrued vacation, sick leave, other paid leave, or compensatory time off.:~~

1. Leave to Attend Court Proceedings

~~Employees who are victims of crime, or have family members who are victims of crime, as defined below, a crime listed in Labor Code section 230.5(a)(2), may take leave from work to attend judicial proceedings related to the crime appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides their supervisor or Human Resources with reasonable advance notice.~~

~~For purposes of this section, a “victim of crime” includes the following:~~

~~A. A person against whom any of the following crimes are committed:~~

- ~~1. A violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code.~~
- ~~2. A serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code.~~
- ~~3. A felony provision of law proscribing theft or embezzlement.~~

~~B. A person who suffers direct or threatened physical, psychological, or financial harm as a result of the commission or attempted commission of any of the following crimes or delinquent acts:~~

- ~~1. Vehicular manslaughter while intoxicated, as defined in subdivision (b) of Section 191.5 of the Penal Code.~~
- ~~2. Felony child abuse likely to produce great bodily harm or a death, as defined in Section 273a of the Penal Code.~~
- ~~3. Assault resulting in the death of a child under eight years of age, as defined in Section 273ab of the Penal Code.~~
- ~~4. Felony domestic violence, as defined in Section 273.5 of the Penal Code.~~
- ~~5. Felony physical abuse of an elder or dependent adult, as defined in subdivision (b) of Section 368 of the Penal Code.~~
- ~~6. Felony stalking, as defined in Section 646.9 of the Penal Code.~~
- ~~7. Solicitation for murder, as defined in subdivision (b) of Section 653f of the Penal Code.~~
- ~~8. A serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code.~~

9. Hit-and-run causing death or injury, as defined in Section 20001 of the Vehicle Code.

10. Felony driving under the influence causing injury, as defined in Section 23153 of the Vehicle Code.

11. Sexual assault as set forth in Section 261, 261.5, 265, 266, 266a, 266b, 266c, 266g, 266j, 267, 269, 273.4, 285, 286, 287, 288, 288.5, 289, or 311.4 of, or former Section 288a of, the Penal Code.

~~If advance notice is not feasible, the employee must provide their supervisor or Human Resources, within a reasonable time after the leave is taken, certification from a police report~~

~~A., a district attorney or court, or from a health care provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section 230.5(a)(2). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is entitled to this leave if the above notice or certification requirements are met.~~

~~The leave is unpaid unless the employee elects to use accrued vacation, sick leave, other paid leave or compensatory time off.~~

2. Leave for Victims of Violence or Crime

~~A “qualifying act of violence” means any of the following, regardless of whether anyone is arrested for, prosecuted for, or convicted of committing any crime:~~

~~A. Domestic violence;~~

~~B.A. Sexual assault, which means any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent;~~

~~C.A. Stalking, which means engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for that person’s safety or the safety of others or suffer substantial emotional distress; or~~

~~D.A. An act, conduct, or pattern of conduct that includes any of the following: (i) in which an individual causes bodily injury or death to another individual; (ii) in which an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual; (iii) in which an individual uses, or makes a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death.~~

Employees who are victims of a qualifying act of violence, or have a family members who are a victims of, a qualifying act of violence, or has a family member who is a victim of a qualifying act of violence may take leave from work for the following purposes:

A. To obtain or attempt to obtain any relief, including, but not limited ~~to:~~to a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the employee or their family member.

B. To seek, obtain, or assist a family member to seek or obtain:

- i. Medical attention to recover from injuries caused by a qualifying act of violence;
 - ii. Psychological counseling or mental health services related to an experience of a qualifying act of violence;
 - iii. Services from a domestic violence shelter, program, rape crisis center; or victim services organization or agency as a result of a qualifying act of violence; or
 - iv. Civil or criminal legal services in relation to the qualifying act of violence.
- C. To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
- D. To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- E. To provide care ~~to~~^{for} a family member who is recovering from injuries caused by a qualifying act of violence.
- F. To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.
- G. To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult because of the qualifying act of violence.

The employee shall provide advance notice of the employee's intention to take time off for these purposes.

If advance notice is not feasible, the employee must provide their supervisor or Human Resources, within a reasonable time after the leave is taken, certification of the absence in one of the following forms:

- A. A police report indicating that the employee or a family member of the employee was a victim.
- B. A court order protecting or separating the employee or a family member of the employee from the perpetrator of the qualifying act of violence, or other ~~E~~evidence from a court or prosecuting attorney that the employee or a family member of the employee has appeared in court.
- C. Documentation from a licensed medical professional, counselor, victim advocate, or licensed health care provider that the victim was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence.
- ~~B-D.~~ Any other form of documentation that reasonably verifies that the qualifying act of violence occurred.

If advance notice is not feasible, the employee must provide any of the following to the District within a reasonable time after the leave: a police report indicating that the employee

~~was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse; or any other form of documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for these purposes.~~

An employee who is a victim of a qualifying act of violence may take up to 12 weeks of leave, and up to 10 days of leave for that of a family member who is a victim of a qualifying act of violence as needed in accordance with the terms and conditions of Government Code section 12945.8(i). The leave is unpaid unless the employee elects to use accrued vacation, sick leave, other paid ~~leave~~leave, or compensatory time off.

4. REASONABLE ACCOMMODATIONS AND THE INTERACTIVE PROCESS:

The District will engage in the interactive process with employees who are victims of a qualifying act of violence ~~domestic violence, sexual assault or stalking~~ to review all possible accommodations that would enhance the safety of the employee victim at work. In determining what accommodation is reasonable, the District will consider the exigent circumstances or danger facing the employee. The District will consider the preferences of the employee to be ~~accommodated, but~~accommodated but has the right to select and implement any accommodation that it deems effective. The range of potential safety measure accommodations includes, but is not limited to the following: a transfer, reassignment, modified schedule; changed work telephone; permission to carry telephone at work; changed work station; installation of locks; assistance in documenting domestic violence, sexual assault, stalking or another qualifying act of violence crime ~~crime~~ that occurs in the workplace; the implementation of safety procedure(s); adjustment to the employee's job structure, workplace facilities, or work requirements in response to a qualifying act of violence; and referral to a victim assistance organization.

To request an accommodation under this policy, the District employee should contact Human Resources. The District will engage the employee in a timely, good faith and interactive process to determine effective reasonable accommodations.



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

NOVEMBER 2025

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	371.097	24.425%
Walnut	734.207	48.324%
Rowland	414.038	27.251%
LaVerne	-	0.000%
TOTAL	1,519.342	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	502.40	33.068%
TVMWD	1,016.90	66.932%
LaVerne	-	0.000%
Total	1,519.300	100.000%
PWR	1,519.342	
Difference	(0.042)	


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)
				33.068%	66.932%	0.000%	100.000%
Pomona	371.097	(0.010)	371.087	371.1	122.7	248.4	371.1
Walnut	734.207	(0.020)	734.187	734.2	242.8	491.4	734.2
Rowland	414.038	(0.011)	414.027	414.0	136.9	277.1	414.0
LaVerne	-	-	-	-	-	-	-
TOTAL	1,519.342	(0.042)	1,519.300	1,519.3	502.4	1,016.9	1,519.3

BILLING CHARGES PER AGENCY										
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	122.7	248.4						104.7	
	Allocation %			31.71%	52.00%	20.01%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 173,144.44	\$ 350,458.95	\$ 9,076.44	\$ 4,521.28	\$ 1,807.84	\$ -	\$ -	\$ (10,470.00)	\$ 528,538.95
Walnut Valley Water District	Cons. (AF)	242.8	491.4						-	
	Allocation %			39.02%	28.00%	48.09%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 342,562.34	\$ 693,375.10	\$ 11,168.80	\$ 2,434.53	\$ 4,344.77	\$ -	\$ -	\$ -	\$ 1,053,885.54
Rowland Water District	Cons. (AF)	136.9	277.1						-	
	Allocation %			29.27%	20.00%	31.90%	25.00%	33.33%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ 193,179.62	\$ 391,011.86	\$ 8,378.02	\$ 1,738.95	\$ 2,882.06	\$ -	\$ -	\$ -	\$ 597,190.51
City of LaVerne	Cons. (AF)	-	-						-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,411.00	\$ 1,411.00	\$ 28,623.28	\$ 8,694.76	\$ 9,034.66	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total (A.F.)	502.4	1,016.9								1,519.3
Total (\$)	\$ 708,886.40	\$ 1,434,845.91	\$ 28,623.26	\$ 8,694.76	\$ 9,034.67	\$ -	\$ -	\$ (10,470.00)	\$	2,179,615.00

February 2026



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

March 2026



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

April 2026



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



MEMORANDUM

To: Los Angeles County Independent Special Districts

From: William F. Kruse, Special Counsel

Date: January 12, 2026

Subject: Nomination of Candidates for Special District Voting Member and Special District Alternate Member

As you know, since 1994 special districts in Los Angeles County have been represented by two voting members and one alternate member of the Local Agency Formation Commission. On May 4, 2026, the four-year terms for Special District Voting Member Robert Lewis and Special District Alternate Voting Member Micah Ali will conclude. On behalf of the special districts of Los Angeles County, LAFCO has appointed us to assist in conducting the elections to fill these vacancies.

By law, independent special district seats on LAFCO are filled by the Special District Selection Committee. That Committee is made up of the presiding officers of each independent special district in Los Angeles County.

In order to expedite the process of electing the voting member and the alternate member, I have included a form to be used to nominate candidates for consideration for each of the positions. After nominations are received, each district will receive a complete package of nominee resumes, together with a ballot for consideration by the presiding officer of your board. Voting will be conducted by mailed ballot.

Nominations for the Committee's consideration are welcome. Please provide as much relevant information about the candidates as reasonably possible. Any biographical information and/or candidate statement should be **limited to one page**. Please remember that, to be eligible, the nominee must be an elected official or appointed to your board for a fixed term but may not be a member of a City Council or the Board of Supervisors. Nominations must be received in the office of Lagerlof, LLP, **ATTN: WILLIAM F. KRUSE**, no later than **5:00 p.m. on March 6, 2026**.

Please feel free to contact me directly with any questions.

Voice: (626) 793-9400

Fax: (626) 793-5900

Lagerlof LLP

155 N Lake Avenue, 11th Flr
Pasadena, CA 91101

Lagerlof.com

Email: wkruse@lagerlof.com

T: (626)-793-9400

F: (626)-793-5900

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT **VOTING MEMBER**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

_____ is pleased to nominate

_____ as a candidate for appointment as special district **voting**

member to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a

member of the board of an independent special district appointed for a fixed term. For your consideration,

we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

NOMINATION

OF
INDEPENDENT SPECIAL DISTRICT **ALTERNATE MEMBER**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

_____ is pleased to nominate
_____ as a candidate for appointment as special district **alternate member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
January 20, 2026**

