

**WESTERN MUNICIPAL WATER DISTRICT
14205 Meridian Parkway, Riverside, CA 92518**

**REGULAR BOARD MEETING
JANUARY 21, 2026, at 9:30 A.M.**

**To join the Zoom virtual meeting: <https://wmwd.zoom.us/j/81100297767>
or telephone access: (669) 219-2599 or (669) 900-6833
Meeting ID: 811 0029 7767**

Members of the public may view and/or participate in this meeting in person, online via Zoom, or by viewing the live-streamed meeting at www.WesternWaterCA.gov. This meeting may also be video recorded for on demand viewing and broadcasting purposes. Primary notice of this meeting will be the physical posting of the agenda in the public notice area, located at the District's Headquarters office, 14205 Meridian Parkway, Riverside, California 92518. In addition, every effort will be made to publish this agenda on the District's website at: <https://wmwd.primegov.com/public/portal>, subject to technical difficulties, such as power failure, internet disruption, or other third-party interference.

Members of the public may comment on any item within the jurisdiction of the District, or any item on the agenda, in person, via Zoom at the time noted on the agenda, or by submitting a written comment on the District website at the following web address: <https://wmwd.com/publiccomments>, in-person or via U.S. Mail addressed to January 20, 2026, will become part of the Board meeting record. Pursuant to Government Code Section 54957.5, any writing that (1) is a public record; (2) relates to an agenda item set for open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District office located at 14205 Meridian Parkway, Riverside, California 92518. In addition, such writing may also be posted on the District's website at <https://wmwd.primegov.com/public/portal>.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or the agenda or agenda packet documents made available in an appropriate alternative format, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Western Municipal Water District Board of Directors during the meeting, should contact the Western Municipal Water District Board Secretary at (951) 571-7209 or boardsecretary@wmwd.com, no less than 72 hours prior to this meeting, to enable the Western Municipal Water District to make reasonable arrangements to ensure accessibility or language assistance for this meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

Led by Mason Wilcox, Operations Technician I, Operations-Mechanical Services Department

4. PUBLIC COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments will be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each individual's comment will be limited to a maximum of three (3) minutes; however, the Presiding Officer reserves the right to reduce the amount of time each individual can speak to ensure all members of the public have an opportunity to comment.

5. PRESENTATIONS

- A. Understanding the Delta Islands: A Metropolitan Water District Briefing
- B. Annual Year-End State Legislative Update from KP Public Affairs
- C. Board of Directors Milestone Service Awards

6. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial and are to be acted upon by the Board by one motion, without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Agenda.

- A. Approve the Minutes of the January 7, 2026, Regular Board Meeting
- B. Approve Quitclaims of Western Municipal Water District's Interest in Water Easements

7. ITEMS TO BE ADDED TO THE AGENDA

(If any) In accordance with Section 54954.2 of the Government Code, upon determination by 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 that there is a need to take action, and the need to take action arose after the agenda was posted.

8. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

- A. Adopt Western Municipal Water District's Legislative Policy Platform and Principles and the Updated State and Federal Priorities for 2026
- B. Award a Professional Services Contract to Water Systems Consulting, Inc. for the Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion Project
- C. Receive and File the Fiscal Year 2024-2025 Annual Comprehensive Financial Report for Western Municipal Water District
- D. Confirm Western Municipal Water District's Representatives to Outside Organizations; Receive and File Board Director Committee Appointments
- E. Appoint Western Municipal Water District's Representative to the Board of Directors of the Metropolitan Water District of Southern California

9. REPORTS

The following agenda items are reports. They are placed on the agenda to provide information to the Board and the public. There is no action called for regarding these matters.

A. GENERAL COUNSEL REPORT

- 1. Report of General Counsel

B. GENERAL MANAGER AND STAFF REPORTS

- 1. General Manager's Report

C. DIRECTORS COMMENTS AND REQUESTS

- 1. Report by SAWPA Representative
- 2. Report by MWD Representative
- 3. Report by CBWM Representative
- 4. Report by CDA Representative
- 5. Report by WRCRWA Representative
- 6. Report by WRCOG Representative
- 7. Report by SRRRA Representative

8. Report by ACWA Representative
9. Directors' Comments
10. Request for Future Agenda Items

10.CLOSED SESSION

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov. Code Section 54956.8)
Property: Water Purchase
Agency Negotiator: Craig Miller, General Manager
Negotiating Partners: San Diego County Water Authority
Under Negotiation: Agreement Terms
- B. PUBLIC EMPLOYMENT
Title: Special Legal Counsel

11.INFORMATION ITEMS

- A. Investment Report – November 2025

12. NEXT MEETING

- A. Wednesday, February 4, 2026, at 9:30 a.m.

13. ADJOURNMENT

Agenda Item: 5B

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**ANNUAL YEAR-END STATE LEGISLATIVE UPDATE FROM KP PUBLIC
AFFAIRS**

January 21, 2026

Western Municipal Water District

2025-2026 Legislative Overview

Presentation by: Ed Manning and Brenda Bass



State Political Dynamics in 2026

Legislative leadership change in Senate

- Monique Limon is the new Senate Pro Tem
- New Senate Natural Resources and Water Chair is Sen. Josh Becker
- Assembly leadership remains the same

Governor Newsom's term ends this year

- Final year will reflect national ambitions, including legacy issues and further focus on affordability
- Budget actions appear to be trying to keep things positive

Budget challenges remain, but AI is supporting revenue

- Deficit remains, but January Budget estimates that it has shrunk due to revenues coming in above projections
- Most of this is likely not permanent, and much will be dedicated to backfilling HR1 cuts for healthcare, etc.

The background of the slide features a photograph of the California State Capitol dome, which is a large, white, classical-style building with a prominent dome. The dome is surrounded by lush green trees, and the sky above is a mix of blue and white clouds. The title "2025 Water Bill Highlights" is overlaid on the left side of the image in a large, white, sans-serif font.

2025 Water Bill Highlights

AB 523 (Irwin)

- Authorizes proxy voting for Met member agencies under certain conditions. Signed into law.

AB 532 (Ransom)

- Would have given permissive authority for water providers to develop a low-income water rate assistance (LIRA) program. Held in Senate Appropriations.

AB 794 (Gabriel)

- Would allow the State Water Board to adopt PFAS MCLs as emergency regulations. Stalled on Assembly floor.

AB 362 (Ramos)

- Would require State and regional water boards to consult as specified with tribes related to water quality planning and would require incorporation of tribal beneficial uses in basin plans. Stalled on Assembly floor but may move in January.

SB 72 (Caballero)

- Updates the California Water Plan sets a 9 million AF target of additional water by 2040, with direction to DWR to and require DWR to select a further water supply target for 2050. Signed into law, yielding a big success for Western and CMUA

SB 601 (Allen)

- Creates a new water quality permitting program for the state that creates confusion and implementation issues. Opposition coalition advocacy removed the private right of action and stalled the bill in the Assembly.

SB 350 (Durazo)

- Would have created a LIRA program to be administered by the State Board. Held in Senate Appropriations.

WMWD 2026 State Legislative Priorities

1. Support implementation of SB 72 (2025) and provide leadership on assisting the state in meeting the 9-million-acre-foot water supply target by 2040 and another target to be met by 2050.
2. Oppose measures that would delay or halt the Delta Conveyance Project or Sites Reservoir.
3. Support measures that would help streamline and modernize the permitting process for water-related projects.
4. Support legislation that assists water agencies in establishing low-income water rate assistance (LIWRA) programs, but includes all the following:
 - a) Flexibility for agencies to create a program the best suits their customers' needs.
 - b) Is not funded by establishing a water tax or fee.
 - c) Is not overly burdensome for water agencies to participate in nor require cumbersome reporting requirements.
 - d) Ensures protection from violations of Proposition 218.
5. Support legislation that reinforces the role of water agencies as providing fire flow for individual structural fires, not to put out wildfires, and therefore, liability should not be placed on water agencies for wildfire disaster events.

2026 Legislative Landscape

1. California Water for All education effort to continue

2. Water Rights

- 2022 PCL White Paper may continue to be source of proposals for legislative reforms

3. Affordability

- Low Income Rate Assistance (LIRA) issue will come back, with potentially competing pathways

4. Water Quality

- Several bills related to water quality and MCLs in 2025, federal WOTUS Rule changes might spark more

5. Groundwater management

- Pattern of activity in this space that will likely continue, particularly if 2025 is a dry year

6. Proposition 4 – Climate Bond Implementation and APA Streamlining

7. Infrastructure Permitting/CEQA Relief

- Ballot initiative aims to streamline CEQA and permitting for infrastructure, including water infrastructure.

2026 Regulatory Landscape

DWR beginning to implement SB 72 improvements to the CA Water Plan

State Water Board – Water Rights Proceedings

- Sites water rights hearing ongoing
- Delta Conveyance Project water rights proceedings ongoing

Other State Water Board Regulatory Actions on Horizon

- Bay-Delta WQCP update to incorporate Healthy Rivers & Landscapes Agreements
- Considering permanent minimum instream flows in Scott/Shasta, which may be precedential for other watersheds
- Drinking Water MCL Updates
 - 6 constituents identified as priorities in 2024 are still pending MCL development, including PFOA, PFOS, Arsenic, and Disinfection Byproducts
- 2025 launch of upgraded online water rights database

Potential Reactions to Federal Regulatory Changes

2026 Key Legislative Dates

January 9

- Governor released proposed 2026-27 budget

January 31

- Deadline for two-year bills to pass first house

February 20

- Deadline to introduce new legislation

April 24

- Deadline to pass bills from policy committees

May 15

- Deadline to pass bills from fiscal committees

May 29

- Deadline to pass bills from house of origin

June 15

- Deadline to pass state budget

July 2

- Deadline for second house policy committees
- Summer recess begins

August 14

- Second house fiscal committee deadline

August 31

- Deadline to pass all bills from Legislature

September 30

- Deadline for Governor to sign/veto bills

Thank You!

WESTERN MUNICIPAL WATER DISTRICT MINUTES OF THE REGULAR BOARD MEETING OF JANUARY 7, 2026

1. CALL TO ORDER

Board President Laura Roughton called the regular meeting of the Western Municipal Water District (Western Water) and the Western Municipal Water District Facilities Authority (Facilities Authority) Boards of Directors to order at 9:30 a.m. on Wednesday, January 7, 2026, in the Western Water Board Room, 14205 Meridian Parkway, Riverside, California.

2. ROLL CALL

Roll call of the Board of Directors was taken by Board Secretary Tammi Ford. The following Board members were in attendance:

Directors Present:

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary-Treasurer
Gracie Torres
Mike Gardner

3. PLEDGE OF ALLEGIANCE

Robert McClure, Operations Technician I, Operations-Mechanical Services Department, led the Pledge of Allegiance.

4. PUBLIC COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments will be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each individual's comment will be limited to a maximum of three (3) minutes; however, the Presiding Officer reserves the right to reduce the amount of time each individual can speak to ensure all members of the public have an opportunity to comment.

None.

5. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial and are to be acted upon by the Board by one motion, without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Agenda.

Motion: Dennstedt

Second: Gardner

- A. Approve the Minutes of the December 17, 2025, Regular Board Meeting

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

6. ITEMS TO BE ADDED TO THE AGENDA

(If any) In accordance with Section 54954.2 of the Government Code, upon determination by 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 that there is a need to take action, and the need to take action arose after the agenda was posted.

None.

7. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

- A. Authorize Execution of Memorandum of Understanding with Jurupa Community Services District for Temporary Assignment and Purchase of Water Produced from the Chino Basin Desalter Authority

This item was presented by: Josh Aguilar, Deputy Director of Water Resources

Motion: Torres

Second: Rizvi

As to the following:

1. Authorize the General Manager to execute the Memorandum of Understanding (MOU) with Jurupa Community Services District for the temporary assignment and purchase of Western Water's Chino Basin Desalter Authority water allocation; and

2. Authorize the General Manager to administratively execute annual extensions as provided for in the terms of the MOU.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

- B. Increase Project Budget and Award a Professional Services Contract for the Markham Street Waterline Relocations

This item was presented by: Derek Kawaii, Director of Engineering

Motion: Torres

Second: Rizvi

As to the following:

1. Approve a capital budget of \$283,700 for the Markham Street Waterline Relocation Project (W-346) Project ("Project") and amend the Board adopted Fiscal Year 2025-2026 Capital Improvement and Facilities Plan accordingly to include funding for this project under the System Improvement Reserve RES04 of the Riverside Water Fund 20; and
2. Authorize the General Manager to execute a professional service contract with HDR, Inc. in the amount of \$207,900 for design and bidding services.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

- C. Election of Board Officers; Discuss Appointments to Committees and Board Assignments

This item was presented by: Jeff Ballinger, General Counsel

Motion: Gardner

Second: Dennstedt

As to the following :

1. Maintain the current officers of the Board of Directors for the upcoming year (2026), and reaffirm the appointment of the General Manager as Deputy Secretary-Treasurer.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

8.WESTERN MUNICIPAL WATER DISTRICT FACILITIES AUTHORITY-ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined.

- A. Affirm Board Members and Officers of the Western Municipal Water District Facilities Authority

This item was presented by: Craig Miller, General Manager

Motion: Gardner

Second: Dennstedt

As to the following:

1. Affirm the Board Members and Officers of the Western Municipal Water District Facilities Authority for 2026.

The Motion Passed 5-0

Voting No: None

Abstain: None

Absent: None

8. REPORTS

The following agenda items are reports. They are placed on the agenda to provide information to the Board and the public. There is no action called for regarding these matters.

A. GENERAL COUNSEL REPORT

1. Report of General Counsel

Jeff Ballinger, General Counsel, stated he had nothing to report.

B. GENERAL MANAGER AND STAFF REPORTS

1. General Manager's Report

Craig Miller, General Manager, provided an update on recent activities, including the recent employee appreciation event, which was a huge success, thanks to the committee who put in enormous effort and planning. He reported that we conducted a legislative briefing at the Western Riverside County Regional Wastewater Authority (WRCRWA) for local legislative staffers, which was also a great success. He said the tour went very well and there was a lot of meaningful and engaged conversation. He also announced that Western's Operations team successfully secured 100% of the lower cost Western-owned and leased water rights from the San Bernardino Basin and a small portion of Riverside Public Utilities water.

He also reported that he had a productive dinner meeting with Shivaji Deshmukh, the new Metropolitan General Manager, along with local water district managers Joe Mouawad (Eastern MWD) and Dan Denham (San Diego CWA). He noted they have a long and good working relationship, and it was great to discuss Mr. Deshmukh's strategies and priorities for the coming years. Lastly, he reported that he submitted a recommended advisory committee to the Department of Water Resources (DWR) for the inclusion of Senate Bill 72 (SB 72) requirements in the California Water Plan. He closed by stating he, along with Director Rizvi and staff will be attending the CMUA Capitol Day at the end of January.

C. DIRECTORS COMMENTS AND REQUESTS

1. Report by SAWPA Representative

Director Gardner reported that a committee made up of the General Manager and a Board member from Valley District, and SAWPA's General Manager and Director Gardner, will be meeting to evaluate proposals for consultants to help create SAWPA's strategic Plan. He also reminded the board of the upcoming 50th anniversary celebration for SAWPA.

2. Report by MWD Representative

Director Dennstedt stated there was nothing to report,; however did note that MWD is preparing for the upcoming budget discussions.

3. Report by CBWM Representative

Director Gardner reported that the Board approved interim assessments of water produced, which is what funds watermaster's operations. It is interim due to the appellate court decision requiring watermaster to change the way assessments are made.

4. Report by CDA Representative

Director Roughton stated there was nothing to report.

5. Report by WRCRWA Representative

Director Rizvi stated there was nothing to report.

6. Report by WRCOG Representative

Director Dennstedt stated there was nothing to report, but that the strategic planning session for the next year will take place on January 10, 2026.

7. Report by SRRRA Representative

Director Rizvi stated there was nothing to report.

8. Report by ACWA Representative

Director Dennstedt stated there is a board meeting scheduled for the end of January 2026 to discuss programming for the year.

9. Directors' Comments

Comments were made by:

Director Torres

Director Rizvi

Director Gardner

Director Dennstedt

President Roughton

10. Request for Future Agenda Items

Directors Torres, Dennstedt and Roughton requested that General Counsel bring an item to a future Board meeting to reconsider how the Board follows The Brown Act with consideration to teleconferencing.

Director Torres requested that County of Riverside Chief Executive Officer, Jeff Van Wagenen be invited to present at a future Western Water Board meeting.

Jeff Ballinger, General Counsel, entered the Board into Closed Session at 10:23 a.m.

9.CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of Subdivision (d) of Section 54956.9)
Name of Cases: City of Camden, et al., v. 3M Company, Civil Action No.: 2:23-cv-03147-RMG; City of Camden v. E.I. duPont de Nemours & Company, Civil Action No.: 2-23-cv-03230-RMG; City of Camden, et.al. v. BASF Corporation, Civil Action No.: 2-24-cv-03174-RMG; and City of Camden et.al. v. Tyco Fire Products LP, Civil Action No.: 2-24-cv-02321-RMG

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Gov. Code Section 54956.8)
Property: Water Purchase
Agency Negotiator: Craig Miller, General Manager
Negotiating Partners: San Diego County Water Authority
Under Negotiation: Agreement Terms

The Board returned to open session at 11:56 a.m. All Board members were in attendance.

Jeff Ballinger, General Counsel, stated there was no reportable action on either item in Closed Session.

10.NEXT MEETING

- A. Wednesday, January 21, 2026, at 9:30 a.m.

11. ADJOURNMENT

There being no further business before the Board of Directors, President Roughton adjourned the meeting at 11: 56 a.m.

LAURA ROUGHTON
President

BRENDA DENNSTEDT
Secretary-Treasurer

Agenda Item: 6B

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**APPROVE QUITCLAIMS OF WESTERN MUNICIPAL WATER DISTRICT'S
INTEREST IN WATER EASEMENTS**

RECOMMENDATION:

The Engineering, Operations, and Water Resources Committee and Staff recommend the Board of Directors:

1. Authorize the General Manager to execute a quitclaim of Western Municipal Water District's (Western Water) interest in the easement recorded May 21, 1964, as Instrument Number 62768, which was recorded in the Official Record of Riverside County, for water facilities within Assessor Parcel Number (APN) 263-370-021 (previously Parcel No. 127).
2. Authorize the General Manager to execute a quitclaim of Western Municipal Water District's interest in the easement recorded May 11, 1964, as Instrument Number 62770, which was recorded in the Official Record of Riverside County, for water facilities within APNs 263-370-020 and 263-370-021 (previously Parcel No. 128 and Parcel No. 127, respectively).
3. Authorize the General Manager to execute a quitclaim of Western Municipal Water District's interest in the easement recorded April 2, 1997, as Instrument Number 109887, which was recorded in the Official Record of Riverside County, for water facilities within APN 263-370-021 (previously Parcel No. 127).

EXECUTIVE SUMMARY:

Developer FB 215, LLC, owner of APNs 263-370-020 and 263-370-021 (Old 215 Business Center), has completed construction of the relocated water improvements along with the abandonment of existing water facilities near Cottonwood Avenue and Old 215 Frontage Road within Western Water's Riverside Retail Service Area. As a condition of project approval, and once Western Water accepts the new facilities for ownership and maintenance, the original water easements recorded in 1964 and 1997 shall be quitclaimed and replaced with a new easement covering the newly constructed facilities.

BUDGET IMPACT:

No budget impact; this action is part of Western Water's routine business activities.

DETAIL:

The subject parcels, formerly owned by Dill Lumber Company and now owned by FB 215, LLC, contain water-facility easements recorded on May 11, 1964 (Instrument No. 62770) and May 21, 1964 (Instrument No. 62768), and a subsequent easement recorded on April 2, 1997 (Instrument No. 109887) (Attachment 2). As part of the redevelopment of the Old 215 Business Center, FB 215 relocated water infrastructure and dedicated a new permanent easement within Parcel "A" (Attachment 5).

As part of the project closeout and bond release, SDH and Associates, Inc. prepared the proposed quitclaim deeds to release Western Water's interest in the obsolete easements (Attachment 4), together with legal descriptions and plats for the newly dedicated easement (Attachment 5). These documents were reviewed and approved by Western Water's engineering consultant, GHD.

Because the prior water facilities have been abandoned and superseded by newly constructed improvements, the previously recorded easements are no longer required. Accordingly, execution of the proposed quitclaim deeds will remove the existing easements and leave Western Water's interest solely in the newly granted easement.

REASON FOR ACTION:

Approval of quitclaim and recordation of the new easement will allow FB 215 to finalize their project closeout and bond release.

SOLUTION:

Approve execution of the quitclaims.

STRATEGIC PRIORITIES REFERENCE:

This action is consistent with Western Water's Strategic Priority of Superior Service.

LEGAL COUNSEL REVIEW:

Not applicable.

Respectfully submitted by:

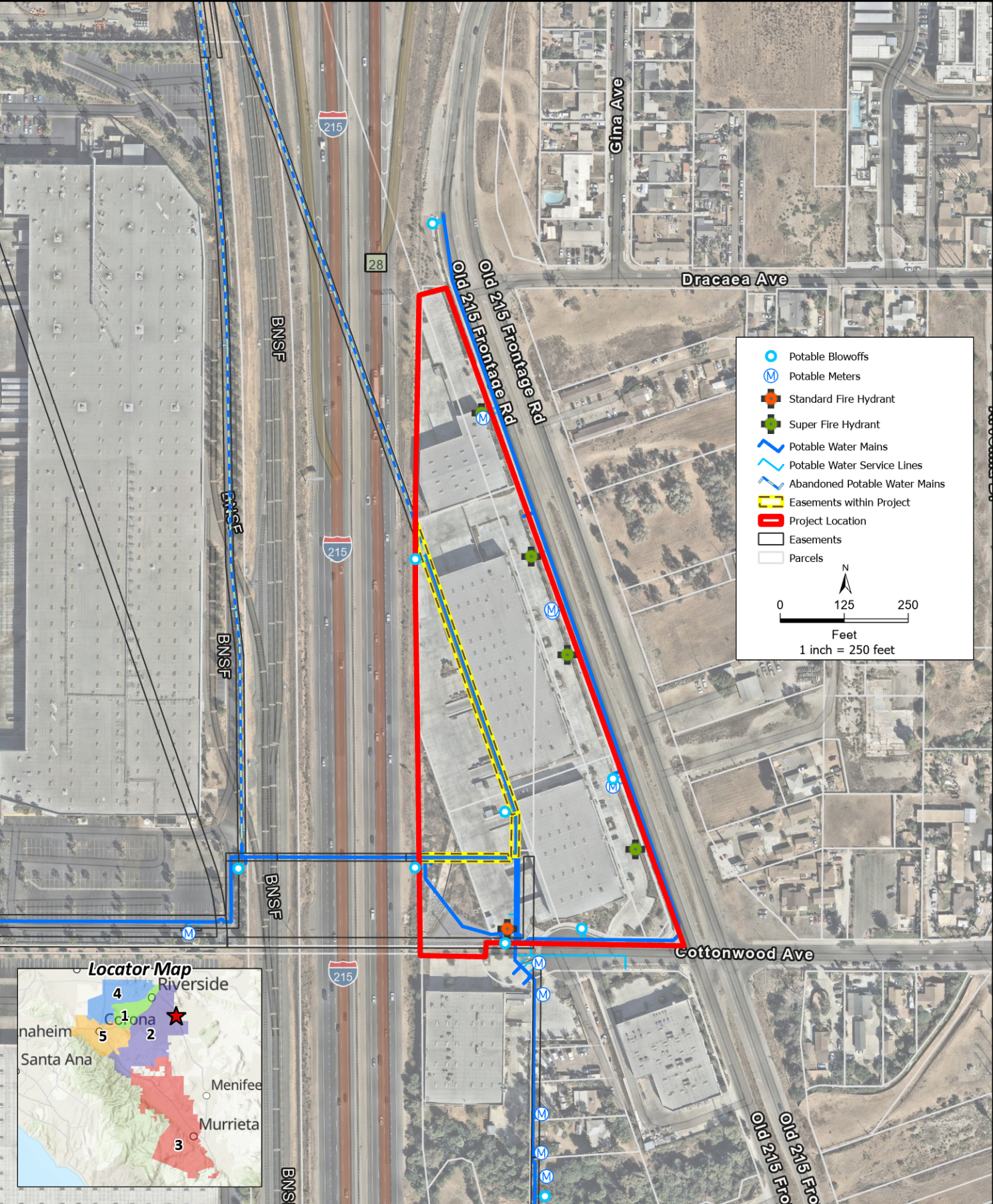
Craig D. Miller, P.E., General Manager

Attachments:

1. Project Location Map
2. Map of Existing Water Easements
3. Parcel Map
4. Quitclaim Water Easements
5. Proposed Replacement Easement

Project Location Map

Attachment 1

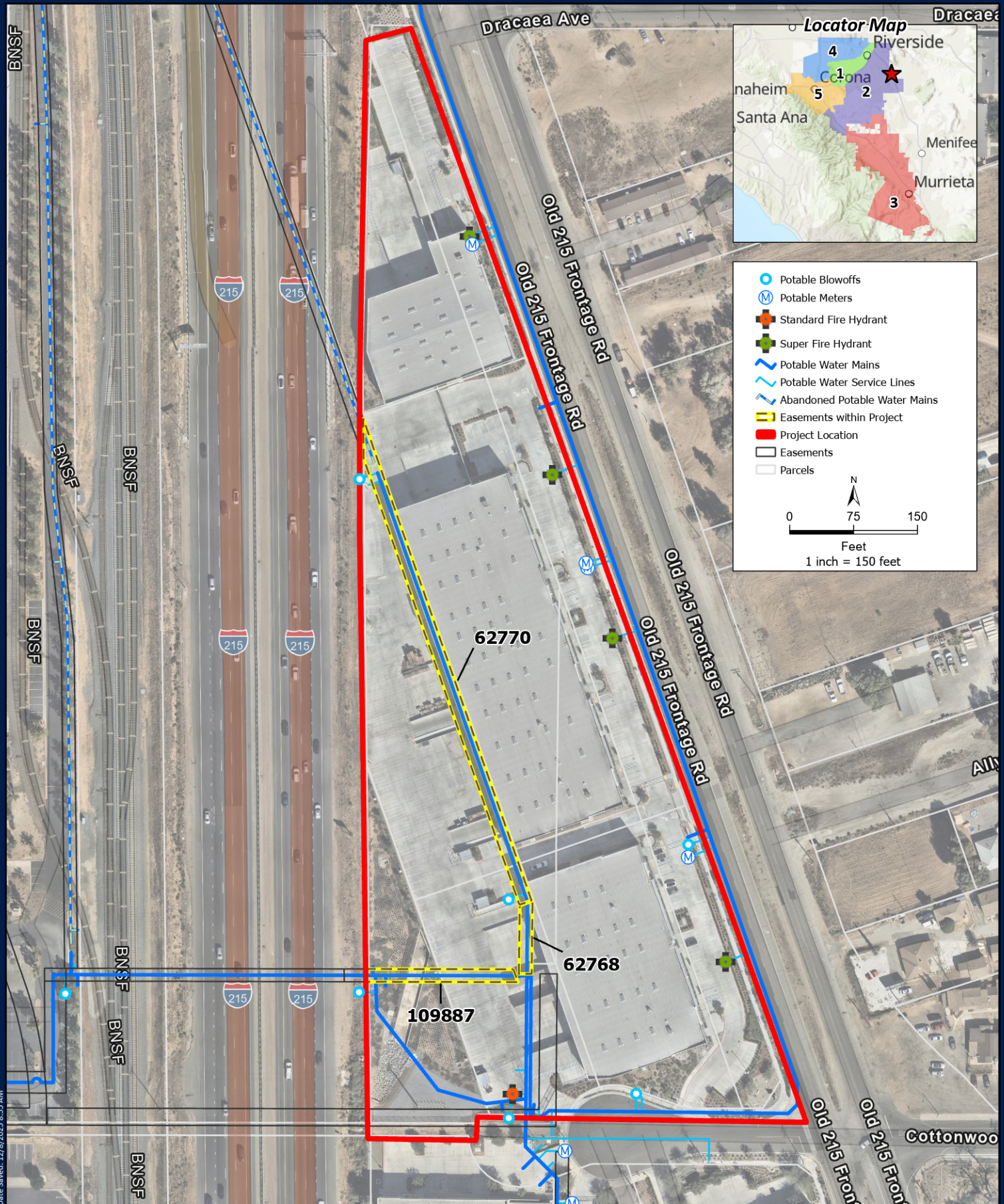


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Existing Water Easements Location Map

Attachment 2



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NUMBER OF PARCELS: 4
GROSS 8.159 ACRES
NET 8.046 ACRES

PARCEL MAP NO. 37902

IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, CALIFORNIA
BEING A SUBDIVISION OF A PORTION OF THE NORTH ONE-HALF OF SECTION 10, TOWNSHIP
3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID COUNTY.

T&M SURVEYING
ORANGE COUNTY

MARCH, 2022

SHEET 1 OF 5 SHEETS
RECORDER'S STATEMENT

FILED THIS 26th DAY OF Oct, 20 22
AT 9:05 A.M. IN BOOK 255 OF PARCEL
MAPS, AT PAGES 40-44, AT THE REQUEST OF THE
CITY CLERK OF THE CITY OF RIVERSIDE.
NO. 2022-0442578
FEE \$17-

PETER ALDANA, ASSESSOR - COUNTY CLERK - RECORDER

BY: Jackie Chua, DEPUTY

SUBDIVISION GUARANTEE: FIRST AMERICAN TITLE INSURANCE COMPANY

OWNER'S STATEMENT

WE HEREBY STATE WE ARE THE OWNERS OF, OR HAVE SOME RIGHT, TITLE, OR INTEREST IN THE LAND INCLUDED WITHIN THE SUBDIVISION AS SHOWN ON THE ANNEXED MAP; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS CLEAR TITLE TO SAID LAND, AND WE CONSENT TO THE PREPARATION AND RECORDATION OF THIS SUBDIVISION MAP AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

WE HEREBY DEDICATE TO PUBLIC USE FOR PUBLIC STREET AND PUBLIC UTILITY PURPOSES, LOT "A" INCLUSIVE.

WE HEREBY DEDICATE TO THE CITY OF RIVERSIDE AS AN EASEMENT FOR THE CONSTRUCTION AND MAINTENANCE OF ELECTRIC ENERGY DISTRIBUTION AND TELECOMMUNICATION FACILITIES THE EASEMENTS DESIGNATED AS "BLANKET P.U.E."

WE HEREBY REQUEST THAT THE FOLLOWING PUBLIC STREET AND EASEMENT, WHICH ARE NOT SHOWN ON THE ATTACHED MAP, BE ABANDONED IN CONFORMANCE WITH SECTION 66445 (j) OF THE SUBDIVISION MAP ACT:

THAT PORTION OF OLD I-215 FRONTAGE ROAD LYING EASTERLY OF THE A.T. & S.F. RAILROAD RIGHT OF WAY, SOUTHERLY OF DRACAEA AVENUE, NORTHERLY OF COTTONWOOD AVENUE, AND WESTERLY OF THE RIGHT-OF-WAY SHOWN HEREON.

FB215, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

James L. Fullmer MANAGER
OWNER JAMES L. FULLMER

Darrell A. Butler MANAGER
OWNER DARRELL A. BUTLER

PUBLIC UTILITIES CERTIFICATE

I HEREBY CERTIFY, THE SUBDIVIDER NAMED ON THIS MAP HAS DEPOSITED WITH THE CITY OF RIVERSIDE PUBLIC UTILITIES DEPARTMENT SUFFICIENT FUNDS OR MADE THE REQUIRED ARRANGEMENTS AND PROVISIONS FOR THE INSTALLATION OF ELECTRIC FACILITIES NECESSARY TO PROVIDE SERVICE TO ALL PARCELS AS SHOWN ON THIS MAP; AND ALL PUBLIC UTILITY EASEMENTS SHOWN ARE SUFFICIENT FOR ALL REQUIREMENTS OF THE ELECTRIC DIVISION OF THE PUBLIC UTILITIES DEPARTMENT OF THE CITY OF RIVERSIDE. ARRANGEMENTS FOR WATER SERVICE MUST BE MADE WITH THE WESTERN MUNICIPAL WATER DISTRICT.

TODD M. CORBIN
PUBLIC UTILITIES GENERAL MANAGER

DATE: 9/14/22 BY: Todd Corbin

UTILITIES EASEMENT STATEMENT

THE CITY OF RIVERSIDE BEING THE RECORD OWNERS OF THE FOLLOWING DESCRIBED EASEMENTS HEREBY CONSENTS TO THE MAKING AND FILING OF THE ANNEXED MAP.

THE CITY OF RIVERSIDE, A CALIFORNIA CHARTER CITY AND MUNICIPAL CORPORATION, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY FACILITIES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 19, 1973 AS INSTRUMENT NO. 137289 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

TODD M. CORBIN
PUBLIC UTILITIES GENERAL MANAGER

DATE: 9/14/22 BY: Todd Corbin

SOILS REPORT

A PRELIMINARY SOILS REPORT WAS PREPARED FOR THIS SUBDIVISION BY NORCAL ENGINEERING ON MAY 8TH, 2019 AS REQUIRED BY THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA, SECTION 17953.

TAX COLLECTOR'S CERTIFICATE

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE PROPERTY SHOWN ON THE WITHIN MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, OR LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES NOW A LIEN BUT NOT YET PAYABLE, WHICH ARE ESTIMATED TO BE \$

DATE: October 24, 2022

MATTHEW JENNINGS
COUNTY TAX COLLECTOR

BY: Peter Matheson, DEPUTY

THIS CERTIFICATION EXCLUDES ANY
SUPPLEMENTAL TAX ASSESSMENTS NOT
YET EXTENDED

TAX BOND CERTIFICATE

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, STATE, COUNTY, MUNICIPAL, OR LOCAL, AND ALL SPECIAL ASSESSMENTS COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE, AND SAID BOND HAS BEEN DULY APPROVED BY SAID BOARD OF SUPERVISORS.

DATE: _____, 20____

CASH OR SURETY TAX BOND
MATTHEW JENNINGS
COUNTY TAX COLLECTOR

BY: _____, DEPUTY

WATER FACILITIES STATEMENT

I HEREBY STATE THAT THE SUBDIVIDER NAMED ON THIS MAP HAS POSTED SECURITIES ACCEPTABLE TO WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY (DISTRICT) ADEQUATE TO FUND CONSTRUCTION OF REQUIRED WATER FACILITIES. ONCE FIRE HYDRANTS, WATER PIPELINES AND APPURTENANCES, ANY REQUIRED OFFSITE FACILITIES, AND SERVICE LATERALS HAVE BEEN INSTALLED AND ACCEPTED BY THE DISTRICT, AND REQUIRED FEES PAID, THE DISTRICT WILL SUPPLY WATER TO EACH LOT CREATED BY THIS SUBDIVISION. THE EASEMENTS AND RIGHT-OF-WAYS SHOWN ARE SUFFICIENT FOR ALL REQUIRED CONSTRUCTION

DATE: 8/31/2022 BY: Derek Kawai
DEREK KAWAI, DIRECTOR OF ENGINEERING R.C.E. 54253

SEE SHEET 2 FOR SIGNATURE OMISSIONS
SEE SHEET 2 FOR NOTARY ACKNOWLEDGEMENT

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF DARRELL BUTLER ON MARCH 2022. I HEREBY STATE THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY. I HEREBY STATE ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 31, 2022, AND THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. THE SURVEY IS TRUE AND COMPLETE AS SHOWN.

DATE: 8/5/2022

TY E. THOMAS
L.S. 9309



CITY ENGINEER'S STATEMENT

I HEREBY STATE, I HAVE EXAMINED THIS MAP AND THE SUBDIVISION AS SHOWN THEREON IS SUBSTANTIALLY THE SAME AS IT APPEARS ON THE TENTATIVE MAP OF PARCEL MAP NO. 37902, APPROVED BY THE CITY OF RIVERSIDE DEVELOPMENT REVIEW COMMITTEE ON JULY 28, 2021 AND ANY APPROVED ALTERATIONS THEREOF; AND ALL PROVISIONS OF THE SUBDIVISION MAP ACT (DIVISION 2 OF TITLE 7 OF THE CALIFORNIA GOVERNMENT CODE) AND TITLE 18 OF THE RIVERSIDE MUNICIPAL CODE APPLICABLE AT THE TIME OF THE APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPILED WITH.

DATE: Sept. 4, 2022

GILBERT M. HERNANDEZ
RCE 69170
CITY ENGINEER



CITY SURVEYOR'S STATEMENT

I HEREBY STATE, I HAVE EXAMINED THIS MAP, AND I AM SATISFIED THE MAP IS TECHNICALLY CORRECT, AND ALL MONUMENTS HAVE BEEN SET OR A CASH DEPOSIT SUFFICIENT TO COVER THEIR PLACEMENT HAS BEEN DEPOSITED WITH THE CITY OF RIVERSIDE.

DATE: 9/16/2022

CURTIS C. STEPHENS
L.S. 7519
CITY SURVEYOR



CITY CLERK'S CERTIFICATE

RESOLVED: THIS MAP CONSISTING OF 5 SHEETS BE, AND THE SAME IS HEREBY ACCEPTED AS THE FINAL MAP OF PARCEL MAP 37902.

LOT "A", INCLUSIVE IS HEREBY ACCEPTED FOR PUBLIC STREET PURPOSES SUBJECT TO THE INSTALLATION OF IMPROVEMENTS TO THE SATISFACTION OF THE PUBLIC WORKS DIRECTOR OF THE CITY OF RIVERSIDE.
LOT "A", INCLUSIVE IS HEREBY ACCEPTED FOR PUBLIC UTILITY PURPOSES AND OTHER PUBLIC SERVICES.

THE EASEMENTS DESIGNATED AS "BLANKET P.U.E." ARE HEREBY ACCEPTED AS EASEMENTS FOR THE CONSTRUCTION AND MAINTENANCE OF ELECTRIC ENERGY DISTRIBUTION AND TELECOMMUNICATION FACILITIES.

THAT THE FOLLOWING STREETS AND EASEMENTS ARE HEREBY ABANDONED IN CONFORMANCE WITH SECTION 66445(j) OF THE SUBDIVISION MAP ACT:

THAT PORTION OF OLD I-215 FRONTAGE ROAD LYING EASTERLY OF THE A.T. & S.F. RAILROAD RIGHT OF WAY, SOUTHERLY OF DRACAEA AVENUE, NORTHERLY OF COTTONWOOD AVENUE, AND WESTERLY OF THE RIGHT-OF-WAY SHOWN HEREON.

THE CITY CLERK IS HEREBY AUTHORIZED AND DIRECTED TO ATTEST SAID MAP BY SIGNING HER NAME THERETO AS CITY CLERK OF THE CITY OF RIVERSIDE, STATE OF CALIFORNIA.

I HEREBY CERTIFY THE FORGOING RESOLUTION WAS ACCEPTED BY THE MAYOR AND COUNCIL OF THE CITY OF RIVERSIDE THIS 18th DAY OF October, 2022.

DONESIA GAUSE
CITY CLERK OF THE CITY OF RIVERSIDE, CALIFORNIA

BY: [Signature]

CITY TREASURER'S CERTIFICATE

I HEREBY CERTIFY ACCORDING TO THE RECORDS OF THIS OFFICE AS OF THIS DATE, THE REAL PROPERTY SHOWN ON THIS MAP IS NOT SUBJECT TO ANY SPECIAL ASSESSMENTS, BONDS, AND/OR LIENS WHICH HAVE NOT BEEN PAID IN FULL, EXCEPT FOR THOSE NOTED BELOW.