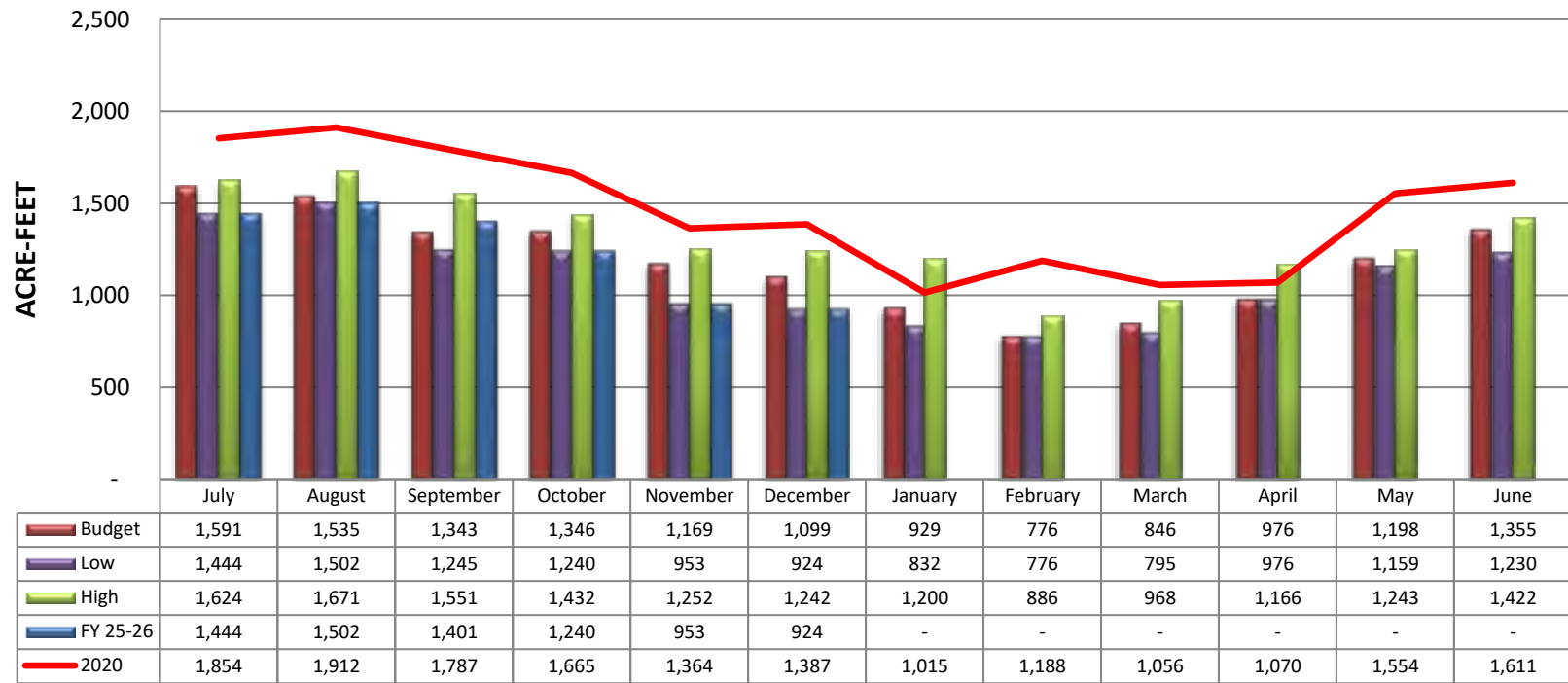


A	<u>Water Use</u> – Water usage for December 2025 was 924 acre-feet, a decrease of 33.37% compared to December 2020 and a decrease of 34.04% from December 2013. The average inflow into the system during the month was approximately 15.56 cfs (6,983.61 gallons per minute).	Exhibits
B	<u>Recycled Water Use</u> – During the month of December recycled water system delivered 891,736.65 G.P.D. , a decrease of 46.24% compared to the use in December 2024. Of the recycled water delivered, 94.22% was from the District wells and no potable make-up water was used.	
C	<u>Production Report</u> – attached are: <ul style="list-style-type: none">▪ Purchased Water Projections (Two total)▪ Climate Summary▪ Monthly Consumption Versus the 2013 & 2020 Baseline Years (Two total)	

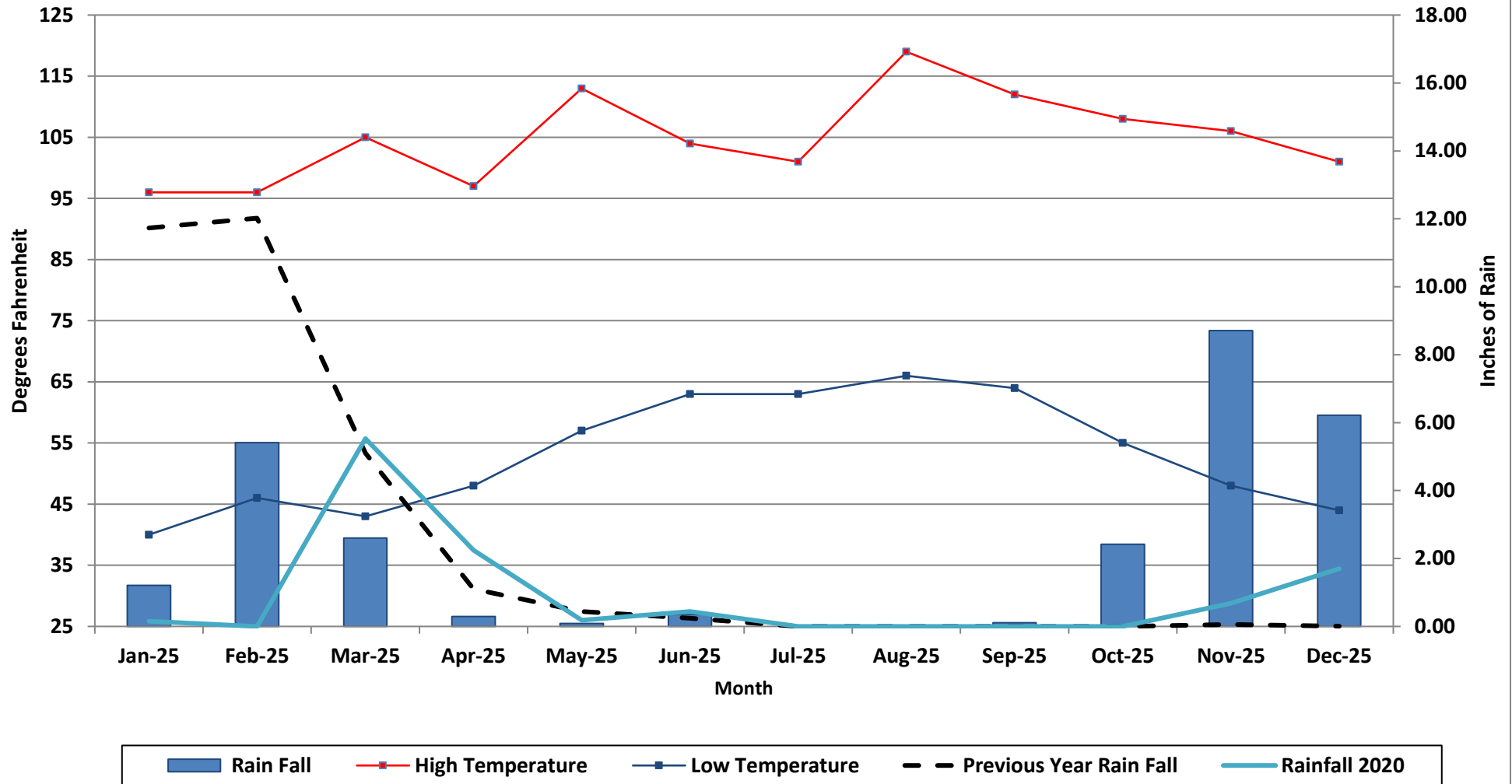
WALNUT VALLEY WATER DISTRICT
Fiscal Year 2025-2026 Purchased Water Estimate

Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
July	1,444	1,591	1,444	1,624	1,553	2,149	1,854
August	1,502	1,535	1,502	1,671	1,570	2,309	1,912
September	1,401	1,343	1,245	1,551	1,399	2,064	1,787
October	1,240	1,346	1,240	1,432	1,306	1,858	1,665
November	953	1,169	953	1,252	1,116	1,569	1,364
December	924	1,099	924	1,242	1,077	1,401	1,387
January	-	929	832	1,200	987	1,156	1,015
February	-	776	776	886	828	1,123	1,188
March	-	846	795	968	870	1,496	1,056
April	-	976	976	1,166	1,050	1,700	1,070
May	-	1,198	1,159	1,243	1,200	1,904	1,554
June	-	1,355	1,230	1,422	1,336	2,082	1,611
Total	7,464	14,163	13,076	15,658	14,291	20,810	17,461
Remaining Projected Purchases		6,080	5,768	6,885	6,270		
Total Projected Purchases		13,544	13,232	14,349	13,735		

Fiscal Year 2025-2026 Purchased Water



Walnut Valley Water District Climate Summary



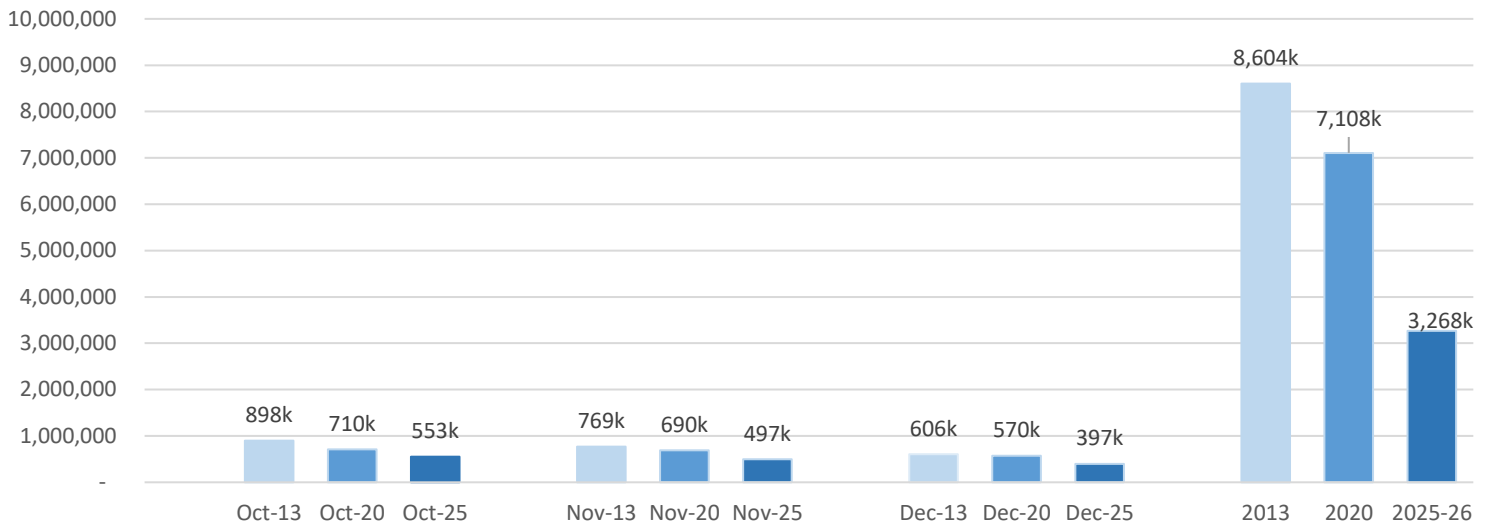
Walnut Valley Water District
Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
User Class	October					November					December					YTD (FY 25-26)				
	Oct-13	Oct-20	Oct-25	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-25	Change	% Change	Dec-13	Dec-20	Dec-25	Change	% Change	2013 YTD	2020 YTD	FY 25-26	% Change 2013	% Change 2020
COG	54,851	40,245	36,475	-34%	-9%	45,006	30,560	22,125	(22,881)	-51%	33,742	20,445	11,676	(22,066)	-65%	287,285	207,975	179,697	-37%	-14%
COM	95,658	71,070	65,481	-32%	-8%	89,223	70,581	57,412	(31,811)	-36%	69,595	57,748	44,296	(25,299)	-36%	539,798	408,122	321,450	-40%	-21%
IND	13,214	11,587	7,247	-45%	-37%	13,714	10,071	7,973	(5,741)	-42%	12,022	8,446	5,371	(6,651)	-55%	77,590	60,118	42,454	-45%	-29%
MUL	80,692	74,198	65,714	-19%	-11%	75,248	73,966	58,799	(16,449)	-22%	61,002	62,178	49,073	(11,929)	-20%	456,871	435,981	376,694	-18%	-14%
RES	654,001	513,332	377,599	-42%	-26%	546,052	504,668	350,869	(195,183)	-36%	429,303	420,842	286,569	(142,734)	-33%	3,569,314	3,097,434	2,347,810	-34%	-24%
	898,416	710,432	552,516	-39%	-22%	769,243	689,846	497,178	(272,065)	-35%	605,664	569,659	396,985	(208,679)	-34%	4,930,858	4,209,630	3,268,105	-34%	-22%
User Class	IRRIGATION					IRRIGATION					IRRIGATION					YTD IRRIGATION				
	Oct-13	Oct-20	Oct-25	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-25	Change	% Change	Dec-13	Dec-20	Dec-25	Change	% Change	2013 YTD	2020 YTD	FY 25-26	% Change 2013	% Change 2020
COG	33,685	28,134	23,410	-31%	-17%	28,767	21,607	12,520	(16,247)	-56%	20,529	14,125	5,670	(14,859)	-72%	184,548	149,244	114,146	-38%	-24%
COM	33,660	28,832	20,624	-39%	-28%	28,388	27,214	14,895	(13,493)	-48%	18,794	19,517	7,591	(11,203)	-60%	172,898	161,013	111,260	-36%	-31%
IND	2,072	2,042	1,017	-51%	-50%	2,204	145	919	(1,285)	-58%	1,320	837	565	(755)	-57%	12,004	7,958	6,415	-47%	-19%
RES	321	216	116	-64%	-46%	271	85	114	(157)	-58%	258	110	33	(225)	-87%	1,777	900	667	-62%	-26%
	69,738	59,224	45,167	-35%	-24%	59,630	49,051	28,448	(31,182)	-52%	40,901	34,589	13,859	(27,042)	-66%	371,227	319,115	232,488	-37%	-27%
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	
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 25-26	139,855	190,580	47,165	377,600		138,766	173,759	38,344	350,869		134,298	130,764	21,508	286,570		840,977	1,201,232	333,111	2,375,320	
% Change 2013	-50%	-31%	-52%	-42%		-48%	-20%	-38%	-36%		-46%	-8%	-41%	-33%		-48%	-18%	-29%	-33%	
% Change 2020	-33%	-25%	-10%	-26%		-34%	-29%	-25%	-30%		-34%	-30%	-30%	-32%		-33%	-21%	4%	-23%	

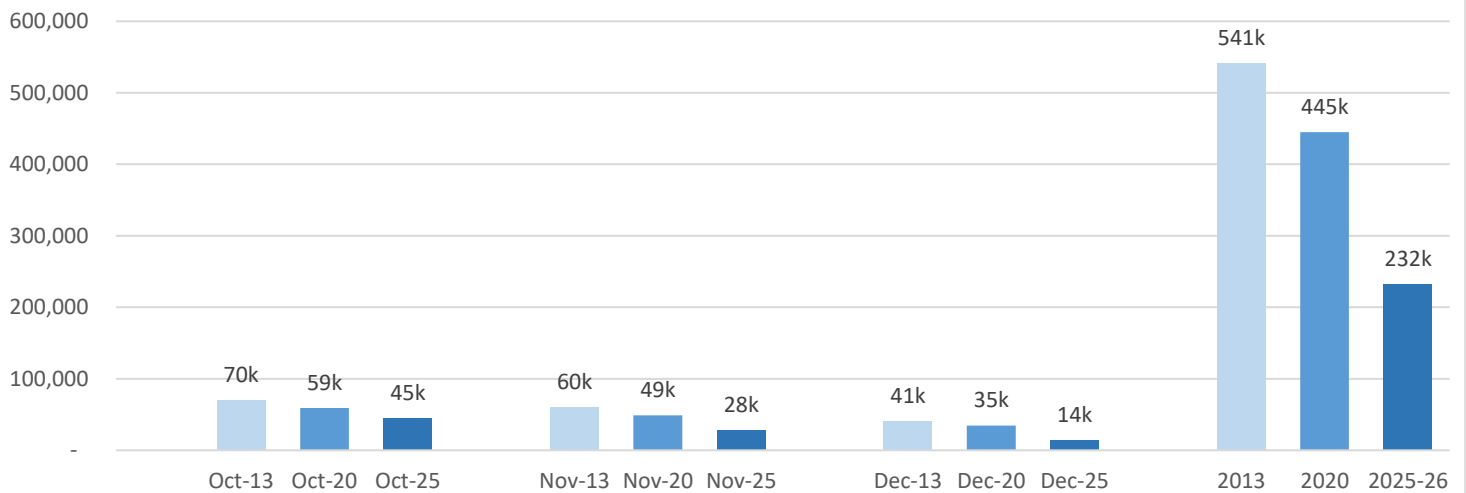
Water Purchases				
	October	November	December	Total
2013	1,858.07	1,569.13	1,401.17	6,230.39
2020	1,665.24	1,363.83	1,386.99	5,364.13
FY 25-26	1,240.37	952.53	924.18	4,143.70
% Change 2013	-33%	-39%	-34%	(0.68)
% Change 2020	-26%	-30%	-33%	(0.44)

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

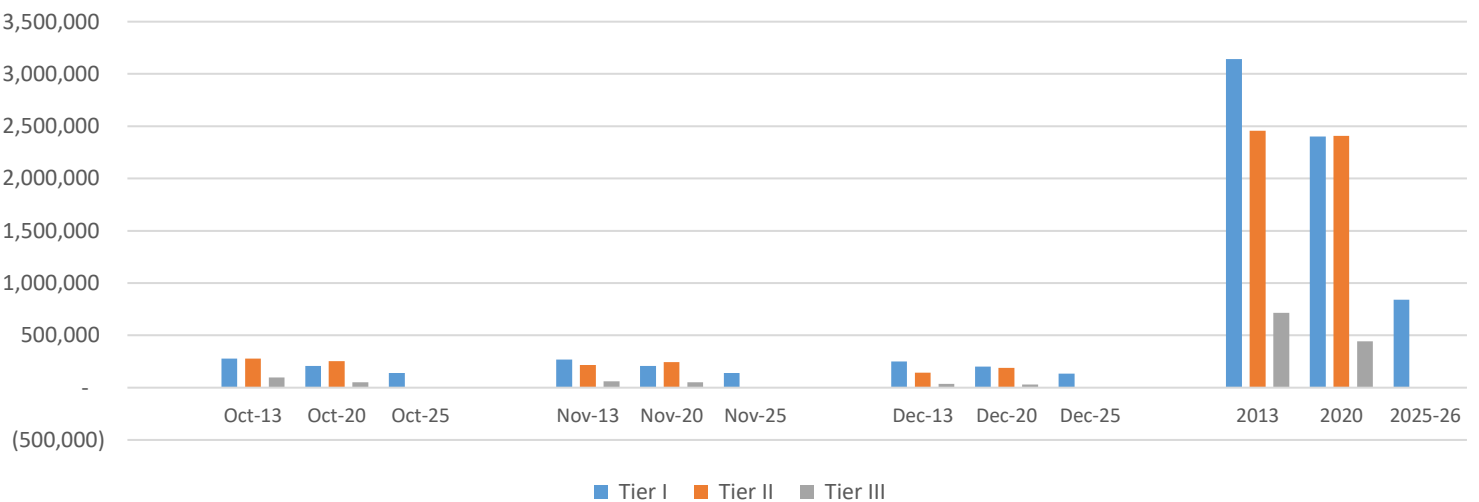
YTD Consumption Versus 2013 & 2020 Baseline



Irrigation Consumption Versus 2013 & 2020 Baseline



Residential Tiers Versus 2013 & 2020 Baseline





The Metropolitan Water District of Southern California

Water Supply Conditions Report - <https://www.mwdh2o.com/WSCR>

Questions? Reach out via the form: <https://forms.office.com/g/Cj3aReAuCm>

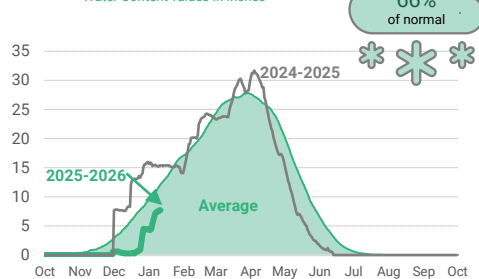
Water Year 2025-2026

As of: 01/11/2026

State Water Project

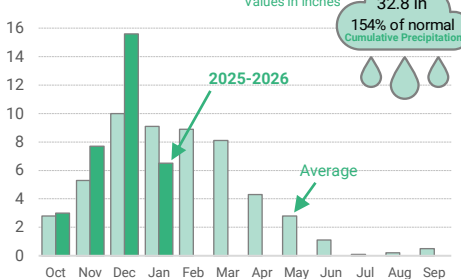
Northern Sierra Snow

Water Content values in inches



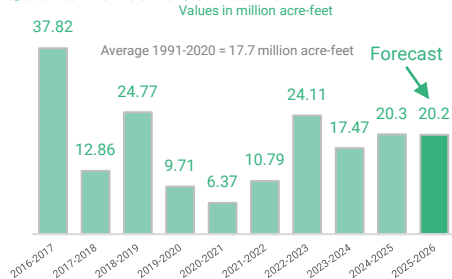
8 Station Index Precipitation

Values in inches



Sacramento River Runoff

Values in million acre-feet



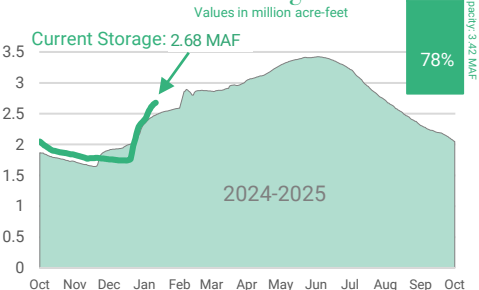
2026 State Water Project Allocation

10%

Initial Allocation (December 1, 2025)

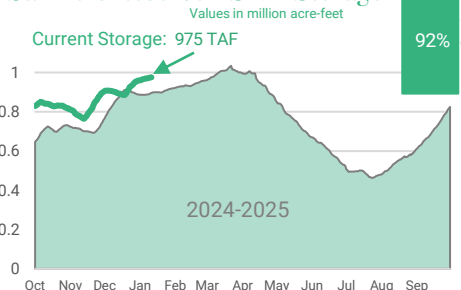
Oroville Reservoir Storage

Values in million acre-feet



San Luis Reservoir SWP Storage

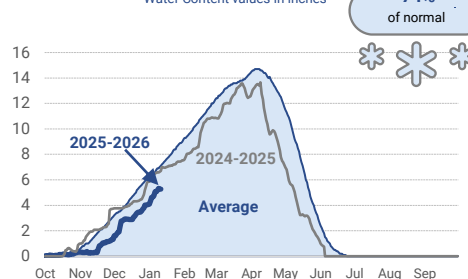
Values in million acre-feet



Colorado River

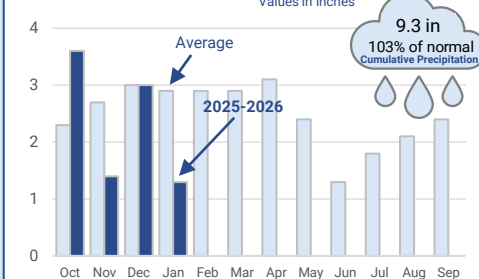
Colorado River Basin Snow

Water Content values in inches



Colorado River Basin Precipitation

Values in inches



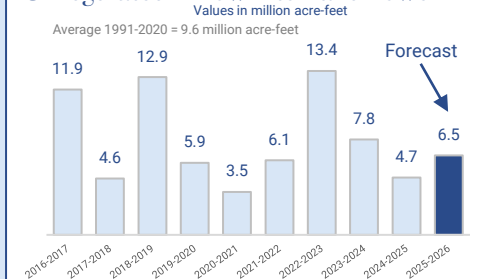
Lake Mead Chance of Operating Condition

	2026	2027*	2028*	2029*
Surplus (above 1,145 ft)	0%	0%	0%	0%
Normal Year (between 1,075 and 1,145 ft)	0%	7%	3%	10%
1st Level (between 1,050 and 1,075 ft)	100%	50%	30%	20%
2nd Level (between 1,025 and 1,050 ft)	0%	40%	53%	43%
3rd Level (below 1,025 ft)	0%	3%	13%	27%