NONE NOTED

THIS CERTIFICATE DOES NOT INCLUDE ANY SPECIAL ASSESSMENTS, THE BONDS OF WHICH HAVE NOT BECOME A LIEN UPON SAID PROPERTY, OR ANY SPECIAL ASSESSMENTS, BONDS, AND/OR LIENS RELATED TO SPECIAL DISTRICTS LOCATED WITHIN THE CITY OF RIVERSIDE THAT ARE NOT ADMINISTERED BY THE CITY.

DATE: 9/20/2022

EDWARD ENRIQUEZ
CHIEF FINANCIAL OFFICER/CITY TREASURER

BY: [Signature]

52/41
COPY

NUMBER OF PARCELS: 4
GROSS 8.159 ACRES
NET 8.046 ACRES

PARCEL MAP NO. 37902

SHEET 2 OF 5 SHEETS

IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, CALIFORNIA
BEING A SUBDIVISION OF A PORTION OF THE NORTH ONE-HALF OF SECTION 10, TOWNSHIP
3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID COUNTY.

T&M SURVEYING
ORANGE COUNTY
MARCH, 2022

SIGNATURE OMISSIONS

PURSUANT TO SECTION 66436 OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA, THE SIGNATURES OF THE FOLLOWING EASEMENT HOLDERS HAVE BEEN OMITTED SINCE THEIR INTERESTS CANNOT RIPEN INTO A FEE:

SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, AND SOUTHERN COUNTIES GAS COMPANY, HOLDER OF EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED FEBRUARY 28, 1950 AS BOOK 1151, PAGE 127 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

SOUTHERN CALIFORNIA GAS COMPANY AND SOUTHERN COUNTIES GAS COMPANY, HOLDER OF EASEMENT FOR PIPE LINE AND INCIDENTAL PURPOSES, RECORDED SEPTEMBER 18, 1950 AS BOOK 1205 PAGE 58 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

EDGEMONT COMMUNITY SERVICES DISTRICT, HOLDER OF EASEMENT FOR A 15 FOOT EASEMENT FOR ROADWAY AND INCIDENTAL PURPOSES, RECORDED AUGUST 28, 1961 AS INSTRUMENT NO. 73744 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, HOLDER OF EASEMENT FOR PIPE LINES AND INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED MAY 21, 1964 AS INSTRUMENT NO. 62768 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, HOLDER OF EASEMENT FOR PIPE LINES AND INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED MAY 21, 1964 AS INSTRUMENT NO. 62770 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

SANTA FE PACIFIC PIPELINE PARTNERS, L. P., A DELAWARE LIMITED PARTNERSHIP, HOLDER OF EASEMENT FOR UTILITY AND INCIDENTAL PURPOSES, RECORDED MAY 16, 1995 AS INSTRUMENT NO. 95- 156929 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, HOLDER OF EASEMENT FOR UTILITY AND INCIDENTAL PURPOSES, RECORDED APRIL 2, 1997 AS INSTRUMENT NO. 97- 109887 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

SOUTHERN CALIFORNIA GAS COMPANY, A CALIFORNIA CORPORATION, HOLDER OF EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JUNE 15, 2006 AS INSTRUMENT NO. 2006-0432424 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, HOLDER OF EASEMENT FOR INUNDATION AND INCIDENTAL PURPOSES, RECORDED APRIL 9, 2018 AS INSTRUMENT NO. 2018- 0136846 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

STATE OF CALIFORNIA HOLDER OF AN EASEMENT FOR UTILITY AND INCIDENTAL PURPOSES.
RECORDED APRIL 17, 2000 AS INSTRUMENT NO 2000-141272 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY.

NOTARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF Orange } SS

ON August 22, 2022 BEFORE ME,
Eva M. Santana, Notary Public, PERSONALLY
APPEARED James J. Fullmer WHO PROVED TO ME ON THE BASIS OF
SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE
WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN
HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON
THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S)
ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA
THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

SIGNATURE [Signature]
PRINTED NAME Eva M. Santana
MY PRINCIPAL PLACE OF
BUSINESS IS IN Orange COUNTY

MY COMMISSION NO. 2266321
MY COMMISSION EXPIRES Nov. 10, 2022

NOTARY ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF Orange } SS

ON August 22, 2022 BEFORE ME,
Eva M. Santana, Notary Public, PERSONALLY
APPEARED Daniel A. Butler WHO PROVED TO ME ON THE BASIS OF
SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE
WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN
HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON
THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S)
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SIGNATURE [Signature]
PRINTED NAME Eva M. Santana
MY PRINCIPAL PLACE OF
BUSINESS IS IN Orange COUNTY

MY COMMISSION NO. 2266321
MY COMMISSION EXPIRES Nov. 10, 2022

47
2855
COPY

PARCEL MAP NO. 37902

IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, CALIFORNIA
BEING A SUBDIVISION OF A PORTION OF THE NORTH ONE-HALF OF SECTION 10, TOWNSHIP
3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID COUNTY.

T&M SURVEYING
ORANGE COUNTY

MARCH, 2022

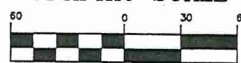
SURVEYOR'S NOTES

- () REC. PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8
- [] REC. PER C.O.C. NO. CO-011-001, REC. 3/9/2001 AS DOC NO. 2001-095958, O.R. RIV. CO., CA.
- < > REC. PER PARCEL MAP NO. 36888, P.M.B. 240/1-4
- SET 2" IP LS 9309
- SET 1" IP LS 9309, FLUSH AT ALL ANGLE POINTS AND PARCEL CORNERS

SHEET 3 OF 5 SHEETS

SEE SHEET 4 FOR
EASEMENT LOCATIONS

NORTH
GRAPHIC SCALE



(SCALE: 1"=60')



BASIS OF BEARINGS

BASIS OF BEARINGS IS THE CENTERLINE
OF OLD 215 FRONTAGE ROAD
N19°23'18"W PER P.M. 251/4-6.

ABBREVIATIONS

FD. FOUND
SFN. SEARCHED, FOUND NOTHING
ESTAB. ESTABLISHED
INT. INTERSECTION
REF. REFERENCE
ILLEG. ILLEGIBLE
PROP. PROPORTION
CL. CENTERLINE
N'LY NORTHERLY
S'LY SOUTHERLY
W'LY WESTERLY
E'LY EASTERLY
RAD. RADIAL BEARING

LEGEND

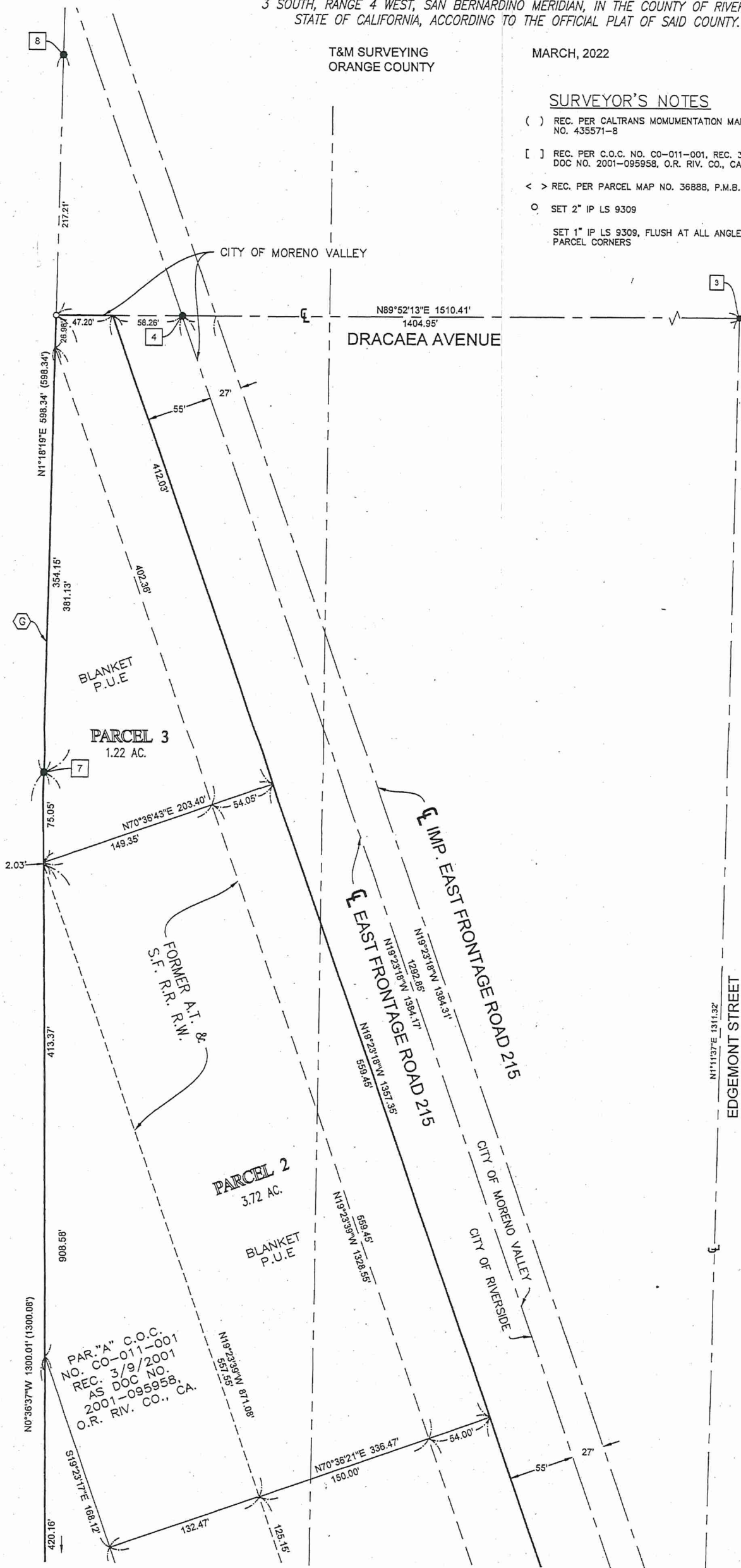
- FOUND AS NOTED

MONUMENT NOTES

- [1] FND 1" IP TAGGED LS 5174, ACCEPTED AS CENTERLINE INTERSECTION PER P.M. 251/4-6
- [2] FD 1" IP TAGGED LS 5137 IN WELL MONUMENT, NO REF, ACCEPTED AS CENTERLINE INTERSECTION
- [3] FND 2" IP W/TAG ILLEGIBLE, NO REF, ACCEPTED AS CENTERLINE INTERSECTION
- [4] FD 3" BRASS DISK STAMPED DEPARTMENT OF TRANSPORTATION, NO REF, ACCEPTED AS CENTERLINE INTERSECTION
- [5] FD. 1" LP. AND PLASTIC PLUG TAGGED "CALIF DOT," DOWN 0.4', PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8 (RIVERSIDE COUNTY MAP 205-255) ESTABLISHED BY INTERSECTION
- [6] FD 1" LP. AND PLASTIC PLUG TAGGED "CALIF DOT," DOWN 1.0' PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8 (RIVERSIDE COUNTY MAP 205-255)
- [7] FD 1" LP. AND PLASTIC PLUG TAGGED "CALIF DOT," DOWN 0.5' PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8 (RIVERSIDE COUNTY MAP 205-255).
- [8] INDICATES FD. 3/4" LP. NO TAG, DOWN 0.7' PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8 (RIVERSIDE COUNTY MAP 205-255)

RIGHT OF WAY NOTES

- (A) PARCEL DESC. TO CITY OF RIVERSIDE, SUCCESSOR IN INTEREST TO THE COUNTY OF RIVERSIDE BY DOC. REC. 8/21/2006 AS DOC. NO. 2006-0614688, O.R. RIV. CO., CA.
- (B) PARCEL DESC. TO STATE OF CALIFORNIA BY DEED REC. 1/5/90, INST. NO. 6065 O.R. RIV. CO., CA.
- (C) PARCEL DESC. TO CITY OF RIVERSIDE BY DOC. REC. 9/16/2019 AS DOC. NO. 2019-0362589, O.R. RIV. CO., CA.
- (D) PORTION OF PARCEL 2 AS DESCRIBED IN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT NO. LL-P05-0222, REC. 4/18/2006 AS DOC. NO. 2006-0277140, O.R. RIV. CO., CA.
- (E) PARCEL 8052-3 DESCRIBED IN FINAL ORDER OF CONDEMNATION, REC. 12/14/93 AS INST. NO. 497052, O.R. RIV. CO., CA.
- (F) PARCEL DESCRIBED IN DEED, REC. 3/29/90, AS INST. NO. 112312, O.R. RIV. CO., CA.
- (G) CALTRANS RIGHT OF WAY ESTABLISHED BETWEEN FOUND MONUMENTS [5], [7], [5], AND [6]



CONT. ON SHEET 4

Copy 2554 43

PARCEL MAP NO. 37902

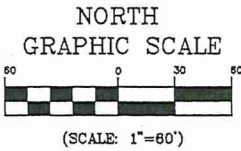
IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, CALIFORNIA
BEING A SUBDIVISION OF A PORTION OF THE NORTH ONE-HALF OF SECTION 10, TOWNSHIP
3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID COUNTY.

T&M SURVEYING
ORANGE COUNTY

MARCH, 2022

SHEET 4 OF 5 SHEETS

SEE SHEET 4 FOR
EASEMENT LOCATIONS



RIGHT OF WAY NOTES

- (A) PARCEL DESC. TO CITY OF RIVERSIDE, SUCCESSOR IN INTEREST TO THE COUNTY OF RIVERSIDE BY DOC. REC. 8/21/2006 AS DOC. NO. 2006-0614688, O.R. RIV. CO., CA.
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- (F) PARCEL DESCRIBED IN DEED, REC. 3/29/90, AS INST. NO. 112312, O.R. RIV. CO., CA.
- (G) CALTRANS RIGHT OF WAY ESTABLISHED BETWEEN FOUND MONUMENTS [5], [7], [5], AND [6]

MONUMENT NOTES

- [1] FND 1" IP TAGGED LS 5174, ACCEPTED AS CENTERLINE INTERSECTION PER P.M. 251/4-6
- [2] FD 1" IP TAGGED LS 5137 IN WELL MONUMENT, NO REF, ACCEPTED AS CENTERLINE INTERSECTION
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BASIS OF BEARINGS

BASIS OF BEARINGS IS THE CENTERLINE OF OLD 215 FRONTAGE ROAD N19°23'18"W PER P.M. 251/4-6.

ABBREVIATIONS

FD. FOUND
SFN. SEARCHED, FOUND NOTHING
ESTAB. ESTABLISHED
INT. INTERSECTION
REF. REFERENCE
ILLEG. ILLEGIBLE
PROP. PROPORTION
CL. CENTERLINE
N'LY NORTHERLY
S'LY SOUTHERLY
W'LY WESTERLY
E'LY EASTERLY
RAD. RADIAL BEARING

LEGEND

- FOUND AS NOTED

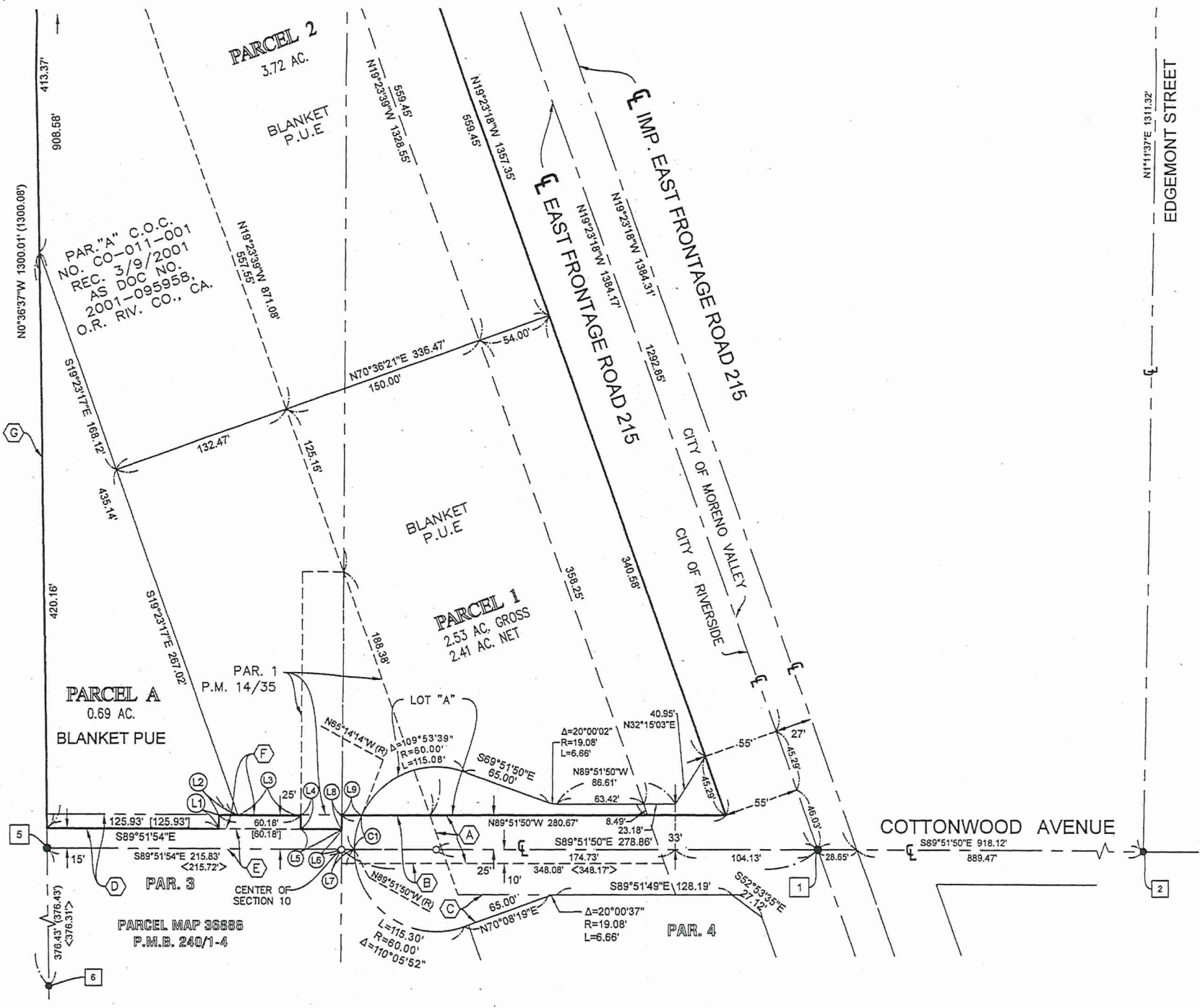
SURVEYOR'S NOTES

- () REC. PER CALTRANS MONUMENTATION MAP DRAWING NO. 435571-8
- [] REC. PER C.O.C. NO. CO-011-001, REC. 3/9/2001 AS DOC NO. 2001-095958, O.R. RIV. CO., CA.
- < > REC. PER PARCEL MAP NO. 36888, P.M.B. 240/1-4
- SET 2" IP LS 9309
- SET 1" IP LS 9309, FLUSH AT ALL ANGLE POINTS AND PARCEL CORNERS

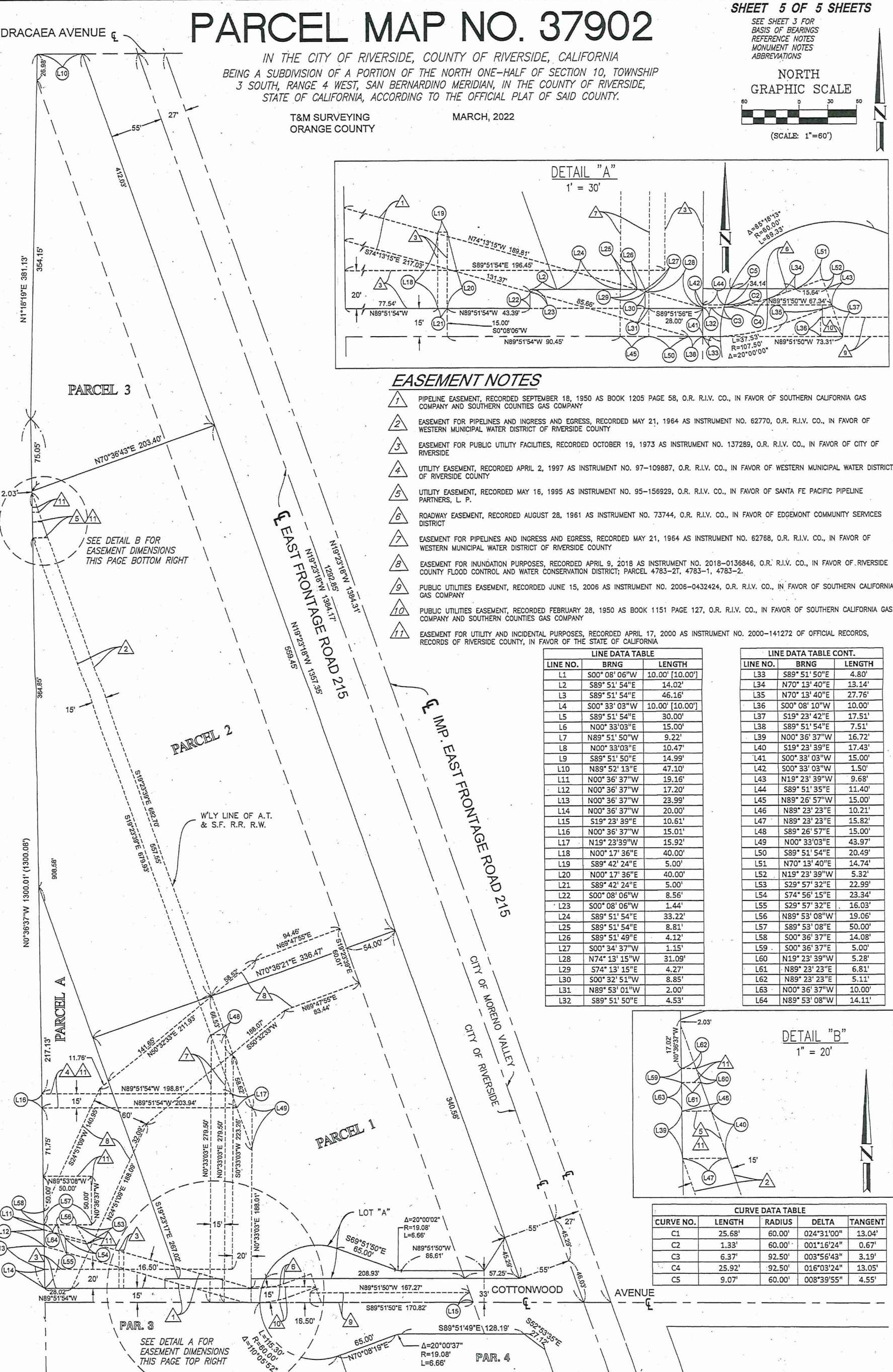
LINE DATA TABLE		
LINE NO.	BRNG	LENGTH
L1	S00°08'06"W	10.00' [10.00']
L2	S89°51'54"E	14.02'
L3	S89°51'54"E	46.16'
L4	S00°33'03"W	10.00' [10.00']
L5	S89°51'54"E	30.00'
L6	N00°33'03"E	15.00'
L7	N89°51'50"W	9.22'
L8	N00°33'03"E	10.47'
L9	S89°51'50"E	14.99'

CURVE DATA TABLE				
CURVE NO.	LENGTH	RADIUS	DELTA	TANGENT
C1	25.68'	60.00'	024°31'00"	13.04'

CONT. ON SHEET 3



11/11/2021



PARCEL MAP NO. 37902

IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, CALIFORNIA
BEING A SUBDIVISION OF A PORTION OF THE NORTH ONE-HALF OF SECTION 10, TOWNSHIP
3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID COUNTY.

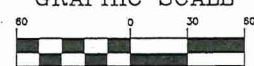
T&M SURVEYING
ORANGE COUNTY

MARCH, 2022

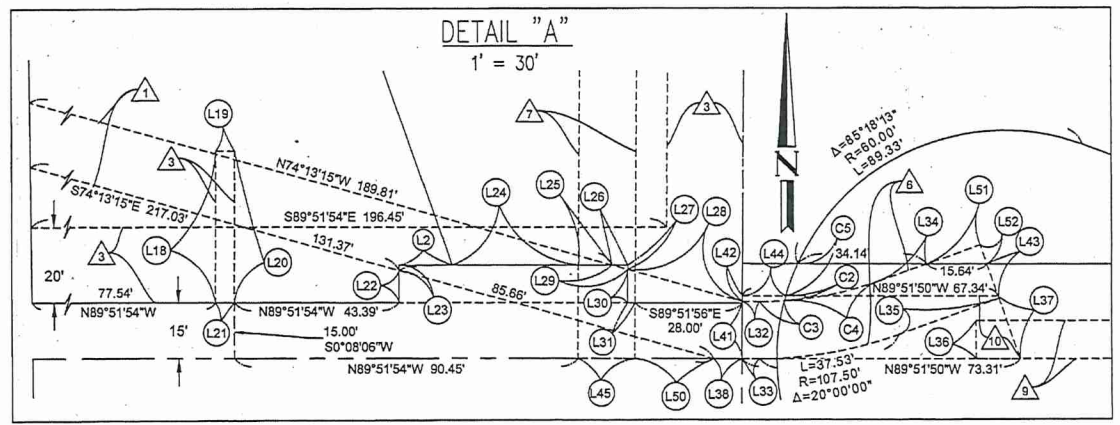
SHEET 5 OF 5 SHEETS

SEE SHEET 3 FOR
BASIS OF BEARINGS
REFERENCE NOTES
MONUMENT NOTES
ABBREVIATIONS

NORTH
GRAPHIC SCALE



(SCALE: 1"=60')

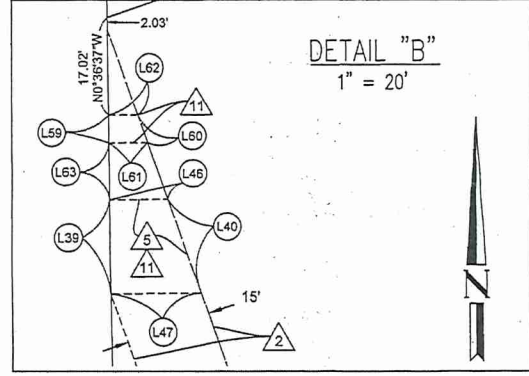


EASEMENT NOTES

- 1 PIPELINE EASEMENT, RECORDED SEPTEMBER 18, 1950 AS BOOK 1205 PAGE 58, O.R. R.I.V. CO., IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY AND SOUTHERN COUNTIES GAS COMPANY
- 2 EASEMENT FOR PIPELINES AND INGRESS AND EGRESS, RECORDED MAY 21, 1964 AS INSTRUMENT NO. 62770, O.R. R.I.V. CO., IN FAVOR OF WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
- 3 EASEMENT FOR PUBLIC UTILITY FACILITIES, RECORDED OCTOBER 19, 1973 AS INSTRUMENT NO. 137289, O.R. R.I.V. CO., IN FAVOR OF CITY OF RIVERSIDE
- 4 UTILITY EASEMENT, RECORDED APRIL 2, 1997 AS INSTRUMENT NO. 97-109887, O.R. R.I.V. CO., IN FAVOR OF WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
- 5 UTILITY EASEMENT, RECORDED MAY 16, 1995 AS INSTRUMENT NO. 95-156929, O.R. R.I.V. CO., IN FAVOR OF SANTA FE PACIFIC PIPELINE PARTNERS, L. P.
- 6 ROADWAY EASEMENT, RECORDED AUGUST 28, 1961 AS INSTRUMENT NO. 73744, O.R. R.I.V. CO., IN FAVOR OF EDMONT COMMUNITY SERVICES DISTRICT
- 7 EASEMENT FOR PIPELINES AND INGRESS AND EGRESS, RECORDED MAY 21, 1964 AS INSTRUMENT NO. 62768, O.R. R.I.V. CO., IN FAVOR OF WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
- 8 EASEMENT FOR INUNDATION PURPOSES, RECORDED APRIL 9, 2018 AS INSTRUMENT NO. 2018-0136846, O.R. R.I.V. CO., IN FAVOR OF RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT; PARCEL 4783-27, 4783-1, 4783-2.
- 9 PUBLIC UTILITIES EASEMENT, RECORDED JUNE 15, 2006 AS INSTRUMENT NO. 2006-0432424, O.R. R.I.V. CO., IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY
- 10 PUBLIC UTILITIES EASEMENT, RECORDED FEBRUARY 28, 1950 AS BOOK 1151 PAGE 127, O.R. R.I.V. CO., IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY AND SOUTHERN COUNTIES GAS COMPANY
- 11 EASEMENT FOR UTILITY AND INCIDENTAL PURPOSES, RECORDED APRIL 17, 2000 AS INSTRUMENT NO. 2000-141272 OF OFFICIAL RECORDS, RECORDS OF RIVERSIDE COUNTY, IN FAVOR OF THE STATE OF CALIFORNIA

LINE DATA TABLE		
LINE NO.	BRNG	LENGTH
L1	S00°08'06"W	10.00' [10.00']
L2	S89°51'54"E	14.02'
L3	S89°51'54"E	46.16'
L4	S00°33'03"W	10.00' [10.00']
L5	S89°51'54"E	30.00'
L6	N00°33'03"E	15.00'
L7	N89°51'50"W	9.22'
L8	N00°33'03"E	10.47'
L9	S89°51'50"E	14.99'
L10	N89°52'13"E	47.10'
L11	N00°36'37"W	19.16'
L12	N00°36'37"W	17.20'
L13	N00°36'37"W	23.99'
L14	N00°36'37"W	20.00'
L15	S19°23'39"E	10.61'
L16	N00°36'37"W	15.01'
L17	N19°23'39"W	15.92'
L18	N00°17'36"E	40.00'
L19	S89°42'24"E	5.00'
L20	N00°17'36"E	40.00'
L21	S89°42'24"E	5.00'
L22	S00°08'06"W	8.56'
L23	S00°08'06"W	1.44'
L24	S89°51'54"E	33.22'
L25	S89°51'54"E	8.81'
L26	S89°51'49"E	4.12'
L27	S00°34'37"W	1.15'
L28	N74°13'15"W	31.09'
L29	S74°13'15"E	4.27'
L30	S00°32'51"W	8.85'
L31	N89°53'01"W	2.00'
L32	S89°51'50"E	4.53'

LINE DATA TABLE CONT.		
LINE NO.	BRNG	LENGTH
L33	S89°51'50"E	4.80'
L34	N70°13'40"E	13.14'
L35	N70°13'40"E	27.76'
L36	S00°08'10"W	10.00'
L37	S19°23'42"E	17.51'
L38	S89°51'54"E	7.51'
L39	N00°36'37"W	16.72'
L40	S19°23'39"E	17.43'
L41	S00°33'03"W	15.00'
L42	S00°33'03"W	1.50'
L43	N19°23'39"W	9.68'
L44	S89°51'35"E	11.40'
L45	N89°26'57"W	15.00'
L46	N89°23'23"E	10.21'
L47	N89°23'23"E	15.82'
L48	S89°26'57"E	15.00'
L49	N00°33'03"E	43.97'
L50	S89°51'54"E	20.49'
L51	N70°13'40"E	14.74'
L52	N19°23'39"W	5.32'
L53	S29°57'32"E	22.99'
L54	S74°56'15"E	23.34'
L55	S29°57'32"E	16.03'
L56	N89°53'08"W	19.06'
L57	S89°53'08"E	50.00'
L58	S00°36'37"E	14.08'
L59	S00°36'37"E	5.00'
L60	N19°23'39"W	5.28'
L61	N89°23'23"E	6.81'
L62	N89°23'23"E	5.11'
L63	N00°36'37"W	10.00'
L64	N89°53'08"W	14.11'



CURVE DATA TABLE				
CURVE NO.	LENGTH	RADIUS	DELTA	TANGENT
C1	25.68'	60.00'	024°31'00"	13.04'
C2	1.33'	60.00'	001°16'24"	0.67'
C3	6.37'	92.50'	003°56'43"	3.19'
C4	25.92'	92.50'	016°03'24"	13.05'
C5	9.07'	60.00'	008°39'55"	4.55'

Attachment 4

When recorded mail to:

Western Municipal Water District
14205 Meridian Pkwy.
Riverside, California 92518

(Exempt - Gov't Code 6103)

No tax due (Grantee is a Public agency)

Space above this line for county recorder

I.D. No. 3 Western's No.382
PM 37902

QUITCLAIM

For valuable consideration, receipt of which is hereby acknowledged, Western Municipal Water District of Riverside County does hereby quitclaim to FB215, LLC, that easement as granted to Western Municipal Water District of Riverside County from Dill Lumber Company, by grant deed recorded May 11, 1964, as Instrument Number 62768 in the Official Records of Riverside County over real property in the County of Riverside, State of California, described as follows:

See Exhibit "A" Legal Description and Exhibit "B" Plat

Date: _____

WESTERN MUNICIPAL WATER DISTRICT
of Riverside County

ATTEST:

EXHIBIT "A" LEGAL DESCRIPTION

AN EASEMENT TO THE WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, A PUBLIC CORPORATION, CREATED AND EXISTING UNDER THE MUNICIPAL WATER DISTRICT ACT OF 1911, AS AMENDED, FOR THE EXCAVATION FOR, CONSTRUCTION, MAINTENANCE, OPERATION, AND REPAIR AND REPLACEMENT OF A WATER PIPE LINE AND APPURTENANCES THERETO, AND FOR INGRESS AND EGRESS IN CONNECTION THEREWITH, OVER, UNDER, THROUGH, AND ACROSS THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 3 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, BEING A STRIP OF LAND 15.00 FEET IN WIDTH, LYING 7.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE CENTER QUARTER SECTION CORNER OF SAID SECTION 10;
THENCE SOUTH 89° 23 1 WEST ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 35.50 FEET TO A POINT THEREON FOR THE TRUE POINT OF BEGINNING;
THENCE NORTH 00°10 1 WEST AND PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 279.50 FEET;

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 4,186 SQUARE FEET MORE OR LESS

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN
CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYORS' ACT.



9-30-2025

TY. E. THOMAS PLS 9209
EXP. 9/26/2026

DATE



EXHIBIT "B" LEGAL DESCRIPTION

LINE TABLE

LINE #	BEARING	LENGTH
L1	S89°23'W	35.50'
L2	N00°10'W	279.50'

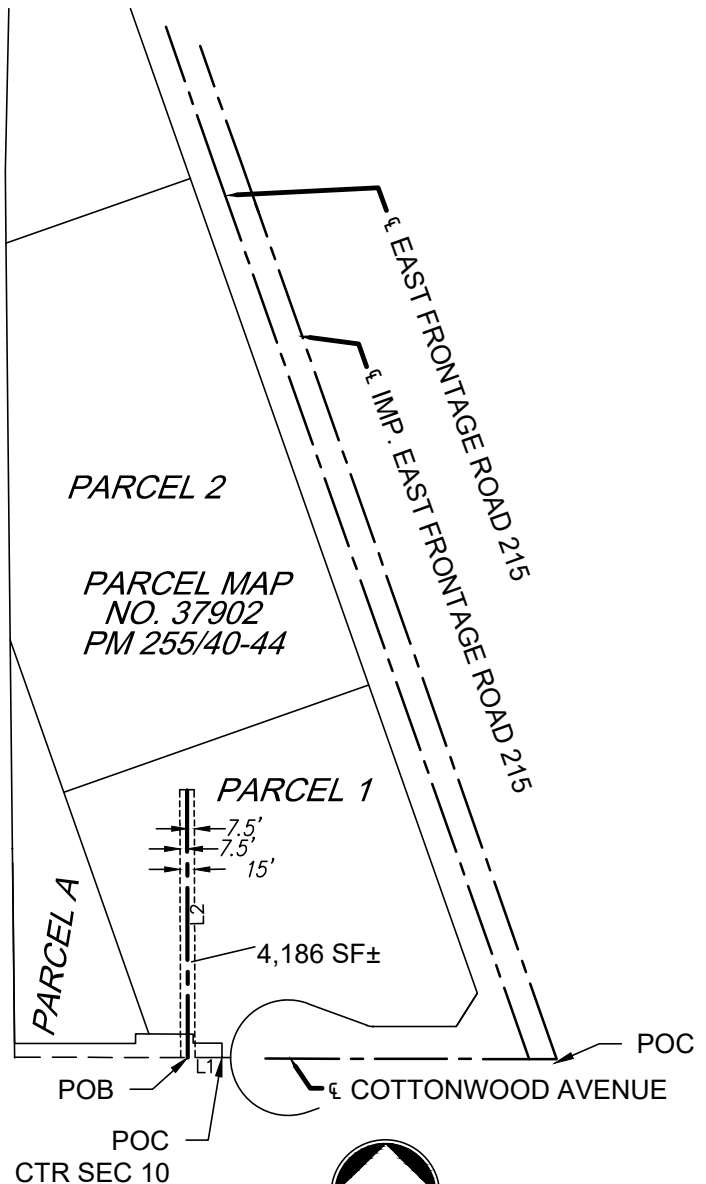


Ty Thomas

9-30-2025

TY E. THOMAS
P.L.S. 9309

DATE
EXP 9/26/2026



200' 0' 100' 200'



SCALE: 1" = 200'

POB POINT OF BEGINNING
POC POINT OF COMMENCEMENT

PER RECORD DOCUMENT BOOK 3699 PAGE
535, RECORDS OF RIVERSIDE COUNTY

PREPARED BY:

**T&M
SURVEYING**

531 E. TRENTON AVE.
ORANGE, CA.
O-714-912-4042 C-714-906-8771
WWW.TNMSURVEYING.COM



When recorded mail to:

Western Municipal Water District
14205 Meridian Pkwy.
Riverside, California 92518

(Exempt - Gov't Code 6103)

No tax due (Grantee is a Public agency)

Space above this line for county recorder

I.D. No. 3 Western's No.383
PM 37902

QUITCLAIM

For valuable consideration, receipt of which is hereby acknowledged, Western Municipal Water District of Riverside County does hereby quitclaim to FB215, LLC, that easement as granted to Western Municipal Water District of Riverside County from Dill Lumber Company, by grant deed recorded May 11, 1964, as Instrument Number 62770 in the Official Records of Riverside County over real property in the County of Riverside, State of California, described as follows:

See Exhibit "A" Legal Description and Exhibit "B" Plat

Date: _____

WESTERN MUNICIPAL WATER DISTRICT
of Riverside County

ATTEST:

EXHIBIT "A" LEGAL DESCRIPTION

THAT PORTION OF THAT CERTAIN EASEMENT DESCRIBED TO WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, RECORDED MAY 21, 1964 AS INSTRUMENT NO. 62770, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING EASTERLY OF THE WESTERLY LINE OF PARCEL "A" OF CERTIFICATE OF COMPLIANCE NO. CO-011-011, RECORDED MARCH 9, 2001 AS DOCUMENT NO. 2001-095958, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AND LYING WESTERLY OF THE EASTERLY LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 3 SOUTH, RANGE 4 WEST, S.B.M.

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYORS' ACT.