* Years beyond 2026 assume continuation of current operating guidelines

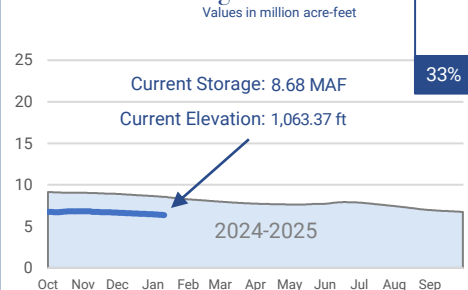
Unregulated Inflow into Lake Powell

Values in million acre-feet



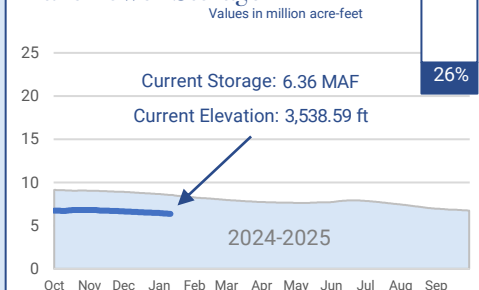
Lake Mead Storage

Values in million acre-feet



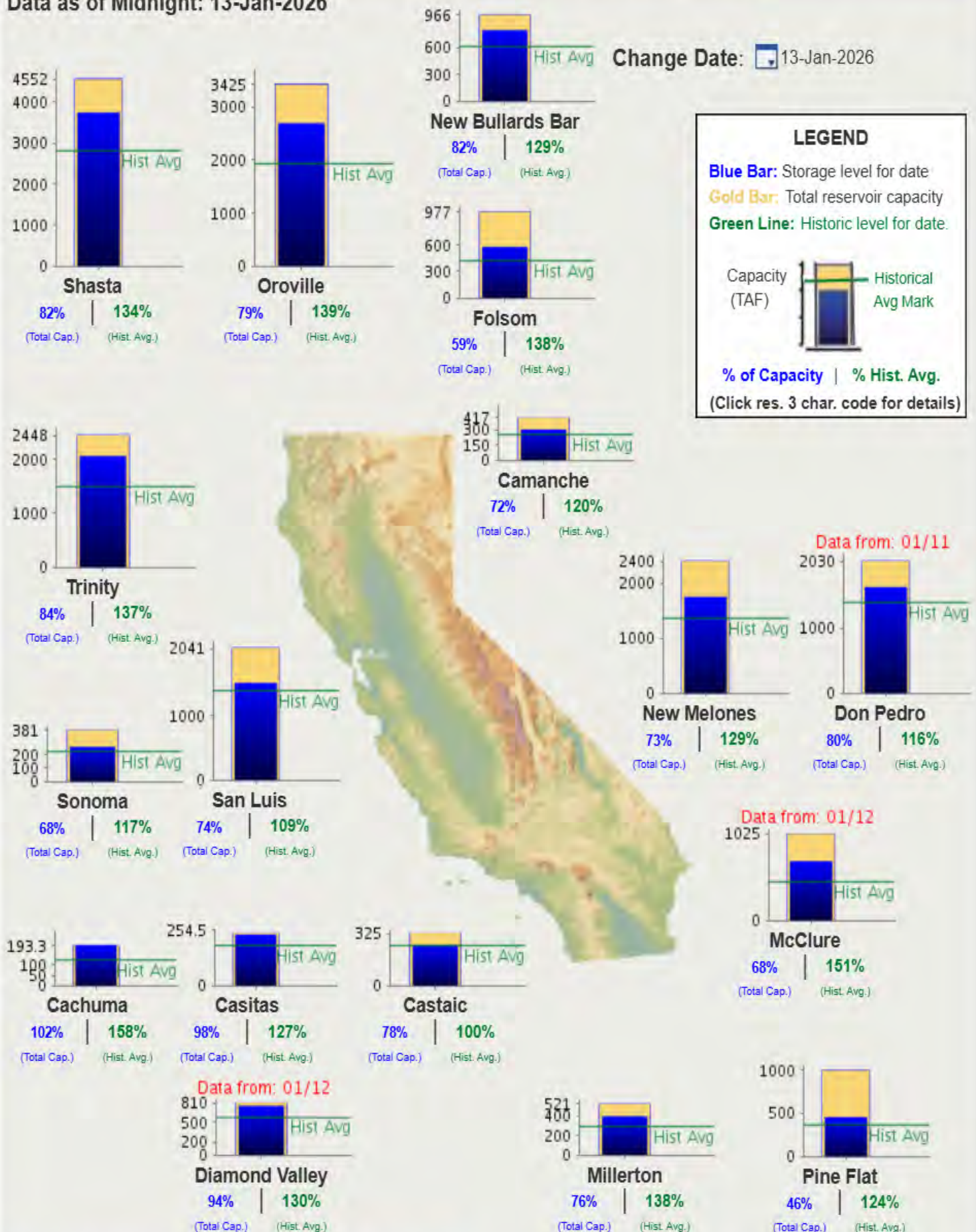
Lake Powell Storage

Values in million acre-feet



CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:13-JAN-2026

Data as of Midnight: 13-Jan-2026



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

Report Generated: 14-Jan-2026 11:03 AM

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
DATE: January 20, 2026
SUBJECT: Consideration of Annual Board Commission and Agency Assignment
Selections for Calendar Year 2026

☒ **Action/Discussion**

☐ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

That President Tang appoints District representatives to commission and agency assignments for the calendar year 2026.

Background Information

At the December 15, 2025, Board meeting, the Board approved the 2026 Standing Committee assignments and deferred approval of the commission/agency assignments to the January 20, 2026, Board meeting. The Board was asked to advise Director Tang of their interest in serving as District representatives on the commissions and agencies listed on the attached list.

The roster of the 2025 composition of Commission/Agency assignments is attached for President Tang's consideration.

Attachment as noted



Commission/Agency Assignments

Position	2025
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

* *Approved by resolution*

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 20, 2026
SUBJECT: Adoption of Resolution No. 01-26-750 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. 01-26-750 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 Tang and provide copies of the signed resolution to the commission.

Attachments

Resolution No. 01-26-750

RESOLUTION NO. 01-26-750

**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 20, 2026.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Jerry Tang
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 20, 2026
SUBJECT: Adoption of Resolution No. 01-26-751 Appointing Representatives to the Puente Basin Water Agency

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

Recommendation

The Board of Directors approve Resolution No. 01-26-751, 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 Tang and provide copies of the signed resolution to the agency.

Attachments

Resolution No. 01-26-751

RESOLUTION NO. 01-26-751

**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 20, 2026.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Jerry Tang
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 20, 2026
SUBJECT: Adoption of Resolution No. 01-26-752 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. 01-26-752, 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 Tang and provide copies of the signed resolution to the respective agency.

Attachments

Resolution No. 01-26-752

RESOLUTION NO. 01-26-752

**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 20, 2026.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Jerry Tang
President, Board of Directors

ATTEST:

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

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Engineering
DATE: January 20, 2026
SUBJECT: Authorize Use of On-Call Water System Repair and Construction Services for PRV 1 and PRV 2 Rehabilitation Projects (P.N. 26-3893 and P.N. 26-3894)

☒ **Action/Discussion**

☒ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

The Board of Directors:

1. Authorize the General Manager to utilize the District's existing On-Call Water System Repair and Construction Services agreements for the PRV 1 and PRV 2 Rehabilitation Projects;
2. Find that the project is exempt pursuant to Categorical Exemption Sections 15301 and 15302; and
3. Authorize Staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk.

Background

Pressure reducing valves (PRVs) are critical components of the District's water distribution system, providing reliable pressure regulation and protecting downstream infrastructure. Several PRV facilities, including PRV 1 and PRV 2, are aging and require rehabilitation to address operational, maintenance, and accessibility concerns.

The PRV 1 and PRV 2 Rehabilitation Projects include relocating existing PRV vaults from the roadway to the sidewalk to improve safety, reduce traffic impacts, and enhance access for District operations and maintenance staff. The projects also include reconfiguring the PRV facilities with steel assemblies to replace aging components, improve structural integrity, increase durability, and reduce long-term maintenance requirements.

On December 15, 2025, the Board of Directors authorized the General Manager to enter into agreements for On-Call Water System Repair and Construction Services to support Operations and Maintenance (O&M) activities and small Capital Improvement Program (CIP) projects. The scope of work under these agreements includes water system repairs, facility modifications, and small capital construction projects similar in nature to the proposed PRV rehabilitation work.

Staff is considering selecting Doty Bros. Equipment Company (Doty) to perform the work under the District's on-call agreement. Doty has completed numerous PRV rehabilitation, repair, and relocation projects for the District and is familiar with District standards, specifications, and operating procedures. Based on this experience, Doty is well-qualified to perform the work efficiently and effectively. The work will be administered and billed on a Time and Material (T&M)

basis, providing flexibility to address varying site conditions and project requirements while maintaining District oversight and cost control.

In addition, District staff has reviewed the project in accordance with the CEQA Environmental Review Guidelines and determined that the projects are categorically exempt pursuant to CEQA Guidelines Sections 15301 and 15302, as the work involves the replacement, rehabilitation, and relocation of existing water facilities within existing streets and sidewalks and would result in negligible or no expansion of capacity or use. Staff will file a Notice of Exemption for the project in accordance with CEQA requirements.

Fiscal Impact

The PRV 1 and PRV 2 Rehabilitation Projects are included in the District's approved Capital Improvement Program (CIP) budget, with an allocated budget of \$233,000 for PRV 1 and \$233,000 for PRV 2. Project costs will vary based on construction means and methods, and field conditions encountered during construction.

All work performed under the on-call agreements will be billed on a T&M basis in accordance with the contractor rate schedules approved by the Board. Expenditures will be managed within the District's adopted FY 2025-26 CIP budget and will not exceed Board-approved budget allocations. No additional fiscal impact is anticipated. Except in the event of unforeseen conditions or emergency work, any additional funding requirements would be brought to the Board for consideration as required.

Attachments

Notice of Exemption

Vicinity Map

Project Description

CEQA Section 15301 and 15302

WALNUT VALLEY WATER DISTRICT
271 S. Brea Canyon Road, Walnut, CA 91789

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Public Agency)
Walnut Valley Water District
271 S. Brea Canyon Road
Walnut, CA 91789

☒ County Clerk
County of Los Angeles
Registrar-Recorder/County Clerk
12400 Imperial Highway
Norwalk, CA 90650

Project Title:

PRV 1 Rehabilitation Project and PRV 2 Rehabilitation Project (P.N. 26-3893 and P.N. 26-3894)

Project Location - Specific:

PRV 1 – La Puente Road, approximately 100' SW of Via Juanita Drive
PRV 2 – Lemon Avenue, approximately 140' North of Avenida Amadis
(see attached Vicinity Map)

Project Location – City:

Walnut

Project Location – County:

Los Angeles

Description of Nature, Purpose, and Beneficiaries of Project:

The proposed project involves relocating existing PRV vaults from the roadway to the sidewalk to improve safety, reduce traffic impacts, and enhance access for District operations and maintenance staff. The projects also include reconfiguring the PRV facilities with steel assemblies to replace aging components, improve structural integrity, increase durability, and reduce long-term maintenance requirements.

Name of Public Agency Approving Project:

Not Applicable.

Name of Person or Agency Carrying Out Project:

Walnut Valley Water District

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section Number:
Public Resources Code Section 21084; CEQA Guidelines Section 15301(b): Existing
Facilities and CEQA Guidelines Section 15302(c): Replacement or Reconstruction
- ☐ Statutory Exemptions. State code number:

Reasons why project is exempt:

The proposed project is exempt under Public Resources Code Section 21084; CEQA Guidelines Section 15301(b) and Section 15302(c) as it involves existing structures providing a public utility service with negligible or no expansion of use beyond that existing. The project includes the rehabilitation of deteriorated facilities to meet current standards of public health and safety and

therefore is exempt under this exemption.

Lead Agency Contact Person:
Sheryl L. Shaw

Area Code/Telephone/Extension:
(909) 595-7554

If filed by applicant:

1. Attached certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☒ No

Signature: _____

Date: January 20, 2026

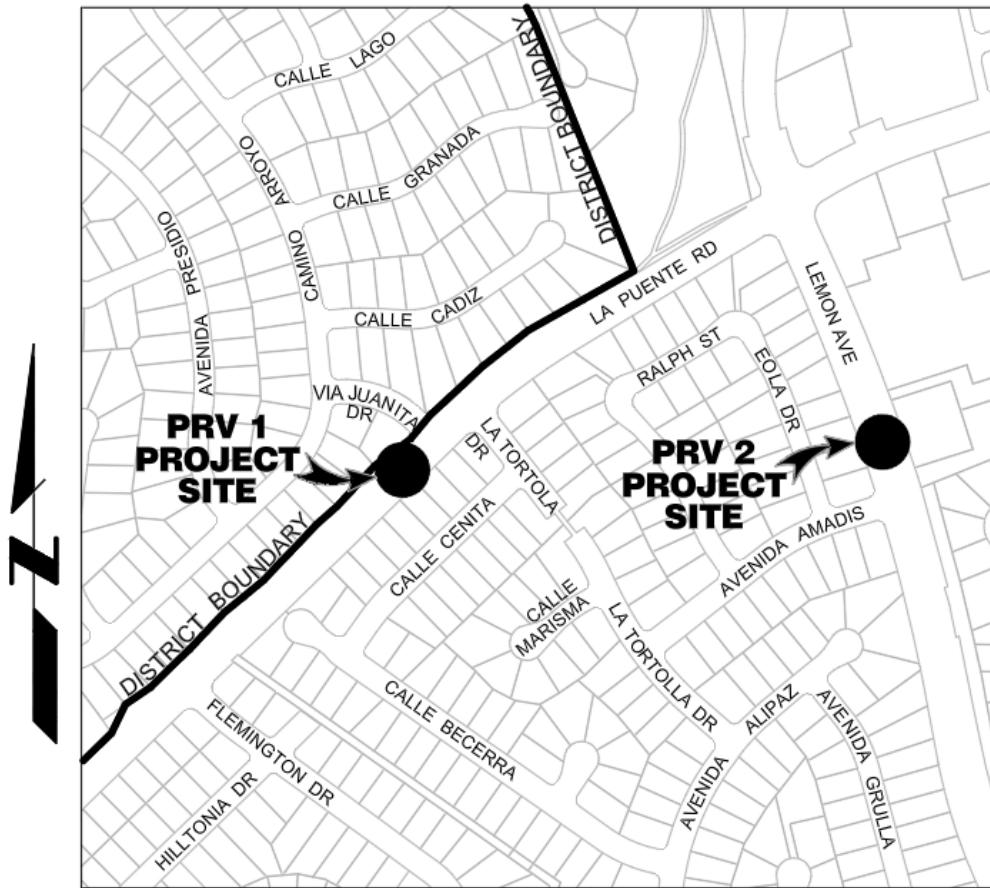
Sheryl L. Shaw, P.E.
General Manager/Chief Engineer

☒ Signed by Lead Agency

Date received for filing at OPR: _____

☐ Signed by Applicant

WALNUT VALLEY WATER DISTRICT
271 S. Brea Canyon Road, Walnut, CA 91789



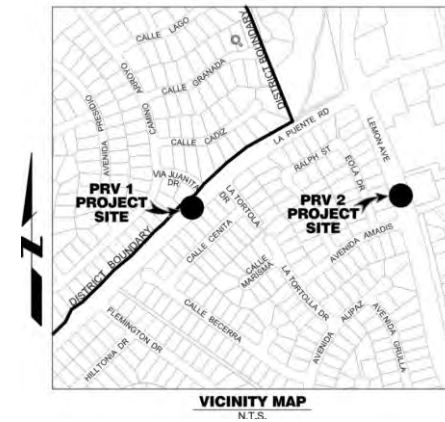
VICINITY MAP
N.T.S.

PRV 1 AND PRV 2 REHABILITATION PROJECTS (P.N. 26-3893 and P.N. 26-3894)



DESCRIPTION:

LOCATION:



Contractor: TBD

Schedule	Days
Award Date	
Notice to Proceed	
Start	
Change Orders	
End	
Acceptance of Work	

Contract Amount	Costs
Original	T&M
Change Order(s)	
Revised	
Earnings previous Month	
Earnings to Date	

PROGRESS STATUS:

- (d) For purposes of this section, “pipeline” is used as defined in subdivision (a) of Government Code Section 51010.5. This definition includes every intrastate pipeline used for the transportation of hazardous liquid substances or highly volatile liquid substances, including a common carrier pipeline, and all piping containing those substances located within a refined products bulk loading facility which is owned by a common carrier and is served by a pipeline of that common carrier, and the common carrier owns and serves by pipeline at least five such facilities in California.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21080.23, Public Resources Code.

15285. TRANSIT AGENCY RESPONSES TO REVENUE SHORTFALLS

- (a) CEQA does not apply to actions taken on or after July 1, 1995 to implement budget reductions made by a publicly owned transit agency as a result of a fiscal emergency caused by the failure of agency revenues to adequately fund agency programs and facilities. Actions shall be limited to those directly undertaken by or financially supported in whole or in part by the transit agency pursuant to Section 15378(a)(1) or (2), including actions which reduce or eliminate the availability of an existing publicly owned transit service, facility, program, or activity.
- (b) When invoking this exemption, the transit agency shall make a specific finding that there is a fiscal emergency. Before taking its proposed budgetary actions and making the finding of fiscal emergency, the transit agency shall hold a public hearing. After this public hearing, the transit agency shall respond within 30 days at a regular public meeting to suggestions made by the public at that initial hearing. The transit agency may make the finding of fiscal emergency only after it has responded to public suggestions.
- (c) For purposes of this subdivision, “fiscal emergency” means that the transit agency is projected to have negative working capital within one year from the date that the agency finds that a fiscal emergency exists. “Working capital” is defined as the sum of all unrestricted cash, unrestricted short-term investments, and unrestricted short-term accounts receivable, minus unrestricted accounts payable. Employee retirements funds, including deferred compensation plans and Section 401(k) plans, health insurance reserves, bond payment reserves, workers’ compensation reserves, and insurance reserves shall not be included as working capital.
- (d) This exemption does not apply to the action of any publicly owned transit agency to reduce or eliminate a transit service, facility, program, or activity that was approved or adopted as a mitigation measure in any environmental document certified or adopted by any public agency under either CEQA or NEPA. Further, it does not apply to actions of the Los Angeles County Metropolitan Transportation Authority.

Note: Authority cited: Sections Section 21083, Public Resources Code; References: Sections 21080 and 21080.32, Public Resources Code.

Article 19. Categorical Exemptions

SECTIONS 15300 TO 15332

15300. CATEGORICAL EXEMPTIONS

Section 21084 of the Public Resources Code requires these Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA.

In response to that mandate, the Secretary for Resources has found that the following classes of projects listed in this article do not have a significant effect on the environment, and they are declared to be categorically exempt from the requirement for the preparation of environmental documents.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15300.1. RELATION TO MINISTERIAL PROJECTS

Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which public agencies exercise only ministerial authority. Since ministerial projects are already exempt, categorical exemptions should be applied only where a project is not ministerial under a public agency's statutes and ordinances. The inclusion of activities which may be ministerial within the classes and examples contained in this article shall not be construed as a finding by the Secretary for Resources that such an activity is discretionary.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15300.2. EXCEPTIONS

- (a) **Location.** Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.
- (b) **Cumulative Impact.** All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.
- (c) **Significant Effect.** A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.
- (d) **Scenic Highways.** A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.
- (e) **Hazardous Waste Sites.** A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- (f) **Historical Resources.** A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

Note: Authority cited: Section 21083, Public Resources Code; References: Sections 21084 and 21084.1, Public Resources Code; *Wildlife Alive v. Chickering* (1977) 18 Cal.3d 190; *League for Protection of Oakland's Architectural and Historic Resources v. City of Oakland* (1997) 52 Cal.App.4th 896; *Citizens for Responsible Development in West Hollywood v. City of West Hollywood* (1995) 39 Cal.App.4th 925; *City of Pasadena v. State of California* (1993) 14 Cal.App.4th 810; *Association for the Protection etc. Values v. City of Ukiah* (1991) 2 Cal.App.4th 720; and *Baird v. County of Contra Costa* (1995) 32 Cal.App.4th 1464

15300.3. REVISIONS TO LIST OF CATEGORICAL EXEMPTIONS

A public agency may, at any time, request that a new class of categorical exemptions be added, or an existing one amended or deleted. This request must be made in writing to the Office of Planning and

Research and shall contain detailed information to support the request. The granting of such request shall be by amendment to these Guidelines.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15300.4. APPLICATION BY PUBLIC AGENCIES

Each public agency shall, in the course of establishing its own procedures, list those specific activities which fall within each of the exempt classes, subject to the qualification that these lists must be consistent with both the letter and the intent expressed in the classes. Public agencies may omit from their implementing procedures classes and examples that do not apply to their activities, but they may not require EIRs for projects described in the classes and examples in this article except under the provisions of Section 15300.2.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15301. EXISTING FACILITIES

Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of use.

Examples include but are not limited to:

- (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances;
- (b) Existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services;
- (c) Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety), and other alterations such as the addition of bicycle facilities, including but not limited to bicycle parking, bicycle-share facilities and bicycle lanes, transit improvements such as bus lanes, pedestrian crossings, street trees, and other similar alterations that do not create additional automobile lanes);
- (d) Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood;
- (e) Additions to existing structures provided that the addition will not result in an increase of more than:
 - (1) 50 percent of the floor area of the structures before the addition, or 2,500 square feet, whichever is less; or
 - (2) 10,000 square feet if:
 - (A) The project is in an area where all public services and facilities are available to allow for maximum development permissible in the General Plan and
 - (B) The area in which the project is located is not environmentally sensitive.

- (f) Addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices;
- (g) New copy on existing on and off-premise signs;
- (h) Maintenance of existing landscaping, native growth, and water supply reservoirs (excluding the use of pesticides, as defined in Section 12753, Division 7, Chapter 2, Food and Agricultural Code);
- (i) Maintenance of fish screens, fish ladders, wildlife habitat areas, artificial wildlife waterway devices, streamflows, springs and waterholes, and stream channels (clearing of debris) to protect fish and wildlife resources;
- (j) Fish stocking by the California Department of Fish and Game;
- (k) Division of existing multiple family or single-family residences into common-interest ownership and subdivision of existing commercial or industrial buildings, where no physical changes occur which are not otherwise exempt;
- (l) Demolition and removal of individual small structures listed in this subdivision:
 - (1) One single-family residence. In urbanized areas, up to three single-family residences may be demolished under this exemption.
 - (2) A duplex or similar multifamily residential structure. In urbanized areas, this exemption applies to duplexes and similar structures where not more than six dwelling units will be demolished.
 - (3) A store, motel, office, restaurant, or similar small commercial structure if designed for an occupant load of 30 persons or less. In urbanized areas, the exemption also applies to the demolition of up to three such commercial buildings on sites zoned for such use.
 - (4) Accessory (appurtenant) structures including garages, carports, patios, swimming pools, and fences.
- (m) Minor repairs and alterations to existing dams and appurtenant structures under the supervision of the Department of Water Resources.
- (n) Conversion of a single family residence to office use.
- (o) Installation, in an existing facility occupied by a medical waste generator, of a steam sterilization unit for the treatment of medical waste generated by that facility provided that the unit is installed and operated in accordance with the Medical Waste Management Act (Section 117600, et seq., of the Health and Safety Code) and accepts no offsite waste.
- (p) Use of a single-family residence as a small family day care home, as defined in Section 1596.78 of the Health and Safety Code.

Note: Authority cited: Section 21083, Public Resources Code; References: Sections 21084, Public Resources Code; *North County Advocates v. City of Carlsbad* (2015) 241 Cal.App.4th 94; *Communities for a Better Environment v. South Coast Air Quality Management Dist.* (2010) 48 Cal.4th 310; *Bloom v. McGurk* (1994) 26 Cal.App.4th 1307.

15302. REPLACEMENT OR RECONSTRUCTION

Class 2 consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to:

- (a) Replacement or reconstruction of existing schools and hospitals to provide earthquake resistant structures which do not increase capacity more than 50 percent.