9-30-2025

TY. E. THOMAS PLS 9209

DATE

EXP. 9/26/2026

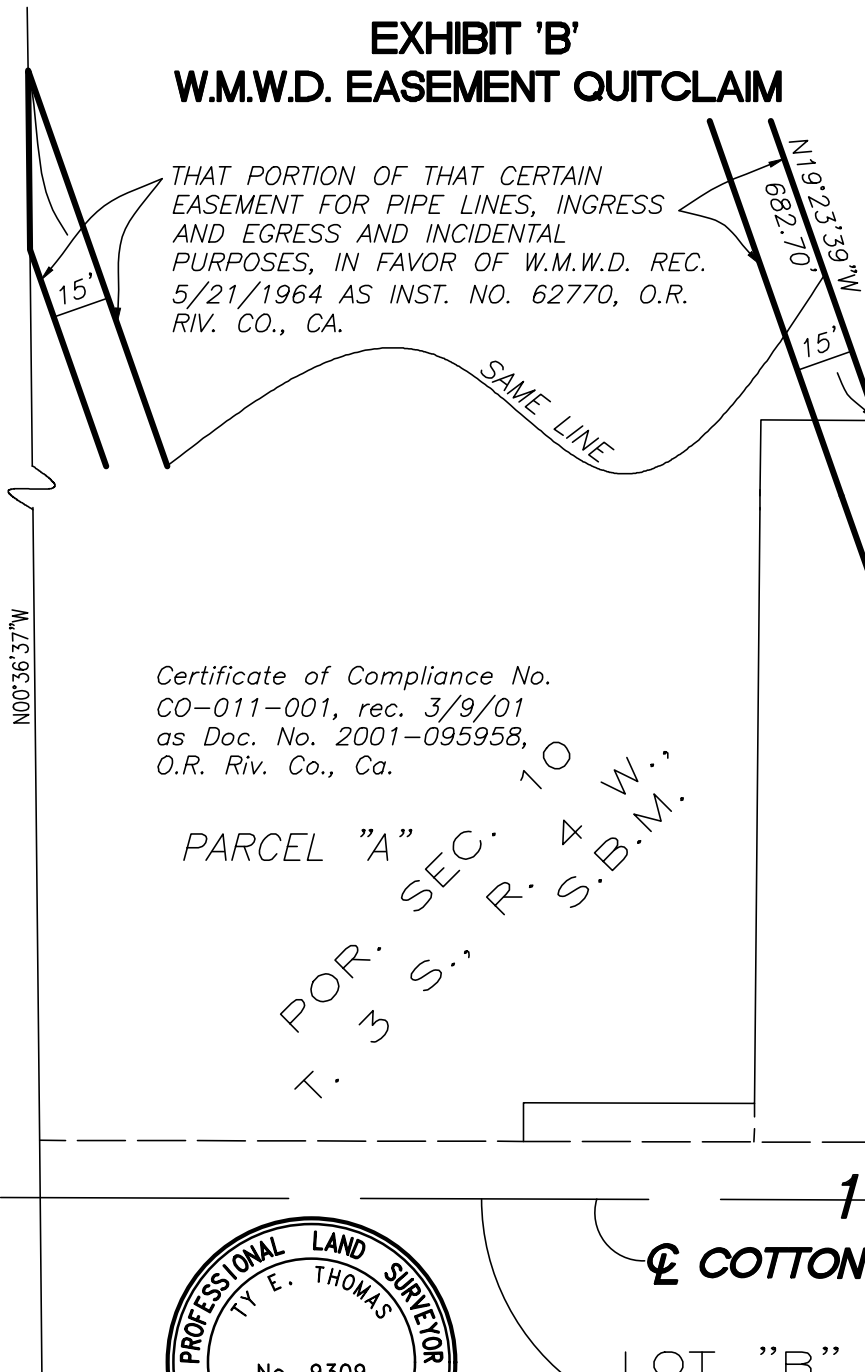


EXHIBIT 'B' **W.M.W.D. EASEMENT QUITCLAIM**

THAT PORTION OF THAT CERTAIN
EASEMENT FOR PIPE LINES, INGRESS
AND EGRESS AND INCIDENTAL
PURPOSES, IN FAVOR OF W.M.W.D. REC.
5/21/1964 AS INST. NO. 62770, O.R.
RIV. CO., CA.



SCALE: 1"=100'



Certificate of Compliance No.
CO-011-001, rec. 3/9/01
as Doc. No. 2001-095958,
O.R. Riv. Co., Ca.

PARCEL "A"

SEC. 4 W.M.
R. S.B.M.
POR. 3 S.
T.



10 Old 215
COTTONWOOD AVENUE

LOT "B"

PARCEL
MAP 36888
P.M.B. 240/1-4

PAR. 3

PREPARED UNDER THE SUPERVISION

Ty Thomas

9-30-2025

TY E. THOMAS DATE
P.L.S. 9309 EXP. 9/26/2026

BASIS OF BEARINGS

BEARINGS ARE BASED ON THE WESTERLY LINE OF PARCEL
"A" HAVING A BEARING OF NORTH 00°36'37" WEST, C.O.C.
NO. CO-011-001, REC. 3/9/01 AS DOC. NO.
2001-095958, O.R. RIV. CO. CA.

T&M **SURVEYING**

531 E. TRENTON AVE.
ORANGE, CA.
O-714-912-4042 C-714-906-8771
WWW.TNMSURVEYING.COM



When recorded mail to:

Western Municipal Water District
14205 Meridian Pkwy.
Riverside, California 92518

(Exempt - Gov't Code 6103)

No tax due (Grantee is a Public agency)

Space above this line for county recorder

I.D. No. 3 Western's No.381
PM 37902

QUITCLAIM

For valuable consideration, receipt of which is hereby acknowledged, Western Municipal Water District of Riverside County does hereby quitclaim to FB215, LLC, that easement as granted to Western Municipal Water District of Riverside County from State of California Department of Transportation, by grant deed recorded April 2, 1997, as Instrument Number 109887 in the Official Records of Riverside County over real property in the County of Riverside, State of California, described as follows:

See Exhibit "A" Legal Description and Exhibit "B" Plat

Date: _____

WESTERN MUNICIPAL WATER DISTRICT
of Riverside County

ATTEST:

EXHIBIT "A" LEGAL DESCRIPTION

AN EASEMENT FOR UTILITY PURPOSES, AND INCIDENTS THERETO UNDER, UPON, OVER AND ACROSS THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 3 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 10, MARKED BY A 3/4-INCH IRON PIPE, STAMPED LS 4297; THENCE ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER, NORTH 89° 51' 54" WEST, 215.74 FEET; THENCE NORTH 00°--36' 37" WEST, 203.02 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89° 51' 54" EAST, 203.94 FEET; THENCE NORTH 19° 23' 39" WEST, 15.92 FEET; THENCE NORTH 89° 51' 54" WEST, 198.81 FEET; THENCE SOUTH 00° 36' 37" EAST, 15.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 3,021 SQUARE FEET MORE OR LESS

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYORS' ACT.



9-30-2025

TY. E. THOMAS PLS 9209
EXP. 9/26/2026

DATE



EXHIBIT "B"

LEGAL DESCRIPTION

LINE TABLE

LINE #	BEARING	LENGTH
L1	N89°51'54"W	215.74'
L2	N00°36'37"W	203.02'
L3	S89°51'54"E	203.94'
L4	N19°23'39"W	15.92'
L5	N89°51'54"W	198.81'
L6	S00°36'47"E	15.00'



Ty Thomas

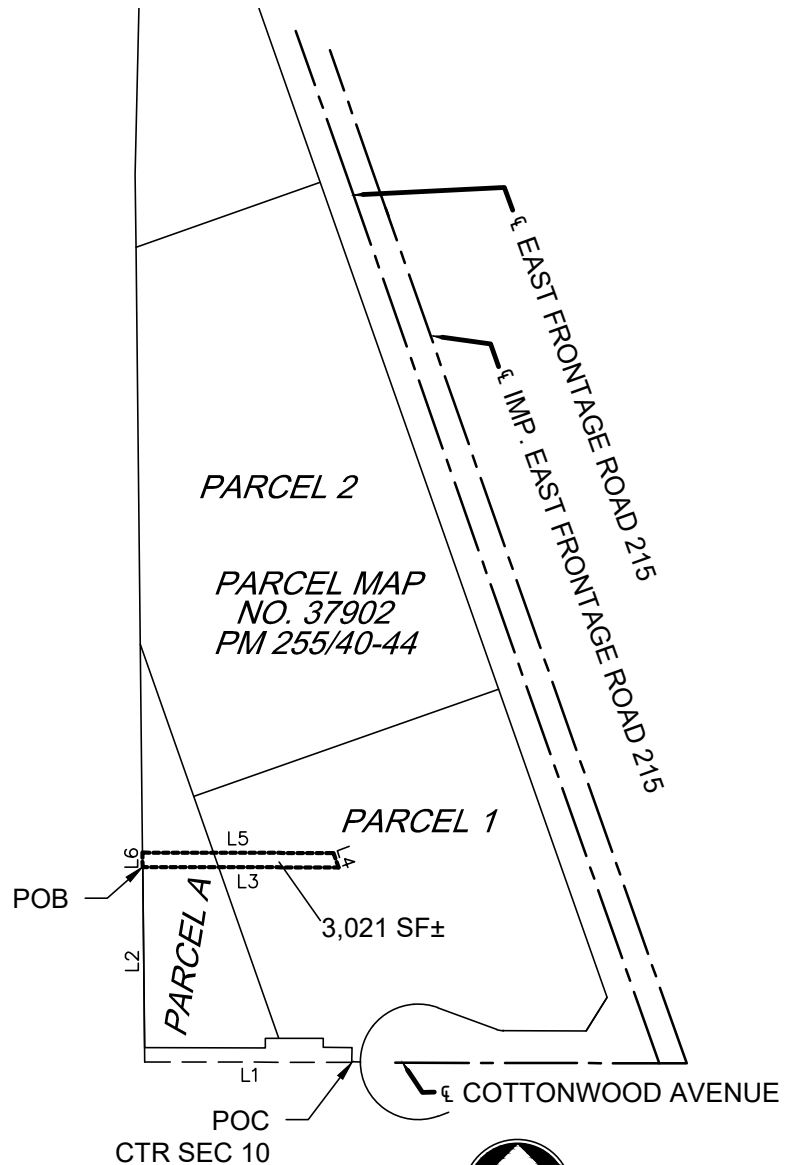
9-30-2025

TY E. THOMAS

DATE

P.L.S. 9309

EXP 9/26/2026



200' 0' 100' 200'



SCALE: 1" = 200'

POB POINT OF BEGINNING
POC POINT OF COMMENCEMENT

THE BASIS OF BEARINGS IS N 19°23'18" W
AS SHOWN ON PARCEL MAP NO. 37902
RECORDED IN BOOK 255, PAGES 40-44
RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

PREPARED BY:

T&M
SURVEYING

531 E. TRENTON AVE.
ORANGE, CA.
O-714-912-4042 C-714-906-8771
WWW.TNMSURVEYING.COM



Attachment 5

Recording requested by:

Western Municipal Water District

When recorded mail to:

Western Municipal Water District
14205 Meridian Pkwy.
Riverside, CA 92518

(Gov't Code 6103)

No tax due (Grantee is a public agency)

Space above this line for Recorder

I.D. 3 Western Record No. _____

Assessor Parcel No. _____

GRANT OF EASEMENT

For valuable consideration, FB215, LLC, Grantor, hereby grants to WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY (District), Grantee, its successors and assigns, an easement and right-of-way in, over, upon, under and across the lands hereinafter described to construct, reconstruct, install, replace, remove, repair, alter, operate, maintain, inspect and utilize a pipeline or pipelines for all purposes, together with any easement roads and appurtenances within the right-of-way including, but not limited to, cables for communication purposes, and for the ingress and egress throughout the entire easement and right-of-way in connection with the exercise of any of the foregoing rights. When trenching or excavation is commenced by the District to maintain or upgrade water facilities, District will not be responsible for the reconstruction or restoration of any of the existing improvements, including retention/detention basin embankments, access roads, storm drain structures, etc. The District will restore surfaces per District standards.

The property subject to this easement is located in the County of Riverside, State of California, described as follows:

See attached Legal Description, Exhibit "A" and Plat Map, Exhibit "B"

Grantor, and his successors and assigns, shall not increase or decrease, or permit to be increased or decreased, the now existing ground elevations of said easement and right-of-way without the prior written consent of Grantee.

Grantor, and his successors and assigns, further agree that no trees, buildings, fences, walls, or structures of any kind, shall be installed, constructed, erected, placed, planted on any portion of the easement and right-of-way. Grantor, and his successors and assigns, further agree that no changes in the alignment or grading of any road constructed within the easement and right-of-way will be made without the prior written consent of the Grantee. Grantee shall have the right to access said easement and the right to construct and utilize an access road within said easement, and to use gates in all fences which cross said easement; and to trim, cut down or clear away any trees and brush whenever in Grantee's judgment it is necessary for the convenient and safe exercise of the rights hereby granted. No additional fences or gates can be constructed across said easement unless approved in writing by Grantee. Grantee shall also have the right to mark the location of said easement in a manner which will not interfere with Grantor's reasonable and lawful use of said easement.

This instrument shall be binding upon and inure to the benefit of the successor and assigns of Grantor.

IN WITNESS WHEREOF, Grantor has executed this instrument this 7th day of March, 2022.

GRANTOR:

FB215, LLC



Signature

James L. Fullmer

Print Name

Manager

Title

EXHIBIT "A"
LEGAL DESCRIPTION
W.M.W.D. EASEMENT

That portion of Parcel "A" of Certificate of Compliance No. CO-011-011, recorded March 9, 2001 as Document No. 2001-095958, Official Records of Riverside County, California, lying within a strip of land 30.00 feet in width, the centerline being described as follows:

COMMENCING at the Southwest corner of said Parcel "A";

Thence N.00°36'37"W. along the Westerly line of said Parcel "A", a distance of 196.50 feet;

Thence N.89°23'23"E., a distance of 15.00 feet to the **POINT OF BEGINNING** of said centerline description;

Thence S.00°36'37"E., a distance of 49.50 feet;

Thence S.30°17'20"E., a distance of 109.69 feet;

Thence S.66°49'40"E., a distance of 58.97 feet;

Thence S.89°19'40"E., a distance of 63.33 feet to the Easterly line of said Parcel "A", being the **TERMINATION** of said centerline description.

The sidelines of said strip of land 30.00 feet in width shall be prolonged or shortened to terminate Easterly in the Easterly line of said Parcel "A".

The above described parcel of land contains 8,445 square feet, more or less.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

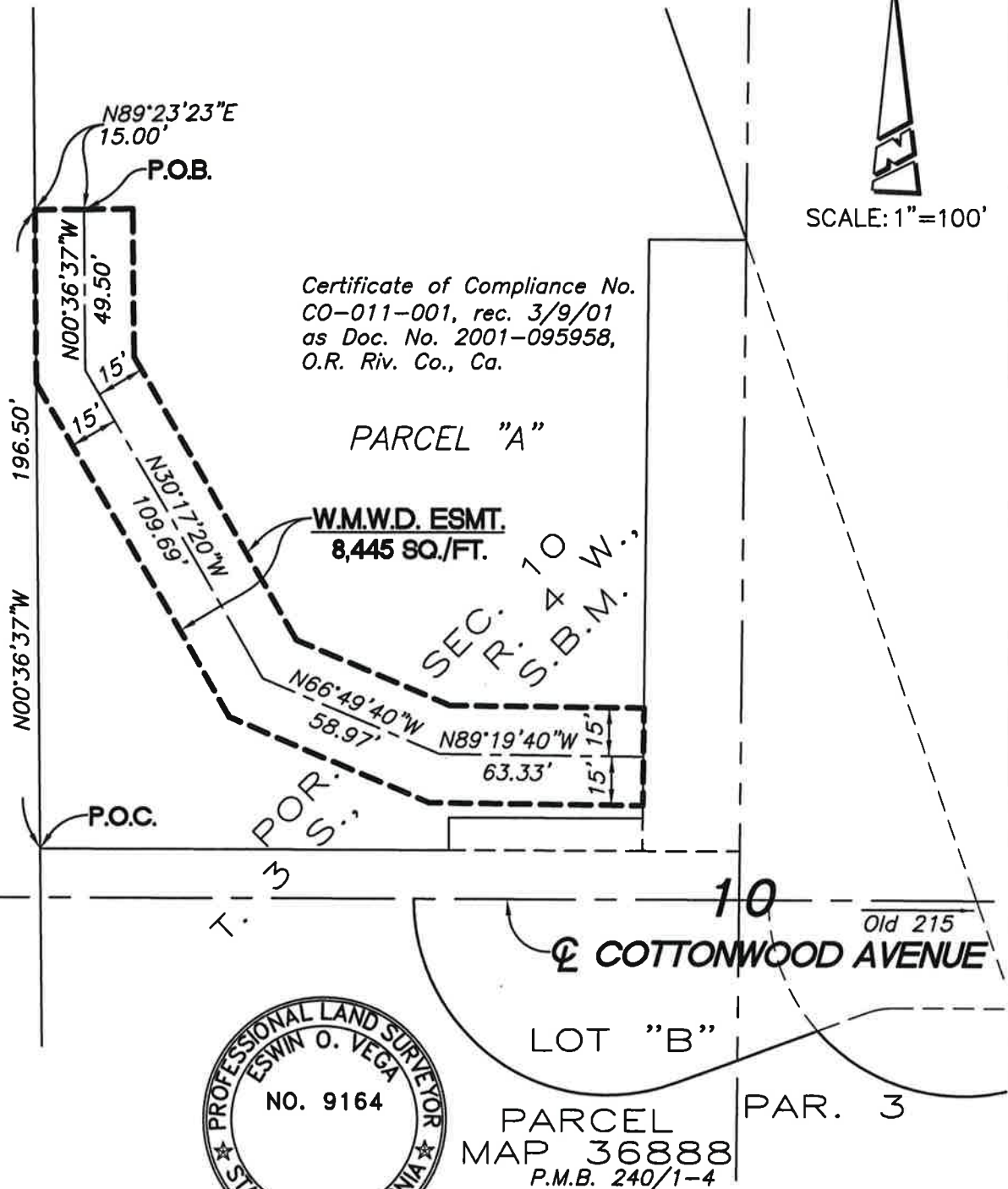
By:  3/7/22
Eswin O. Vega, P.L.S. 9164 Date



EXHIBIT 'B'

W.M.W.D. EASEMENT

SHEET 1 OF 1



PREPARED UNDER THE SUPERVISION OF:

Eswin O. Vega 3/7/22
ESWIN O. VEGA, P.L.S. 9164 DATE

BASIS OF BEARINGS

BEARINGS ARE BASED ON THE WESTERLY LINE OF PARCEL "A" HAVING A BEARING OF NORTH 00°36'37" WEST, C.O.C. NO. CO-011-001, REC. 3/9/01 AS DOC. NO. 2001-095958, O.R. RIV. CO. CA.

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.



SDH AND ASSOCIATES INC.
27363 Via Industria
Temecula, California 92590
TEL: (951) 683-3691 FAX (951) 788-2314

Agenda Item: 8A

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**ADOPT WESTERN MUNICIPAL WATER DISTRICT'S LEGISLATIVE POLICY
PLATFORM AND PRINCIPLES AND THE UPDATED STATE AND FEDERAL
PRIORITIES FOR 2026**

RECOMMENDATION:

The Community and Government Affairs Committee and Staff recommend the Board of Directors:

1. Adopt Western Municipal Water District's legislative policy platform and principals, and the updated state and federal priorities for 2026.

EXECUTIVE SUMMARY:

As part of Western Municipal Water District's legislative program, staff reviews the legislative policy platform and principles annually, proposing changes as needed; the state and federal priorities are updated annually. By adopting these documents, the program can be implemented promptly as legislative issues arise that often require immediate action.

BUDGET IMPACT:

This action has no budget impact.

DETAIL:

Annually, state and federal governments bring forward legislative or regulatory proposals that may impact Western Municipal Water District (Western Water) directly or the agencies and customers we serve. To ensure Western Water responds promptly, three documents have been adopted:

1. Legislative policy platform and principles (platform)
2. State legislative priorities (state priorities), and
3. Federal legislative priorities (federal priorities)

The platform is reviewed annually and updated as needed. The state and federal priorities are updated annually in alignment with the legislative cycle. By adopting these documents, the Board of Directors authorizes Western Water staff to take positions on state and federal legislative and regulatory action, as described. In the case where an issue is not listed within the state or federal Priorities, or when an issue is listed but may be deemed “controversial”, the issue will be reviewed by the Community and Government Affairs Committee for direction.

For 2026, Western Water staff have updated both the federal and state legislative priorities documents to reflect changes in top priorities based on the current legislative landscape, including emerging issues related to wildfires, forest management, and other challenges. The legislative policy platform and principles were carefully reviewed and remain in strong alignment, requiring no revisions this year.

REASON FOR ACTION:

As part of the annual process and in preparation for the 2026 legislative year, Western Water staff seek authorization to implement the legislative program through the adoption of updated guidance documents.

SOLUTION:

Adopt Western Water’s legislative policy platform and principles, the updated state legislative priorities, and the updated federal legislative priorities for 2026.

STRATEGIC PRIORITIES REFERENCE:

This item aligns with Western Water’s Strategic Priority of Superior Service.

LEGAL COUNSEL REVIEW:

Staff has determined that review by legal counsel is not necessary.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Western Water Legislative Policy Platform and Principles - Clean
2. Western Water 2026 State Policy Priorities-Redline
3. Western Water 2026 Federal Policy Priorities-Redline
4. 2026 Legislative Platform and Priorities Presentation

LEGISLATIVE POLICY PLATFORM AND PRINCIPLES

INTRODUCTORY STATEMENT

The purpose of the Legislative Policy Platform and Principles (Platform) is to guide Western Municipal Water District's (Western Water) overall legislative program and provide a foundation for all legislative actions taken on behalf of Western. The Platform provides a broad understanding of how Western Water responds to legislation and what ongoing principles are most important to Western Water when developing legislative priorities. The Platform is intended to be a document that is reviewed and adjusted as needed.

The Platform is important to both Western Water's wholesale and retail customers because Western Water's legislative and regulatory activities are taken on behalf of all customers within Western Water's service area. Western Water is hard at work ensuring the voices of all customers are being heard as the state and federal governments continue to develop policies that directly impact our region.

BACKGROUND

California's water system is both highly interconnected and decentralized, which creates unprecedented challenges that require multi-faceted and complex solutions. Some of these challenges include:

- Water supply diversification
- Emerging water quality concerns
- Upgrading and adding new infrastructure
- Funding and financing of projects
- Environmental impacts

Prioritizing long-term efficiency and resource planning, diversification of Western Water's water supply, and innovation of our facilities are all necessary to offset the negative effects brought by climate change.

Western Water understands that there is no “silver bullet” solution to the complicated sets of issues water agencies face. Western Water supports policy solutions that advance sustainable, comprehensive, cohesive, and science-based approaches to providing water and wastewater services. Moreover, holistic policy solutions that do not create unintended consequences in other areas of the state are a priority for Western Water.

WESTERN WATER’S APPROACH TO LOCAL CONTROL

Western Water fundamentally supports the preservation of local government control and decision-making, except to the extent that state and federal law provides for oversight by regulatory agencies.

Each water agency is unique in its geography, customer demographics, resource mix, and political drivers; therefore, Western Water believes that the local, elected governing body is best situated to determine locally appropriate strategies to reach legislative or regulatory mandates and goals.

When mandates are necessary, Western Water supports a less prescriptive approach that includes clear funding mechanisms. And when establishing statewide goals, Western Water supports allowing public agencies the needed flexibility to meet those mandates in regionally and locally responsive ways, including but not limited to considering local needs, existing resources, and politics.

Ultimately, rate stability, community involvement, public accountability, local decision-making, and personal customer service are some of the important benefits of local governance.

In considering the increasingly prescriptive legislative and regulatory actions and mandates, Western Water will uphold the autonomy of special districts and other local public agencies to operate independently, to the greatest extent possible within the law, to protect the interests of the customers, ratepayers, member wholesale agencies, and Western Water.

This set of Legislative Platform and Principles, along with the Legislative Priorities (Priorities), upon review and approval of the Board of Directors, serve as a basis for positions and actions undertaken on behalf of Western Water on legislation and regulatory proposals.

LEGISLATIVE POLICY PLATFORM

This Platform supports Western Water’s mission and focuses on providing the highest quality, reliable water and wastewater services for customers. By adopting the platform and supporting policy principles, Western Water’s Board of Directors (Board) sets a clear direction for staff to adopt official district positions on clearly stated legislative issues at the start of the legislative session and throughout the year. By doing this, the legislative approval process is streamlined by receiving clear direction at the beginning of the legislative session from the Board on pertinent legislative issues.

On both federal and state levels, Western Water may support legislative proposals, policies, and regulatory actions that are consistent with the Platform. Western Water may oppose those legislative proposals, policies, and regulatory actions that are inconsistent with Platform. In cases where a legislative proposal, policy, or regulatory action is not a priority for Western Water but may affect the water industry, Western Water may choose to take a “watch” position.

For proposed legislation, either consistent with Western Water’s Legislative Platform, Priorities, or consistent with legislative positions Western Water has taken in the past, Western Water staff shall be authorized to prepare position letters for the General Manager’s signature. Items not addressed in the Platform or Priorities may require further Board direction.

Any legislative positions and/or actions that are deemed as potentially “controversial” by the General Manager will be presented to the Board for further action. Generally, Western Water will not address matters that are not pertinent to Western Water’s services, such as social or international issues.

Other Western Water departments are encouraged to monitor and be knowledgeable of any legislative issues related to their areas. However, any requests for Western Water to take positions on a legislative or regulatory matter must be directed to the Communications and Customer Experience Department. Western Water staff may not take positions on legislative or regulatory issues without the review of the Government Relations Officer and the approval of the Assistant General Manager for Communications and Customer Experience.

LEGISLATIVE POLICY PRINCIPLES

To most effectively and efficiently accomplish Western Water's core mission of delivering wholesale and retail water and wastewater services to our customers, consistent with Board direction and the adopted plans, the Government Relations Division within the Communications and Customer Experience Department uses the following eight legislative principles and the related priorities as a basis for taking positions on legislation.

PRINCIPLE OF WATER SUPPLY RELIABILITY

- Support long-term, statewide planning that will result in significant investments made in water infrastructure and will increase both that State's overall water supply and reliability.
- Support the development of the Delta Conveyance Project, which benefits both the environment and the 27 million people who rely on it as a primary source for water.
- Support measures to expand both surface and groundwater storage.

PRINCIPLE OF LOCAL RESOURCE AND SUPPLY DEVELOPMENT

- Support expanded options for local water supply development.
- Support streamlining of federal and state regulatory and reporting mandates for local water supply projects.
- Support legislation that minimizes cost impacts of new or expanded regulations.

PRINCIPLE OF WATER QUALITY

- Support science-based approaches to regulating constituents of emerging concern, including per- and polyfluoroalkyl substances (PFAS).
- Support actions to safely expand both direct and indirect potable reuse opportunities.
- Oppose measures to legislate new water quality standards instead of going through the regulatory process.

PRINCIPLE OF ENVIRONMENTAL STEWARDSHIP

- Support measures that credit water agencies for the positive contributions in climate change mitigation and adaptation.
- Support modernization of the Endangered Species Act that allows for the best available science, adaptive management, and flexible implementation to be used.
- Support attempts at making the California Environmental Quality Act more effective and efficient in its implementation.

PRINCIPLE OF WATER-ENERGY NEXUS

- Support measures to increase the reliability, availability, and affordability of green energy sources that meet California's 2045 clean energy goals.
- Support funding and flexibility for public utilities to meet the 2035 California Air Resources Board's zero-emission vehicle mandates.
- Support expanded definitions of renewable resources.

PRINCIPLE OF HUMAN RESOURCES

- Support measures that reform the pension system and help local governments with their unfunded liability.
- Support measures that promote efforts to advance workplace diversity, equity, and inclusion.
- Support funding for apprenticeships and education programs dedicated to water and wastewater careers.

PRINCIPLE OF INFORMATION TECHNOLOGY

- Support legislation that allows for greater access of public meetings without overburdening local agencies.
- Support efforts to modernize, streamline, and create efficiencies to public records request process.
- Support funding for public agencies to modernize their information systems to more easily adapt to a hybrid model public meetings.

Last Updated: Nov. 18, 2024

STATE LEGISLATIVE PRIORITIES: 202~~6~~5

TOP PRIORITIES

1. Support ~~legislation that establishes bold water supply targets for California to meet by 2040 and 2050, thereby increasing the State's overall water supply resiliency for urban, agriculture, economic, and environmental use, and significantly increases California's resiliency against all future weather conditions~~implementation of SB 72 (2025) and provide leadership on assisting the state in meeting the 9 million acre-feet water supply target by 2040 and another target to be met by 2050.
2. Oppose measures that would delay or halt the progress of the Delta Conveyance Project or Sites Reservoir.
3. Support measures that would help streamline and modernize the permitting process for water-related projects ~~under the California Environmental Quality Act and the California Endangered Species Act.~~
4. Support legislation that ~~assists water agencies in~~ establishes a statewide low-income water rate assistance ~~(LIWRA) programs,~~ but includes all the following:
 - a. Flexibility for agencies to ~~create a program the best suits their customers' needs~~choose whether to participate in a statewide program or opt for their own program.
 - b. ~~Is not~~ Exemptions for water agencies who already have their own LIWRA programs ~~funded by establishing a water tax or fee.~~
 - c. ~~Is not overly burdensome for water agencies to participate in or require~~significant ~~cumbersome reporting demands~~requirements.
 - ~~e.d.~~ Ensures ~~p~~Protection from violations ~~to of~~ Proposition 218.
5. Support legislation that ~~deters water theft and protects critical public water infrastructure~~reinforces the role of water agencies as providing fire flow for individual structural fires, not to put out wildfires, and therefore liability should not be placed on water agencies for wildfire disaster events.

WATER SUPPLY RELIABILITY

SACRAMENTO-SAN JOAQUIN DELTA (DELTA)

- Support a Delta conveyance project as well as other policies that recognize, maintain, and advance the “co-equal goals” of providing a more reliable water supply for California while also protecting, restoring, and enhancing the Delta ecosystem.
- Support the Agreements to Support Healthy Rivers and Landscapes (~~Voluntary Agreements~~) process to ~~create~~ increase water flows and enhance the habitat for the Delta region.
- Support programs and policies that address the multiple stressors impacting the health of the Delta, including but not limited to:
 - Water quality.
 - Wastewater discharges.
 - Invasive species.
 - Non-native species.
 - Predation.
 - Climate change.
- Support the Delta Conveyance Project, which:
 - Contributes to improving the aquatic environment within the Delta to address fishery issues, preservation of native species, and restoration of habitat.
 - Improves water supply reliability within the Delta and outside the Delta, and allows for better water management and planning for the 27 million California residents who are currently dependent upon the Delta.
 - Provides for improved water quality, with respect to reducing exposure to salinity and naturally occurring organic compounds.
 - Ensures that Western Water’s region and the customers we serve have a reliable, long-term water supply that is also one of the most cost-effective.
- Support measures that increase resiliency to critical levees in the Delta, where failure of would have negative statewide impacts to water quality and supply.
- Support any actions that would help expedite the environmental permitting process for the Delta Conveyance Project.
- Oppose legislative or regulatory attempts to either delay or stop the building of the Delta Conveyance Project.

CONSERVATION AND WATER USE EFFICIENCY

- Support the development, implementation, and appropriate financial assistance tools for cost-effective urban water efficiency programs.
- Support regulatory policies and funding that maximize efficient water use and reduces water waste while also reflecting local conditions, financial impacts on customers, demand hardening, and historic conservation investments.
- Support conservation and water use efficiency policies that recognize historical investments in local supply development and conservation programs.
- Support the development, implementation, and appropriate financial assistance of cost-effective agricultural water conservation and water efficiency programs, which should:
 - Provide flexibility to California's agricultural communities.
 - Protect critical infrastructure.
 - Recognize each community's widely varying climatic and economic circumstances.
- Support measures that ensure water conservation and water use efficiency programs do not diminish or otherwise affect the existing water rights of the entity engaged in water conservation or water use efficiency.
- Support efforts to streamline and align reporting requirements prescribed in long-term water use efficiency mandates.
- Support grant programs and other funding mechanisms to help water agencies meet the Conservation as a California Way of Life regulations.
- Support legislation that makes the Conservation as a California Way of Life regulations more equitable for inland regions.
- Support measures that help incentivize, but not mandate, outdoor water efficiency.
- Support legislation that will help water agencies meet the statewide ban of non-functional grass turf for commercial, industrial, and institutional customers.
- Oppose legislative or regulatory attempts to drastically increase water conservation mandates that are unachievable, unaffordable, and/or do not result in significant water savings, but will ultimately have to be paid for by water agencies' customers.
- Oppose legislation that attempts to undermine the agreed-upon system for water use efficiency in California, SB 606 and AB 1668 (2018), without having conducted sufficient studies and stakeholder engagement.

- Oppose legislation that would further decrease the indoor water use levels as listed in SB 1157 (2022) without having conducted the significant studies listed in the legislation for lowering the 2030 indoor water use standard.

GROUNDWATER

- Support practical implementation of the Sustainable Groundwater Management Act (SGMA), including continued local control of groundwater uses.
- Support financial and technical assistance for the Groundwater Sustainability Agencies (GSAs).
- Support science-based policies that protect groundwater basins from contamination, and land use policies that preserve and protect groundwater recharge basins.
- Support the expansion of conjunctive use management of groundwater and surface water supplies.
- Support additional state and local funding for groundwater management programs.
- Support increased use of stormwater and recycled water for recharge of groundwater basins, in a manner that does not degrade groundwater.
- Support local control of groundwater uses and groundwater rights.
- Support efforts to maximize beneficial groundwater recharge, especially during high storm events that will not impact downstream water users.

STORAGE

- Support the creation of additional economically feasible and environmentally sound surface and groundwater storage facilities.
- Support policies to ensure that mitigation and project costs are the responsibility of the project beneficiary, consistent with existing law.
- Support measures that expand water storage capacity above and below ground by four million acre-feet, as set out in the California Water Supply Strategy (2022).
- Oppose measures that would delay or stop Sites Reservoir from beginning construction.
- Oppose legislative or regulatory attempts to delay or stop the Proposition 1 (2014) storage projects.

LOCAL RESOURCE AND SUPPLY DEVELOPMENT DESALINATION

- Support additional state and local funding for both ocean water and brackish water desalination projects.
- Support policies to streamline the regulatory approval process of ocean desalination projects.
- Support research and policies that minimize environmental impacts and reduce the energy use of ocean desalination projects, and develop emerging technologies that will make ocean desalination projects more cost-effective.
- Support measures that expand brackish groundwater desalination production by 28,000 acre-feet per year by 2030 and 84,000 acre-feet per year by 2040, as set out in the California Water Supply Strategy (2022).
- Support measures that assist California in determining locations for ocean desalination projects that are cost-effective and environmentally appropriate, as set out in the California Water Supply Strategy (2022).

GRAYWATER

- Support the development of standards for commercial graywater systems for both indoor and outdoor use with the concurrent goals of protecting public health, water quality, and expanding the utilization of ~~greywater~~graywater to displace potable water use.
- Oppose legislation that would mandate commercial graywater systems without consideration of the effects ~~to~~on a water agency's recycled water system.

POTABLE REUSE (WATER RECYCLING)

- Support policies that treat potable ~~reuse~~water~~reuse~~ as a resource and not as a waste, including the possibility of a statutory definition that accomplishes this.
- Support additional state and local funding for both direct and indirect potable reuse projects.
- Support additional research and regulations of direct potable reuse and how to safely and effectively expand its use.

- Support streamlining of permitting to increase the use of potable reuse statewide to meet state policy goals.
- Support measures that increase water recycle and reuse by at least 800,000 acre-feet by 2030, as set out in the California Water Supply Strategy (2022).
- Support legislative and/or regulatory actions that accelerate approval and funding of direct potable reuse and industrial reuse projects, including state cost-sharing and streamlined regulatory pathways.

SUSTAINABLE STORMWATER MANAGEMENT

- Support the development of local, sustainable stormwater management plans that use or mimic natural systems and address the effects of increased urbanization.
- Support the development of plans that achieve multiple stormwater benefits, including the removal of pollutants, the replenishment of groundwater, habitat restoration, and lowered energy use for the treatment and disposal of stormwater.
- Support additional state and local funding for sustainable stormwater management programs.

RESOURCE PLANNING AND MANAGEMENT

- Support implementation of SB 72 (2025) and provide leadership on assisting the state in meeting the 9 million acre-feet water supply target by 2040 and another target to be met by 2050.
- Support local control for planning management, management, and use of water supplies to address local needs and contribute to long-term sustainability.
- Support efforts that facilitate the development of local or regional conveyance facilities that assist in providing more efficient distribution of water supplies, consistent with local and regional planning activities. The mitigation and project costs of these local conveyance facilities should be the responsibility of the project(s) beneficiaries.
- Support integrated planning while maintaining local control, among groundwater, surface water, local water, imported water, stormwater and recycled water for improved flexibility and new achievements in the management of water resources.
- Support measures that make comprehensive, basinwide planning more efficient and easily attainable.

- Support data sharing efforts to maximize opportunities for voluntary water transfers, collaboration, and advance locally supported conservation measures.
- Support policy initiatives that encourage the use of the most current scientific data and analysis to provide enhanced flexibility for water project operations.
- Support administrative or legislative actions that deter metal theft, water theft, and protect critical public water infrastructure.
- Support administrative/legislative actions that would require any future programs that mandate specific reductions or reuse of ocean discharges consideration of the following:
 - A cost-benefit analysis.
 - Current use and demand for recycled water.
 - Location and site constraints for reuse of ocean discharges.
 - Available state funding.
- Support legislation that allows for improved, science-driven forest and headwaters management.
- Oppose legislation or administrative actions that would require a water provider to store, secure, and/or track data that is not germane to core district functions.

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WATER QUALITY QUALITY

- Support watershed-based management and point source pollution control programs that protect and improve surface and groundwater water quality for urban and agricultural uses, as well as the environment.
- Support water quality policies and regulatory decisions that are timely, based on sound science, and are cost-effective.
- Support continued state funding assistance to upgrade water and wastewater treatment systems.

- Support legislative and administrative efforts to adopt cost-effective, science-based drinking water regulations to help ensure the protection of human health from constituents of emerging concern (CEC).
- Support funding for the CEC Action Fund to improve the State Water Resource Control Board's knowledge of CEC in waters of the state and drinking water.
- Support policies that reinforce that water and wastewater agencies did not create per- and polyfluoroalkyl substances (PFAS) nor do they add them in any of their processes, therefore should not be solely responsible for cleaning up the chemicals and the state should ensure the "polluter pays" principle is upheld.
- Support regulatory and legislative activities to ensure support for a fair and balanced compliance and enforcement structure for potable and related water charges.
- Support policies that provide economically feasible and environmentally sound solutions to both agricultural and non-point source run-off.
- Support policies that afford maximum local control of mandated consolidations through State Water Board directives.
- Support legislation or administrative actions to reduce pharmaceuticals in wastewater and receiving waters through take-back and other source control programs.
- Support measures that protect water agencies while building the necessary infrastructure to meet state-mandated water quality requirements.
- Oppose efforts to legislate water quality standards that are more appropriately promulgated through the ~~scientifically-sound~~scientifically sound regulatory process.
- Oppose legislative or regulatory actions to lower maximum contaminant levels, notification levels, and/or response levels for PFAS without scientifically-backed, publicly available data that demonstrates the need to make significant investments.