- (b) Replacement of a commercial structure with a new structure of substantially the same size, purpose, and capacity.
- (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.
- (d) Conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior to the undergrounding.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15303. NEW CONSTRUCTION OR CONVERSION OF SMALL STRUCTURES

Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The numbers of structures described in this section are the maximum allowable on any legal parcel. Examples of this exemption include, but are not limited to:

- (a) One single-family residence, or a second dwelling unit in a residential zone. In urbanized areas, up to three single-family residences may be constructed or converted under this exemption.
- (b) A duplex or similar multi-family residential structure, totaling no more than four dwelling units. In urbanized areas, this exemption applies to apartments, duplexes and similar structures designed for not more than six dwelling units.
- (c) A store, motel, office, restaurant or similar structure not involving the use of significant amounts of hazardous substances, and not exceeding 2500 square feet in floor area. In urbanized areas, the exemption also applies to up to four such commercial buildings not exceeding 10,000 square feet in floor area on sites zoned for such use if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive.
- (d) Water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction.
- (e) Accessory (appurtenant) structures including garages, carports, patios, swimming pools, and fences.
- (f) An accessory steam sterilization unit for the treatment of medical waste at a facility occupied by a medical waste generator, provided that the unit is installed and operated in accordance with the Medical Waste Management Act (Section 117600, et seq., of the Health and Safety Code) and accepts no offsite waste.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Sections 21084, Public Resources Code.

15304. MINOR ALTERATIONS TO LAND

Class 4 consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. Examples include, but are not limited to:

- (a) Grading on land with a slope of less than 10 percent, except that grading shall not be exempt in a waterway, in any wetland, in an officially designated (by federal, state, or local government action) scenic area, or in officially mapped areas of severe geologic hazard such as an Alquist-Priolo Earthquake Fault Zone or within an official Seismic Hazard Zone, as delineated by the State Geologist.

- (b) New gardening or landscaping, including the replacement of existing conventional landscaping with water efficient or fire resistant landscaping.
- (c) Filling of earth into previously excavated land with material compatible with the natural features of the site;
- (d) Minor alterations in land, water, and vegetation on existing officially designated wildlife management areas or fish production facilities which result in improvement of habitat for fish and wildlife resources or greater fish production;
- (e) Minor temporary use of land having negligible or no permanent effects on the environment, including carnivals, sales of Christmas trees, etc;
- (f) Minor trenching and backfilling where the surface is restored;
- (g) Maintenance dredging where the spoil is deposited in a spoil area authorized by all applicable state and federal regulatory agencies;
- (h) The creation of bicycle lanes on existing rights-of-way.
- (i) Fuel management activities within 30 feet of structures to reduce the volume of flammable vegetation, provided that the activities will not result in the taking of endangered, rare, or threatened plant or animal species or significant erosion and sedimentation of surface waters. This exemption shall apply to fuel management activities within 100 feet of a structure if the public agency having fire protection responsibility for the area has determined that 100 feet of fuel clearance is required due to extra hazardous fire conditions.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15305. MINOR ALTERATIONS IN LAND USE LIMITATIONS

Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density, including but not limited to:

- (a) Minor lot line adjustments, side yard, and set back variances not resulting in the creation of any new parcel;
- (b) Issuance of minor encroachment permits;
- (c) Reversion to acreage in accordance with the Subdivision Map Act.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15306. INFORMATION COLLECTION

Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15307. ACTIONS BY REGULATORY AGENCIES FOR PROTECTION OF NATURAL RESOURCES

Class 7 consists of actions taken by regulatory agencies as authorized by state law or local ordinance to assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment. Examples include but are not limited

to wildlife preservation activities of the State Department of Fish and Game. Construction activities are not included in this exemption.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15308. ACTIONS BY REGULATORY AGENCIES FOR PROTECTION OF THE ENVIRONMENT

Class 8 consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code; *International Longshoremen's and Warehousemen's Union v. Board of Supervisors*, (1981) 116 Cal. App. 3d 265.

15309. INSPECTIONS

Class 9 consists of activities limited entirely to inspections, to check for performance of an operation, or quality, health, or safety of a project, including related activities such as inspection for possible mislabeling, misrepresentation, or adulteration of products.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15310. LOANS

Class 10 consists of loans made by the Department of Veterans Affairs under the Veterans Farm and Home Purchase Act of 1943, mortgages for the purchase of existing structures where the loan will not be used for new construction and the purchase of such mortgages by financial institutions. Class 10 includes but is not limited to the following examples:

- (a) Loans made by the Department of Veterans Affairs under the Veterans Farm and Home Purchase Act of 1943.
- (b) Purchases of mortgages from banks and mortgage companies by the Public Employees Retirement System and by the State Teachers Retirement System.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15311. ACCESSORY STRUCTURES

Class 11 consists of construction, or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities, including but not limited to:

- (a) On-premise signs;
- (b) Small parking lots;
- (c) Placement of seasonal or temporary use items such as lifeguard towers, mobile food units, portable restrooms, or similar items in generally the same locations from time to time in publicly owned parks, stadiums, or other facilities designed for public use.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15312. SURPLUS GOVERNMENT PROPERTY SALES

Class 12 consists of sales of surplus government property except for parcels of land located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4). However, even if the surplus property to be sold is located in any of those areas, its sale is exempt if:

- (a) The property does not have significant values for wildlife habitat or other environmental purposes, and
- (b) Any of the following conditions exist:
 - (1) The property is of such size, shape, or inaccessibility that it is incapable of independent development or use; or
 - (2) The property to be sold would qualify for an exemption under any other class of categorical exemption in these Guidelines; or
 - (3) The use of the property and adjacent property has not changed since the time of purchase by the public agency.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15313. ACQUISITION OF LANDS FOR WILDLIFE CONSERVATION PURPOSES

Class 13 consists of the acquisition of lands for fish and wildlife conservation purposes including (a) preservation of fish and wildlife habitat, (b) establishing ecological reserves under Fish and Game Code Section 1580, and (c) preserving access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition.

Note: Authority cited: Sections 21083 and 21087, Public Resources Code; Reference: Section 21084, Public Resources Code.

15314. MINOR ADDITIONS TO SCHOOLS

Class 14 consists of minor additions to existing schools within existing school grounds where the addition does not increase original student capacity by more than 25% or ten classrooms, whichever is less. The addition of portable classrooms is included in this exemption.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15315. MINOR LAND DIVISIONS

Class 15 consists of the division of property in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the General Plan and zoning, no variances or exceptions are required, all services and access to the proposed parcels to local standards are available, the parcel was not involved in a division of a larger parcel within the previous 2 years, and the parcel does not have an average slope greater than 20 percent.

Note: Authority cited: Sections Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15316. TRANSFER OF OWNERSHIP OF LAND IN ORDER TO CREATE PARKS

Class 16 consists of the acquisition, sale, or other transfer of land in order to establish a park where the land is in a natural condition or contains historical or archaeological resources and either:

- (a) The management plan for the park has not been prepared, or
- (b) The management plan proposes to keep the area in a natural condition or preserve the historic or archaeological resources. CEQA will apply when a management plan is proposed that will

change the area from its natural condition or cause substantial adverse change in the significance of the historic or archaeological resource.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Sections 21084, 21083.2, and 21084.1, Public Resources Code.

15317. OPEN SPACE CONTRACTS OR EASEMENTS

Class 17 consists of the establishment of agricultural preserves, the making and renewing of open space contracts under the Williamson Act, or the acceptance of easements or fee interests in order to maintain the open space character of the area. The cancellation of such preserves, contracts, interests, or easements is not included and will normally be an action subject to the CEQA process.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15318. DESIGNATION OF WILDERNESS AREAS

Class 18 consists of the designation of wilderness areas under the California Wilderness System.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15319. ANNEXATIONS OF EXISTING FACILITIES AND LOTS FOR EXEMPT FACILITIES

Class 19 consists of only the following annexations:

- (a) Annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.
- (b) Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15320. CHANGES IN ORGANIZATION OF LOCAL AGENCIES

Class 20 consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. Examples include but are not limited to:

- (a) Establishment of a subsidiary district;
- (b) Consolidation of two or more districts having identical powers;
- (c) Merger with a city of a district lying entirely within the boundaries of the city.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15321. ENFORCEMENT ACTIONS BY REGULATORY AGENCIES

Class 21 consists of:

- (a) Actions by regulatory agencies to enforce or revoke a lease, permit, license, certificate, or other entitlement for use issued, adopted, or prescribed by the regulatory agency or enforcement of a law, general rule, standard, or objective, administered or adopted by the regulatory agency. Such actions include, but are not limited to, the following:

- (1) The direct referral of a violation of lease, permit, license, certificate, or entitlement for use or of a general rule, standard, or objective to the Attorney General, District Attorney, or City Attorney as appropriate, for judicial enforcement;
 - (2) The adoption of an administrative decision or order enforcing or revoking the lease, permit, license, certificate, or entitlement for use or enforcing the general rule, standard, or objective.
- (b) Law enforcement activities by peace officers acting under any law that provides a criminal sanction;
 - (c) Construction activities undertaken by the public agency taking the enforcement or revocation action are not included in this exemption.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15322. EDUCATIONAL OR TRAINING PROGRAMS INVOLVING NO PHYSICAL CHANGES

Class 22 consists of the adoption, alteration, or termination of educational or training programs which involve no physical alteration in the area affected or which involve physical changes only in the interior of existing school or training structures. Examples include but are not limited to:

- (a) Development of or changes in curriculum or training methods.
- (b) Changes in the grade structure in a school which do not result in changes in student transportation.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15323. NORMAL OPERATIONS OF FACILITIES FOR PUBLIC GATHERINGS

Class 23 consists of the normal operations of existing facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose. For the purposes of this section, "past history" shall mean that the same or similar kind of activity has been occurring for at least three years and that there is a reasonable expectation that the future occurrence of the activity would not represent a change in the operation of the facility. Facilities included within this exemption include, but are not limited to, racetracks, stadiums, convention centers, auditoriums, amphitheaters, planetariums, swimming pools, and amusement parks.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15324. REGULATIONS OF WORKING CONDITIONS

Class 24 consists of actions taken by regulatory agencies, including the Industrial Welfare Commission as authorized by statute, to regulate any of the following:

- (a) Employee wages,
- (b) Hours of work, or
- (c) Working conditions where there will be no demonstrable physical changes outside the place of work.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15325. TRANSFERS OF OWNERSHIP OF INTEREST IN LAND TO PRESERVE EXISTING NATURAL CONDITIONS AND HISTORICAL RESOURCES

Class 25 consists of the transfers of ownership of interests in land in order to preserve open space, habitat, or historical resources. Examples include but are not limited to:

- (a) Acquisition, sale, or other transfer of areas to preserve the existing natural conditions, including plant or animal habitats.
- (b) Acquisition, sale, or other transfer of areas to allow continued agricultural use of the areas.
- (c) Acquisition, sale, or other transfer to allow restoration of natural conditions, including plant or animal habitats.
- (d) Acquisition, sale, or other transfer to prevent encroachment of development into flood plains.
- (e) Acquisition, sale, or other transfer to preserve historical resources.
- (f) Acquisition, sale, or other transfer to preserve open space or lands for park purposes.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15326. ACQUISITION OF HOUSING FOR HOUSING ASSISTANCE PROGRAMS

Class 26 consists of actions by a redevelopment agency, housing authority, or other public agency to implement an adopted Housing Assistance Plan by acquiring an interest in housing units. The housing units may be either in existence or possessing all required permits for construction when the agency makes its final decision to acquire the units.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15327. LEASING NEW FACILITIES

- (a) Class 27 consists of the leasing of a newly constructed or previously unoccupied privately owned facility by a local or state agency where the local governing authority determined that the building was exempt from CEQA. To be exempt under this section, the proposed use of the facility:
 - (1) Shall be in conformance with existing state plans and policies and with general, community, and specific plans for which an EIR or Negative Declaration has been prepared;
 - (2) Shall be substantially the same as that originally proposed at the time the building permit was issued;
 - (3) Shall not result in a traffic increase of greater than 10% of front access road capacity; and
 - (4) Shall include the provision of adequate employee and visitor parking facilities.
- (b) Examples of Class 27 include, but are not limited to:
 - (1) Leasing of administrative offices in newly constructed office space;
 - (2) Leasing of client service offices in newly constructed retail space;
 - (3) Leasing of administrative and/or client service offices in newly constructed industrial parks.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15328. SMALL HYDROELECTRIC PROJECTS AT EXISTING FACILITIES

Class 28 consists of the installation of hydroelectric generating facilities in connection with existing dams, canals, and pipelines where:

- (a) The capacity of the generating facilities is 5 megawatts or less;
- (b) Operation of the generating facilities will not change the flow regime in the affected stream, canal, or pipeline including but not limited to:
 - (1) Rate and volume of flow;
 - (2) Temperature;
 - (3) Amounts of dissolved oxygen to a degree that could adversely affect aquatic life; and
 - (4) Timing of release.
- (c) New power lines to connect the generating facilities to existing power lines will not exceed one mile in length if located on a new right of way and will not be located adjacent to a wild or scenic river;
- (d) Repair or reconstruction of the diversion structure will not raise the normal maximum surface elevation of the impoundment;
- (e) There will be no significant upstream or downstream passage of fish affected by the project;
- (f) The discharge from the power house will not be located more than 300 feet from the toe of the diversion structure;
- (g) The project will not cause violations of applicable state or federal water quality standards;
- (h) The project will not entail any construction on or alteration of a site included in or eligible for inclusion in the National Register of Historic Places; and
- (i) Construction will not occur in the vicinity of any endangered, rare, or threatened species.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15329. COGENERATION PROJECTS AT EXISTING FACILITIES

Class 29 consists of the installation of cogeneration equipment with a capacity of 50 megawatts or less at existing facilities meeting the conditions described in this section.