ENVIRONMENTAL STEWARDSHIP REGULATORY EFFICACY

- Support measures that achieve science-based regulatory goals while improving regulatory certainty and predictability in the processes – including environmental review under the California Environmental Quality Act (CEQA).

- Support measures that would remove the Administrative Procedures Act requirements from the Proposition 4 (2024) bond measure funding.

CLIMATE CHANGE MITIGATION AND ADAPTATION

- Support voluntary integration of emissions reductions considerations into state and local water resources planning.
- Support the voluntary inclusion and development of cost-effective renewable energy in the delivery and treatment of water supplies and wastewater.
- Support policies that encourage the voluntary development of diversified local water portfolios and that take into consideration the greenhouse gas emissions associated with those supplies.
- Support policies that recognize, support, and credit the role of water conservation and water use efficiency in reducing greenhouse gas emissions.

ENDANGERED AND INVASIVE SPECIES MANAGEMENT

- Support efforts to modernize and improve the approaches within the California Endangered Species Act that deal with habitat protection, restoration, and enhancement consistent with principles of best available science, adaptive management, and flexible implementation.
- Support legislation, regulatory actions, and funding for controls, mitigation, and elimination of invasive species, including quagga mussels, golden muscles and striped bass.

GENERAL GOVERNANCE AND FINANCE FINANCE

- Support legislation that financially incentivizes customers to invest in indoor and outdoor water efficiency measures.
- Support funding measures related to water loss detection and rehabilitation of aging pipelines that contribute to water loss.

- Support dedication of State funds to water infrastructure projects that are cost-effective, provide long-term benefits to consumers, and where all the beneficiaries of projects are paying their fair shares of those project costs.
- Support funding that would allow the Constituents of Emerging Concern in Drinking Water Program within the State Water Resources Control Board to begin implementation, as outlined in S.B. 230 (2022).
- Support efforts to promote and secure funding for septic to sewer conversion projects that mitigate impacts to groundwater and surface water supplies.
- Support administrative/legislative actions to increase issuance of revenue bonds for Clean Water State Revolving Fund and Drinking Water State Revolving Fund low-interest loans to reduce state funding backlog; and reduce the lien parity, limitations on future bond issuance, mandatory bond reserve requirements, and other burdensome loan application requirements for agencies with high credit ratings (AA or better).
- Support administrative/legislative actions that would provide state funding or reimbursement for enhanced physical and cybersecurity for water and power infrastructure.
- Support funding for dam safety and related projects.
- Support funding for water-related projects and programs that could assist in preventing, mitigating, and combating wildfires.
- ~~Support legislation that assists water agencies in establishing low-income water rate assistance (LIWRA) programs, but includes all the following:~~
 - ~~○ Flexibility for agencies to create a program the best suits their customers' needs.~~
 - ~~○ Exemptions for water agencies who already have their own LIWRA programs.~~
- Protection from violations to Proposition 218 reinforces the legality of using non-ratepayer revenues to fund an agency's own, unique low-income rate assistance program.
- Support legislation that establishes a statewide low-income water rate assistance program, but includes all the following:
 - Flexibility for agencies to choose whether to participate in a statewide program or opt for their own program.
 - Is not funded by establishing a water tax or fee.
 - Is not overly burdensome for water agencies to participate in or require significant reporting demands.
 - Ensures protection from violations of Proposition 218.

- Support legislation that gives water utilities flexibility in rate design and cost recovery while maintaining Prop 218 compliance to deal with increased capital expenditures, supply costs, conservation demand hardening, and climate impacts.
- Oppose a tax, public goods charge, or other “fee” levied on water agencies for funding broader public benefits without a direct and proportional benefit to Western Water customers.
- Oppose any legislative or administrative attempt to restrict or redirect the use of special district reserves, property taxes, or ratepayer revenues without a direct and proportional benefit to Western customers.
- Oppose efforts to restrict the use of state revenue bonds to pay for infrastructure projects that provide broad public benefits to the state.
- Oppose legislation that shifts responsibilities to local governments and special districts absent funding or reimbursement (i.e., unfunded mandates).

TAXATION

- Support administrative/legislative actions to improve supply chain reliability for water treatment chemicals and achieve tax-exempt status for all water treatment chemicals.
- Oppose efforts that reduce access to or threaten the viability of tax-exempt municipal bonds.
- Oppose efforts to reapportion property tax allocations by state or local agencies.

GOVERNANCE

- Support governance reforms of small water systems that chronically serves unsafe drinking water, before assessing the need for outside revenues to address water safety and reliability concerns.
- Support legislation that would establish more funding for county Local Area Formation Commissions (LAFCO) to address dissolutions, make consolidations of water systems that fail to provide safe, clean, and reliable drinking water, and complete municipal service reviews.
- Oppose legislation that would arbitrarily force or restrict consolidations of special districts.

WATER-ENERGY NEXUS

ENERGY EFFICIENCY

- Support efforts to help public agencies meet statewide energy efficiency goals.
- Support policies that encourage the establishment or continuation of and the removal of obstacles for local funding mechanisms to facilitate energy efficiency.
- Support for increased state financial incentives and funding mechanisms for meeting statewide goals related to green energy and zero-emission vehicles.
- Support for the empowerment of consumer demand-side management to allow consumers to achieve the maximum benefits from time-of-use rates and other rate structures.
- Support the availability of funding generated from any potential cap-and-trade revenues, carbon fee, or climate change offset revenues for investment in water sector renewable energy projects, energy-saving water use efficiency programs and alternative water supply projects with lower embedded energy.
- Support efforts to increase the resiliency of the statewide electrical grid, which directly affects the operation of water and sewer facilities.

RENEWABLE ENERGY

- Support renewable energy legislation that acknowledges biosolids, biodiesel from fats, oils, greases, and biogas (digester gas) as eligible renewable energy sources.
- Support energy production from the wastewater treatment process as a priority or equally important status for any renewable energy legislation or programs.
- Support regulatory and legislative efforts to facilitate cost-effective net metering for renewable and distributed energy generation by water and wastewater utilities.

POWER SHUTOFFS

- Support administrative or legislative actions that assist the water industry in addressing the effects of wildfires and power outages, including the impacts of public safety power shutoff events, which may include but are not limited to:
 - Funding for emergency responses and planning.

- Improving the clarity and workability of regulatory requirements.

ENERGY STORAGE

- Support development of energy storage to optimize distributed generation.
- Support incentives to make battery storage more cost-effective and easily accessible for public utilities.

HYDROPOWER

- Support policies that recognize all forms of hydropower generation as a source of climate-friendly renewable energy that also benefits flood control, water supply, air quality, and the economy.

WILDFIRES

- Support legislation that reinforces the role of water agencies as providing fire flow for individual structural fires, not to put out wildfires, and therefore liability should not be placed on water agencies for wildfire disaster events.
 - Oppose legislation that attempts to place wildfire disaster liability on water agencies.
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HUMAN RESOURCES LABOR RELATIONS

- Support greater employer flexibility to maintain a safe and drug-free workplace.
- Support measures that promote efforts to advance workplace diversity, equity, and inclusion.

- Oppose any legislation that would reduce local authority to resolve public employee disputes or impose regulations of an outside agency.
- Oppose laws and regulations that unfairly penalize employers.
- Oppose any measure that would grant employee benefits that should be decided at the local bargaining table.
- Oppose measures that would require special districts to pay erroneous retirement benefits.

WORKERS COMPENSATION

- Support efforts to enact workers' compensation that lowers employers' costs while still protecting workers.
- Oppose legislation that expands or extends any presumptions of occupational injury or illness and support legislation that repeals the presumption that the findings of a treating physician are correct.
- Oppose legislation that increases workers' compensation benefits without providing for concurrent cost controls.

PENSIONS

- Support proposals that will help the state and local governments with their unfunded pension liabilities, ensure that local government can continue to offer meaningful benefits to employees while still providing the levels of service our customers expect.
- Support efforts to enact pension reform that lowers employers' costs while still protecting workers.

WORKFORCE DEVELOPMENT

- Support funding for apprenticeships and education programs dedicated to water and wastewater careers.
- Support state funding and/or legislation that addresses the retiring utility workforce, succession planning, training for next-generation water professionals (e.g., information systems, reuse, operations), and internships/co-ops to develop the future workforce.
- Support collaborative efforts to promote mentorship and internship programs.

- Support initiatives and efforts ~~to~~in STEM/STEAM education related to the water and wastewater industries.
- Support efforts to improve the educational and vocational skills of employees to help them move upward in their field.
- Support measures that help promote awareness of water and sewer careers in K-12 schools.
- Support legislation that provides funding to local agencies for training, disaster preparedness, and emergency planning and operations.

INFORMATION TECHNOLOGY SECURITY AND EMERGENCY MANAGEMENT

- Support legislation that promotes and provides funding for increased ability to manage technology, assistance in adhering to regulatory compliance requirements and reducing the risk of cyber-attacks.
- Support efforts to ensure that the implementation of the Open and Transparent Water Data Act is within the original intent of the legislation to provide state agencies and the public with better, transparent data about water but does not jeopardize the safety, operations, or public trust of water agencies.
- Support legislation that classifies utility workers as first-responders and essential workers, which would allow them primary emergency access when disasters occur.
- Oppose efforts that would jeopardize sensitive water infrastructure data.
- Oppose legislation that increases the length of time public agencies are required to store any audio or video recordings.

PUBLIC RECORDS REQUESTS

- Support legislation and policies that encourage streamlining of business processes for responding to open records requests and that provide funding for these activities.
- Support legislation and policies that encourage the use of modern technologies to manage the lifecycle of public records.
- Support funding that helps public agencies digitize their physical public records.

- Support legislation that makes the economic disclosure and conflict of interest provisions of the Political Reform Act more efficient and less burdensome to administer, while furthering the purposes of the Act.
- Oppose legislation that would require public agencies to share information in public settings that could be used by groups or individuals with malicious intent to compromise the systems, services or private information of public employees or citizens.

OPEN AND TRANSPARENT MEETINGS

- Support legislation that modernizes the Brown Act and gives local municipalities the ability to choose to continue allowing for members of a local elected board to participate in meetings remotely without identifying their location or posting the agenda at their location, and allowing the public to participate via telephone or other streaming platform.
- Support funding opportunities that encourage more public agencies to enhance their facilities to provide livestreaming capabilities, remote public participation, and the ability to store and share recorded meetings.
- Oppose attempts to place overly burdensome requirements on public agencies ~~who are working to provide increased access to public meetings, including requiring exhaustive language requirements, documentation translations, or other measures that significantly increase~~ that are working to provide increased access to public meetings, including requiring exhaustive language requirements, documentation translations, or other measures that significantly increase difficulty and costs in providing increased accessibility.

LOCAL CONTROL

- Oppose legislation that would restrict procurement practices or impact vendor interaction.
- Oppose legislation that reduces local government control over cellular technology infrastructure development, installation, and deployment.

Last Updated: November ~~24~~⁸, 202~~5~~⁴

FEDERAL LEGISLATIVE PRIORITIES: 202~~6~~5

TOP PRIORITIES

1. ~~Support administrative or legislative actions to secure funding to help public water systems defray the cost of monitoring and/or remediation of per- and polyfluoroalkyl substances (PFAS) in drinking water supplies, including “polluter pay” provisions that allow for full cost recovery by drinking water and wastewater providers.~~
- 2.1. ~~Support a clearly defined exemption of liability for publicly-owned publicly owned treatment works (i.e., wastewater treatment facilities) regarding the spread of perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS) under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).~~
2. ~~Support increased funding for grant programs related to water supply, water quality, and water efficiency, which helps reduce the cost of critical projects and has a direct positive impact on water affordability.~~
3. ~~Support federal funding and actions that help modernize the permitting acceleration process for water and wastewater infrastructure projects, that which would help help increase water resiliency overall water supply for across the the West, with specific water supply benefits for California.~~
4. Support solutions to groundwater challenges underneath March Air Reserve Base that will boost base resiliency, increase local water supply, and improve groundwater quality.
5. ~~Support legislation that reauthorizes the Low-Income Household Water Assistance Program (LIHWAP) that provides customers with an outlet to help with bill assistance but is not over overly burdensome on water agencies to implement the authorization, implementation, and funding of the post-2026 Colorado River operational guidelines that require equitable water supply cuts across all of the basin states and Mexico.~~

WATER SUPPLY RELIABILITY

COLORADO RIVER

- Support the authorization, implementation, and funding of the post-2026 Colorado River operational guidelines that require equitable water supply cuts across all of the basin states and Mexico.
- Support administrative and legislative actions and funding to ensure that sufficient water is stored and delivered from Lake Mead to meet human health and safety needs.
- Support administrative and legislative actions and funding of conservation and efficiency projects to enhance the resiliency of the Colorado River System and the Colorado River Aqueduct that are equitable to all Colorado River water users.
- Support the process of allowing the seven Colorado River Basin States and Mexico to negotiate an equitable resolution to decreasing overall demand on the Colorado River, rather than having the federal government dictate reduction amounts.
- Support continued funding for the Colorado River Basin Salinity Control Program.

SACRAMENTO-SAN JOAQUIN DELTA (DELTA)

- Support any actions that would help expedite the federal environmental permitting process for the Delta Conveyance Project.
- Support any federal programs and policies that address the multiple stressors impacting the health of the Delta, including but not limited to:
 - Water quality.
 - Wastewater discharges.
 - Invasive species.
 - Non-native species.
 - Predation.
 - Climate change.
- Oppose legislative or regulatory attempts to either delay or stop the building of the Delta Conveyance Project.

STORAGE

- Support administrative and legislative action that will increase federal storage projects in California while also improving dam safety.
- ~~Support administrative and legislative action, funding, and low-interest loan programs for new surface and groundwater storage in California.~~

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Support administrative [and](#) legislative action and funding to expand storage capability along the Colorado River.

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LOCAL RESOURCE AND SUPPLY DEVELOPMENT DESALINATION

- Support additional federal funding for ocean and brackish water desalination projects.
- Support policies to streamline the regulatory approval process of ocean and brackish desalination projects.
- Support research and policies that help minimize environmental impacts, reduce the energy use of desalination projects, and develop emerging technologies that will make desalination projects more cost-effective.
- Support an amendment to the WaterSense Authorization that disallows certification for devices that degrade water quality.

POTABLE REUSE (RECYCLED WATER)

- Support policies that treat potable reuse water as a resource and not as a waste, including the possibility of a statutory definition [that accomplishes this](#).
- Support additional federal funding for both direct and indirect potable reuse projects.
- Support for expanded use of indirect potable reuse that continues to protect water quality and human health.
- Support additional research and regulations of direct potable reuse and how to expand its use safely and effectively.
- Support streamlining of permitting to increase the use of potable reuse water.

RESOURCE PLANNING AND MANAGEMENT

- Support funding authorization for continued implementation of the Lower Colorado River Multi-Species Conservation Plan.
- Support policy initiatives that encourage the use of the most current scientific data and analysis to provide enhanced flexibility for water project operations.
- Support administrative and legislative actions that facilitate drought preparedness and drought response projects and programs while maintaining environmental protections.
- Support administrative/legislative actions that improve opportunities for water system staff training and certification.
- Support legislation that allows for improved, science-driven forest and headwaters management.
- Support for emerging reservoir and conveyance optimization, including expanded use of and funding for forecast-informed reservoir operations (FIRO), funding for modernizing other hydrology and forecasting tool, and integration of FIRO into Army Corps rule curves.
- Support a regional initiative to add “water conservation” as a secondary purpose of the Seven Oaks Dam through a future Water Resources Development Act bill.
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WATER QUALITY QUALITY

- Support administrative and legislative actions that utilize current science and reflect appropriate cost-/benefit analyses to protect public health, and to protect and improve water quality from unacceptable risks of various constituents; these actions may include, but are not limited to:
 - Utilizing current occurrence and health effects data,
 - Developing analytical methods and laboratory capacity,
 - Providing adequate implementation schedules and funding for treatment and mitigation measures to comply with any new regulatory standards,
 - Applying the “polluter pays” principle to address contamination,
 - When appropriate, using the Toxic Substances Control Act to help control the use of chemicals in commerce.

- Support legislation or administrative actions to reduce pharmaceuticals in wastewater and receiving waters through take-back and other source control programs.
- Support efforts to promote and secure funding for septic ~~to~~ to-sewer conversion projects that mitigate impacts to groundwater and surface water supplies.
- Support watershed-based management and point source pollution control programs that protect and improve surface and groundwater water quality for urban and agricultural uses, as well as the environment.
- Support water quality policies and timely regulatory decisions that are based on sound science and are cost-effective.
- Support continued federal assistance to upgrade water treatment systems.
- Support legislative and administrative efforts to adopt cost-effective, science-based drinking water regulations to help ensure the protection of human health and maintain or improve water quality from constituents of emerging concern.
- Support policies that provide economically feasible and environmentally sound solutions to both agricultural and non-point source run-off.
- Oppose efforts to legislate water quality standards that are more appropriately promulgated through the scientifically sound regulatory process.

ENVIRONMENTAL STEWARDSHIP REGULATORY EFFICACY

- Support measures that achieve science-based regulatory goals while improving regulatory certainty and predictability in the processes – including environmental review under the National Environmental Protection Act (NEPA).
- Support United States Environmental Protection Agency's (U.S. EPA) ~~USEPA~~ Science Advisory Board reform to allow for greater participation from water industry stakeholders as well as state and local government officials.
- Support administrative and ~~legislative~~ actions for environmental compliance (e.g., air, water, hazardous materials and waste, and health and safety) that provide regulatory compliance flexibility, improve clarity and workability of the requirements, and promote consistency and reduce regulatory duplication, while protective of public health and the environment.

- Oppose legislation, rulemaking, or guidance that increases federal jurisdiction of waters, and expands the definition of Waters of the United States (WOTUS).

CLIMATE CHANGE MITIGATION AND ADAPTATION

- Support administrative and legislative actions that provide funding and regulatory assistance for regions affected by drought and/or shifting climate conditions for both immediate and long-term water projects that aid in the development, storage, conveyance, treatment, and delivery of water.
- Support administrative/legislative actions that protect Colorado River Aqueduct (CRA) and local water supplies from the impacts of climate change and enhance their long-term reliability.
- Support policies that encourage the voluntary development of diversified local water portfolios and that take into consideration the greenhouse gas emissions associated with those supplies.
- Support policies that recognize, support, and credit the role of water conservation and water use efficiency in reducing greenhouse gas emissions.

•

ENDANGERED AND INVASIVE SPECIES MANAGEMENT

- Support comprehensive modernization of the Endangered Species Act that offers integrated multi-species approaches to habitat protection, restoration, and enhancement consistent with principles of best available science, adaptive management, and flexible implementation.
- Support efforts within the current federal Endangered Species Act to increase operational flexibility while maintaining regulatory and statutory protections for listed species.
- Support administrative and legislative action and funding to improve information about listed fish and wildlife species and water project operations in the Delta, including data collection, scientific understanding, and real-time monitoring of listed Delta species.

- Support legislation, actions, and funding for controls, mitigation, and elimination of invasive species, including quagga mussels and striped bass.

GENERAL GOVERNANCE AND FINANCE

FINANCE

- Support a well-managed, responsible congressionally directed funding ~~(earmark)~~ process, including work plan funds added by Congress to augment the Administration's annual budget request.
- Support measures to reduce the cost of planning, financing, construction, and rehabilitation of water infrastructure projects, such as dams, water conduits, pipelines, canals, pumping and power plants, and associated facilities; potential financing mechanisms may include but are not limited to:
 - Tax-credit financing,
 - Tax-exempt municipal bonds,
 - Expanded Water Infrastructure Finance Innovation Act (WIFIA)
 - Water Resources Development Act (WRDA), and/or
 - Environmental Infrastructure Accounts.
- Support legislation to reauthorize the ~~U.S. Environmental Protection Agency's (U.S. EPA's)~~ state revolving fund to address the growing need for critical water, wastewater, and recycled water infrastructure.
- Support for updating the State Allocation Formula within the state revolving fund to recognize increased needs and population growth in California.
- Support administrative or legislative actions to increase issuance of revenue bonds for Clean Water State Revolving Fund and Drinking Water State Revolving Fund low-interest loans to reduce state funding backlog; and reduce the lien parity, limitations on future bond issuance, mandatory bond reserve requirements, and other burdensome loan application requirements for agencies with high credit ratings (AA or better).
- Support efforts that seek to bring federal sources of funding to California for water infrastructure development and energy efficiency measures through water management.
- Support funding and administrative or legislative efforts to increase drought resiliency on the Colorado River and Delta systems.

- Support funding for dam safety and related projects.
- Support funding for water-related projects and programs that could assist in preventing, mitigating, and combating wildfires.
- Support authorization for federal grant funding for energy efficiency and storage projects, including programs to reduce greenhouse gases and develop renewable resources.
- Support administrative and legislative actions that would provide federal funding or reimbursement for water utility infrastructure expenditures to improve redundancy and reliability.
- Support reauthorization of the Low-Income Household Water Assistance Program (LIHWAP), which could help disadvantaged communities pay their water bills.
- Support funding for programs to support affordability modernization and customer experience, including billing technology, advanced metering infrastructure (AMI), customer portals, and related technology.
- Support federal funding for the research and development of technology innovation programs in the water sector and expanded coordination with community technology associations.
- Oppose legislation that would add duplicative and burdensome reporting requirements on public entities receiving federal grants.
- ~~Oppose~~ legislation, rulemaking, or guidance that unnecessarily increases the cost of water delivery, storage, treatment, and management, without additional funding or other regulatory relief provided by the federal government.
-

TAXATION

- Support legislation or administrative actions to ensure that taxable gross income does not include the amount of money received by a customer for taking part in water use efficiency/conservation rebate programs.
- Support legislation to modify the U.S. tax code to facilitate the use of tax credit bond financing by water agencies for recycling, desalination, and groundwater remediation

projects, as well as tax-exempt municipal bonds and other funding mechanisms to reduce the cost of water projects.

- Support efforts to re-instate the tax-exempt status of advance refunding bonds.
- Support administrative [and](#) legislative actions to improve supply chain reliability for water treatment chemicals and achieve tax-exempt status for all water treatment chemicals.
- Oppose legislation or administrative actions to limit or eliminate tax-exempt bonds or other financing mechanisms that could be utilized to finance water infrastructure.

LOCAL CONTROL

- Oppose legislation that would restrict procurement practices or impact vendor interaction.
- Oppose legislation that reduces local government control over cellular technology infrastructure development, installation, and deployment.
- Oppose “Build America, Buy America” requirements to receive project funding when complying with those requirements either adds significant costs to the project or adds significant delays to the project due to national supply shortages.

WATER-ENERGY NEXUS RENEWABLE ENERGY

- Support administrative [and](#) legislative actions that facilitate the development of new renewable energy resources, including pumped hydroelectric energy, provided that consideration is given to transmission limitations, costs, and portfolio availability.
- Support renewable energy legislation that acknowledges biosolids and biodiesel from fats, oils, greases, and biogas (digester gas) as eligible renewable energy sources.
- Support the voluntary inclusion and development of cost-effective renewable energy in the delivery and treatment of water supplies and wastewater.

ENERGY STORAGE

- Support [the](#) development of energy storage to optimize distributed generation.

- Support incentives to make battery storage more cost-effective and technologically superior.

ENERGY SUPPLY

- Support federal investments in energy grid reliability to minimize public safety power shutoffs (PSPS) and other disruptions to energy supply, which is critical to water supply reliability.
-

HUMAN RESOURCES LABOR RELATIONS

- Support greater employer flexibility to maintain a safe and drug-free workplace.
- Support measures that promote efforts to advance workplace diversity, equity, and inclusion.
- Oppose any legislation that would reduce local authority to resolve public employee disputes or impose regulations of an outside agency.
- Oppose laws and regulations that unfairly penalize public agency employers.
- Oppose any measure that would grant employee benefits that should be decided at the local bargaining table.

RETIREMENT/PENSIONS

- Support proposals that would increase the portability of government pension and deferred income plans, including by allowing Section 457 transfers to purchase retirement service credits, and which would relax limits on contributions to and benefits from such plans.
- Support proposals to repeal or reduce the Government Pension Offset and Windfall Elimination Provision, which reduce the amount of Social Security benefits received by many Federal, state, and local government retirees and their spouses.
- Oppose proposals that mandate Social Security and Medicare coverage of state and local government employees.

- Oppose measures that would require water and/wastewater agencies to pay erroneous retirement benefits.

WORKFORCE DEVELOPMENT

- Support funding for apprenticeships and education programs dedicated to water and wastewater careers.
- Support collaborative efforts to promote mentorship and internship programs.
- Support legislation that allows persons from the military to obtain credit for their training and promotes the transfer of such skills to the private sector and other government agencies to avoid the time and cost of retraining.
- Support initiatives and efforts for STEM/STEAM education related to the water and wastewater industries.
- Support efforts to improve the educational and vocational skills of employees to help them advance in the water and wastewater fields.
- Support measures that help promote awareness of water and sewer careers in K-12 schools.

INFORMATION TECHNOLOGY SECURITY AND EMERGENCY MANAGEMENT

- Support legislation that promotes and provides funding for increased ability to manage technology, assistance in adhering to regulatory compliance requirements, and reducing the risk of cyber-attacks.
- Support proposals that increase consumer protections against information security attacks, including when a person or program impersonates a trusted source to obtain personal information.
- Support proposals and funding to improve the capacity of state and local governments to plan, prepare, respond to, and recover from disasters or emergencies, including those involving natural or environmental disasters, acts of terrorism, and public health emergencies.
- Support authorization for USEPA's continued oversight of water and wastewater system security through vulnerability assessments and other risk management plans.

Last Updated: Nov. 188, 20254



Legislative Platform and 2026 Legislative Priorities



OVERVIEW

- Purpose and Overview
- Process for Legislative Engagement
- 2026 Top Legislative Priorities

PURPOSE OF THE PLATFORM AND PRIORITIES

Legislative Platform

- Foundation for Western Water's legislative program
- Allows staff to provide timely insight on state and federal legislative issues
- Transparently provides customers information on key legislative program and activities

Legislative Priorities

- Provides clear direction to staff on annual legislative priorities
- Gives staff authority to recommend and take legislative positions on behalf of Western
- Incorporates last legislative session(s) and associations' direction

OVERVIEW OF PLATFORM AND PRIORITIES

- **Legislative Platform (Platform)** is written in plain language, offering detailed descriptions of Western Water's legislative program
- **Platform** provides clear direction to staff on high-level legislative priorities and serves as a basis for taking legislative actions
- **Legislative Priorities (Priorities)** – both State and Federal—are supporting documents to the Platform
- **Priorities** outline specific issues that Western Water can support or oppose with authority provided from the Board through these documents

PROCESS FOR LEGISLATIVE ENGAGEMENT

- General Manager approves all letters, including coalition letters.
- Letters are addressed from General Manager
- Controversial issues or issues not laid out in the Platform or Priorities will be brought to Community and Government Affairs Committee for direction
- The Platform will receive an annual review with updates as needed
- The State and Federal Priorities are updated annually

2026 TOP LEGISLATIVE PRIORITIES

- Implementation of SB 72 (2025)
- Water infrastructure funding and permit streamlining/modernization
- Per- and Polyfluoroalkyl Substances (PFAS)
- Solutions for March Air Reserve Base
- Water affordability



Questions?



Agenda Item: 8B

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

AWARD A PROFESSIONAL SERVICES CONTRACT TO WATER SYSTEMS CONSULTING, INC. FOR THE FEASIBILITY STUDY FOR RECHARGING RECYCLED WATER AND GROUNDWATER DESALTER EXPANSION PROJECT

RECOMMENDATION:

The Engineering, Operations, and Water Resources Committee and Staff recommend the Board of Directors:

1. Award a professional services contract, in the amount of \$399,254, to Water Systems Consulting, Inc. for the Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion Project.

EXECUTIVE SUMMARY:

Western Municipal Water District seeks to develop a Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion to identify and evaluate additional water options for recharge and evaluate potential projects to capture the recharged water to secure the long-term reliability of our local water supply in the Arlington Groundwater Basin. Western Water secured United States Bureau of Reclamation grant funding to prepare a feasibility study that will support the sustainability of the Arlington Groundwater Basin, a local water source essential to Western Municipal Water District's regional

customers. Historical challenges with droughts and increasing demands highlight the need to continue planning for enhancing the region's overall water resilience. Western Municipal Water District staff solicited proposals for professional consulting services and, following a competitive evaluation of three qualified firms, Water Systems Consulting, Inc. was identified as the most qualified consultant to develop this study. If awarded, over the next 18 months Water Systems Consulting, Inc. will lead efforts investigating the feasibility of recharging recycled water into the Victoria Recharge Basin from multiple potential sources, such as the Western Water Recycling Facility recycled water and other nearby sources. Simultaneously, Water Systems Consulting, Inc. will evaluate future potential demands on the Arlington Groundwater Desalter and future capacity needs, analyzing needs for new wells, storage, and treatment, while also addressing existing constraints and abiding by regulatory compliance.

BUDGET IMPACT:

The total cost of the Recharging Recycled Water and Groundwater Desalter Expansion is \$399,254 and is included in the adopted budget for Fiscal Year 2025-2026 from the General Operating Plan, Fund 100 – Water Resources Special Projects. This Recharging Recycled Water and Groundwater Desalter Expansion Feasibility Study is being issued in conjunction with a federal grant award through United States Bureau of Reclamation's Water Recycling and Desalination Planning Funding Opportunity (NOFO No R23AS00076). Western Water has secured an agreement that will reimburse 50% of the project cost, up to \$200,000.

DETAIL:

The Arlington Groundwater Basin (Arlington Basin) is a vital groundwater source located in the northern part of Western Municipal Water District's (Western Water's) 3 service area. Over three decades ago, the Santa Ana Watershed Project Authority (SAWPA) began to utilize this water source by constructing the Arlington Desalter (Desalter) to provide a supply of potable water for the region. In an effort to diversify water supply and meet growing demand, Western Water acquired the Desalter in 2005. The resulting water contributes to over 60 percent of the City of Norco's water supply and supplements water for the City of Corona and parts of Riverside. The system has faced growing pressure since the Desalter was constructed, driven by higher demand and exacerbated by the historic droughts. Desalter usage has increased fifty percent over historical levels, leading to uncertainty in the reliability of the Arlington Basin as a water source. This Recharging Recycled Water and Groundwater Desalter Expansion (Feasibility Study) is a proactive effort aimed at sustainability of the Arlington Basin through long-term planning. Western Water is initiating this Feasibility Study focusing on two primary areas: 1) investigating the

feasibility of using local recycled water for groundwater recharge, and 2) evaluating the long-term demands and capacity needs of the Desalter.

In September 2025, Western Water staff solicited proposals for professional consulting services to complete the Feasibility Study in accordance with the Request for Proposal (RFP) requirements. A detailed scope of work to develop the Feasibility Study includes the following core tasks:

1. **Project Management:** Lead project coordination, maintain detailed schedules, and generate documentation for grant reporting.
2. **Stakeholder Engagement:** Facilitate internal and external meetings to prioritize water expansion strategies and produce all necessary decision-making materials. Potential to form partnerships with other relevant agencies, if applicable.
3. **Ensure Regulatory Compliance:** Prepare a comprehensive Scope of Work in support of a future Title 22 Engineering Report, which is required to permit the recharging recycled water.
4. **USBR Compliant Feasibility Study:** Identify, evaluate, and recommend sources of recycled water for recharge to directly augment the Arlington Basin's groundwater. Address the potential for expanding the Desalter and evaluate regional constraints, including alternatives for the limiting SAWPA Brine Line capacity.

In response to the RFP, staff received three responsive proposals. The three firms which submitted qualifying proposals include:

1. Hoch Consulting
2. Water Systems Consulting, Inc. (WSC)
3. Woodard & Curran Inc.

Qualifying proposals were evaluated and ranked based on the following criteria:

1. **Understanding of the work to be performed (25%):** This includes understanding of the project issues, methodology to be employed in conducting the project, and challenges that may be encountered in the project.
2. **Approach to the Project (30%):** This includes technical and management considerations, methodology, schedule and innovative ideas. This also demonstrates how the Consultant's project management approaches are applied in order to complete each task on time and within budget.

3. **Experience and Technical Competence (30%):** This includes key personnel, the firm and sub-consultants with similar project experience.
4. **Evaluation of the Appropriateness of the Proposed Level of Effort (10%):** Team qualifications and project methodology.
5. **Cost and Pricing (5%):** Proposed Fees and Compensation.

Through competitive solicitation and subsequent evaluation of the proposals, the selection committee unanimously recommends WSC as the selected consultant for the preparation of the Feasibility Study. WSC's core team has extensive experience in successfully preparing federally-compliant feasibility studies, having delivered numerous plans that meet rigorous USBR standards, even having one of their past feasibility studies showcased as an example on USBR's website. Their team possesses strong technical abilities in regional water resource planning, groundwater hydrogeology, and regulatory compliance, allowing them to navigate complex basin management strategies effectively. Their proposal also demonstrated a deep institutional knowledge of the Arlington Basin and previous Desalter expansion efforts. WSC understands the importance of positioning Western Water for future project implementation funding, having successfully utilized their approach to help clients secure significant federal grant awards while delivering projects on schedule and within budget.

REASON FOR ACTION:

Consulting services are needed to prepare a USBR-compliant feasibility study to provide a plan to enhance our water supply resilience in the Arlington Basin as well as meet the requirements of the USBR grant agreement.

SOLUTION:

Approve a contract for professional consulting services in the amount of \$399,254 to WSC.

STRATEGIC PRIORITIES REFERENCE:

This action aligns with Western Water's Strategic Priority of Resource Management.

LEGAL COUNSEL REVIEW:

Not applicable.

Western Water | Regular Board Meeting
January 21, 2026
Agenda Item: 8B

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. WSC Proposal
2. Presentation

Attachment 1



RFP-WR25-015

FEASIBILITY STUDY FOR

Recharging Recycled Water and Groundwater Desalter Expansion

B. TABLE OF CONTENTS

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H	Cost and Price Proposal (Attached as Separate File)	



October 31, 2025

Western Municipal Water District

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Purchasing Specialist

WSC Ontario

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Principal in Charge
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25201 Paseo De Alicia
Suite 290
Laguna Hills, CA 92653

Dear Karina,

WSC is excited for the opportunity to partner with Western Municipal Water District (Western Water) to develop a Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion (Feasibility Study).

This collaborative project is a critical step toward understanding opportunities to maximize recharge at the Victoria Basin and expand the Arlington Desalter. The selected consultant will be your trusted guide for navigating the United States Bureau of Reclamation (USBR) grant requirements, developing a comprehensive study to identify and recommend projects to maximize recycled water use, and positioning Western Water for implementation funding.

WSC's proposed approach is designed to complete a robust analysis that informs confident decision making, achieves strong consensus and alignment on the preferred strategy to enable effective implementation, and defines solutions with a clear path forward that can adapt to changing conditions.

By selecting WSC to develop the Feasibility Study, you can expect:

Thorough Analysis. WSC understands the Arlington Basin—its stakeholders, its opportunities, and its needs—through our work with Western Water and other regional stakeholders. This enables us to complete a thorough analysis of feasible strategies to inform confident decision-making.

Achieving Consensus. Internal alignment and buy-in from external stakeholders is critical for a recommended strategy to achieve effective implementation. WSC is a leader in guiding regional strategies, and we will deftly facilitate a process designed to build strong consensus among key stakeholders.

Strong Positioning for Funding. Producing a Reclamation-compliant Feasibility Study is critical. However, the Feasibility Study is also an opportunity to align recommended strategies with USBR's Title XVI application criteria and position Western Water and its partners for future funding opportunities.

A Clear Path Forward. The Feasibility Study is an opportunity for Western Water to clearly define a lasting solution and position for implementation funding. Our approach will provide a clear path forward that supports confident decision making. The WSC team is thrilled to have the opportunity to support Western Water on this important project. Please contact our Project Manager, Laine Carlson, if you have any questions.

Sincerely,

Water Systems Consulting

Laine Carlson ^{PE}
Project Manager | WSC Vice President

Michael Cruikshank ^{PG, CHG}
Principal in Charge | WSC Vice President

WSC is Your Trusted Partner

WSC's expert team of licensed hydrogeologists, planners, engineers, and communications professionals are committed to providing Western Water with responsive, quality water management programs and engineering services.

Who We Are

WSC is a full-service civil and environmental engineering and hydrogeology firm that specializes in the planning, design, construction, and optimization of groundwater, drinking water, recycled water, wastewater, and stormwater solutions. We offer a purpose-built team that combines deep technical knowledge of local conditions, a One Water philosophy, and sustained stakeholder engagement to deliver compelling, relevant solutions to our clients and the communities they serve.

WSC was founded in 2007 with a mission to provide high-quality and responsive consulting services to water, wastewater, and stormwater agencies and municipalities. We have since grown to include hydrogeologists, operators, construction, and communications professionals operating out of seven offices across the West Coast. We are organized to work collaboratively with our clients to apply proven approaches, state-of-the-art tools, and knowledge-driven innovation to deliver outstanding results.

EMPLOYMENT PRACTICES:

WSC's employment practices follow all local, state, and federal policies and procedures. We provide our staff with relevant training, including safety training, and have the appropriate licenses and certifications to provide the Feasibility Study for Recharging Recycled Water and Groundwater Expansion.

FIRM OVERVIEW



WSC Mission Statement

To be the preferred partner for sustainable water solutions by building innovative teams, cultivating lasting relationships, and delivering extraordinary value.

WSC Vision Statement

Creating a Better Water Future

Founding Date

December 2007

Size of Company

70 Employees

WSC Organizational Chart

CEO & Founder: Jeff Szytel

CFO: Jeroen Olthof

Vice Presidents: Laine Carlson, Michael Cruikshank, Jon Ganz, Jannette Garrett, Jeff Lawrence, Scott Duren, Rob Natoli, Rob Morrow, Dylan Wade, Justin Pickard, Dianne Lee

Offices Supporting Project:

WSC Inland Empire (24 miles)

3602 Inland Empire Blvd, Suite C230
Ontario, CA 91764
8 Staff

WSC Laguna Hills (49 miles)

25201 Paseo De Alicia, Suite 290 Laguna Hills, CA 92653
9 Staff

WSC San Luis Obispo (246 miles)

805 Aerovista Place, Suite 201 San Luis Obispo, CA 93401
23 Staff

Qualifications, Capabilities, & Experience

WSC is a full-service civil and environmental engineering firm specializing in the planning, design, construction, and optimization of groundwater, drinking water, recycled water, wastewater, and stormwater systems.

WSC's team of specialists completed many relevant water resources projects, including eight Title XVI Feasibility Studies. The table below includes other relevant projects from our proposed project staff. WSC has helped many agencies evaluate their water resources options and define their preferred programs, and then helped them secure funding and deliver the programs. Our experience with both concept evaluation and water resources project delivery gives us deep insight that is critical to making efficient and informed recommendations for this Feasibility Study.