- (a) At existing industrial facilities, the installation of cogeneration facilities will be exempt where it will:
 - (1) Result in no net increases in air emissions from the industrial facility, or will produce emissions lower than the amount that would require review under the new source review rules applicable in the county, and
 - (2) Comply with all applicable state, federal, and local air quality laws.
- (b) At commercial and institutional facilities, the installation of cogeneration facilities will be exempt if the installation will:
 - (1) Meet all the criteria described in subdivision (a);
 - (2) Result in no noticeable increase in noise to nearby residential structures;
 - (3) Be contiguous to other commercial or institutional structures.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15330. MINOR ACTIONS TO PREVENT, MINIMIZE, STABILIZE, MITIGATE OR ELIMINATE THE RELEASE OR THREAT OF RELEASE OF HAZARDOUS WASTE OR HAZARDOUS SUBSTANCES

Class 30 consists of any minor cleanup actions taken to prevent, minimize, stabilize, mitigate, or eliminate the release or threat of release of a hazardous waste or substance which are small or medium removal actions costing \$1 million or less.

- (a) No cleanup action shall be subject to this Class 30 exemption if the action requires the onsite use of a hazardous waste incinerator or thermal treatment unit or the relocation of residences or businesses, or the action involves the potential release into the air of volatile organic compounds as defined in Health and Safety Code Section 25123.6, except for small scale in situ soil vapor extraction and treatment systems which have been permitted by the local Air Pollution Control District or Air Quality Management District. All actions must be consistent with applicable state and local environmental permitting requirements including, but not limited to, off-site disposal, air quality rules such as those governing volatile organic compounds and water quality standards, and approved by the regulatory body with jurisdiction over the site.
- (b) Examples of such minor cleanup actions include but are not limited to:
 - (1) Removal of sealed, non-leaking drums or barrels of hazardous waste or substances that have been stabilized, containerized and are designated for a lawfully permitted destination;
 - (2) Maintenance or stabilization of berms, dikes, or surface impoundments;
 - (3) Construction or maintenance or interim of temporary surface caps;
 - (4) Onsite treatment of contaminated soils or sludges provided treatment system meets Title 22 requirements and local air district requirements;
 - (5) Excavation and/or offsite disposal of contaminated soils or sludges in regulated units;
 - (6) Application of dust suppressants or dust binders to surface soils;
 - (7) Controls for surface water run-on and run-off that meets seismic safety standards;
 - (8) Pumping of leaking ponds into an enclosed container;
 - (9) Construction of interim or emergency ground water treatment systems;
 - (10) Posting of warning signs and fencing for a hazardous waste or substance site that meets legal requirements for protection of wildlife.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15331. HISTORICAL RESOURCE RESTORATION/REHABILITATION

Class 31 consists of projects limited to maintenance, repair, stabilization, rehabilitation, restoration, preservation, conservation or reconstruction of historical resources in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (1995), Weeks and Grimmer.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

15332. IN-FILL DEVELOPMENT PROJECTS

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

Note: Authority cited: Section 21083, Public Resources Code. Reference: Section 21084, Public Resources Code.

15333. SMALL HABITAT RESTORATION PROJECTS.

Class 33 consists of projects not to exceed five acres in size to assure the maintenance, restoration, enhancement, or protection of habitat for fish, plants, or wildlife provided that:

- (a) There would be no significant adverse impact on endangered, rare or threatened species or their habitat pursuant to section 15065,
- (b) There are no hazardous materials at or around the project site that may be disturbed or removed, and
- (c) The project will not result in impacts that are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.
- (d) Examples of small restoration projects may include, but are not limited to:
 - (1) revegetation of disturbed areas with native plant species;
 - (2) wetland restoration, the primary purpose of which is to improve conditions for waterfowl or other species that rely on wetland habitat;
 - (3) stream or river bank revegetation, the primary purpose of which is to improve habitat for amphibians or native fish;
 - (4) projects to restore or enhance habitat that are carried out principally with hand labor and not mechanized equipment.
 - (5) stream or river bank stabilization with native vegetation or other bioengineering techniques, the primary purpose of which is to reduce or eliminate erosion and sedimentation; and
 - (6) culvert replacement conducted in accordance with published guidelines of the Department of Fish and Game or NOAA Fisheries, the primary purpose of which is to improve habitat or reduce sedimentation.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Section 21084, Public Resources Code.

Article 20. Definitions

SECTIONS 15350 TO 15387

15350. GENERAL

The definitions contained in this article apply to terms used throughout the Guidelines unless a term is otherwise defined in a particular section.

ARTICLE 18 – Sick Leave Provisions

A. Application of California's Paid Sick Leave Law

In accordance with California's Paid Sick Leave Law, all employees may use the greater of five (5) days or forty (40) hours of accrued paid sick leave in a twelve (12) month period for one of the following reasons:

- For the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.
- For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including:
 - Child of any age or dependency status (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis.);
 - Spouse or Registered Domestic Partner;
 - Parent or Parent-in-Law (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.);
 - Grandparent;
 - Grandchild;
 - Sibling;
 - Designated person, which means a person identified by the employee at the time the employee requests paid sick leave. Such designated person may be limited to one person per 12-month period for paid sick days.
- For the purposes outlined in the District's Crime Victim Leave Policy for an employee who is a victim of crime or qualifying act of violence or have a family member who is a victim of crime or qualifying act of violence, as defined within that policy.~~domestic violence, sexual assault, or stalking to: i) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health, safety or welfare of the employee or his or her child, or ii) obtain medical attention or psychological counseling; services from a shelter; program or crisis center; or participate in safety planning or other actions to increase safety, with appropriate certification of the need for such services.~~

B. Temporary Employees and Part-Time Employees Who Work Less Than 20 Hours Per Week

Pursuant to California's Paid Sick Leave Law, temporary and part-time employees who have been employed for at least thirty (30) days, other than retired annuitants, are entitled to begin accruing paid sick leave on the first date of employment and can begin using paid sick leave on the 90th day of employment under the following conditions.

- An employee begins to accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked.
- An employee is allowed to use up to a maximum of five (5) days or forty (40) hours, whichever is greater, of paid sick leave in a twelve (12) month period.
- An employee can only accrue paid sick leave up to a cap of ten (10) work days or eighty (80) hours, whichever is greater, ongoing. Any unused accrued paid sick leave does carryover year to year while continuously employed, up to the accrual cap.
- An employee shall provide reasonable advance notification of their need to use accrued paid sick leave to their supervisor if the need for paid sick leave use is foreseeable (e.g., doctor's

appointment scheduled in advance). If the need for paid sick leave use is unforeseeable, the employee shall provide notice of the need for the leave to his/her supervisor as soon as is practicable.

- An employee who uses paid sick leave must do so with a minimum increment of two (2) hours of sick leave.
- Paid sick leave will not be considered hours worked for purposes of overtime calculation. An employee will not receive compensation for unused accrued paid sick leave upon termination, resignation, retirement or other separation from employment from the District.
- If an employee separates from District employment and is re-hired by the District within one (1) year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law. However, if the rehired employee had not yet worked the requisite ninety (90) days of employment to use paid sick leave at the time of separation, the employee must still satisfy the ninety (90) days of employment requirement collectively over the periods of employment with the District before any paid sick leave can be used.

C. Full-Time Employees and Part-Time Employees Who Work 20 or More Hours Per Week

Sick leave with pay shall be granted by the District at the rate of eight (8) hours for each full calendar month of service for all full-time employees or for part-time employees working twenty (20) or more hours per week as otherwise designated in Exhibit D of these Terms and Conditions of Employment. Retired annuitants are not eligible for sick leave.

Each calendar year, up to one-half of an employee's annual accrued paid sick leave, but no less than 40 hours or 5 days, whichever is greater, can be used for any reason as noted in Section A of this policy in accordance with California's Paid Sick Leave Law and Labor Code section 233. Any additional paid sick leave provided by the District in that calendar year can only be used for the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.

In order to receive compensation for work time lost due to sickness, the employee shall notify they/them/their immediate supervisor prior to the time set for commencement of they/them/their work shift, or as may be specified by the Department Head. Failure to do so without good reason may result in that day of absence treated as leave of absence without pay. After an employee has used one-half of their annual accrued paid sick leave in a calendar year, but no less than 40 hours or 5 days, whichever is greater, for any absence of three (3) days or less, a physician's certificate may be required. For absences of more than three (3) days, and prior to returning to work, the employee shall file with the Personnel Office a verification from a licensed health care provider, or other evidence satisfactory to the District, confirming the need for the time off and releasing the employee to return to work without restriction.

On or about December 1st of each year, the sick hours accrued, but not used, during the preceding year will be transferred to an accumulated or qualification account. After an employee has accumulated two hundred forty (240) hours of sick leave in this account, the employee will be eligible to receive a cash payout of unused sick leave. The maximum amount of sick leave an employee may accrue is four hundred (400) hours and payment for such accrued and unused sick leave will be as follows:

- (1) Employees who have accrued more than two hundred forty (240) hours, but fewer than four hundred (400) hours of sick leave:

During the month of December, employees who have fewer than four hundred (400) hours of accrued sick leave as of December 1, will receive a cash payment at the employee's then hourly rate of pay for three-quarters (3/4) of any current accrued sick leave accumulated in their account, which exceeds the two hundred forty (240) hour qualification level.

(2) Employees who have accrued more than four hundred (400) hours of sick leave:

In December of each year, if it is determined by the Finance Department that an employee will still have an excess of four hundred (400) hours of accrued sick leave following the sick leave buyout, the employee will then receive a cash payment of 100% of the employee's current accrued and unused sick leave accumulated in excess of four hundred (400) hours at the employee's then hourly rate of pay.

(3) Employees who have accrued over four hundred (400) hours as of October 31, 2011:

Those employees who, as of October 31, 2011, have an accrued sick leave balance in excess of four hundred (400) hours are exempted from this provision at this time and the accrued sick leave they have accumulated will remain in their accounts. However, in December of each year, those employees will receive a cash payment at the employee's then hourly rate of pay for all sick leave that the employee has accrued that calendar year as long as they have an excess of four hundred (400) hours of accumulated sick leave.

In subsections (1-3) above, the employee also has the option of placing such funds in their deferred compensation account or 401-A plan account, pursuant to state and federal deferred compensation limits and regulations.

The remaining one-quarter (1/4) of the current sick leave over the two hundred forty (240) hour but less than the four hundred (400) hour qualification level will then be placed in the long-term sick leave account and will not be considered in any future annual sick leave cash payout under the preceding paragraph.