	TITLE XVI FEASIBILITY STUDY	CONCEPT/PLANNING STUDIES	REGULATORY ANALYSIS	ADVANCED TREATMENT	FUNDING APPLICATION	BRINE DISPOSAL EVALUATIONS	REGIONAL STAKEHOLDERS
Bunker Hill Basin Recycled Water Salinity Feasibility Study San Bernardino Valley Municipal Water District	■	■	■		■	■	■
Replenish Big Bear Big Bear Area Regional Wastewater Agency	■	■	■	■	■	■	■
Central Coast Blue City of Pismo Beach	■	■	■	■	■	■	■
Carpinteria Advanced Purification Project Carpinteria Valley Water District	■	■	■	■	■	■	■
Chino Basin Program Inland Empire Utilities Agency	■	■	■	■	■	■	■
North Pleasant Valley Desalter Project City of Camarillo	■	■	■	■	■	■	
Title XVI Feasibility Study Update Water Replenishment District of Southern California	■	■					■
Title XVI Feasibility Study Update Ventura Water	■	■					■
Citywide Recycled Water Concept Study City of Victorville		■	■		■	■	■
Regional Recycled Water Concept Study San Bernardino Valley Municipal Water District		■	■	■		■	
Upper Santa Ana River Salt and Nutrient Management Plan San Bernardino Valley Municipal Water District		■	■				
Ambient Water Quality Recomputation Santa Ana Watershed Project Authority		■	■				
Cayucos Sustainable Water Project - Recycled Water Concept Study and Program Implementation Cayucos Sanitary District		■	■	■	■		■
Urban Water Management Plan and Drought Contingency Plan Western Municipal Water District		■	■				
Water and Recycled Water Master Plan, Recycled Water Engineering Reports City of Victorville		■	■				
Metropolitan Water Resources Management Plan City of Fresno		■	■				

Bunker Hill Basin Recycled Water Salinity Feasibility Study

San Bernardino Valley Municipal Water District, CA

WSC partnered with East Valley Water District, San Bernardino Municipal Water Department, City of Redlands, and San Bernardino Valley Municipal Water District to develop a regional recycled water system for recharging the Bunker Hill B Groundwater Management Zone. Together, these four entities formed the Bunker Hill Basin Regional Recycled Water Coalition (the Coalition) to coordinate permitting efforts and explore viable salinity management strategies for both immediate and long-term goals in the basin. WSC collaborated with the Coalition and Regional Board staff through a series of workshops to develop, evaluate, and select a preferred salinity management approach. This process explored several options, including a regional desalter facility and a sub-regional Salt and Nutrient Management Plan (SNMP). Desalter facilities at the Tertiary Treatment System and Sterling Natural Resource Center were assessed based on cost, proximity to existing operations, water quality benefits, and site constraints. WSC evaluated the development of a sub-regional SNMP, which could provide Coalition members access to over 20% of the available assimilative capacity, potentially deferring the desalter timeline. The Feasibility Study was prepared in compliance with USBR Reclamation Manual, Directives and Standards (WTR 11-01).

Key Staff

Laine Carlson (Project Manager), Michael Cruikshank (Regulatory Strategy and Basin Context Lead), Aaron Morland (Assistant Project Manager), Eric Fregoso (Staff Hydrogeologist)

Replenish Big Bear

Big Bear Area Regional Wastewater Agency, CA

WSC led the funding efforts for the Replenish Big Bear program and is serving as Program Manager for a solution that will meet challenging water quality objectives. After a thorough analysis of the regulatory options, the recommended project is an advanced treatment facility. WSC secured a WaterSMART: Title XVI WIIN Water Reclamation and Reuse Projects grant application and completed the Feasibility Study, which was approved with no comments. The Feasibility Study was used as an example for other agencies. During the Feasibility Study, WSC analyzed alternatives and provided a recommended alternative based on treatment and regulatory requirements, water supply yield, social and environmental benefits, and life-cycle cost. WSC also supported funding efforts that successfully secured California Department of Water Resources and US Environmental Protection Agency grants and low-interest loans.

Key Staff

Laine Carlson (Project Manager), Michael Cruikshank (Technical Advisor), Rob Morrow (Technical Advisor), Aaron Morland (Engineering Support), Eric Fregoso (Staff Hydrogeologist)



Citywide Recycled Water Concept Study

City of Victorville, CA

WSC is leading a study to identify, evaluate, and prioritize recycled water opportunities, with an emphasis on groundwater recharge and advanced treatment alternatives. WSC's approach uses comprehensive stakeholder engagement, including workshops with internal teams and regional partners, to map potential recycled water uses and collaboratively define project goals. WSC is assessing groundwater recharge options, including surface spreading and subsurface injection. Key considerations include proximity to potable wells, underground travel time requirements, and the feasibility of blending recycled water with imported sources.

WSC is preparing and managing the application for the SWRCB Water Recycling Facilities Planning Grant to secure up to \$500,000 to support future phases. This grant process was initiated in parallel with the study for continuity and momentum. WSC is in close coordination with staff, providing progress reports, technical memoranda, and presentations to City Council. Deliverables include a technical memorandum summarizing alternatives, regulatory requirements, risks, and cost-benefit analyses. The study is designed to provide near-term clarity and position the District for long-term success in recycled water and groundwater recharge initiatives.

Key Staff

Laine Carlson (Project Manager), Rob Morrow (Technical Lead)

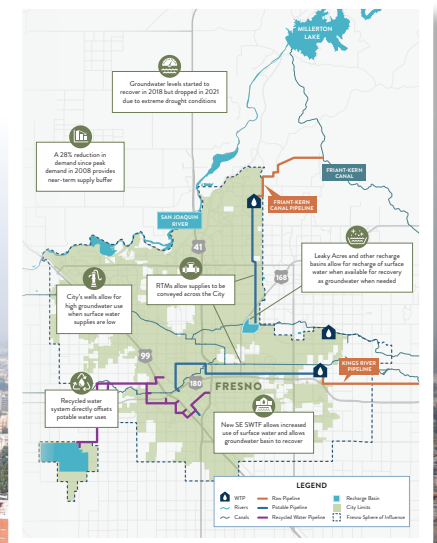
Fresno Metro Plan and Recycled Water Master Plan

City of Fresno, CA

WSC partnered with the City of Fresno to update their Metropolitan Water Resources Management Plan (Metro Plan) and develop a Recycled Water Master Plan, providing a roadmap for the City's water supplies, water infrastructure, and sustainable growth through 2070. The Metro Plan evaluated future supply and demand scenarios considering assumptions about conservation, growth, surface water availability, climate change, and groundwater management actions. WSC developed a Groundwater Water Budget and analyzed travel times for recharge facilities. WSC evaluated approaches to balance wet and dry conditions for reliable supplies both within and outside the City through partnerships, such as groundwater banking, including Delta sustainability considerations for the City's San Joaquin River and Kings River supplies. The approaches were structured as part of an adaptive management plan that is dependent on changes in surface water reliability, including from climate change or regulatory constraints.

Key Staff

Rob Morrow (Project Manager), Michael Cruikshank (Groundwater Lead)



Arlington Basin Groundwater Support

Western Municipal Water District, CA

WSC supported the development of the Arlington Basin Groundwater Sustainability Plan (GSP). Although the Arlington Basin is classified as low-priority and not required to prepare a GSP under SGMA, Western Water opted to proactively pursue responsible groundwater management through comprehensive planning and stakeholder collaboration. WSC is currently assisting Western Water in maintaining compliance with SGMA reporting requirements, while also advancing the basin towards long-term sustainability through implementation efforts. WSC prepared the 2023 Annual Report and the 2024 Annual Report. The annual groundwater report provides a comprehensive overview of groundwater basin conditions. The report includes detailed information on groundwater conditions, water supplies and usage, changes in storage, groundwater sustainability, sustainable management activities, and ongoing implementation efforts pertaining to the Arlington Basin. WSC is also coordinating with the California Department of Water Resources on Western Water's behalf to ensure timely and accurate submission of required SGMA reports and to facilitate ongoing compliance.

Key Staff

Michael Cruikshank (Project Manager)

Chino Basin Program Preliminary Design Report

Inland Empire Utilities Agency, CA

The Chino Basin Program (CBP) is an innovative local water supply initiative that integrates local infrastructure improvements and salinity management with groundwater storage and water supply reliability. The program includes two primary categories of facilities: PUT, which encompasses the components required to recharge up to 15,000 AFY of purified water into the Chino Basin, and TAKE, which enables the extraction of up to 50,000 AF of groundwater in a "TAKE year" to convey potable water supplies, totaling about 375,000 AF over the 25-year program. The WSC team is leading the groundwater components of the CBP, including the development of the Technical Feasibility Study, Hydrogeologic Investigation, PUT Injection Well Facilities Siting Study, and a Preliminary Design Report for injection and monitoring wells.

Key Staff

Laine Carlson (Project Manager), Michael Cruikshank (Hydrogeology Lead), Aaron Morland (Project Engineer)

As part of the Technical Feasibility Study, the WSC team identified and evaluated multiple PUT, TAKE, and program-level alternatives to determine the preferred configuration and develop conceptual designs for key program elements. The study included an analysis of recharge options for the PUT facilities, focusing on optimizing the use of existing recharge basins and evaluating the feasibility of aquifer replenishment wells to maximize recharge capacity. This analysis considered site-specific hydrogeologic conditions, conveyance logistics, operational flexibility, and long-term maintenance requirements to establish a resilient recharge strategy.

WSC also led the development of groundwater model scenarios and coordinated closely with the groundwater modeling consultant to assess performance relative to parameters established by the Chino Basin Watermaster and the Material Physical Injury process. These modeling efforts were used to evaluate the hydrologic response of the basin under different recharge and extraction scenarios, identify potential pumping constraints, and refine the configuration of PUT and TAKE facilities to ensure regulatory compliance and sustainable basin management.

A Team You Can Trust to Deliver

WSC's proposed team for this project includes experienced key staff who have the expertise and knowledge of Western Water's water and wastewater systems to provide a feasibility study that puts Western Water and its partners on the right path forward. Members of our team have worked on recent, relevant projects that are related to this scope of work.

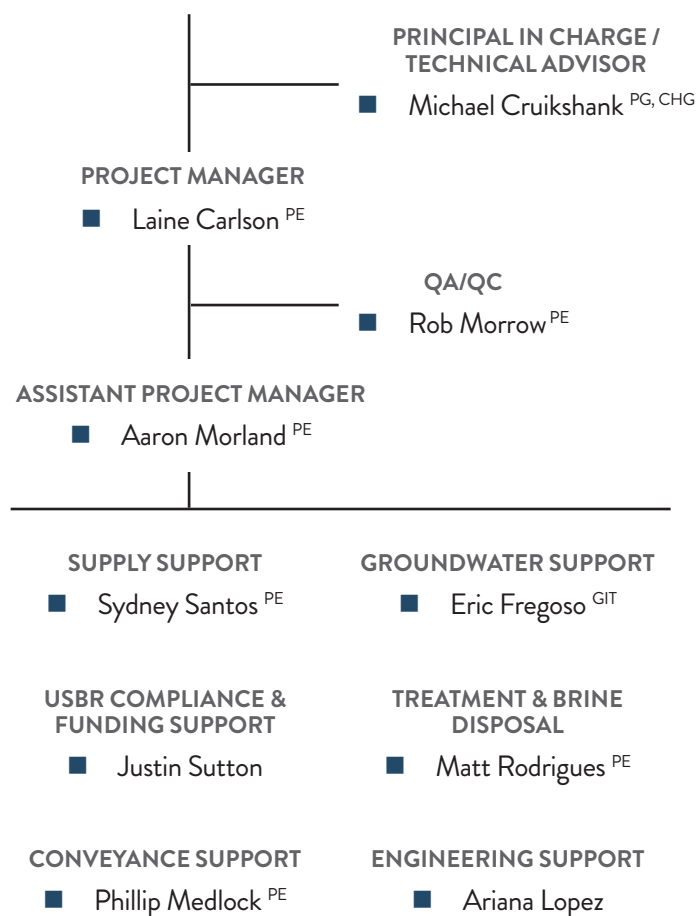
Meet Your Team

WSC's team is organized to work collaboratively with Western Water to apply proven approaches, knowledge-driven efficiency, and a polished look to deliver outstanding results.

WSC's proposed Project Manager, Laine Carlson, has over 20 years of engineering and planning experience with municipal water systems. Laine has significant experience leading regional water resources planning projects in the Santa Ana River Watershed and has successfully guided efforts in regulatory compliance and feasibility studies, including serving as project manager on Western Water's Bunker Hill Basin Optimization and Stewardship Program. WSC's proposed Associate Project Manager, Aaron Morland, has worked closely with Laine and had significant roles in several large, regional water resource planning projects in the watershed. He served as Associate Project Manager on the Bunker Hill Basin Recycled Water Salinity Feasibility Study.

WSC's Principal in Charge and Technical Advisor, Michael Cruikshank, will provide regulatory strategy and basin context support to the team. Michael knows Western Water well and is currently supporting achieving SGMA compliance for the Arlington Basin and with defining future basin management framework for the San Bernardino Basin. Rob Morrow will provide QA/QC support for this project and brings extensive experience with reclamation feasibility studies. Our supporting staff also includes Sydney Santos for Supply Support, Eric Fregoso for Groundwater Support, Justin Sutton for USBR Compliance and Funding Support, Matt Rodrigues for Treatment and Brine Disposal Support, Phillip Medlock for Conveyance Support, and Ariana Lopez for Engineering Support—all of whom bring valuable regional expertise and experience collaborating with the team.

Brief resumes of key staff are included on the following pages. Detailed resumes of WSC's key and supporting staff are available up on request.



Section F: WSC affirms that the key personnel identified in this proposal will be available throughout the contract and will not be removed without prior approval of Western Water.

Laine Carlson PE

PROFESSIONAL EXPERIENCE

Laine Carlson brings 20 years of experience working for a public utility, and as a consulting engineer, focusing on water, wastewater, and recycled water systems. She is recognized as a leader in regional water resources planning in the Santa Ana River Watershed. Her experience includes project management, construction administration, capital improvement planning, hydraulic analysis, water and wastewater master planning, and water standard development. She has a comprehensive understanding of how water and sewer utilities operate and the challenges they face. Laine draws on her experience to work across diverse stakeholder groups to build consensus and support for regional water supply efforts.

REPRESENTATIVE PROJECTS

Bunker Hill Basin Recycled Water Salinity Feasibility Study, San Bernardino Valley Municipal Water District, CA. Project Manager. Collaborated with the Coalition and Regional Board staff through a series of workshops to develop, evaluate, and select a preferred salinity management approach. This process explored several options, including a regional desalter facility and a sub-regional Salt and Nutrient Management Plan.

Replenish Big Bear Feasibility Study and Title XVI Application, Big Bear Area Regional Wastewater Agency, CA. Project Manager. Prepared the Feasibility Study and application for the program's successful Title XVI funding. Analyzed feasibility of using evaporation and crystallization on RO brine to achieve zero liquid discharge and reduce brine conveyance and disposal costs.

2020 Urban Water Management Plan and Drought Contingency Plan, Western Municipal Water District, Riverside, CA. Project Manager. Led the preparation of Western's 2020 Urban Water Management Plan (UWMP) and Drought Contingency Plan (DCP).

Annual Groundwater Atlas, City of Riverside Public Utilities, Riverside, CA. Principal in Charge. Supported the development of an updated Groundwater Atlas for RPU. The atlas is designed to report the water quality and quantity conditions of the groundwater basins that provide potable and non-potable water supplies to RPU's customers.

Citywide Recycled Water Concept Study, City of Victorville, CA. Project Manager. Leading a study to identify, evaluate, and prioritize recycled water opportunities, with an emphasis on groundwater recharge and advanced treatment alternatives.

Chino Basin Program, Inland Empire Utilities Agency, Chino, CA. Pipeline Distribution System Lead. Leading the conveyance system portion of the preliminary design report for the Chino Basin Program which will create a new, drought-resistant supply to the region.

Rialto-Colton Drought Contingency Plan, City of Rialto, CA. Project Manager. Led a DCP that systematically outlined drought monitoring, vulnerability assessment, mitigation actions, and a framework for response actions. Compiled information from the City's water suppliers and incorporated new information as part of the Rialto Basin Groundwater Management Plan.

Drought Contingency Plan, East Valley Water District, Highland, CA. Project Manager. Led development of a DCP that develops a drought monitoring framework that can identify when to trigger drought responses. The DCP builds on drought response actions from the WSCP, and collaboratively defines a comprehensive suite of mitigation activities and projects.

Watershed Connect Implementation Plan, San Bernardino Valley Municipal Water District, San Bernardino, CA. Technical Advisor. Supported Watershed Connect program's funding strategy and communication efforts.



EDUCATION

BS, Civil Engineering, California State Polytechnic University, Pomona

PROFESSIONAL REGISTRATIONS

Professional Engineer - Civil, CA, No. C72424
Exp.: June, 2022

SWRCB Registered T2 Water Operator #34907

SWRCB Registered D2 Water Operator #41981

"I am driven to connect with the people who manage and operate our local water resources and work together to deliver lasting value to the communities they serve."

Laine Carlson

Michael Cruikshank^{PG, CHG}

PROFESSIONAL EXPERIENCE

Michael is a proven manager, certified hydrogeologist, and water resource planner with more than 20 years of professional experience. He has managed projects in large diverse stakeholder environments for a variety of water resource projects including the development of groundwater sustainability plans (GSPs), salt and nutrient management plans (SNMPs), and indirect potable reuse projects. He has technical expertise in water resource planning, hydrogeologic basin analysis, and the development of integrated groundwater and surface water models that are used to make important water resource management decisions on a watershed scale.

REPRESENTATIVE PROJECTS

Bunker Hill Basin Regional Recycled Water Salinity Management Feasibility Study, Regional Recycled Water Coalition, San Bernardino Valley, CA. Regulatory Strategy and Basin Context Lead.

Collaborated with the Coalition and Regional Board staff through a series of workshops to develop, evaluate, and select a preferred salinity management approach. This process explored several options, including a regional desalter facility and a sub-regional SNMP. Desalter facilities at the Tertiary Treatment System and Sterling Natural Resource Center were assessed based on cost, proximity, water quality, and site constraints.

Arlington Basin SGMA Compliance Support, Arlington Basin, Western Municipal Water District, Riverside, CA. Senior Hydrogeologist.

Assisted in the development and ongoing implementation of the Arlington Basin GSP to support proactive groundwater management despite the basin's low-priority SGMA classification. Oversaw preparation of the 2023 Annual Report and development of the 2024 Annual Report, analyzing basin conditions, water use, and sustainability metrics. Coordinated with Western Water and DWR to deliver compliant SGMA reporting and advance long-term basin sustainability initiatives.

Chino Basin Program – Preliminary Design Report, Inland Empire Utilities Agency, Chino Basin, CA. Hydrogeology Lead.

Responsible for developing the preliminary design of the PUT and TAKE well facilities first identified in the technical feasibility study and further refined in a detailed well siting study. The PDR will include the preliminary

design for approximately 16 injection wells and contains basis for design, construction logistics, operational strategy, and planning cost estimates.

Metropolitan Water Resources Management Plan (Metro Plan) and 2020 Urban Water Management Plan, City of Fresno, CA. Senior Hydrogeologist.

Developed and implemented a methodology to estimate groundwater in storage and available storage in the City's sphere of influence utilizing data from its monitoring network.

Rapid Infiltration and Extraction (RIX) Nitrogen Loss Workplan, San Bernardino Municipal Water Department, San Bernardino, CA. Principal in Charge.

Developed and implemented a Sampling and Analysis Plan. The project assessed nitrogen transformation within and down-gradient of the facility's percolation basins to understanding nitrogen loss during wastewater treatment and ensuring compliance with regulatory standards.

Feasibility Study for the Expansion of the Arlington Desalter System, Western Municipal Water District, Riverside, CA. Staff Hydrogeologist.

Developed cost-effective alternatives to increase groundwater production at the Arlington Desalter, including siting and sizing a new array of production wells and artificial recharge facilities such as the Victoria Recharge Basin. Constructed the conceptual hydrogeologic model for the Arlington Basin to support development of a MODFLOW groundwater flow model, which was used to evaluate various production and recharge scenarios and assess the basin's capacity for increased yield. Prepared report figures, technical analyses, and preliminary design calculations for raw water pipelines supplying the expanded Arlington Desalter.



EDUCATION

MS, Civil and Environmental Engineering, California State University, Fullerton, CA.

BS, Geology, California State University, Fullerton, CA.

PROFESSIONAL REGISTRATIONS

Professional Geologist, California, No. 8854

Certified Hydrogeologist, No. 994

Engineer-in-Training No. 142007

"I take a multidisciplinary approach to every project to deliver forward-looking solutions for sustained community value."

Michael Cruikshank

Rob Morrow^{PE}

Professional Engineer
- Civil, California, No. C68916



EDUCATION

MS, Civil / Environmental Engineering, University of California, Berkeley
BS, Civil / Environmental Engineering, Vanderbilt University

PROFESSIONAL EXPERIENCE

Rob Morrow's 25 years of engineering experience centers on integrated water resources planning with a focus on long-term supply planning and implementation of recycled water projects from concept to operation for applications ranging from agricultural irrigation to potable reuse. He has led large and small recycled water master plans and preliminary designs across California and has led integrated water resources planning projects that analyzed water supply and demand portfolios that include imported water supplies, surface water, groundwater, stormwater, rainwater, graywater, groundwater recharge, and in-lieu recharge. Rob is experienced with financial revenue and funding strategy planning as well as preparation of multiple successful state and federal grant and loans.

REPRESENTATIVE PROJECTS

- **Title XVI Recycled Water Feasibility Study**, Eastern Municipal Water District, CA. *Project Manager.*
- **Title XVI Recycled Water Master Plan**, Pasadena Water and Power, CA. *Project Manager.*
- **Title XVI South Sacramento Agriculture and Habitat Lands Recycled Water Program Feasibility Study**, Sacramento County Regional Sanitation Bureau, CA. *Project Manager.*
- **Water Recycling Study**, City of Victorville, CA. *Technical Lead.*
- **Metropolitan Water Resources Management Plan and 2020 UWMP**, City of Fresno, CA. *Project Manager.*
- **San Jacinto Valley Water Supply Study**, Eastern Municipal Water District, Perris, CA. *Project Manager.*
- **Water Resources Implementation Strategy**, Calleguas Municipal Water District, Camarillo, CA. *Senior Engineer.*
- **Enhanced Recycled Water Feasibility Analysis**, Montecito Water District & Montecito Sanitary District, Montecito, CA. *Reuse Alternatives Lead.*
- **Replenish Big Bear**, Big Bear Area Regional Wastewater Agency, Big Bear, CA. *Funding and Permitting Support.*

Aaron Morland^{PE}

Professional Engineer
- Civil, California, No. C94132



EDUCATION

BS, Environmental Engineering, California Polytechnic State University, San Luis Obispo

PROFESSIONAL EXPERIENCE

Aaron Morland brings seven years of engineering experience covering a wide range of water, wastewater, and recycled water projects. He has played a key role in numerous regional water resources planning efforts and infrastructure design projects as a project engineer, deputy project manager, and lead author. His work includes feasibility studies, Urban Water Management Plans (UWMP), Sewer System Management Plans, funding applications, alternatives analyses, and engineering design of water and wastewater infrastructure.

REPRESENTATIVE PROJECTS

- **Chino Basin Program Preliminary Design Report**, Inland Empire Utilities Agency, Ontario, CA. *Staff Engineer.*
- **Basin Optimization Framework Phase 1**, San Bernardino Valley Municipal Water District, San Bernardino, CA. *Project Engineer.*
- **Replenish Big Bear Lake Alternative Analysis**, Big Bear Area Regional Wastewater Agency, Big Bear City, CA. *Assistant Engineer.*
- **Creek Lands Conservation**, San Luis Obispo Creek Flow Enhancement Project Feasibility Study, San Luis Obispo, CA. *Staff Engineer.*
- **Sewer Service Feasibility Study**, Big Bear City Community Services District, Big Bear City, CA. *Staff Engineer.*
- **Santa Ana River – Mill Creek Cooperative Water Project Agreement Update Support**, San Bernardino Valley Water Conservation District, Redlands, CA. *Assistant Engineer.*
- **2020 Integrated Regional UWMP**, San Bernardino Valley Municipal Water District, San Bernardino, CA. *Staff Engineer.*
- **Watershed Connect Funding and Financing Support**, San Bernardino Valley Municipal Water District, San Bernardino, CA. *Staff Engineer.*
- **Pure Water Soquel Injection Wells**, Soquel Creek Water District, Soquel, CA. *Staff Engineer.*

Sydney Santos ^{PE, LEED GA}

Professional Engineer
- Mechanical, California, No. M38847

LEED GA

EDUCATION

BS, Biological Engineering, The Pennsylvania State University

PROFESSIONAL EXPERIENCE

Sydney Santos brings 10 years of engineering experience in leading water systems planning and design projects from concept through construction across California. Her work focuses on regional water resource planning and project management, where she develops strategic frameworks that address current and future water needs while considering the impacts of climate change. She has successfully led multidisciplinary teams to assess regional water availability, forecast demand, and propose adaptive management strategies that enhance resilience to climate variability. An effective communicator and collaborator, she excels at working with diverse teams and ensuring that planning efforts align with environmental goals and community interests, ultimately foster sustainable water resource management.

REPRESENTATIVE PROJECTS

- **Citywide Recycled Water Conceptual Study**, City of Victorville, Victorville, CA. *Project Engineer.*
- **Stormwater Diversion to WRP Feasibility Study**, City of Camarillo, Camarillo, CA. *Project Manager & Engineer.*
- **PERC Funding Support**, San Bernardino Valley Water Conservation District, San Bernardino, CA. *Project Manager and Engineer.*
- **Infiltration and Inflow Study**, City of Santa Barbara, CA. *Engineering Support.*
- **Pressure Management Study**, Scotts Valley Water District, Scotts Valley, CA. *Engineering Support.*
- **2025 Water Master Plan Update**, City of Victorville, CA. *Project Engineer.*



Eric Fregoso ^{GIT}

Geologist in Training

EDUCATION

MS, Civil Engineering, California State University, Fullerton (In Progress)

BS, Geology, California State University, Fullerton

PROFESSIONAL EXPERIENCE

Eric is a Geologist-in-Training with three years of experience in the water resources and hydrogeological field. Eric's experience includes a variety of environmental and hydrogeological projects involving soil and groundwater investigations for sampling and remediation, Phase II Environmental Site Assessments, soil vapor extraction systems, in-situ treatment, PFAS investigations, and more. At WSC, Eric has provided support in well siting, design, and construction oversight, and has worked on projects involving analyzing, processing, managing, and interpreting groundwater data for reporting. Eric is a key contributor at the WSC Hydrogeology team and uses ArcGIS for geospatial analysis and for the creation of maps and figures. Eric is a current graduate student at California State University, Fullerton, and is completing his degree in Civil Engineering, specializing in Water Resources.

REPRESENTATIVE PROJECTS

- **Bunker Hill Basin Regional Recycled Water Salinity Management Feasibility Study**, San Bernardino Valley Municipal Water District, San Bernardino, CA. *Staff Hydrogeologist.*
- **Chino Basin Program Preliminary Design Report (CBP PDR)**, Inland Empire Utilities Agency, Chino Basin, CA. *Staff Hydrogeologist.*
- **Recomputation of Ambient Water Quality**, Basin Monitoring Program Task Force, Santa Ana Watershed Project Authority, Santa Ana River Watershed, CA. *Staff Hydrogeologist.*
- **Bedford-Coldwater Administrator**, Elsinore Valley Municipal Water District, Lake Elsinore, CA. *Staff Hydrogeologist.*
- **RIX Nitrogen Loss Demonstration Project and Workplan**, San Bernardino Municipal Water Department, Inland Empire, CA. *Staff Hydrogeologist.*



Project Understanding

Unlocking Water Reliability Through Strategic Desalter Expansion and Recharge Capabilities

Western Water is leveraging its existing Arlington Desalter and newly constructed infrastructure to explore expanded uses of local groundwater resources. This feasibility study will evaluate approaches to recycled water integration and system optimization to support long-term regional water sustainability.

Western Water owns and operates the Arlington Desalter (ADS), a reverse osmosis groundwater treatment facility that began operation in 1990. The Arlington Desalter serves two primary purposes: (1) providing a local, reliable source of potable water, and (2) capturing poor-quality groundwater—elevated in total dissolved solids (TDS) and nitrates—to prevent its migration into the Temescal Basin through the Arlington Gap.

Western Water recently constructed the Victoria Avenue Recharge Basin (Victoria Basin) to support sustainable pumping from the Arlington Basin. Western Water also recently constructed additional conveyance facilities that work in tandem with its existing facilities to substantially increase Western Water’s flexibility to deliver water to many of its wholesale customers from ADS and the Chino Desalter Authority – collectively the joint desalter enterprise. The Arlington Basin and associated facilities are immensely valuable local resources, and Western Water sees an opportunity to expand the uses and benefits of these resources through a comprehensive strategy for recycled water use and sustainability within the joint desalter enterprise.

This Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion will evaluate opportunities to enhance the production, reliability, and sustainability of the Arlington Basin through expanded groundwater recharge and desalter system optimization.

The objectives are to:

1. Identify and evaluate potential recycled water sources for recharge at the Victoria Basin.
2. Assess regulatory and environmental requirements to support future preparation of a Title 22 Engineering Report for Indirect Potable Reuse.
3. Evaluate infrastructure needs—including conveyance, treatment, and recharge systems—for integrating recycled and non-potable water sources.
4. Analyze options to optimize existing recycled water use and expand ADS capacity to increase groundwater recovery.
5. Assess brine line capacity and disposal alternatives to inform and align with the Santa Ana Watershed Project Authority (SAWPA) Brine Line Master Plan.
6. Develop conceptual recharge and extraction scenarios, assessing impacts on groundwater quality, basin storage, and water supply availability.
7. Integrate regional demands and long-term reliability planning, considering future market opportunities for desalinated water within the joint desalter network.



WSC Will Leverage Western Water's Diverse Portfolio to Develop Innovative and Resilient Supply Alternatives

Arlington Desalter 1 13

Located at the western, down gradient end of the Arlington Basin, the facility consists of five desalter wells designed to collectively produce approximately 5,000 AFY year. The ADS Well Field is located within the median of Magnolia Avenue in the City of Riverside, with wells spaced approximately 1,000 feet apart. In 2009, a feasibility study evaluated increasing the ADS's capacity from 6.3 MGD to 10 MGD. The study included a detailed analysis of potential recharge basin and well field expansion sites, particularly in the eastern portion of the basin, away from the pumping depression caused by the existing ADS Wells.

Victoria Recharge Basin 2

The Victoria Basin, constructed in 2020, consists of a system of channels, pipes, structures, basins and appurtenances for the capture and infiltration of surface water (stormwater and dry-weather flows such as over irrigation) and non-potable water. Victoria Basin provides a design recharge capacity of approximately 2,500 AFY and a surface storage capacity of about 50 AF. The basin can recharge supplemental non-potable water and stormwater, which would otherwise leave the basin through lined stormwater channels. Recharge at the Victoria Basin is essential to maintaining groundwater sustainability and supporting additional groundwater production at the Arlington Desalter.

Potential Source Water for Recharge

A range of potential source waters have been identified to support groundwater recharge and replenishment within the Arlington Basin. These sources include recycled water from the Western Water Recycling Facility or the City of Riverside Regional Water Quality Control Plant (RWQCP), non-potable water (Gage Canal and Mockingbird Reservoir Operations), and local stormwater. Each source offers unique benefits and operational flexibility, but also bring new regulatory, operational, and institutional considerations that need to be closely evaluated to determine the optimal approach to increasing recharge at Victoria Basin.

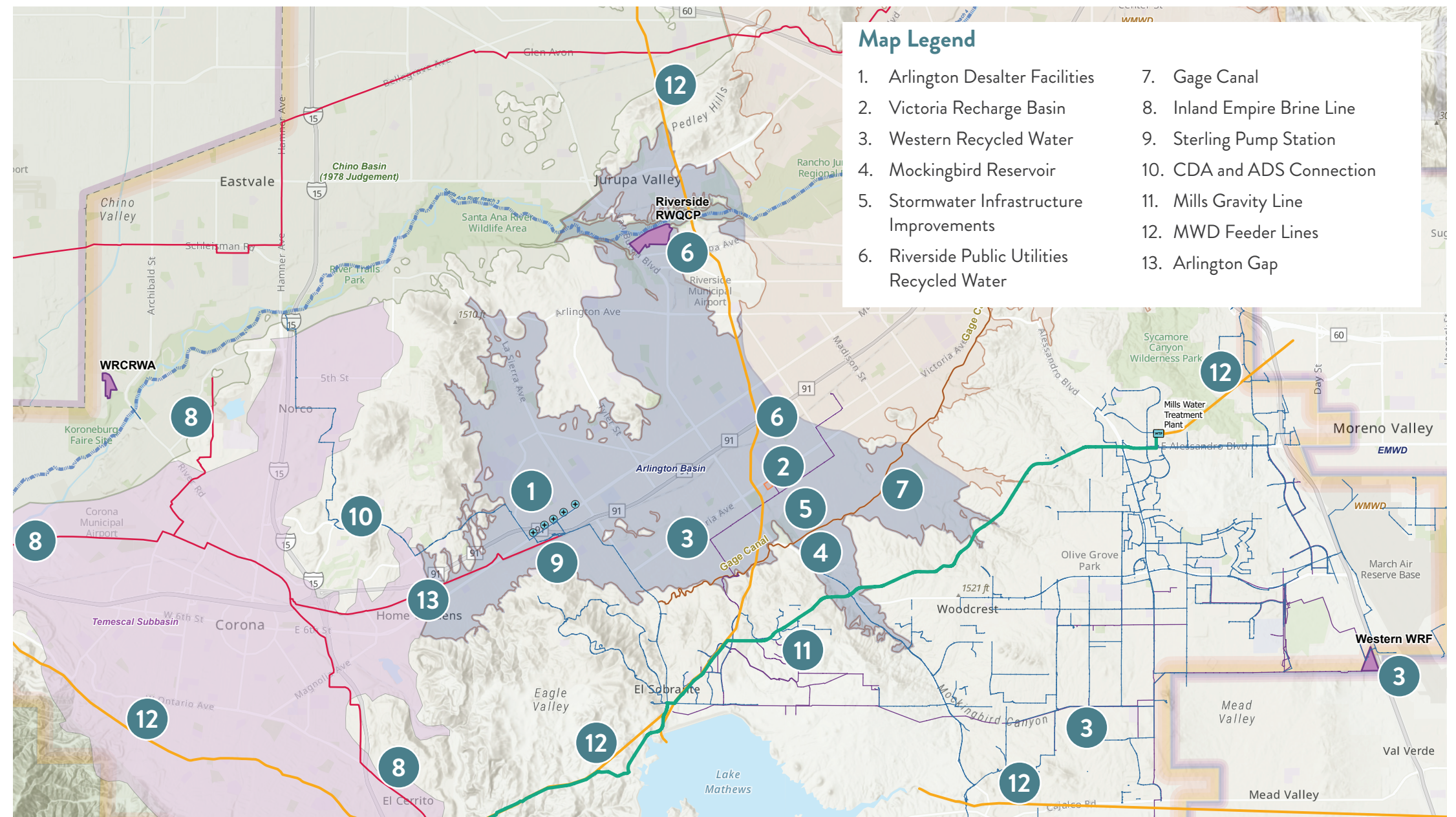
Conveyance Facilities 9 10 11

Western Water has made substantial investments in water resources and conveyance infrastructure in the last 6 years, resulting in a substantial increase in access to local water supplies. The Sterling Pump Station and Reservoir allows Western Water to deliver water produced at the Arlington and Chino desalters, which were recently expanded, to customers throughout its service area. The Sterling Pump Station conveys water through the 30-inch La Sierra Pipeline and into the La Sierra Reservoir. From there, Western Water can deliver the water to its Riverside retail system and Western Water wholesale customers via the Mills Gravity Line.

Western Water has also invested in recycled water and non-potable conveyance facilities and has an extensive network that spans from the Western Water Recycling Facility across its service area to the Victoria Basin.

Inland Empire Brine Line 8

The Inland Empire Brine Line is a critical regional asset that provides an effective and economic way of protecting local groundwater quality by transporting brine waste from desalters and other facilities downstream to the Orange County Sanitation District (OC San) operated Santa Ana River Interceptor, which extends an additional 21 miles before discharging to OC San Treatment Facility No. 2 in Huntington Beach before being released into the Pacific Ocean. SAWPA recently completed the Inland Empire Brine Line Master Plan which identifies capacity constraints, system deficiencies, and proposes enhancements to support future growth and regulatory requirements.



Approach

Delivering Actionable Strategies for Long-Term Basin Sustainability and Funding Readiness

The following section outlines our approach to the four tasks in the Scope of Work to developing a clear, consensus-driven strategy that positions Western Water for successful implementation and funding.

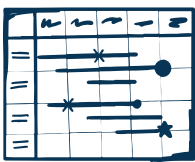
This work would be a natural continuation of a partnership between WSC staff and Western Water that began in 2009 with the Arlington Desalter Expansion Study, prepared by Michael Cruikshank at a previous firm, and continued with the 2020 UWMP and Drought Contingency Plan. As part of our ongoing partnership, WSC is currently supporting the Arlington Basin Groundwater Sustainability Agency administration services that includes the preparation of annual reports and implementing GSP and SGMA compliance, preparing the 2020 and 2025 UWMPs and Water Shortage Contingency Plans (WSCP), and working closely with Western Water and San Bernardino Valley on the San Bernardino Basin Optimization and Stewardship Program.

Our team’s unmatched regional knowledge, combined with our diverse technical expertise and familiarity with relevant state and regional regulatory constraints, allows us to collaborate efficiently with Western Water to identify, evaluate, and select an optimal strategy that meets your unique needs and maximizes long-term benefits of the Arlington Basin.

We value the long-term partnerships we have built and we have a personal stake in the success of Western Water’s efforts and long-term health of this basin. We are committed to ask “what if” to identify creative and collaborative solutions that will enable Western Water to maximize recharge at the Victoria Basin and potentially expand the ADS cost effectively.

WSC’s approach to this project focuses on four key elements based on nearly 20 years of experience working on groundwater and reuse projects in the region, developing more than 10 Reclamation feasibility studies and/or applications, and extensive experience working with Western Water and its regional partners.

Our approach to achieving Western Water’s near- and long-term goals is detailed in the following approach and workplan section.



Thorough Analysis

WSC understands the Arlington Basin—its stakeholders, its opportunities, and its needs—through our work with Western Water and other regional stakeholders. This enables us to complete a thorough analysis of feasible strategies to inform confident decision-making.



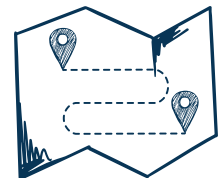
Achieve Consensus

Internal alignment and buy-in from external stakeholders is critical for a recommended strategy to achieve effective implementation. WSC is a leader in guiding regional strategies, and we will deftly facilitate a process designed to build strong consensus among key stakeholders.



Position For Funding

Producing a Reclamation-compliant Feasibility Study that aligns recommended strategies with USBR’s Title XVI application criteria positions Western Water and its partners for future funding opportunities.



A Clear Path Forward

The Feasibility Study is an opportunity for Western Water to clearly define a lasting solution and position for Title XVI implementation funding. Our approach will give Western Water confidence in its path forward.

A Robust Evaluation of Feasible Alternatives Will Inform Strategic Decision Making

As identified in the RFP, there are a range of recharge alternatives that Western Water will explore as part of this Feasibility Study. The ultimate solution could include multiple actions that form an optimized strategy to optimize the use of available water resources. This section explores several of the key alternatives that will be considered as part of the Feasibility Study. Our team will work closely with Western Water to get all viable options on the table, define specific concepts for evaluation, and provide a robust evaluation for each alternative.

Potential Source Water for Recharge

A range of potential source waters have been identified to support groundwater recharge and replenishment within the Arlington Basin. These sources include recycled water, non-potable surface water, and stormwater capture opportunities. Each source offers unique benefits and operational flexibility to enhance basin sustainability, improve groundwater quality, and support long-term water supply reliability, but also come with unique operational, institutional, and regulatory considerations.

Summary of Source Water Options for Recharge, Benefits, and Infrastructure Considerations

Source Water	Description	Potential Benefits	Considerations / Infrastructure Needs
Western Water Recycling Facility (WWRF) Recycled Water	Tertiary-treated recycled water produced at WWRF.	Reliable, locally controlled supply; meets Title 22 requirements; consistent source for aquifer recharge.	Conveyance to Victoria Recharge Basin; potential PFAS treatment; operational coordination with other recharge sources.
City of Riverside Recycled Water	Tertiary-treated recycled water from the City of Riverside RWQCP.	Provides supplemental water for recharge; can blend or alternate with WWRF recycled water; supports water quality management.	Coordination with City of Riverside; conveyance pipelines to recharge facilities; regulatory compliance.
Non-Potable System (Gage Canal and Mockingbird Reservoir)	Surface water deliveries from Gage Canal Company non-potable system.	Proximity to Victoria Basin; supports salt management with low TDS.	Coordination with Gage Canal Company; flow routing and storage management; conveyance improvements; coordination with existing non-potable operations.
Stormwater	Local stormwater collected via infrastructure improvements.	Enhances natural groundwater recharge; reduces runoff losses; provides diluent source, low TDS, flood control.	Coordination with Riverside County Flood; new/expanded stormwater diversion infrastructure; conveyance pipelines; integration with Victoria Basin.

Regulatory Context and Groundwater Replenishment Regulations

Using recycled water as a source of recharge at Victoria Basin is an excellent opportunity, but would trigger a more complex set of regulatory requirements and operational constraints. Regulations for groundwater replenishment reuse projects (GRRP) were finalized in 2014. This project falls under Title 22 Article 5.1, titled Indirect Potable Reuse: Groundwater Replenishment – Surface Application. Regulatory considerations for recycled water recharge at the Victoria Basin are provided in the table below.

Regulatory Considerations for Groundwater Replenishment Reuse Projects.

Regulatory Category	Design and Operation Considerations
Response Retention Time	- The period of time necessary to allow a project sponsor to identify treatment failures and implement actions to mitigate those failures. - The response retention time for each GRRP must be approved by DDW and be no less than two months. - Initially, the response retention time is estimated through hydrogeologic models; DDW grants only half of the modeled response retention time until a tracer study is completed. - GRRP planning stages should include sufficient safety factors for retention time to ensure times will be met upon start of operations.
Blending Requirements	- Diluent water is typically used in spreading basins. - Utilize groundwater underflow as a diluent source (i.e. IEUA and EVWD) is beneficial but requires extensive groundwater modeling and monitoring
Water Quality Requirements	- The Arlington Basin does not have assimilative capacity. The Water Quality Objective (WQO) for TDS is 980 mg/L, while the current concentration is 1,020 mg/L. The WQO for nitrate (as NO₃) is 10.0 mg/L, and the current concentration is 16.6 mg/L. - Determine whether the source recycled water quality meets or exceeds the applicable ambient water quality objectives and consider the benefits of including non-recycled water sources to lower TDS and nitrate concentrations.
Monitoring and Reporting Requirements	- At least two monitoring wells must be installed down gradient of recharge operations. - An alternative source of drinking water supply must be provided if the recycled water is out of compliance. - A Title 22 Engineering Report is required following the Preliminary Design Report (PDR). - An Operations Optimization Plan must describe operations, maintenance, analytical methods, and required monitoring and reporting.

This Feasibility Study will leverage the 2009 ADS expansion evaluation and more recent investigations of Arlington Basin sustainability to develop and evaluate up to four conceptual recharge and extraction scenarios, assessing impacts on groundwater quality, basin storage, and water supply availability.

We will look closely at the water quality of each potential source water for recharge at the Victoria Basin for comparison to regulatory requirements in Title 22 and the Santa Ana Basin Plan to identify the regulatory, operational and institutional considerations that will influence the evaluation of each alternative. Coordination with SAWPA and the IEHL Master Plan will identify treatment requirements and future coordination needs with SAWPA and its ongoing efforts to ensure the IEHL can accept additional flows from an expanded ADS.

The analysis will leverage Western's existing infrastructure and identify additional facilities that would be needed to deliver supplemental recharge water to Victoria Basin and convey additional potable water from an ADS expansion to agencies in Western Water's service area. We anticipate that the long-term supply analysis, which is being prepared as part of the 2025 UWMP updates by Western and each of the retailers in its service area, will serve as a jumping off point for incorporating regional demands and identifying potential future market opportunities for expanded service of desalinated water within the connected Chino-Arlington regional network.

Strong Engagement and Alignment Is Foundational for Effective Implementation of the Optimal Strategy

A key success factor for this Feasibility Study is to end with confidence that the recommended solutions are the optimal approach to maximize the benefits of your water resources. With this confidence, Western Water staff can justify recommending future investments to their Board and ratepayers. With this in mind, WSC will engage with internal staff from Water Resources, Operations, and Engineering to gather detailed input and develop a comprehensive strategy for recycled water use and sustainability within the joint desalter enterprise.

The proposed engagement approach includes a combination of group meetings for programmatic topics that can be most efficiently explored as a group, and focused working sessions with specific departments to further develop more detailed aspects of the analysis to bring back to the larger group. In addition, WSC recommends meeting with key external stakeholders to better understand the feasibility and constraints of incorporating various water sources and facilities that are not under Western Water control.

While this may seem like more touchpoints than Western Water anticipated for this project, WSC has learned through extensive experience with similar projects that this step-wise process is the most effective way to incorporate input from multiple perspectives, maintain momentum, and keep everyone engaged and aligned throughout the process. We anticipate the following series of meetings and working sessions will result in a collaborative and efficient process that makes the best use of everyone's time and enables Western Water to ultimately reach a broadly supported set of solutions. In addition, WSC will hold routine progress meetings with Western Water's project manager and core project team to maintain momentum and quickly resolve any roadblocks that may arise. The purpose, timing, and sequence of meetings and working sessions are depicted in our proposed Work Plan and Schedule on Page 20.

Group Meetings

Group meetings will focus on programmatic discussions and decision making that can be most efficiently achieved in a group setting.



- Kickoff Meeting (In-Person)
- Alternatives Development Meeting (In-Person)
- Alternatives Screening Workshop (In-Person)
- Alternatives Selection Workshop (In-Person)
- Draft and Final Draft Feasibility Study Review Meetings (Virtual)
- As-Needed Meeting (In-Person)

WSC recommends holding scope for one additional group meeting in case another touch point is needed to ensure alignment.

Focused Working Sessions

Working sessions will be focused on more detailed information gathering and confirming understanding of existing conditions and the impacts of proposed changes.



- Operations
- Water Resources
- Engineering
- Two As-Needed Working Sessions

External Stakeholder Meetings

External stakeholder meetings with these key agencies are recommended to inform a thorough feasibility analysis:



- Riverside Public Utilities
- Gage Canal Company
- Santa Ana River Watershed Project Authority
- Flood control agencies
- One As-Needed Meeting

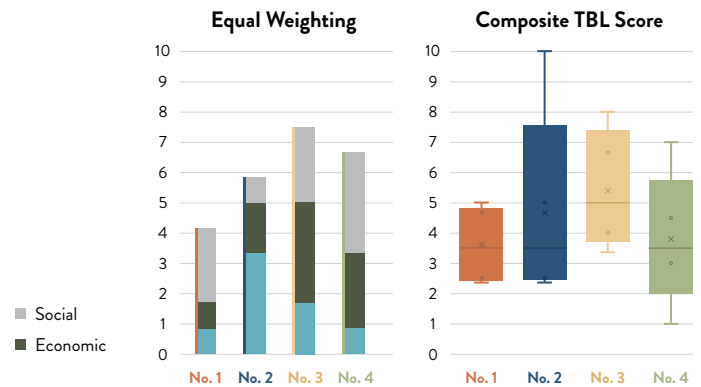
WSC assumes Western Water staff will provide project updates to its governing Committees and Board at key milestones. WSC will prepare the monthly progress reports required in Scope Item 1.4 in PowerPoint format so Western Water staff can easily adapt these updates and meeting materials for use in Committee and Board updates.

G. Project Approach

The alternative evaluation and selection process is a particularly critical phase to build alignment and confidence in decision-making. Sometimes, alignment is natural and the optimal solution is apparent to the entire group so a simple approach to the alternatives analysis is sufficient to make recommendations with confidence. In more complex situations where there are important tradeoffs and different perspectives to reconcile, a more analytical multi-criteria evaluation process can be useful to capture the range of economic, operational, regulatory, and other factors influencing Western Water's decisions.

For the San Bernardino Valley Regional Recycled Water Concept Study, WSC developed a Regional Recycled Water Decision Tool that was used to assign relative scores and rankings to each alternative for multiple criteria to help identify the most beneficial approaches to meet the region's recycled water goals. This tool could be updated and adapted for this Feasibility Study and a similar approach could be used to evaluate alternatives and identify a recommended set of actions that will collectively meet the goals and objectives of the Feasibility Study.

WSC will work with Western Water to develop an alternatives evaluation process that is right sized for the needs and considers multiple criteria to support transparent decision making and buy-in of the recommended solutions.



Regional Recycled Water Decision Tool

SCORING MATRIX	Criteria												Criteria Importance Ranking	Criteria Weight		
	1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8				
CRITERIA	Minimum System Unit Cost (\$/AF)	Cost Savings from System Unit	Advanced Treatment Risk	Flexibility to adapt to changed conditions	Buildout RW Yield (AF)	Creates and/or sustains regional partnerships	Promotes beneficial management of basin water levels	Buildout RW Yield (AF)	Supports effective and sustainable habitat conservation	Advanced Treatment Risk	Flexibility to adapt to changed conditions	Buildout RW Yield (AF)	Creates and/or sustains regional partnerships	Promotes beneficial management of basin water levels	Buildout RW Yield (AF)	Supports effective and sustainable habitat conservation
FRANCIS																
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
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1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b	4	5	6	7a	7b	7c	8					
1	2a	2b	3a	3b												

The Decision Tool that WSC developed for the Regional Recycled Water Concept Study could be easily adapted for this Feasibility Study.

A sensitivity analysis can be incorporated into the evaluation to assess thoroughness and reliability based on how changes in the criteria weights affect the overall outcomes. A sensitivity analysis helps evaluate the alternatives from different perspectives and identifies the most influential factors driving the final results.

The Feasibility Study is an Opportunity to Position for Additional Funding

WSC will produce a Reclamation-compliant Feasibility Study that is written with purpose to position Western Water's recommended projects for funding. We will do this by meticulously following Reclamation's Feasibility Study requirements to facilitate a timely approval and deliberately aligning our Feasibility Study with the selection criteria for potential Reclamation funding programs, which will help support Western's future efforts to prepare successful funding applications and reduce application development costs.

WSC has extensive Reclamation Feasibility Study experience. WSC's in-house funding experts have been developing relationships with Reclamation staff since 2016 when the Title XVI program was amended to allow new water recycling and desalination projects to compete for federal funding and we have a successful track record working together with client staff to develop and synthesize information that meets the requirements of WTR 11-01. Reclamation's WTR 11-01 requirements go beyond traditional feasibility study documents typically prepared for projects and it is essential that all requirements are addressed to meet Reclamation's standards. Our knowledge of WTR 11-01 allows us to proactively develop content and present the material in a manner that assists Reclamation with their review and helps to fast-track their determination. A key benefit of a timely determination is that once the Feasibility Study is found to meet the requirements of WTR 11-01, project costs may start to be incurred and would be eligible for reimbursement if future Reclamation funding is awarded.

G. Project Approach

All of the Feasibility Studies WSC has submitted to Reclamation have been approved as submitted, and only one required minor follow up to address Reclamation questions. Reclamation posted WSC's Feasibility Study for the Big Bear Area Regional Wastewater Agency as one of two good examples on their website.

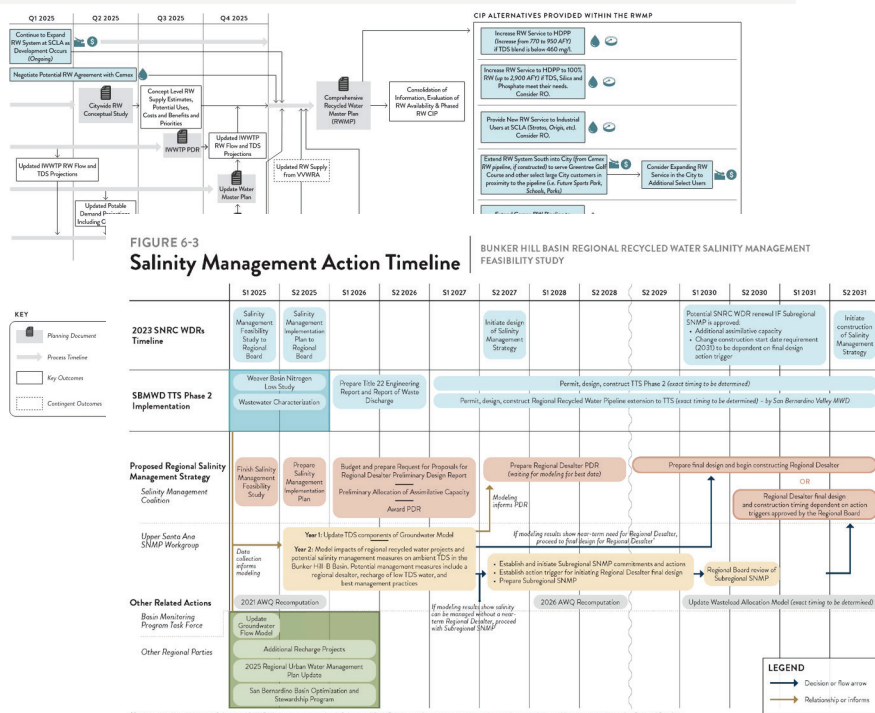
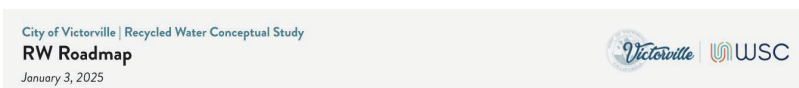
In addition to understanding the nuances of satisfying WTR 11-01 requirements, WSC has extensive experience preparing applications in response to Reclamation funding opportunities for the Title XVI program. WSC has prepared 12 applications and has been successful in helping clients obtain approximately \$70 million in federal grant funding through the Title XVI program. Our knowledge of the funding applications enables us to prepare Feasibility Study content which can later be leveraged to streamline preparation of an application. We pay close attention to program scoring criteria and program goals to ensure content aligns with agency requirements and maximizes the potential of a successful funding award. Grant solicitations are often released with little to no advance notice and submittals are due within tight timelines. With future funding in mind as we develop the Feasibility Study, we can help position Western Water for success when it comes time to apply for funding.

The Path Toward a Lasting Solution Must Be Adaptable to Changing Conditions

It is likely that the Feasibility Study will recommend a set of related and integrated projects and actions rather than a single distinct project. Multi-step implementation strategies like this are typically sequenced and later steps may be contingent upon outcomes of earlier steps that cannot be known at the time of the Feasibility Study. These can include the results of subsequent groundwater modeling, the ability to secure the necessary source water and/or sell the water produced, the amount of recycled water available in the future as a result of growth, or how new water quality regulations may impact water uses.

Moving forward, Western Water will implement the recommended projects in a persistently complex environment so the implementation strategy needs to be adaptable as new information becomes available and opportunities evolve.

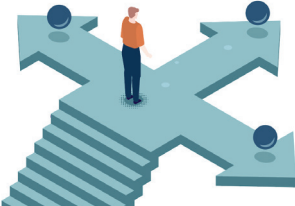
As part of the Feasibility Study, WSC will work with Western Water to identify and integrate adaptive management measures for the selected strategy, as well as triggers for implementation of specific actions and offramps toward alternative strategies. Where possible, the adaptive management measures will be linked to and leverage existing Western Water or regional data collection, planning cycles, and initiatives to support efficient and streamlined efforts aligned with other activities.



WSC prepared implementation roadmaps as part of the deliverables for two recent recycled water studies: the Bunker Hill Regional Recycled Water Salinity Management Feasibility Study for the Bunker Hill Regional Recycled Water Coalition and the Citywide Recycled Water Concept Study for the City of Victorville. These roadmaps identify near-term “no regret” actions that help move the agencies toward their goals immediately, while working in parallel to develop additional insights that are critical to inform subsequent decisions along the road to achieving their ultimate goals.

Work Plan

Based on previous experience with USBR Feasibility Studies, WSC recommends allowing 18 months for the project schedule, but we will work with Western Water to prepare a detailed schedule that meets Western Water’s needs and USBR grant requirements. The Scope of Work provided with the RFP is included with the separately packaged fee proposal, along with our scope assumptions that are consistent with the steps presented in this Work Plan.

TASK 1: Project Management		TASK 3: Indirect Potable Reuse Evaluation and Scope of Work Preparation & TASK 4: Feasibility Study			
Project Initiation	Alternatives Development	Alternatives Analysis	Alternative Selection	Draft Feasibility Study	Final Feasibility Study
					
WORK ELEMENTS					
▶ Project setup ▶ Detailed project schedule ▶ Initial data collection and review ▶ Conduct initial alternatives brainstorm	▶ Define additional data needs ▶ Conduct focused working sessions for detailed info gathering ▶ Prepare summary of conceptual alternatives ▶ Review available water sources, water quality, operational, and regulatory constraints. ▶ Develop draft evaluation criteria and scoring approach	▶ Refine alternatives ▶ Perform cost and benefit analysis for five alternatives ▶ Prepare summary for each alternative ▶ Apply evaluation criteria for preliminary screening	▶ Update the preliminary alternatives analysis to incorporate feedback from the Alternatives Screening Workshop	▶ Incorporate alternatives analysis process and results into Draft Feasibility Study sections ▶ Prepare Economic Analysis, Environmental, Legal and Institutional and Financial Capability sections based on preferred alternative	▶ Incorporate Western Water’s comments on the Draft Study and submit Final Draft to Reclamation ▶ Address any Reclamation comments on the Final Draft
DELIVERABLES					
ALL PHASES ▶ Updated schedule ▶ Monthly progress report, invoices, grant reporting information	▶ Preliminary maps and charts for conceptual alternatives prior to Alternatives Refinement Workshop ▶ Preliminary water quality summary of various recycled water and diluent sources ▶ Summary of regulatory requirements applicable to each source water	▶ Draft alternatives analysis summary ▶ Draft IPR TM describing comprehensive water quality summary of various recycled water and diluent sources and compliance with applicable regulatory limits	▶ Updated alternatives analysis summary ▶ Final IPR TM	▶ Draft Feasibility Study ▶ Title 22 Engineering Report Scope of Work	▶ Draft Final and Final Feasibility Study for submittal to USBR
COORDINATION		TASK 2: Stakeholder Engagement			
ALL PHASES ▶ Routine Coordination Meetings GROUP MEETING ▶ Kickoff Meeting	ALL PHASES ▶ Operations ▶ Engineering ▶ Water Resources GROUP MEETING ▶ Alternatives Refinement Workshop	GROUP MEETING ▶ Alternative Screening Workshop	GROUP MEETING ▶ Alternative Screening Workshop	GROUP MEETING ▶ Draft Feasibility Study Review Workshop ▶ Final Draft Feasibility Study Review Workshop	▶ Coordination with USBR, if needed to finalize
	▶ Riverside Public Utilities (recycled water) ▶ Gage Canal Company (non-potable) ▶ SAWPA (brine disposal) ▶ Flood control agencies (flood control)				
KEY OUTCOMES					
▶ Shared goals and objectives for the project ▶ List of preliminary alternatives based on prior analysis and conceptual ideas	▶ Refinements to conceptual alternatives ▶ Consensus on up to four alternatives to be evaluated in detail ▶ Established evaluation criteria and scoring approach	▶ Refinements to cost and benefit analysis, if needed ▶ Refinements to preliminary alternatives evaluation results	▶ Consensus on the preferred alternative ▶ Defined adaptive management strategies and roadmap for the preferred alternative	▶ Draft and Final Draft Feasibility Study, including Implementation Roadmap	▶ Final Feasibility Study



FEE PROPOSAL

RFP-WR25-015

FEASIBILITY STUDY FOR

Recharging Recycled Water and Groundwater Desalter Expansion



Task No. Task Description		WSC																ALL FIRMS
		PIC/Technical Advisor	Project Manager	Assistant PM	Engineering Support	QA/QC	Treatment & Disposal	Supply	Conveyance	Groundwater Support	Reclamation Compliance & Funding	Tech Editing & Communications	Admin	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Total Fee
		Michael Cruikshank	Laine Carlson	Aaron Morland	Ariana Lopez	Rob Morrow	Matt Rodrigues	Sydney Santos	Phillip Medlock	Eric Fregoso	Justin Sutton	Cynthia Kahn	Roxanne Collins					
Billing rates, \$/hr		\$366	\$366	\$218	\$170	\$366	\$279	\$267	\$218	\$180	\$240	\$160	\$186					
1	Project Management																	
1.1	Kick-off Meeting	8	8	12	4									32	\$ 9,152	\$ 1,000	\$ 10,152	\$ 10,152
1.2	Project Schedule		4	12										16	\$ 4,080	\$ -	\$ 4,080	\$ 4,080
1.3	Project Milestone/Monthly Project Meetings	8	12	16										36	\$ 10,808	\$ -	\$ 10,808	\$ 10,808
1.4	Monthly Project Progress Reports		12	24									24	60	\$ 14,088	\$ -	\$ 14,088	\$ 14,088
1.5	Coordination with Western Staff	12	18	36										66	\$ 18,828	\$ -	\$ 18,828	\$ 18,828
SUBTOTAL		28	54	100	4	0	0	0	0	0	0	0	24	210	\$ 56,956	\$ 1,000	\$ 57,956	\$ 57,956
2	Stakeholder Engagement																	
2.1	Group Meetings	44	52	96	40							20		252	\$ 66,064	\$ 5,000	\$ 71,064	\$ 71,064
2.2	Working Sessions	12	30	40										82	\$ 24,092	\$ 200	\$ 24,292	\$ 24,292
2.3	External Stakeholder Meetings	14	28	40										82	\$ 24,092	\$ 200	\$ 24,292	\$ 24,292
SUBTOTAL		70	110	176	40	0	0	0	0	0	0	20	0	416	\$ 114,248	\$ 5,400	\$ 119,648	\$ 119,648
3	Indirect Potable Reuse Evaluation and Scope of Work Preparation																	
3.1	Water Quality Evaluation TM		4	8	60	2	32							106	\$ 23,068	\$ -	\$ 23,068	\$ 23,068
3.2	Title 22 Engineering Report Requirements TM		4	4	20	2	10							40	\$ 9,258	\$ -	\$ 9,258	\$ 9,258
SUBTOTAL		0	8	12	80	4	42	0	0	0	0	0	0	146	\$ 32,326	\$ -	\$ 32,326	\$ 32,326
4	Feasibility Study																	
4.1	Introductory Information			8	8			4						20	\$ 4,172	\$ -	\$ 4,172	\$ 4,172
4.2	Statement of Problems and Needs			8	8			4						20	\$ 4,172	\$ -	\$ 4,172	\$ 4,172
4.3	Water Reclamation, Recycling or Desalination Opportunities	36	60	100	120		40	20	36	40				452	\$ 108,884	\$ -	\$ 108,884	\$ 108,884
4.4	Environmental Consideration and Potential Effects			8	8									16	\$ 3,104	\$ -	\$ 3,104	\$ 3,104
4.5	Legal and Institutional Requirements			8										8	\$ 1,744	\$ -	\$ 1,744	\$ 1,744
4.6	Financial Capability of Sponsor			8										8	\$ 1,744	\$ -	\$ 1,744	\$ 1,744
4.7	Research Needs			4			4							8	\$ 1,988	\$ -	\$ 1,988	\$ 1,988
4.8	Draft Feasibility Study	8	16	40	40	8	8	8			16	12		156	\$ 37,360	\$ -	\$ 37,360	\$ 37,360
4.9	Final Draft Feasibility Study	4	8	24	24	4	4				4	8		80	\$ 18,524	\$ -	\$ 18,524	\$ 18,524
4.10	Final Feasibility Study	2	4	8	8	2					4	4		32	\$ 7,632	\$ -	\$ 7,632	\$ 7,632
SUBTOTAL		50	88	216	216	14	56	36	36	40	24	24	0	800	\$ 189,324	\$ -	\$ 189,324	\$ 189,324
COLUMN TOTALS		148	260	504	340	18	98	36	36	40	24	44	24	1572	\$ 392,854	\$ 6,400	\$ 399,254	\$ 399,254

10% mark-up on direct expenses; 15% mark-up for sub-contracted services
Mileage will be reimbursed at the prevailing federal milage reimbursement rate in effect at the time of travel
Rates are subject to revision as of January 1 each year.

WSC is in agreement with the Scope of Work provided with the RFP. This document is based on the RFP Scope of Work, with minor modifications in blue to align with the work breakdown structure in our fee proposal and assumptions added in blue to clarify the basis for the fee proposal included with this submittal.

1.0 Task 1: Project Management

1.1 Kick-off Meeting

Consultant shall coordinate and attend an in-person Project Kick-off meeting with the Western Water staff. At a minimum, the Consultant's Project Manager, Technical Lead, and other key staff shall attend. Consultant shall prepare and submit an agenda, presentation and meeting materials one week in advance of the meeting. The meeting materials should convey the Consultant's proposed schedule of activities for completing the entirety of the Feasibility Study, anticipated sources of water, understanding of our current related system (Arlington Desalter, major related conveyance, etc.), questions for discussion and clarification, and other areas for discussion to advance the feasibility effort. A sign-in sheet shall be used to record attendance at the meeting. Within one week after the meeting, Consultant shall provide draft Meeting Minutes to the District.

Assumptions: Kickoff Meeting will be a 2-hour in-person meeting.

1.2 Project Schedule

Consultant shall prepare a project schedule that includes project milestones needed to complete a final feasibility study for Western Water's submission to USBR. Format of the schedule shall be Microsoft Project and PDF, latest software edition.

Assumptions: The project schedule is assumed to be 18 months.

1.3 Project Milestone/Monthly Project Meetings

Consultant shall host monthly updates with the Western Water Project Manager via Zoom or Microsoft Teams that summarize the progress of the work, list critical data collection items needed to support the ongoing work, identify items impacting the project schedule, and any other relevant project issues. Prior to meetings, the Consultant shall prepare and submit an agenda to Western Water for review. Within one week following a meeting, the Consultant shall prepare and distribute a brief meeting summary. Other key stakeholders will be included upon Consultant's request.

Assumptions: Meetings will be 1-hour virtual meetings. The budget for this task is based on 8 meetings, assuming that the meetings in Tasks 1.1, 1.5 and Task 2 will serve in place of some monthly meetings.

1.4 Monthly Project Progress Reports

Consultant shall submit Monthly Project Progress Reports that provide a summary of the project's progress for the most recent calendar month and include the following as a minimum: summary of work completed by task, list of proposed activities for the upcoming month, list of pending information needed to support the planned activities for the upcoming month, list of out-of-scope items, percent complete/budget status summary, and an updated project schedule showing work completed through the reporting period and any revisions to the overall project schedule.

Assumptions: If desired, Monthly Progress Reports will be prepared in PowerPoint format to facilitate use by Western for internal updates.

1.5 Coordination with Western Water Staff

Project Management will include bi-weekly meetings and regular coordination with Western Water staff. This item includes the submission of progress updates on the project status relative to scope and budget to Western Water staff. Western Water will communicate directly with the USBR. The Consultant will prepare and provide any necessary information and materials to Western Water for use in grant progress reporting. If necessary, Western Water may include the Consultant in correspondence with the USBR. Only upon Western Water's request may the Consultant communicate with the USBR regarding this Feasibility Study.

Assumptions: Bi-weekly meetings will be 30-minute virtual meetings. The budget for this task is based on 18 meetings, assuming that the meetings in Tasks 1.1, 1.3 and Task 2 will serve in place of some bi-weekly meetings, and that some meetings will not be needed.

Deliverables: Task 1 Deliverables

- Initial and regularly updated project schedule
- Monthly progress reports, cost summary, invoices, and semiannual grant reporting information
- Meeting agendas, meeting minutes and project materials, as described above
- Schedule Kickoff, Draft and Final Feasibility Report review meetings

2.0 Task 2: Stakeholder Engagement

Consultant will host a minimum of four (4) internal staff meetings to evaluate and prioritize. These meetings will engage with internal staff from Water Resources, Operations, and Engineering to gather detailed input and develop a comprehensive strategy for recycled water use and sustainability within the joint desalter enterprise.

Deliverables: The consultant will propose what these meetings will focus on and outcomes and prepare all meeting materials (agendas, PowerPoints, meeting minutes).
Potential meetings could involve:

- System overview, review of limitations
- Findings related to water quality on the various recycled water sources
- Discuss updates to the existing desalter expansion feasibility study, discuss, evaluate, and prioritize desalter expansion projects, and the impact of potential projects on the joint desalter enterprise.
- Discuss, evaluate, and prioritize potential projects and permitting options related to recharging recycled water use and groundwater sustainability.
- Overview the draft feasibility results and develop recommendations for implementation.

2.1 Group Meetings

The budget is based on the following Group Meetings with Western Staff

- Alternatives Refinement Workshop (2-hours / In-Person).
 - Review and discuss preliminary alternatives developed following the Kickoff Meeting.
 - Review preliminary water quality summary of various RW and diluent sources and summary of regulatory requirements applicable to each source water
 - Discuss potential refinements to preliminary alternatives and identify new preliminary alternatives, as needed.
 - Select up to four alternatives for further evaluation and review data needs and identify data sources that may be needed for further evaluation of alternatives.
 - Develop a comprehensive list of evaluation criteria and associated numerical scoring rubric to be applied during the alternatives analysis.
- Alternatives Screening Workshop (2-hours / In-Person)
 - Review Draft IPR TM (developed under Task 3.1) describing comprehensive water quality summary of various RW and diluent sources and compliance with applicable regulatory limits
 - Review and discuss results of the Draft Alternatives Analysis developed under Task 4.3. Discuss potential refinements to the Draft Alternatives Analysis, as needed.
 - Review preliminary results of alternatives evaluation scoring and discuss whether adjustments to scoring or weighting factors are needed to calibrate the evaluation.
 - Discuss alternative weighting factors to be used for a sensitivity analysis, if desired.
- Alternatives Selection Workshop (2-hours / In-Person)
 - Review and discuss the Updated Alternatives Analysis developed under Task 4.3, incorporating feedback from the Alternatives Screening Workshop.

- Review results of updated alternatives evaluation scoring and sensitivity analysis.
- Select a preferred alternative to be carried forward into implementation.
- For the selected alternative, discuss options for adaptive management and potential offramps to other strategies in response to actual future conditions, as appropriate.
- Draft Feasibility Study Review Meetings (2-hours / Virtual)
 - Review the content of the Title 22 Engineering Report Scope of Work
 - Review the content of the Draft Feasibility Study and receive comments and feedback from Western Staff.
- Final Draft Feasibility Study Review Meetings (1-hour / Virtual)
 - Summarize how comments on the Draft Feasibility were incorporated into the Final Draft Feasibility Study.
 - Discuss any final comments and confirm readiness for submittal to Reclamation.
- As Needed Meeting (2-hours / In-Person)
 - WSC recommends holding scope for one additional group meeting in case another touch point is needed to ensure alignment.

2.2 Working Sessions

The budget is based on up to five focused Working Sessions with specific departments for the purpose of detailed information gathering and confirming understanding of existing conditions and the impacts of proposed changes.

- Operations (2-hour / In-Person)
- Water Resources (2 hours / Virtual)
- Engineering (1-hour / Virtual)
- 2 additional as needed working sessions (1-hour / Virtual)

2.3 External Stakeholder Meetings

The budget is based on up to four External Stakeholder meetings to gather information on potential source waters and infrastructure requirements to inform a more robust alternatives analysis, as well as to maintain positive relationships with key external stakeholders. focused Working Sessions with specific departments for the purposes of detailed information gathering and confirming understanding of existing conditions and the impacts of proposed changes.

- Riverside Public Utilities (1-hour / Virtual)
- Gage Canal Company (1-hour / In-Person)
- Flood control agencies (1-hour / Virtual)
- 1 additional as needed external stakeholder meeting (1-hour / Virtual)

Deliverables: Task 2 Deliverables

- Agendas and Presentations
- Meeting minutes summarizing key discussions, decisions, and action items.

3.0 Task 3: Indirect Potable Reuse Evaluation and Scope of Work Preparation

The consultant will provide an assessment of various special studies that are required for Western Water's future operating permit for groundwater replenishment by surface application. The studies may include validation of treatment processes, verification of recycled water quality, groundwater monitoring and modeling, diluent water monitoring, and documented plans to safeguard the public water supply. The assessment should include all of the future Title 22 Engineering Report requirements Western Water will need to meet for each identified source or project and an analysis of any challenges Western Water may face in meeting those requirements. This assessment should be prepared in a manner that would allow Western Water to use it as a future scope of work for a Title 22 Engineering Report effort (a completed Title 22 Engineering Report is not an outcome of this effort).

3.1 Water Quality Evaluation TM

- Comprehensive evaluation of the quality of the various recycled water and dilutant water sources identified, including compliance with anticipated water quality limits (i.e. primary and secondary Maximum Contaminant Levels, technology-based limits, groundwater basin plan limits, etc.) (PDF deliverable).

3.2 Title 22 Engineering Report Requirements TM

- Assessment of the Title 22 Engineering Report requirements for each identified potential source or project (PDF deliverable).

4.0 Task 4: Feasibility Study

The feasibility study must adhere to the requirements of Pub. L. 102-575, as amended, and meet WTR 11-01 requirements as stipulated by the United States Bureau of Reclamation. This includes, but is not limited to:

4.1 Introductory Information

- Identification of the non-Federal project sponsor(s).
- Description of the study area and an area/project map.

- Definition of the study area in terms of both the site-specific project area where the reclaimed water supply will be needed and developed, and any reclaimed water distribution systems.

4.2 Statement of Problems and Needs

- Describe key water resource management problems and needs for which the selected project will provide a solution. All projections shall be reasonable and applicable for a minimum of 20 years.
- Description of the problem and need; a description of current and projected water supplies, including water rights, and potential sources of additional water.
- Description of current and projected water demands, including a description of the current and projected water supply and demand imbalances.
- Description of any water quality concerns.
- Review future demands to year 2045 with growth projections by land use type and city/county's general plans.
- Managing demands on diurnal/ seasonal/ long-term basis to maximize demands, dealing with demand surges.
- Challenges of constant flow from Chino Desalter Authority.

4.3 Water Reclamation, Recycling or Desalination Opportunities

- Address the opportunities for recycling and desalination in the study area and identify the sources of water that could be reclaimed or desalinated.
- Description of end-users and future uses; a description of the water market and future water market; a description of considerations and barriers to project implementation; jurisdictional rights; sources and facilities; treatment processes; existing infrastructure and current recycling and desalination uses; and future wastewater inflows.
- Description of Alternatives.
 - Alternatives Development
 - Beginning with preliminary alternatives discussed at the Kickoff Meeting, identify conceptual alternative recharge and extraction strategies for consideration by Western.
 - Develop preliminary planning-level concepts for each alternative, including potential sources, infrastructure, treatment, and brine disposal requirements.
 - Compile explanatory charts, maps and graphics to support the discussion and refinement of alternatives at the Alternatives Refinement Workshop.

- Alternatives Analysis
 - Refine alternatives as discussed in the Alternatives Refinement Workshop.
 - Complete benefit/cost analysis for up to four (4) alternatives, including planning level cost estimates for capital costs, annual operation (including brine disposal fees), maintenance, and life cycle costs.
 - Applying the evaluation criteria developed in the Alternatives Refinement Workshop, evaluate and score the alternatives to support selection of the preferred alternative moving forward.
 - Update the Draft Alternatives Analysis to incorporate feedback from the Alternatives Screening Workshop.
- Non-federal funding condition; objectives for alternatives; proposed project with project and lifetime costs; cost comparison of projects with the level of detail as illustrated in RM D&S, Cost Estimating (FAC 09-01); economic analysis; water quality and treatment requirements; alternative treatment options; water supply alternatives; demand management alternatives; benefits to municipal and industrial use; and qualitative documentation of benefits.
- Selection of the Proposed Water Reclamation, Recycling or Desalination Project.
- Project justification; and affirmative statement analysis regarding benefit to supplies and federal supply facilities.

4.4 Environmental Consideration and Potential Effects

- Develop information (based on cultural, biological, and other studies) to allow Reclamation to assess the potential measures and costs that will be necessary to comply with NEPA, and any other applicable Federal law; impacts to endangered species, public health, natural resources; environmental effects and risks; studies for status of compliance measures; water supply and water quality impact; public involvement; and effects on historical properties.

4.5 Legal and Institutional Requirements

- The water reclamation, recycling or desalination feasibility study shall identify any legal or institutional requirements, or barriers to implementing the proposed project.
- Water rights analysis; any legal and institutional requirements; need for agreements; permitting procedures required; impact analysis of unresolved issues; current and projected wastewater discharge requirements, and brine disposal impacts;

4.6 Financial Capability of Sponsor

- Proposed schedule for project implementation; willingness of the non-Federal project sponsor to pay for its share of capital costs and the full operation, maintenance, and replacement costs; funding plan; and all Federal and Non-Federal sources of funding and restrictions.

4.7 Research Needs

- Project includes basic research needs; proven technologies and conventional system components, and further description on additional research needs.

4.8 Draft Feasibility Study

- Draft Feasibility Study for internal District review and approval (PDF and paper deliverable), including:
 - List of potential permits for the proposed projects, with submittal requirements, processing duration estimates, and fees.
 - Implementation Roadmap

4.9 Final Draft Feasibility Study

- Incorporate Western comments on the Draft Feasibility Study
- Final Draft Feasibility Study for Reclamation for review and revision (PDF deliverable).

4.10 Final Feasibility Study

- Incorporate Reclamation comments on the Final Draft Feasibility Study
- Prepare a final Reclamation Approved, WTR 11-01 compliant feasibility study report (PDF and paper deliverable).

Assumptions: All deliverables will be submitted in electronic format. Due to the high cost of professional printing for reports, hard copies are not included in the budget but can be added if desired by Western.