In using sick leave, accrued sick hours will be exhausted by all employees in the following order: Current sick leave over the qualification level, qualification sick leave, and then long-term sick leave.

Upon termination of employment for any reason other than retirement, employees shall be paid for one-quarter (1/4) of all accumulated sick leave, *i.e.*, current, qualification, and long-term, at their hourly rate of pay at the time of separation. Upon retirement, the employee will receive cash payment for all accumulated sick leave at the then current rate of pay or may elect to receive CalPERS service credit for all unused sick leave in lieu of pay consistent with applicable retirement laws. The employee may also defer payment up to the maximum amount allowable by law into the employee's deferred compensation account or 401-A plan in accordance with the employee's pre-authorized final pay election. Upon the death of an employee, sick leave shall be paid in full to the employee's beneficiary.

Except as provided otherwise in this section, employees do not receive compensation for any unused, accrued paid sick leave at the time of separation of employment, except that up to twenty-four (24) hours of accrued sick leave shall be payable at separation of employment as consideration for the personal leave provided in Article 19, below. However, if an employee is re-hired with the District within twelve (12) months of the previous separation of employment, the District will reinstate up to 10 (10) days or eighty (80) hours of previously accrued but unused paid sick leave at the time of re-hire to the extent such amount was not otherwise cashed out as provided in this section.

c. **Sick Leave**

A. Application of California's Paid Sick Leave Law

In accordance with California's Paid Sick Leave law, all employees may use the first three (3) days or twenty-four (24) hours of accrued paid sick leave in a twelve (12) month period for one of the following reasons:

- For the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.
- For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including:
 - Child of any age or dependency status (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis.);
 - Spouse or Registered Domestic Partner;
 - Parent or Parent-in-Law (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.);
 - Grandparent;
 - Grandchild;
 - Sibling;
 - Designated Person, which means a person identified by the employee at the time the employee requests paid sick leave. Such designated person may be limited to one person per 12-month period for paid sick days.
- For the purposes outlined in the District's Crime Victim Leave Policy for an employee who is a victim of crime or qualifying act of violence or have a family member who is a victim of crime or qualifying act of violence, as defined within that policy. domestic violence, sexual assault, or stalking to i) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health safety or welfare of the employee or his or her child, or ii) obtain medical attention or psychological counseling; services from a shelter; program or crisis center; or participate in safety planning or other actions to increase safety, with appropriate certification of the need for such services.

B. Temporary Employees and Part-Time Employees Who Work Less Than 20 Hours Per Week

Pursuant to California's Paid Sick Leave Law, temporary and part-time employees who have been employed for at least thirty (30) days, other than retired annuitants, are entitled to begin accruing paid sick leave on the first date of employment and can begin using paid sick leave on the 90th day of employment under the following conditions.

- An employee begins to accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked.
- An employee is allowed to use up to a maximum of three (3) days or twenty-four (24) hours of paid sick leave in a twelve (12) month period.
- An employee can only accrue paid sick leave up to a cap of six (6) work days or forty-eight (48) hours, whichever is greater, ongoing. Any unused accrued paid sick leave does carryover year to year while continuously employed.
- An employee shall provide reasonable advance notification of they/them/their need to use accrued paid sick leave to their supervisor if the need for paid sick leave use is foreseeable (e.g., doctor's appointment scheduled in advance). If the need for paid sick leave use is unforeseeable, the

employee shall provide notice of the need for the leave to they/them/their supervisor as soon as is practicable.

- An employee who uses paid sick leave must do so with a minimum increment of two (2) hours of sick leave.
- Paid sick leave will not be considered hours worked for purposes of overtime calculation. An employee will not receive compensation for unused accrued paid sick leave upon termination, resignation, retirement or other separation from employment from the District.
- If an employee separates from District employment and is re-hired by the District within one (1) year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law. However, if the rehired employee had not yet worked the requisite ninety (90) days of employment to use paid sick leave at the time of separation, the employee must still satisfy the ninety (90) days of employment requirement collectively over the periods of employment with the District before any paid sick leave can be used.

C. Full-Time Employees and Part-Time Employees Who Work 20 or More Hours Per Week

Sick leave with pay shall be granted by the District at the rate of eight (8) hours for each full calendar month of service for all full-time employees or for part-time employees working twenty (20) or more hours per week as otherwise designated in Exhibit D of these Terms and Conditions of Employment. Retired annuitants are not eligible for sick leave.

Each calendar year, up to one-half of an employee's annual accrued paid sick leave can be used for any reason as noted in Section A of this policy in accordance with California's Paid Sick Leave Law and Labor Code section 233. Any additional paid sick leave provided by the District in that calendar year can only be used for the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.

In order to receive compensation for work time lost due to sickness, the employee shall notify they/them/their immediate supervisor prior to the time set for commencement of they/them/their work shift, or as may be specified by the Department Head. Failure to do so without good reason may result in that day of absence treated as a leave of absence without pay. After an employee has used one-half of their annual accrued paid sick leave in a calendar year, for any absence of three (3) days or less, a physician's certificate may be required. For absences of more than three (3) days, and prior to returning to work, the employee shall file with the Personnel Office a verification from a licensed health care provider, or other evidence satisfactory to the District, confirming the need for the time off and releasing the employee to return to work without restriction.

On or about December 1st of each year, the sick hours accrued, but not used, during the preceding year will be transferred to an accumulated or qualification account. After an employee has accumulated two hundred forty (240) hours of sick leave in this account, the employee will be eligible to receive a cash payout of unused sick leave. The maximum amount of sick leave an employee may accrue is four hundred (400) hours and payment for such accrued and unused sick leave will be as follows:

- (1) Employees who have accrued more than two hundred forty (240) hours, but fewer than four hundred (400) hours of sick leave:

During the month of December, employees who have fewer than four hundred (400) hours of accrued sick leave as of December 1, will receive a cash payment at the employee's then hourly rate of pay for three-quarters (3/4) of any current accrued sick leave accumulated in their account, which exceeds the two hundred forty (240) hour qualification level.

- (2) Employees who have accrued more than four hundred (400) hours of sick leave:

In December of each year, if it is determined by the Finance Department that an employee will still have an excess of four hundred (400) hours of accrued sick leave following the sick leave buyout, the employee will then receive a cash payment of 100% of the employee's current

accrued and unused sick leave accumulated in excess of four hundred (400) hours at the employee's then hourly rate of pay.

(3) Employees who have accrued over four hundred (400) hours as of October 31, 2011:

Those employees who, as of October 31, 2011, have an accrued sick leave balance in excess of four hundred (400) hours are exempted from this provision at this time and the accrued sick leave they have accumulated will remain in their accounts. However, in December of each year, those employees will receive a cash payment at the employee's then hourly rate of pay for all sick leave that the employee has accrued that calendar year as long as they have an excess of four hundred (400) hours of accumulated sick leave.

In subsections (1-3) above, the employee also has the option of placing such funds in they/them/their deferred compensation account or 401-A plan account, pursuant to state and federal deferred compensation limits and regulations.

The remaining one-quarter (1/4) of the current sick leave over the two hundred forty (240) hour but less than the four hundred (400) hour qualification level will then be placed in the long-term sick leave account and will not be considered in any future annual sick leave cash payout under the preceding paragraph.

- a. Upon termination of employment with the District, employees shall be entitled to a sick leave payoff, based upon a percentage of the qualification account as defined above, as follows; provided, however, that in all events, as consideration for personal leave provided under subsection (i), below, the first twenty-four (24) hours of any accrued sick leave shall be paid out at one hundred percent (100%):

1)	Termination by the District	25%
2)	Voluntary Resignation	50%
3)	Death of the Employee	100%
4)	Retirement Options:	
	A. Cash payoff	100%
	B. Placement in deferred compensation account	100%
	C. Retirement Service Credit	100%
	D. Placement in preauthorized 401-A plan account	100%

- b. The District shall maintain all sick leave records and shall make the determination for annual cash and all other payments.
- c. Upon retirement the employee may elect to receive a cash payoff, defer the cash payoff up to the maximum amount allowable by law into the employee's deferred compensation account and/or place funds in 401-A plan account in accordance with the employee's pre-authorized final pay election.
- d. The employee may also elect to receive CalPERS retirement service credit with the unused and accrued sick leave hours in lieu of receiving financial compensation.
- e. Upon the death of an employee, sick leave shall be paid in full to the employee's beneficiary.

Except as provided otherwise in this section, employees do not receive compensation for any unused, accrued paid sick leave at the time of separation of employment, except that up to twenty-four (24) hours of accrued sick leave shall be payable at separation of employment as consideration for the personal leave

provided in Section I, below. However, if an employee is re-hired with the District within twelve (12) months of the previous separation of employment, the District will reinstate up to six (6) days or forty-eight (48) hours of previously accrued but unused paid sick leave at the time of re-hire to the extent such amount was not otherwise cashed out as provided in this section.

WALNUT VALLEY WATER DISTRICT JUDICIAL LEAVE POLICY

1. **STATEMENT OF DISTRICT POLICY:**

The District provides employees Judicial Leave in compliance with federal and state law. A District employee may be granted leave with pay to serve as a juror subject to the limitations set forth below. The District may require the employee to request postponement to a date and time when the employee's absence has the least impact on District operations.

2. **POLICY:**

The law does not require an employer to compensate an employee who is required to serve on a jury, is subpoenaed or ordered to be a witness. All FLSA-exempt employees will continue to receive their normal salary while on jury duty or as serving as a witness only for any workweek in which they perform any work duties. The District will offset the amount from pay the employee receives from the Court for jury fees.

The law does require leave with pay when an employee is subpoenaed to appear in court in a matter regarding an event or transaction in the course of their District job duties. Subpoenaed employees must give their supervisor as much advance notice as possible. The District will determine whether the matter involves an event or transaction in the course of the employee's District job duties. The District will offset the amount from pay the employee receives for witness fees. The law prohibits an employer from discharging or discriminating against an employee in any manner if required to serve on a jury, is subpoenaed or ordered to appear as a witness.

If the proposed absence of the employee presents a hardship to the District, the employee will be requested by the District to ask for a postponement of jury service to a date which better meets the District's needs. However, if the request for postponement is denied by the Court, the employee will be permitted to attend jury duty as required by law.

An employee serving on jury duty shall receive full pay at their current rate provided that during such paid leave of absence the employee remits to the District all monies received for jury service excluding reimbursement for mileage, lodging or meals provided during the time served as a juror. The time spent on jury duty is not work time for purposes of calculating overtime compensation. An employee released from jury service prior to the end of their scheduled work hours must report to work unless otherwise authorized by their supervisor.

An employee, who is subpoenaed to appear, or appears in court because of civil or administrative proceedings that they initiated or non-work related matter, is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay, or may use any accrued leave other than sick leave for time spent related to those proceedings.

[An employee who is a victim of a crime or have family members who are victims of crime \(as defined in the District's Crime Victim Leave Policy\) may take unpaid leave to attend judicial proceedings related to the crime. An employee may use any accrued leave, including sick leave, for time spent related to those proceedings.](#)

3. RESPONSIBILITIES:

An employee receiving a jury duty summons shall notify his or her supervisor on the first workday following receipt of the summons. A copy of the summons shall be submitted to their supervisor and Human Resources to determine if a conflict in scheduled District operations or hardship exists.

Employees are required to call in to their supervisor or Human Resources daily when serving on jury duty to review their jury duty schedule. Employees may be required to report to work daily, before and after jury duty, when their jury service schedule so allows.

If an employee elects to use accrued vacation leave for unpaid jury duty, the employee is not required to remit jury fees or be subject to the call-in requirements set forth in this policy.

Violation of any provision of this policy may result in disciplinary action, according to District policies, practices and procedures.

4. LEAVE PROVISIONS:

4.1 General Unit Employees – FLSA non-exempt employees will only be granted a maximum of 10 days paid jury service leave in any 12-month period. FLSA exempt employees shall receive pay for all days on jury service leave.

4.2 Staff/Mid-Management Employees – FLSA non-exempt employees will only be granted a maximum of 5 days paid jury service leave in any 12-month period. FLSA exempt employees shall receive pay for all days on jury service leave.