Feasibility Study for Recharging Recycled Water and Groundwater Desalter Expansion



ARLINGTON GROUNDWATER BASIN



Location

- Subbasin of the Upper Santa Ana Valley – Riverside-Arlington Basin
- Spans portion of Riverside and Corona



Challenges

- Groundwater quality issues: elevated nitrates, perchlorate
- Stress due to historical drought
- Ongoing sustainability planning



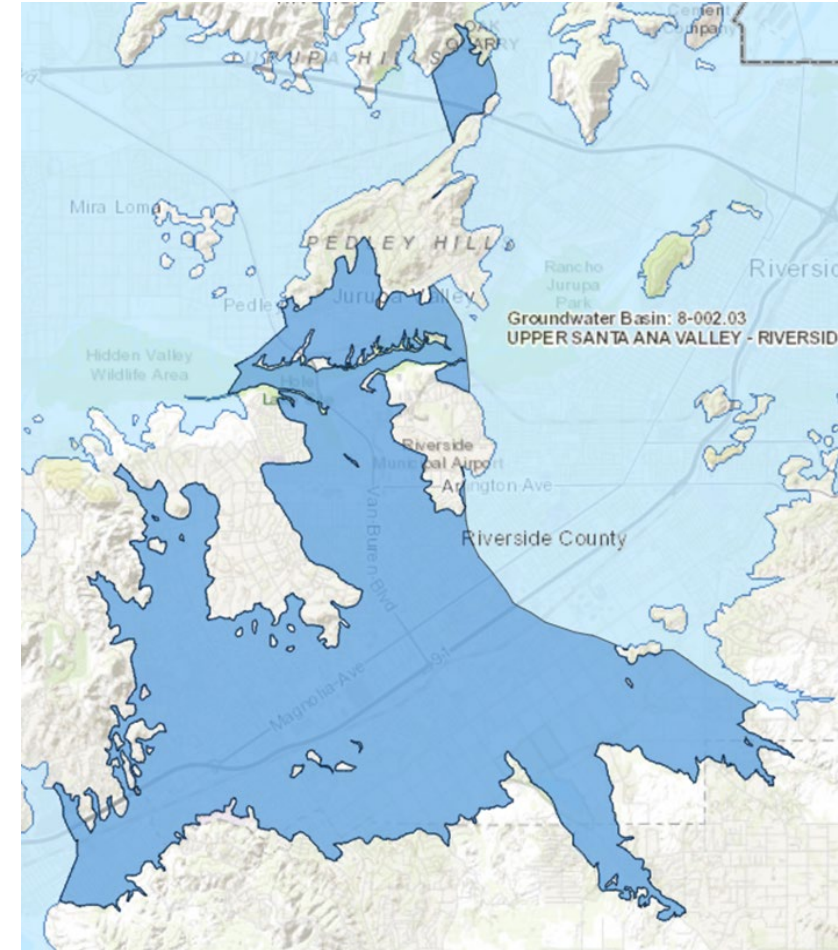
Governance

- Western Municipal Water District acts as Groundwater Sustainability Agency (GSA)



Key Projects & Actions

- Arlington Desalter: Reverse osmosis treatment, ~6.4 MGD for Norco & areas in Riverside and Corona.
- Victoria Recharge Basin: Captures stormwater, ~1,800 acre-feet/year planned recharge.



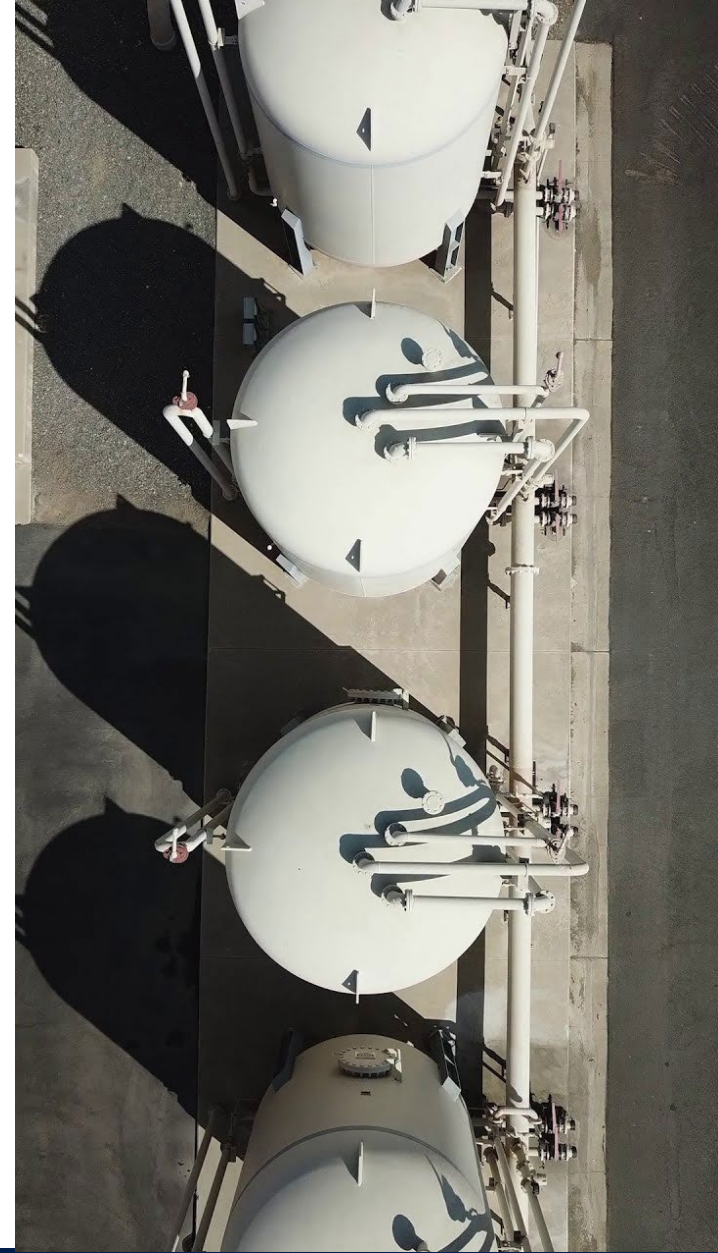
PROJECT BACKGROUND

A Critical Local Resource: Arlington Basin is a vital groundwater source located in the northern part of our service area

- 60%+ of the City of Norco's supply and serves the City of Corona
- Surplus water can be distributed to retail customers in the city and county of Riverside

Historical Water Stress: The Arlington Basin has been under stress in the past due to droughts and increased demands

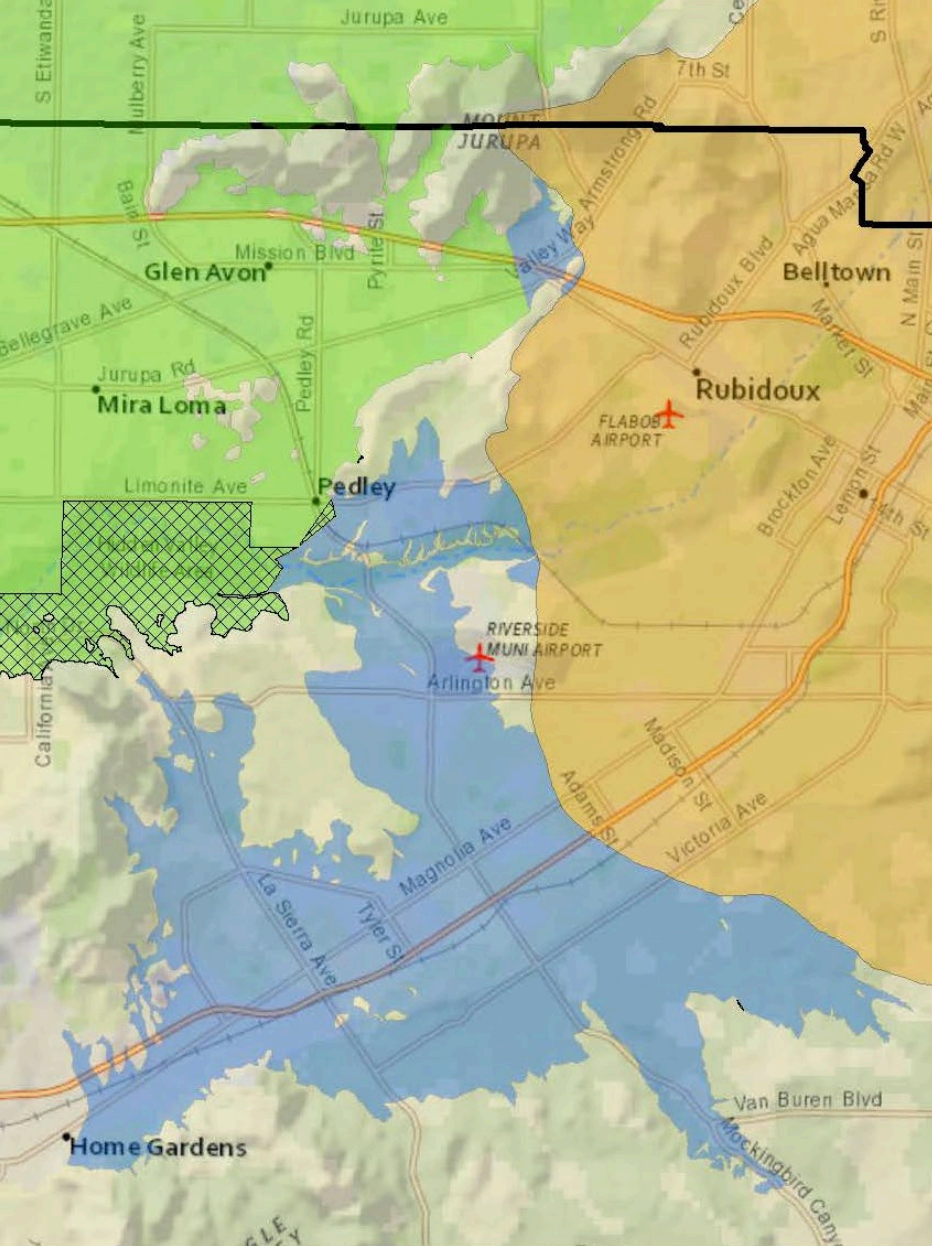
- The historic drought from 2012-2016 placed significant stress on the basin, leading to a 50% increase in average pumping compared to the historical average



STUDY GOALS

- **Overall Goal:** Combat uncertainty and improve future resiliency of Arlington Basin
- **Three-Part Strategy:** Identify recycled water sources for recharge, scope the regulatory steps for recycled water recharge, and evaluate the demands on the Arlington Desalter
- **Recycled Water Opportunity:** Seeking to utilize recycled water to augment the basin to enhance drought resiliency
- **Infrastructure Focus:** The study will define needed infrastructure, including Desalter needs/expansion and brine disposal





SCOPE OF WORK - TASKS

Task 1: Project Management

- Lead project coordination, maintain detailed schedules, and generate documentation for grant reporting

Task 2: Stakeholder Engagement

- Facilitate internal and external meetings to prioritize water strategies and produce necessary decision-making materials

Task 3: IPR Evaluation

- Identify data gaps and regulatory requirements to support future Title 22 Engineering Reports for groundwater replenishment

Task 4: Feasibility Study

- Develop a comprehensive USBR-compliant study analyzing supply/demand, project alternatives, environmental impacts, and funding strategy

RECOMMENDED CONSULTANT

Evaluated on the following criteria:

- Understanding the work to be performed (25%)
- Approach to the Project (30%)
- Experience and Technical (30%)
- Proposed level of Effort (10%)
- Cost and Pricing (5%)

Water Systems Consulting, Inc. (WSC) recommended for their expertise and overall technical abilities:

Abilities	• Strong technical abilities and regulatory capabilities
Experience	• Extensive experience delivering feasibility studies that meet rigorous USBR standards
Background	• Strong hydrogeology knowledge combined with deep institutional history of the Arlington Basin
Funding	• Demonstrated ability to tailor projects for grant funding



Laine Carlson

Vice President, Southern California Regional Lead



Michael Cruikshank

Vice President, Hydrogeology Practice Lead

Rob Morrow ^{PE}

Professional Engineer
- Civil, California, No. C68916



Aaron Morland ^{PE}

Professional Engineer
- Civil, California, No. C94132



Sydney Santos ^{PE, LEED GA}

Professional Engineer
- Mechanical, California, No. M38847
LEED GA



Eric Fregoso ^{GIT}

Geologist in Training



SCHEDULE & BUDGET OVERVIEW

Description	Estimated Completion
RFP & Consultant Selection	November 2025
Board Consideration	January 21, 2026
Project Kickoff	February 2026
Stakeholder Meetings & Progress Reporting	February 2026 – August 2027
Alternatives Development/Analysis	April 2027
Draft Feasibility Study	May 2027
Final Feasibility Study Submittal	August 2027

Description	Cost*
Western Water	\$200,000
USBR Funding (50%)	\$200,000
Total Feasibility Study	\$400,000

**Rounded to the nearest thousand.*

Questions



Agenda Item: 8C

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**RECEIVE AND FILE THE FISCAL YEAR 2024-2025 ANNUAL
COMPREHENSIVE FINANCIAL REPORT FOR WESTERN MUNICIPAL WATER
DISTRICT**

RECOMMENDATION:

Staff recommends that the Board of Directors:

1. Receive and file the Annual Comprehensive Financial Report, which includes the Independent Auditors' Report prepared by CliftonLarsonAllen LLP, for Fiscal Year 2024-2025 for Western Municipal Water District.

EXECUTIVE SUMMARY:

Staff will make a brief verbal presentation of the basic financial statements for Fiscal Year 2024-2025. An auditor from CliftonLarsonAllen LLP will present the Independent Auditors' Report and the Post-Audit Communication Letter. A public presentation of Western Municipal Water District's basic financial statements provides financial information and contributes to fiscal transparency.

BUDGET IMPACT:

This item has no budget impact.

DETAIL:

Western Municipal Water District's (Western Water) Annual Comprehensive Financial Report (ACFR) is divided into three major sections: an introductory section, a financial section and a statistical section. The ACFR (Attachment 1) includes the "Independent Auditors' Report" (Page 29 in Attachment 1). Included with this staff report is the "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*", prepared by CliftonLarsonAllen LLP for Fiscal Year 2024-2025 (Attachment 2).

CliftonLarsonAllen LLP has rendered an unmodified or "clean" opinion on the ACFR for Fiscal Year 2024-2025. The ACFR is available for download on Western Water's website (wmwd.com) by clicking the following path links: About Us | Departments | Finance | Financial Statements.

An auditor from CliftonLarsonAllen LLP and Mr. Rick Aragon, Western Water's Assistant General Manager/Chief Financial Officer, will be available at today's Board meeting to answer questions concerning the Fiscal Year 2024-2025 financial results.

In addition, the Post-Audit Communication Letter for Western Water is attached to this item (Attachment 3). The Post-Audit Communication Letter is a required Statement of Auditing Standards letter communicating to the Board any significant audit findings that occurred during the audit, of which there were none.

Reason for Action:

Presentation of the ACFR for Fiscal Year 2024-2025 provides financial information and transparency regarding Western Water's operating and non-operating results, and financial position as of the Fiscal Year ended June 30, 2025.

Solution:

Receive and file Western's Fiscal Year 2024-2025 Annual Comprehensive Financial Report.

STRATEGIC PRIORITIES REFERENCE:

This action is in alignment with Western's Strategic Priority of Financial Stewardship.

LEGAL COUNSEL REVIEW:

Staff has determined that a legal review of this item is unwarranted.

Western Water | Regular Board Meeting
January 21, 2026
Agenda Item: 8C

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Western Water's Annual Comprehensive Financial Report for Fiscal Year 2024-2025
2. Western Water's Fiscal Year 2024-2025 Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards
3. Western Water's Fiscal Year 2024-2025 Post-Audit Communication Letter



WESTERN MUNICIPAL WATER DISTRICT

Powered by water. Driven by service.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by: Western Municipal Water District's Finance Department

WESTERN MUNICIPAL WATER DISTRICT

Western Municipal Water District (Western Water) is securing your water supply for today and tomorrow. Western Water is one of the largest public agencies in Riverside County providing water, wastewater (sewer), and recycled water services to nearly 1 million people, both wholesale and retail customers, across 527-square miles in western Riverside County.

MISSION

To provide water supply, wastewater disposal, and water resource management to the public in a safe, reliable, environmentally sensitive, and financially responsible manner.

VISION

To enhance Western Water's leadership role by integrating the best-in-business processes and business systems while developing a leading-edge workforce that continuously creates greater efficiency and value for our customers.

VALUES

Service excellence

Exceeding the expectations of all customers and stakeholders.

Public trust, accountability, and transparency

Maintaining a standard of exceptional integrity, honor, and respect through open communication and accessibility.

Efficiency

Ensuring that our dedication to efficiency standards extends across Western Water and beyond water resources, providing guidance to all financial and operational decisions.

Environmental stewardship

Promoting responsible and sustainable practices in water and other natural resources.

Water supply reliability

Securing a safe and stable water supply through diverse source strategies and innovative water resource management.

Fiscal responsibility and value

Ensuring the financial stability of Western Water and value to the customer through sound fiscal management and disciplined decision making.

Employee empowerment

Fostering an environment where organizational effectiveness is valued, mutual respect is paramount, and employee support and development is fundamental to our core culture.

Innovation

Continuously seeking and introducing new ideas, services, and opportunities in all that we do. We thrive on our ability to find solutions and possibilities through the ingenuity and creativity of our team.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



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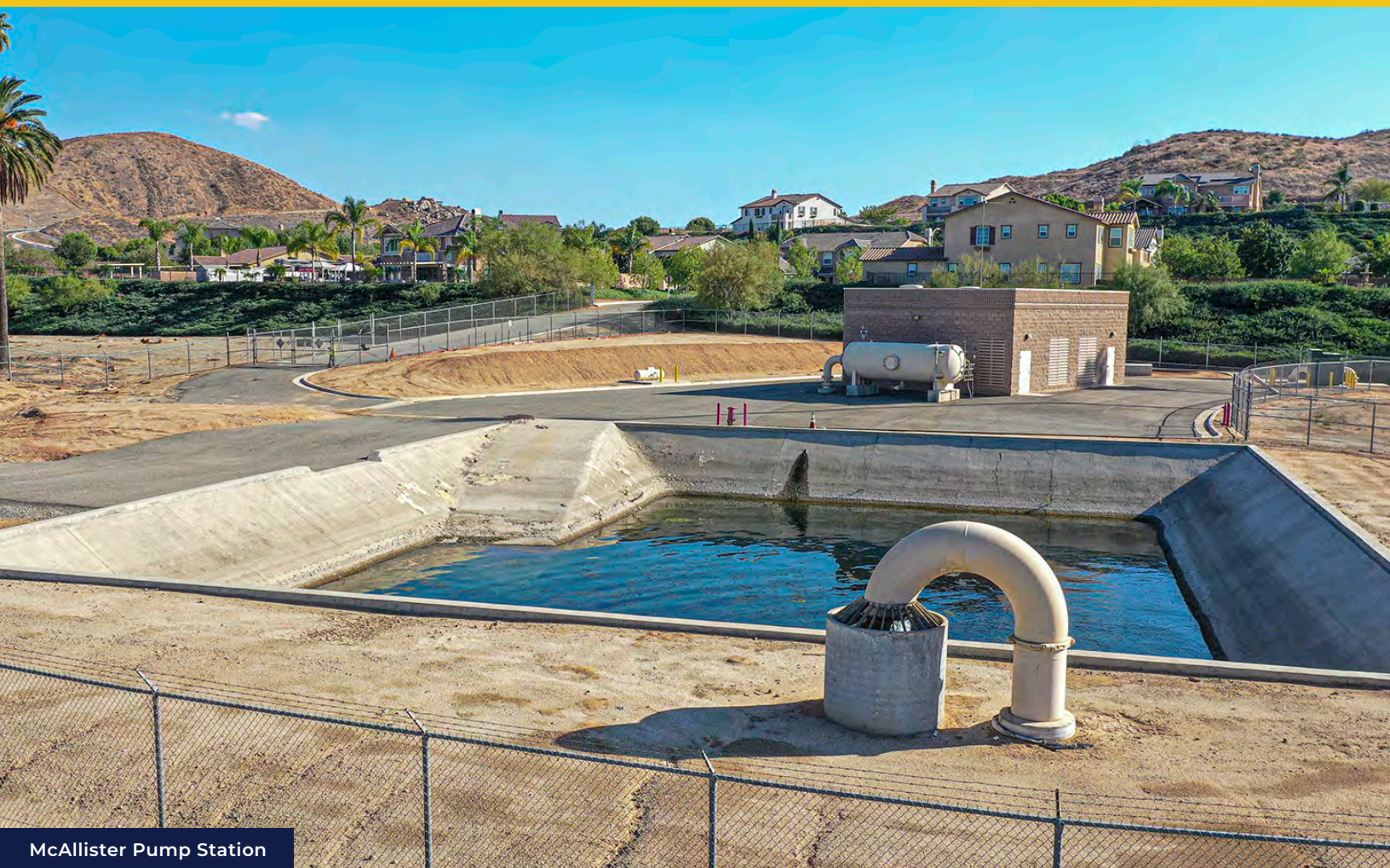
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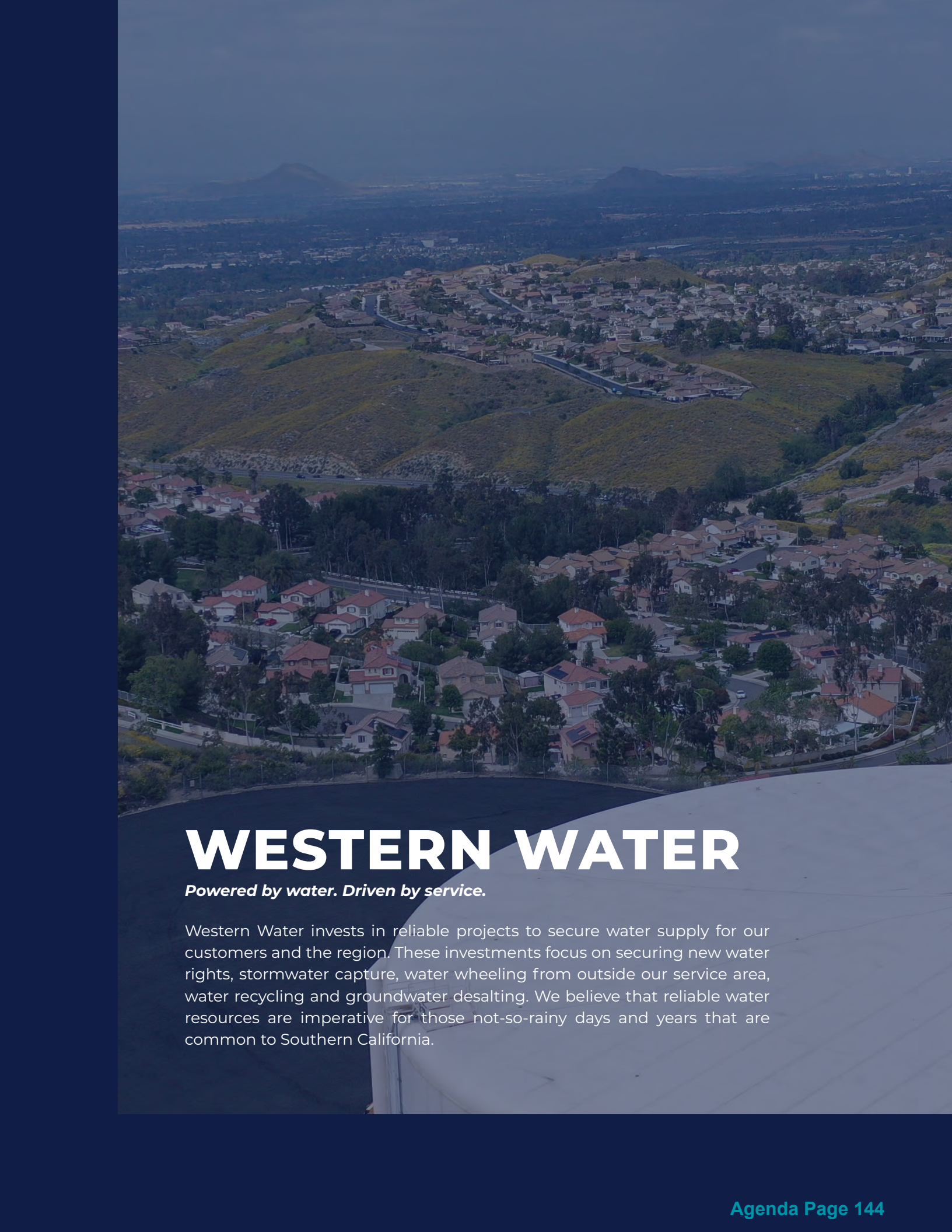


McAllister Pump Station

INTRODUCTORY SECTION



ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024-25



WESTERN WATER

Powered by water. Driven by service.

Western Water invests in reliable projects to secure water supply for our customers and the region. These investments focus on securing new water rights, stormwater capture, water wheeling from outside our service area, water recycling and groundwater desalting. We believe that reliable water resources are imperative for those not-so-rainy days and years that are common to Southern California.



Craig D. Miller
General Manager

MESSAGE FROM THE GENERAL MANAGER

December 19, 2025

To the Board of Directors and customers served by Western Water,

I am pleased to present Western Municipal Water District's (Western Water) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. Our Finance Department has prepared this report following the guidelines recommended by the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP).

Western Water remains committed to using customer revenue responsibly to build, monitor, and maintain the systems that deliver water and wastewater (sewer) service—both for today and for future generations. We are accountable for the accuracy of the data presented, as well as the completeness and fairness of the report, including its disclosures. We believe the information is accurate in all material respects and transparently represents Western Water's operations and financial condition.

This report includes all necessary disclosures to enhance understanding of our financial position. In accordance with GAAP, it features a narrative introduction, overview, and analysis, along with the basic financial statements presented in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A, which should be reviewed alongside the basic financial statements. The MD&A is located immediately after the report from the independent audit firm.

Western Water's basic financial statements have been audited by Clifton Larson Allen, LLP, a licensed and reputable firm of certified public accountants. The independent audit aims to provide reasonable assurance that Western Water's basic financial statements for the fiscal year ended June 30, 2025, are free of material misstatements. The audit process involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles applied, evaluating significant estimates made by management, and reviewing the overall presentation of the financial statements.

The independent auditors have issued an unmodified opinion, affirming that Western Water's basic financial statements for the fiscal year ended June 30, 2025, are fairly presented in accordance with GAAP. The independent auditor's report is included as the first component of the financial section of this document.

Sincerely,

Craig D. Miller
General Manager

REPORTING ENTITY AND ITS SERVICES

WESTERN WATER'S SERVICE AREA

Western Municipal Water District (Western Water) is one of the largest public agencies in Riverside County, providing water, wastewater, and recycled water services to nearly a million people, both wholesale and retail customers, who live, work and play within 527 square miles in one of California's most populous regions. Within Western Water's service boundaries are the cities of Canyon Lake, Corona, Eastvale, Jurupa Valley, Lake Elsinore, Murrieta, Norco, Riverside, and Temecula. Western Water provides imported water to its service area as a supplement to the region's local water supply.



The assessed valuation of Western Water's service area has grown from less than \$150 million when formed in 1954 to approximately \$155 billion in this past fiscal year. The population of Riverside County is about 2.5 million, of which Western Water both directly and indirectly serves approximately 985,700 people - or 40 percent of the county's population.

WESTERN WATER'S AUTHORITY

Western Water was formed by voters on January 19, 1954, under the Municipal Water District Act of 1911, to distribute supplemental water purchased from The Metropolitan Water District of Southern California (MWD) to a growing western Riverside County. Before Western Water's creation, the local water supply was primarily groundwater wells that would become insufficient to support the growing region's water demands.

Western Water is authorized to acquire, distribute, store, treat, recycle, recapture, and salvage any water (including sewage) for the beneficial use of Western Water, its residents within the service area, or the owners of rights to water within Western Water's boundaries.



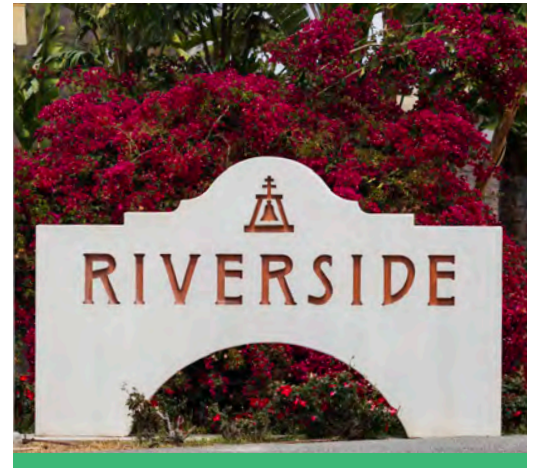
The Municipal Water District Act of 1911 authorizes Western Water to exercise the power of eminent domain; to levy and collect taxes; to fix, revise and collect rates or other charges for the delivery of water, to use facilities or property, or provision for service; and to fix in each fiscal year a water and/or wastewater standby charge on land within the boundaries of Western Water to which water and wastewater services are made available by Western Water. Western Water may also issue bonds, borrow money, and incur debt.

REPORTING ENTITY AND ITS SERVICES

GOVERNANCE

Western Water is a quasi-governmental agency (Special District) of the state of California. Western Water is not regulated by the Public Utilities Commission, but instead is governed by a body of five directors who are publicly elected for a four-year term from comparably sized divisions based on population.

Since the year of its inception, Western Water has been a member of MWD, which is a cooperative organization of 26 cities and water agencies that are responsible for providing imported water to arid Southern California. Western Water has one representative on the MWD Board.



Western Water employs 165 full-time staff under the direction of the board-appointed general manager. Western Water's general manager is also a court-appointed member of the watermaster committees with responsibilities for reporting compliance with water quality and quantity provisions of court orders regarding water rights issues in the Santa Ana River watershed and the San Bernardino groundwater basin area.

WATER SERVICES

Western Water serves approximately 25,760 retail, residential and commercial accounts and eight water agencies and cities with water from both the Colorado River and the State Water Project - purchased from MWD - and from local sources. In fiscal year 2025, Western Water delivered 25,089 acre-feet to its retail service area and 64,236 acre-feet to its wholesale service area, for a total of 89,324 acre-feet. For additional details, please refer to Tables VIII and IX in the Statistical Section. This is equal to about 29 billion gallons, or nearly 44,100 Olympic sized swimming pools. Approximately 65 percent of the purchased water delivered was potable water (drinking water); the balance was non-potable or raw water. Wholesale customers that buy water from Western Water and in turn sell the water to their own customers are Box Springs Mutual Water Company, the cities of Corona and Norco, Eagle Valley Mutual Water Company, Elsinore Valley Municipal Water District, Jurupa Community Services District, Rancho California Water District, and Temescal Valley Water District.



ARLINGTON DESALTER AND THE COMBINED DESALTER ENTERPRISE PROGRAM

To reduce dependence on imported water, Western Water invested in local water supplies and infrastructure to serve existing and future retail and wholesale water demands. To fully optimize the benefits of these investments, Western Water launched the Combined Desalter Enterprise Program (Program). This Program conveys local desalted groundwater to participating wholesale customers (Jurupa Community Services District and the cities of Norco and Corona), and to the Riverside retail service area. The goal of the Program is to produce and deliver 10,000 acre-feet of water annually.

REPORTING ENTITY AND ITS SERVICES

The Program utilizes Western Water's entitlement to 3,534 acre-feet of water from the Chino Basin that was secured by investing in the Chino Basin Desalter Authority Expansion Project. The rest of the Program water is supplied by Western Water's Arlington Desalter, a 7.2 million-gallon per day (MGD) reverse osmosis water treatment plant that turns brackish (salty) groundwater into high-quality drinking water.

The strategic location of the recently constructed Sterling Pump Station and La Sierra Pipeline connects the Arlington Desalter to the Mills Gravity Line (MGL), effectively connecting two sections of Western Water's distribution system that were previously separated. This connection allows Program water to be delivered to the Riverside retail service area and the MGL providing greater operational flexibility and enhanced regional reliability and resiliency.

RETAIL WATER SERVICES

Western Water supplies water directly to approximately 25,760 residential, commercial, and agricultural users in the communities of El Sobrante, Lake Mathews, March Air Reserve Base, Mission Grove, Orangecrest, Rainbow Canyon, Temescal Creek, Woodcrest, and portions of the cities of Riverside and Murrieta. The Murrieta service area, unlike most of Western Water's retail service area, has its own local groundwater wells that are supplemented by imported water supplies.

Arlington Desalter reverse osmosis membranes



Reverse osmosis (RO) system during a RO membrane change out at the Arlington Desalter



SEWER AND RECYCLED WATER SERVICES

WESTERN WATER RECYCLING FACILITY

Western Water owns and operates the Western Water Recycling Facility (WWRF), which provides wastewater collection and treatment for the March Air Reserve Base and nearby residential and commercial customers located in portions of the city and county of Riverside. WWRF has a 3 MGD capacity and is currently operating at about 1.7 MGD.

WWRF provides wastewater treatment services for about 2,000 customers including the March Air Reserve Base and several commercial customers.

The treated wastewater from WWRF is used in Western Water's recycled water system. Supplemented with non-potable local groundwater and surface water from the Colorado River Aqueduct, the tertiary treated recycled water from WWRF is used by customers to irrigate landscaping and agriculture.



WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY'S TREATMENT PLANT

Western Water is one of the five member agencies comprising the Western Riverside County Regional Wastewater Authority (WRCRWA). Since 1998, Western Water has been the contracted operator of the WRCRWA treatment plant located near the Santa Ana River, west of the city of Norco. Agencies and communities served by

the plant include the city of Corona, Home Gardens Sanitary District, Jurupa Community Services District, the city of Norco, and Western Water.

The treatment plant has a total capacity of 14 MGD, and currently processes an average of 8.96 MGD from residential and commercial wastewater customers, some of which are in Western Water's retail service area. Of the total plant capacity of 14 MGD, Western Water owns treatment capacity rights of 1.93 MGD. Wastewater flows from Western Water customers averages 0.71 MGD, or 37 percent of the treatment capacity right.

In 2018 the plant completed a \$74.3 million upgrade and expansion to 14 MGD to better serve the needs of the steady growth in the region. Since Western Water's existing owned capacity is sufficient for its current and future customers, Western Water did not participate in the plant expansion cost, but participated in related odor control costs. WRCRWA received a change of use permit from the State Water Resources Control Board (SWRCB) in February 2018, allowing WRCRWA member agencies to use some or all of its recycled water for beneficial reuse (e.g., irrigation, groundwater recharge). WRCRWA continues to pursue the highest and most efficient use of its recycled water. This includes opportunities to connect WRCRWA with other agencies to sell surplus recycled water.

SEWER AND RECYCLED WATER SERVICES

LA SIERRA SERVICE AREA

Western Water provides wastewater collection and conveyance services to approximately 5,400 customers in the La Sierra area of the city of Riverside. The collected wastewater, averaging about 0.71 MGD, flows to the WRCRWA treatment plant with ultimate disposal of the tertiary treated wastewater into the Prado Basin. The collection system serving La Sierra is maintained by Western Water personnel who ensure pipelines and lift stations are functioning properly.

SANTA ROSA REGIONAL RESOURCES AUTHORITY

Western Water is one of the three member agencies comprising the Santa Rosa Regional Resources Authority (SRRRA), located in Murrieta. SRRRA is responsible for collecting, treating and disposing of or recycling wastewater for residents and businesses in the Murrieta, Temecula, and Wildomar communities. This joint powers authority comprises Elsinore Valley Municipal Water District, Rancho California Water District, and Western Water. Wastewater flows originating in the SRRRA service area are treated at the Santa Rosa Water Reclamation Facility. The treatment plant has a total capacity of 5 MGD, of which Western Water owns 1.0 MGD. During fiscal year 2025, the plant treated an average of 2.99 MGD, with Western Water's share averaging 0.81 MGD.

MURRIETA SERVICE AREA

Western Water provides wastewater collection and conveyance services to approximately 2,300 customers surrounding the historic downtown area of the city of Murrieta. Treatment of about 0.81 MGD of wastewater from the Murrieta area is provided by SRRRA. In addition, Eastern Municipal Water District provides treatment services to 69 of Western Water's Murrieta commercial customers.

INLAND EMPIRE BRINE LINE

The Inland Empire Brine Line (Brine Line), is an industrial wastewater disposal system owned by the Santa Ana Watershed Project Authority (SAWPA). The Brine Line is designed to convey 30 MGD of non-reclaimable wastewater from the upper Santa Ana River basin area to the ocean for disposal after treatment by the Orange County Sanitation District. The non-reclaimable wastewater consists of desalter brine concentrate, or salt-laden waste, and industrial wastewater. The Brine Line dischargers include desalter facilities operated by the Chino Desalter Authority, city of Corona, Eastern Municipal Water District, Western Water and other commercial and industrial entities. Western Water is a member agency of SAWPA and operates a wastewater disposal station located at the city of Corona's Wastewater Treatment Plant No. 1, which has a connection to the Brine Line.



ECONOMIC CONDITIONS AND OUTLOOK

As with all industries, the water industry is affected by a wide variety of economic factors, including legislative action, regulatory requirements, inflation, and labor force availability. Significant factors that particularly affect Western Water are the availability and cost of water, energy costs, and property development.

For Western Water, efficient water use by all customers is paramount. As California continues to ebb and flow between dry and wet cycles, it is Western Water's responsibility to help communicate the value of water and assist customers in using it wisely. In order to assist its customers to continue to save water, Western Water has increased indoor and outdoor rebate funding available to customers. Western Water is participating in all Department of Water Resources (DWR) and State Water Resources Control Board (SWRCB) working groups to lobby for future water use efficiency standards that are achievable by water users Statewide.

In response to state legislation (AB 1668 and SB 606), Western Water continues to collaborate with the DWR and SWRCB to implement the long-term framework, Making Conservation a California Way of Life. These regulations establish new efficiency standards that will become increasingly stringent over time, particularly for indoor and outdoor water use. Western Water supports this effort by participating in statewide workgroups, advancing water loss reporting, piloting data-streaming tools, and expanding customer programs such as turf transformation and water efficiency assessments. Collectively, these actions strengthen resiliency and prepare the region to meet future water-use efficiency standards.

Although Western Water has increased local water supplies over the years, it is still heavily dependent upon imported supplies from MWD for 64 percent of all water for its retail customers. MWD continues to experience increases in the cost of acquiring and delivering water to



ECONOMIC CONDITIONS AND OUTLOOK

member agencies, such as Western Water. As a result, MWD's full-service potable water volumetric cost will increase from \$1,395 per acre-foot to \$1,528 per acre-foot on January 1, 2026, an 9.5 percent increase. New meter connections per year have steadily increased due to development activity. Western Water continues to plan for and construct the necessary infrastructure capable of accommodating the significant long-term growth expected in the region. In addition, Western Water is aggressively pursuing alternative sources of water and expanding efficiency and education programs, as well as increasing the use of non-potable and recycled water where appropriate.



North Well Facility with
Wellhead treatment installed

MAJOR ACCOMPLISHMENTS

Western Water continues to actively and deliberately shape a reliable, resilient water future for the communities we serve. Guided by a skilled and dedicated team, our mission is rooted in delivering safe, high-quality water and wastewater service while preparing for future challenges. Since 1954, Western Water has built a legacy of reliability. In the past year alone, we distributed approximately 25 billion gallons of water across our wholesale and retail service areas, reflecting the scale and importance of the services we provide. Today, that legacy is strengthened by our commitment to innovation, fiscal responsibility, and collaboration, fueled by a customer-focused culture that embraces leadership at every level.

COLLABORATION AND STATEWIDE LEADERSHIP

With most of our water traveling more than 500 miles from Northern California, Western Water recognizes that securing California's water future requires leadership and decisive action. Over the past year, Western Water played a leading role in advancing solutions to the state's water supply challenges through its leadership in the California Water for All coalition and support for the passage of Senate Bill 72. This pivotal legislation establishes statewide water supply targets and enhances coordination and accountability between state and local agencies. Western Water also continues to champion long-term infrastructure investments, such as the Delta Conveyance Project, to ensure a resilient statewide water system for generations to come.



The Sterling Pump Station can pump more than 9,000 gallons of water per minute through the La Sierra Pipeline

INVESTING IN LOCAL RELIABILITY

Closer to home, Western Water has made significant progress on infrastructure projects that strengthen our system and improve reliability. In Woodcrest and Mission Grove, more than 12,000 linear feet of aging pipelines were replaced to ensure consistent water delivery. Well 7 in Riverside, will expand our ability to produce local supplies, while design and planning move forward on the Mockingbird Pump Station. This project will strengthen system resiliency for years to come. Western Water opened a new water filling station in Gavilan Hills to improve water access for residents without direct service connections. Combined, these efforts reflect our commitment to both immediate, local service reliability and long-term community benefit.

EXPANDING STORAGE AND REGIONAL PARTNERS

Western Water's regional partnerships turn planning into action, linking local investments with regional strategies that secure long-term water reliability. Western Water continues to invest in regional groundwater storage through the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). All the SARCCUP projects were successfully completed by July 31, 2025, meeting the grant deadline and the total amount of grant dollars from SARCCUP that funded these local supply and flexibility enhancement projects was \$14,174,033 as of June 30, 2025. This partnership, supported by Proposition 84 funding and administered through the Santa Ana Watershed Project Authority, allows participating agencies to capture and store water in wet years for use during dry periods. To date, Western Water has stored more than 8,000 acre-feet of water, with capacity expansion planned for 2025 to strengthen drought preparedness and operational flexibility.

MAJOR ACCOMPLISHMENTS

As a member agency of the Metropolitan Water District of Southern California (Metropolitan), Western Water also represents Riverside County communities in decisions that shape how imported water is delivered, priced, and managed. With a dedicated board representative, Western Water is actively working to reshape Metropolitan's business model to better reflect today's climate and economic realities. This includes advocating for fairness, transparency, and long-term sustainability in both water supply planning and fiscal resiliency, with an emphasis on increasing fixed revenues, adopting more conservative water sales assumptions, and strengthening reserve targets. Together with neighboring and statewide partners, Western Water is helping to build a more resilient, interconnected water system that can adapt to future challenges and ensure reliability for generations to come.

FISCAL STEWARDSHIP AND TRANSPARENCY

A commitment to transparency and accountability guides every investment we make. During the past year, Western Water secured more than \$14 million in grant funding, supporting projects that support water quality, enhance resiliency, and upgrade critical infrastructure, helping to reduce the cost burden on our customers. Western Water also earned the highest possible 'AAA' financial rating from both S&P Global Ratings and Fitch Ratings, reflecting strong financial management and long-term planning. Equally important, Western Water advanced its four-year rate adjustment program, designed to provide customers with long-term stability and predictable rates.

ENHANCING CUSTOMER TOOLS & SUPPORT

Western Water remains committed to enhancing customer experience. Over the past year, we've expanded the tools and resources available to help customers manage their water use and understand their service. This includes the continued rollout of new, advanced meters and the launch of the My Western Water Portal, which together provides customers with real-time access to their water usage, billing information, and conservation tools.

Western Water further strengthened its connection with the community by attending neighborhood meetings, community events, and local association gatherings to listen, answer questions, and build trust. This hands-on engagement, paired with expanded digital communication and timely construction updates, ensures customers stay informed and perspectives are integrated into decisions.



FINANCIAL POLICIES AND CONTROLS



Western Water has formally adopted the following financial policies and implemented the following internal controls:

CASH RESERVE POLICY

This policy states the purpose, source, and minimum/maximum funding levels for each of its designated reserves. These reserves have been established to meet internal requirements and/or external legal requirements. This policy enables restricting funds for future infrastructure needs, replacement of aging facilities, bond reserves, and various operating reserves to mitigate unexpected occurrences. These reserves are critical to Western Water's financial strength and high credit ratings.

INTEREST AND FINANCIAL RISK MANAGEMENT POLICY

The purpose of this policy is to establish guidelines for the use and management of all interest rate and risk management agreements incurred in connection with the expected issuance of new bonds, notes, and other obligations, or to accompany bonds already issued, or to manage other risks of Western Water. This policy sets forth the manner of execution of swaps, and provides for security and payment provisions, risk considerations, and certain other relevant provisions.

DEBT AND FINANCIAL MANAGEMENT POLICY

Western Water's debt and financial management policy is designed to establish parameters for issuing debt and provide guidance to decision-makers concerning all options available to finance infrastructure and other capital projects so that the most prudent, equitable and cost-effective method of financing is selected. The policy also documents the objectives to be achieved by staff both prior and subsequent to debt issuance. It promotes objectivity in the decision-making process and facilitates the financing process by establishing important policy decisions in advance.

INVESTMENT POLICY

The investment policy establishes guidelines and practices to be used in effectively managing Western Water's available cash and investment portfolio. It applies to all cash and investment assets of Western Water except those funds maintained in deferred compensation accounts for employees, and those funds maintained for the retired employee medical benefit. All Western Water monies, including those not required for immediate expenditure, are to be invested in compliance with governing provisions of law (California Government Code Sections 53600 et seq.). The policy lists in detail authorized investments and the percentage of portfolio limitations and required credit ratings for each investment type.

ACCOUNTING AND REPORTING CONTROLS

Western Water's Finance Department is responsible for providing financial services including accounting and reporting, budgeting, accounts payable and receivable, purchasing, and custody and investment of funds. Western Water accounts for its activities as an enterprise fund and prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. It is the intent of the board of directors to manage Western Water's operations as a business, thus matching revenues against the costs of providing the services. Western Water also reports on fiduciary fund activities for the Western Municipal Water District Retirement Medical Plan, an Other Post-Employment Benefit Plan. The fiduciary fund reporting focuses on economic resources and are accounted for under the accrual basis of accounting.

FINANCIAL POLICIES AND CONTROL

INTERNAL CONTROLS

Western Water operates within a system of internal accounting controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded and transactions are recorded in accordance with Western Water policies and procedures. When establishing and reviewing controls, management must consider the cost of the control and the value of the benefit derived from its utilization. Management typically maintains or implements only those controls for which its value adequately exceeds its costs. Past audits have not noted any weaknesses in internal controls.

BUDGETARY CONTROLS

Though Western Water is not legally required to adopt and adhere to a budget or present budgetary comparison information, the board of directors has chosen to approve a two-year operating budget as a management tool. Quarterly comparison reports of budget to actual are prepared and presented at a summary level to the board of directors, along with explanations of significant variances.



Western Water's Operations Yard, the backbone of our operations team who works around the clock to serve you water 24/7, 365 days a year.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement (COA) for Excellence in Financial Reporting to Western Water for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This is the 19th year that Western Water has achieved this prestigious award. To be awarded a COA, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A COA is valid for a period of one year only. We believe that our current ACFR continues to meet the COA Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the Finance Department staff and the independent accounting firm of Clifton Larson Allen, LLP for the efforts made to prepare this report. We would also like to thank the board of directors for their continued interest and support in all aspects of Western Water's financial management.

Respectfully submitted,



Craig D. Miller
General Manager



Richard R. Aragon
Assistant General Manager / Chief Financial Officer

AWARDS AND ACKNOWLEDGMENTS



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Western Municipal Water District
of Riverside County
California**

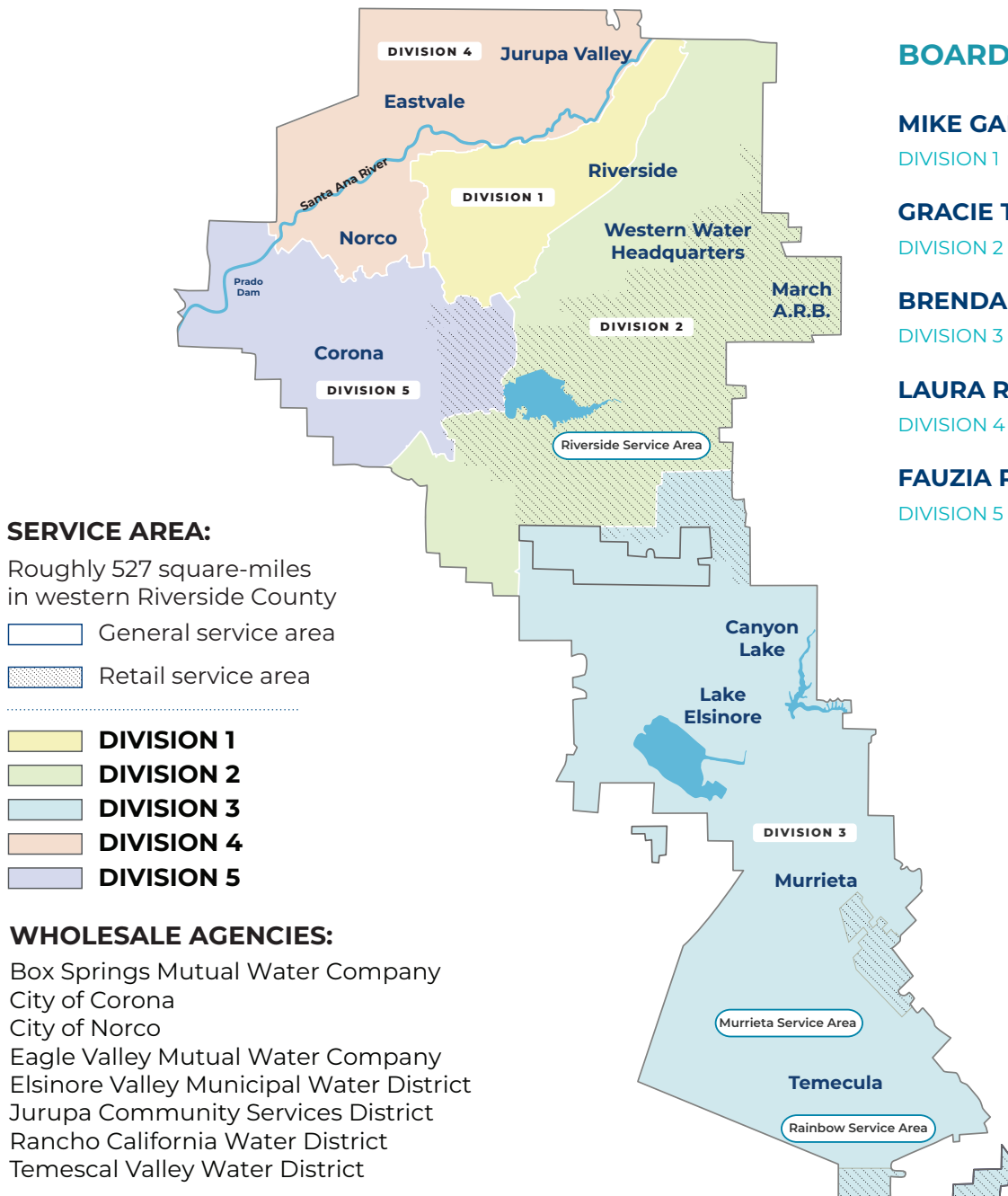
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

WESTERN WATER'S SERVICE AREA MAP



SERVICE AREA:

Roughly 527 square-miles
in western Riverside County

- General service area
- Retail service area

- DIVISION 1**
- DIVISION 2**
- DIVISION 3**
- DIVISION 4**
- DIVISION 5**

WHOLESALE AGENCIES:

Box Springs Mutual Water Company
City of Corona
City of Norco
Eagle Valley Mutual Water Company
Elsinore Valley Municipal Water District
Jurupa Community Services District
Rancho California Water District
Temescal Valley Water District

Agencies also within Western's boundaries
are City of Riverside, Home Gardens County Water
District, Home Gardens Sanitary District, and
Rubidoux Community Services District.

BOARD OF DIRECTORS

MIKE GARDNER

DIVISION 1

GRACIE TORRES

DIVISION 2

BRENDA DENNSTEDT

DIVISION 3

LAURA ROUGHTON

DIVISION 4

FAUZIA RIZVI

DIVISION 5

WESTERN WATER OFFICIALS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

ELECTED BOARD OF DIRECTORS

Mike Gardner, division 1

LENGTH OF SERVICE

4 YEARS

Gracie Torres, division 2

6 YEARS

Brenda Dennstedt, division 3, secretary/treasurer

18 YEARS

Laura Roughton, division 4, president

3 YEARS

Fauzia Rizvi, division 5, vice-president

4 YEARS

EXECUTIVE MANAGEMENT TEAM

Craig D. Miller, general manager

LENGTH OF SERVICE

11 YEARS

Timothy T. Barr, deputy general manager

30 YEARS

Richard R. Aragon, assistant general manager/chief financial officer

1 YEAR

Sarah Macdonald, assistant general manager/communications and customer experience

6 YEARS

Candi Judd, director of human resources

9 YEARS

Christopher Fike, director of maintenance operations

10 YEARS

Derek Kawaii, director of engineering

19 YEARS

Gary Miller, director of system operations

9 YEARS

Joshua Aguilar, deputy director of water resources

3 YEARS

Mike Mouser, director of information services

9 YEARS

Paul Rugge, executive director of operations

20 YEARS

Ryan Shaw, director of water resources

8 YEARS

Sonia Huff, deputy director of engineering

23 YEARS

Tony Pollak, deputy director of systems operations

11 YEARS

Veronica Zheng, director of finance

15 YEARS

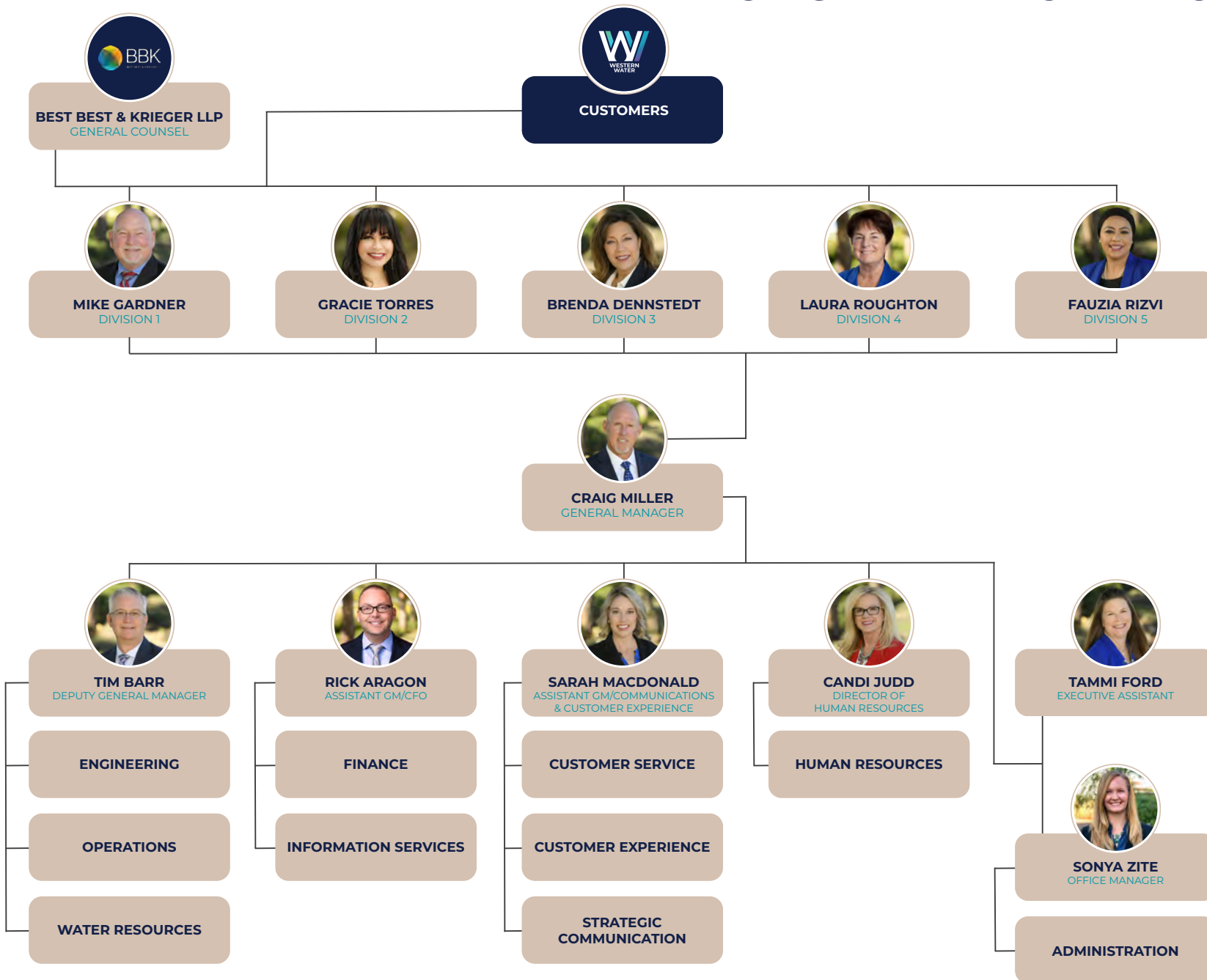
GENERAL COUNSEL

Best Best & Krieger, LLP

LENGTH OF SERVICE

68 YEARS

ORGANIZATIONAL CHART



FINANCIAL SECTION



FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024-25

Agenda Page 163



INDEPENDENT AUDITORS' REPORT

Board of Directors
Western Municipal Water District
Riverside, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Western Municipal Water District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 opinions. The financial statements of the fiduciary activities were not audited in accordance with *Government Auditing Standards*.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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, the schedule of the District's proportionate share of the plan's net pension liability and related ratios as of the measurement date, the schedule of contributions - pension, the schedule of changes in the net other postemployment benefits (OPEB) liability and related ratios, and the schedule of contributions - OPEB, 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 GAAS, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District'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 District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
December 19, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Western Municipal Water District of Riverside County (Western Water), we offer readers of the basic financial statements this narrative overview and analysis of the financial activities of Western Water for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the preceding Independent Auditor's Report, and the accompanying notes to the basic financial statements.

Overview

Western Water

Western Water was formed in 1954 under the Municipal Water District Act of 1911 for the purpose of bringing supplemental water from the Metropolitan Water District of Southern California to a growing western Riverside County. Western Water operates under the authority of the California Water Code and engages in various activities classified as “proprietary.” The primary activities of Western Water include the sale and delivery of potable and non-potable water to wholesale, domestic, agricultural and commercial accounts, as well as the collection, treatment and disposal of wastewater. Western Water also provides both operating and administrative contract services to other agencies within its 527-square-mile service area.

Required Financial Statements

The basic financial statements of Western Water report information utilizing the full accrual basis of accounting and conform to accounting principles that are generally accepted in the United States of America. The basic financial statements consist of three interrelated statements designed to provide the reader with relevant, understandable data on Western Water’s financial condition and operating results. They are the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows.

The *Statement of Net Position* presents information on Western Water’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and provides information about the nature and amounts of investments in resources and obligations to Western Water's creditors with the remaining balance being reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of Western Water is improving or deteriorating. However, one must consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

The *Statement of Revenues, Expenses and Change in Net Position* identifies Western Water’s revenues and expenses for the fiscal year. It provides information on operations over the past fiscal year and can be used to determine whether Western Water has recovered all of its projected costs through user fees, tax revenues and other service- related charges.

The *Statement of Cash Flows* presents information regarding Western Water’s cash receipts and cash payments for the fiscal year according to whether they stem from operating activities, non-capital financing activities, capital and related financing activities or investing activities. From this statement, the reader can obtain comparative information on the sources and uses of Western Water’s cash.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements and are an integral part of the basic financial statements.

In addition, Western Water reports information on a Fiduciary Fund where Western Water holds the assets as a trustee for the benefit of others. The Fiduciary Fund Statements consist of the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

The *Statement of Fiduciary Net Position* presents information on assets, liabilities, and deferred outflow and inflow of resources of fiduciary activities.

The *Statement of Changes in Fiduciary Net Position* presents additions to and deductions from net position of the Fiduciary Fund.

Summary Financial Information and Analysis

Western Water's Statement of Net Position remains strong, providing a foundation for continued growth within Western Water's service area. Historically, Western Water experiences a loss at the operating level, meaning operating revenues are less than operating expenses. This operating loss is normally offset by net non-operating revenues. In fiscal year 2025, this loss has been offset by net non-operating revenues primarily from property tax revenues, investment earnings and capacity rights sales. Explanations for significant changes from the prior year are provided in the discussion that follows.

Statements of Net Position

The following table compares the various categories of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position between the current and prior fiscal year.

Condensed Statements of Net Position as of June 30, 2025 and 2024

	As of June 30,		Increase (Decrease)	
	2025	2024	\$ Change	% Change
Assets				
Current	\$ 330,496,342	\$ 291,491,451	\$ 39,004,891	13.4%
Noncurrent:				
Capital	471,740,726	467,205,188	4,535,538	1.0%
Other	82,878,786	74,137,319	8,741,467	11.8%
Total Assets	\$ 885,115,854	\$ 832,833,958	\$ 52,281,896	6.3%
Deferred Outflows of Resources	\$ 19,869,267	\$ 23,762,892	\$ (3,893,625)	-16.4%
Liabilities				
Current	\$ 50,479,674	\$ 49,454,743	\$ 1,024,931	2.1%
Noncurrent	218,629,426	227,341,318	(8,711,892)	-3.8%
Total Liabilities	\$ 269,109,100	\$ 276,796,061	\$ (7,686,961)	-2.8%
Deferred Inflows of Resources	\$ 12,929,765	\$ 13,103,279	\$ (173,514)	-1.3%
Net Position				
Net investment in capital assets	\$ 287,003,720	\$ 283,773,471	\$ 3,230,249	1.1%
Restricted for debt service	1,510,763	1,510,763	-	0.0%
Restricted for capacity charges	33,394,182	30,368,532	3,025,650	10.0%
Restricted for OPEB benefits	9,565,932	7,362,569	2,203,363	29.9%
Restricted for construction-related escrow accounts	792,545	765,394	27,151	3.5%
Unrestricted	290,679,114	242,916,781	47,762,333	19.7%
Total Net Position	\$ 622,946,256	\$ 566,697,510	\$ 56,248,746	9.9%

Assets

At June 30, 2025, total assets increased by \$52.3 million, or 6.3% as compared to June 30, 2024. This increase is primarily due to increases in current assets of \$39.0 million and increases in non-current assets of \$13.3 million.

The increase in current assets is mainly due to (1) an increase in cash and investments of \$35.8 million from receipts of property taxes as well as recognition of realized and unrealized investment earnings, 2) an increase in water inventory of \$6.3 million with Western Water's major initiative in expanding stored water, and 3) a decrease in accounts receivable of \$3.3 million. The decrease in accounts receivable is mainly contributed by a \$9.5 million reduction in receivables from wholesale customers due to timing of customer payments, offset by an increase of \$4.3 million Per- and Polyfluoroalkyl Substances (PFAS) settlement relating to Arlington and Murrieta water systems.

The increase in non-current assets is primarily due to 1) an increase in capital assets of \$4.5 million relating to construction-in-progress and purchase of capacity rights, 2) an increase in notes receivable of \$6.4 million due to the sale of capacity rights in the Mills Gravity Line to Elsinore Valley Municipal Water District (EVMWD), and 3) an increase of \$2.2 million in net Other Post-Employment Benefits (OPEB) asset benefited by the investment performance of the plan. Information on Western Water's OPEB can be found in Note 11 of the Notes to the Basic Financial Statements.

Deferred Outflows of Resources

Deferred outflows of resources are consumption of net position that apply to future periods. As of June 30, 2025, total deferred outflows of resources decreased by \$3.9 million, or 16.4% as compared to June 30, 2024. This is largely due to a decrease in the deferred outflow of resources related to debt refunding of \$0.8 million, a decrease in the deferred pension outflow of \$2.4 million, and a decrease to deferred OPEB outflow in the amount of \$0.6 million. The decreases are relating to annual amortization as well as recognition of various deferrals for the pension and OPEB plans. Information on Western Water's pensions and OPEBs can be found in Notes 10 and 11, respectively, of the Notes to the Basic Financial Statements.

Liabilities

At June 30, 2025, total liabilities decreased by \$7.7 million, or 2.8% as compared to June 30, 2024. This is primarily due to decreases in non-current liabilities of \$8.7 million relating to annual principal payments made towards long-term liabilities. Information on Western Water's liabilities can be found in Notes 7, 10 and 11, respectively, of the Notes to the Basic Financial Statements.

Deferred Inflows of Resources

Deferred inflows of resources are acquisition of net position applicable to a future reporting period. As of June 30, 2025, total deferred inflows of resources decreased by \$0.2 million, or 1.3% as compared to June 30, 2024. This is primarily due to decreases in deferred inflows of resources related to swap and pensions in the amounts of \$0.6 million and \$0.4 million, respectively, offset by an increase in deferred OPEB inflow of \$0.2 million, and an increase in deferred inflow of resources related to leases of \$0.6 million. Information on Western Water's interest rate swap, pensions, OPEBs and leases can be found in Notes 8, 10, 11 and 13, respectively, of the Notes to the Basic Financial Statements.

Net Position

Net position is the net from Western Water's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position increased as of June 30, 2025 by \$56.2 million, or 9.9% as compared to June 30, 2024. Net position is classified into five categories: 1) net investment in capital assets, 2) restricted for debt service, 3) restricted for capacity charges, 4) restricted for other post-employment benefits, and 5) unrestricted.

Net Investment in Capital Assets – The amount of net investment in capital assets, net of related debt, is the carrying value of capital assets less accumulated depreciation and less any liability outstanding related to the capital assets. The amount as of June 30, 2025 was \$287 million. The \$3.2 million, or 1.1% increase in fiscal year 2025 is detailed in the next table. Note that the amounts reported as "related debt" in the following table can either increase if debt proceeds are applied to fund capital assets, or decrease due to required annual debt service payments.

Net Investment in Capital Assets as of June 30, 2025 and 2024

	As of June 30,		Increase (Decrease)	
	2025	2024	\$ Change	% Change
Plant, building and improvements	\$ 492,685,469	\$ 477,389,556	\$ 15,295,913	3.2%
Capacity rights	139,472,005	137,201,607	2,270,398	1.7%
Construction in progress	55,476,762	53,510,009	1,966,753	3.7%
Land and land improvements	17,668,663	17,668,663	-	0.0%
Equipment and vehicles	20,079,682	18,812,494	1,267,188	6.7%
Right of use assets	6,422,236	6,538,930	(116,694)	-1.8%
Total capital assets	731,804,817	711,121,259	20,683,558	2.9%
Less accumulated depreciation	(260,064,091)	(243,916,071)	(16,148,020)	6.6%
Capital assets, net	471,740,726	467,205,188	4,535,538	1.0%
Less related debt:				
State Water Resources Control Board				
La Sierra Pipeline	31,302,419	32,328,257	(1,025,838)	-3.2%
Western Riverside County Regional Wastewater				
Authority	451,018	481,354	(30,336)	-6.3%
Santa Rosa Regional Resources Authority	11,064,467	11,732,471	(668,004)	-5.7%
2012 Series A bonds	22,933,693	24,281,671	(1,347,978)	-5.6%
2020 Series A bonds	103,893,478	100,856,447	3,037,031	3.0%
Note on headquarters building	1,377,593	2,724,440	(1,346,847)	-49.4%
Revolving note payable	4,998,466	4,998,529	(63)	0.0%
Lease and subscription-based payables	2,305,293	2,841,492	(536,199)	-18.9%
Acquisition and construction of capital				
assets in accounts payable	6,410,579	3,187,056	3,223,523	101.1%
Net investment in capital assets	\$ 287,003,720	\$ 283,773,471	\$ 3,230,249	1.1%

Restricted for Capacity Charges – The \$33.4 million restricted for capacity charges at June 30, 2025 reflects added facilities charges and distribution system fees received from land owners and developers for connecting to the current existing or construction of the future expansion of water distribution and wastewater treatment and conveyance systems. An equivalent amount is reported in the Assets section of the Statement of Net Position as part of the restricted investments line item (classified as capacity charges in Note 3 of the Notes to the Basic Financial Statements). Net position becomes restricted when constraints placed on use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Additional information related to restricted cash and investments can be found in Note 3 of the Notes to the Basic Financial Statements.

Restricted for other post-employment benefits (OPEB) – The \$9.6 million restricted for OPEB at June 30, 2025 consists of net assets recognized for OPEB.

Restricted for construction-related escrow accounts – The \$0.8 million restricted for related escrow accounts at June 30, 2025 consists of cash in bank escrow accounts to be released to the contractor upon successful completion of the related construction project.

Unrestricted – The unrestricted amount is the portion of net position that is not already classified in the above categories. The total amount of unrestricted net position at June 30, 2025 was \$290.7 million. Although these funds are not restricted, the Board of Directors of Western Water has designated these funds for various construction projects, system improvements and operations.

Changes in Net Position

The following table compares the various categories of revenues, expenses and changes in net position between the current and prior fiscal year:

Condensed Statements of Revenues, Expenses and Changes in Net Position for the Fiscal Years Ended June 30, 2025 and 2024

	Fiscal Years Ended June 30,		Increase (Decrease)	
	2025	2024	\$ Change	% Change
Operating Revenue	\$ 159,266,210	\$ 138,503,062	\$ 20,763,148	15.0%
Operating Expenses	(178,919,194)	(159,089,941)	(19,829,253)	12.5%
Net Non-operating Revenue	66,366,860	50,787,277	15,579,583	30.7%
Net Income (Loss) Before Capital Contributions	46,713,876	30,200,398	16,513,478	54.7%
Capital Contributions	9,534,870	15,360,439	(5,825,569)	-37.9%
Change in Net Position	56,248,746	45,560,837	10,687,909	23.5%
Net Position, July 1	566,697,510	521,136,673	45,560,837	8.7%
Net Position, June 30	\$ 622,946,256	\$ 566,697,510	\$ 56,248,746	9.9%

Combined Revenue

The following table presents a comparison of revenues by category for the fiscal years ended June 30, 2025 and 2024:

Revenues by Category for the Fiscal Years Ended June 30, 2025 and 2024

Revenue Category	Fiscal Years Ended June 30,		Increase (Decrease)	
	2025	2024	\$ Change	% Change
Water sales	\$ 107,649,931	\$ 89,803,872	\$ 17,846,059	19.9%
Water service	27,762,692	25,039,170	2,723,522	10.9%
Wastewater disposal	16,927,895	16,314,298	613,597	3.8%
Contractual services	6,811,393	7,146,951	(335,558)	-4.7%
Property taxes	38,464,149	36,667,081	1,797,068	4.9%
Investment earnings	19,455,840	11,200,381	8,255,459	73.7%
Capacity rights sales	8,489,648	8,453,404	36,244	0.4%
Other	5,275,838	1,469,108	3,806,730	259.1%
Total revenues	\$ 230,837,386	\$ 196,094,265	\$ 34,743,121	17.7%
Capital contributions	9,534,870	15,360,439	(5,825,569)	-37.9%
Total revenues and capital contributions	\$ 240,372,256	\$ 211,454,704	\$ 28,917,552	13.7%

Combined revenue (excluding capital contributions) for fiscal year 2025 totaled \$230.8 million, an increase of \$34.7 million, or 17.7% from fiscal year 2024. The most significant variances from fiscal year 2024 to 2025 were in three revenue categories: water sales (\$17.8 million increase), investment earnings (\$8.3 million increase) and other revenues (\$3.8 million).

Water Sales - The \$17.8 million increase in water sales was a result of an increase in demand in Western Water's wholesale service area due to higher sales to EVMWD and the City of Corona during the fiscal year.

Investment Earnings - The \$8.3 million increase in investment earnings was primarily due to greater interest earnings on Western Water's investment portfolio and market reaction to cuts on the Federal Funds Rate during the fiscal year.

Other Revenues – The \$3.8 million increase was attributable to a PFAS settlement relating to Arlington and Murrieta water systems of \$4.3 million during the fiscal year.

Capital Contributions

During fiscal year 2025, Western Water experienced a decrease of \$5.8 million, or 37.9% from fiscal year 2024, in capital contributions. Capital contributions include water and sewer added facilities charges (capacity charges), contributed assets from developers and grant proceeds. The decrease in capital contributions is mainly due to timing of developer activities.

Combined Expenses

The following table presents a comparison of expenses by category for the fiscal year ended June 30, 2025 and 2024:

Expenses by Category for the Fiscal Years Ended June 30, 2025 and 2024

Expense Category	Fiscal Years Ended June 30,		Increase (Decrease)	
	2025	2024	\$ Change	% Change
Source of supply	\$ 1,958,484	\$ 1,606,742	\$ 351,742	21.9%
Purchased water	91,252,093	76,783,173	14,468,920	18.8%
Pumping - booster pumps	7,802,966	6,711,868	1,091,098	16.3%
Water treatment	6,245,883	5,913,441	332,442	5.6%
Transmission and distribution	14,930,584	13,929,597	1,000,987	7.2%
Administrative and general	16,293,810	15,681,894	611,916	3.9%
Contractual services	5,999,936	6,016,625	(16,689)	-0.3%
Wastewater disposal	15,242,318	13,000,396	2,241,922	17.2%
Depreciation and amortization	16,271,451	16,095,818	175,633	1.1%
Interest expense	4,710,318	4,737,345	(27,027)	-0.6%
Other	3,415,667	5,416,968	(2,001,301)	-36.9%
Total expenses	<u>\$ 184,123,510</u>	<u>\$ 165,893,867</u>	<u>\$ 18,229,643</u>	11.0%

Combined expenses for fiscal year 2025 totaled \$184.1 million, an increase of \$18.2 million, or 11.0% from fiscal year 2024, which is primarily due to increases in 1) purchased water, in the amount of \$14.5 million, 2) wastewater disposal of \$2.2 million, 3) pumping – booster pumps, in the amount of \$1.1 million, and 4) transmission and distribution expense of \$1.0 million.

Purchased Water – The \$14.5 million increase in purchased water expense was mainly due to increase in demand in Western Water's wholesale service area due to higher sales to EVMWD and the City of Corona during the fiscal year.

Wastewater Disposal – The \$2.2 million increase in wastewater disposal expense is primarily attributable to increased labor and associated indirect costs, including vehicle-related costs, totaling approximately \$1.0 million. In addition, pass-through charges from wholesale wastewater providers increased by approximately \$0.4 million, and utility, insurance, contract services, and maintenance expenses increased by approximately \$0.4 million.

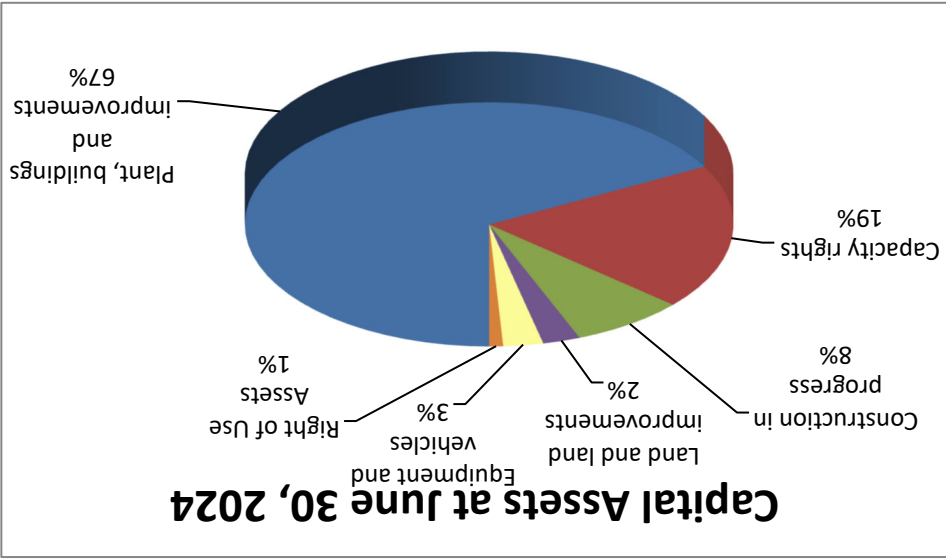
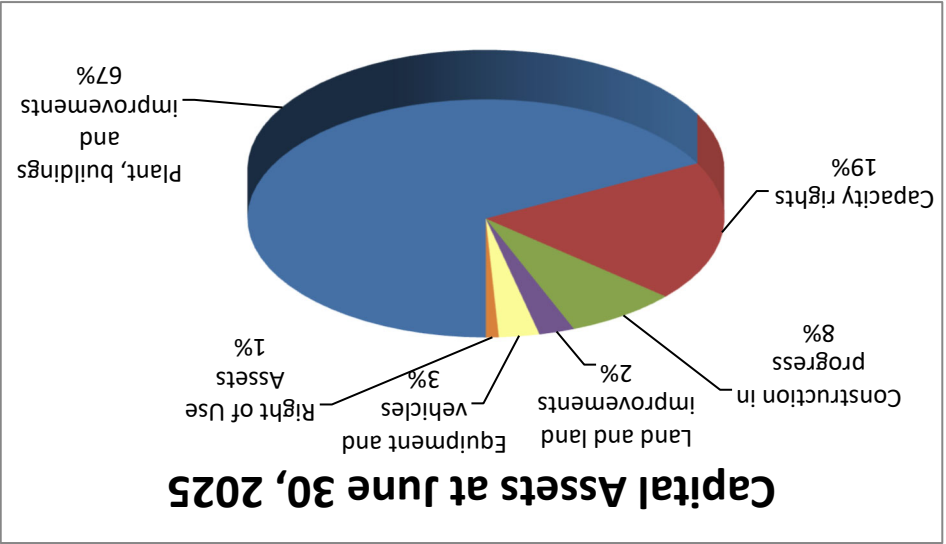
Pumping – booster pumps – The \$1.1 million increase in pumping – booster pumps expense is due to higher purchased power costs and higher operating expenses with higher water sales during the fiscal year.

Transmission and Distribution – The \$1.0 million increase in transmission and distribution expense is due to higher labor costs attributable to this function.

Western Water's investment in capital assets as of June 30, 2025 was \$471.7 million (net of accumulated depreciation). This includes investment in buildings, building improvements, capacity rights, land, land improvements, equipment, vehicles, and plant assets such as supply sources, pumping stations, water treatment plant, transmission and distribution pipelines, wastewater plant, etc. Additional information can be found in Note 6 of the Notes to the Basic Financial Statements.

The following table summarizes Western Water's capital assets, net of accumulated depreciation, at June 30:

	2025	2024
Plant, buildings and improvements	\$ 492,685,469	\$ 477,389,556
Capacity rights	139,472,005	137,201,607
Construction in progress	55,476,762	53,510,009
Land and land improvements	17,668,663	17,668,663
Equipment and vehicles	20,079,682	18,812,494
Right of use assets	6,422,236	6,538,930
Total capital assets	731,804,817	711,121,259
Less accumulated depreciation	(260,064,091)	(243,916,071)
Total capital assets, net of accumulated depreciation	\$ 471,740,726	\$ 467,205,188



Long-term Liabilities

As of June 30, 2025, Western Water has outstanding long-term liabilities of \$218.6 million. Long-term liabilities include a swap liability, compensated absences, amounts due to other governments, bonds, leases, notes payable, net pension liability. Additional information regarding long-term debt can be found in Note 7 of the Notes to the Basic Financial Statements, information regarding the swap liability can be found in Note 8, and information regarding the net pension liability can be found in Note 10.

Western Water's outstanding long-term liabilities as of June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Compensated absences	\$ 5,683,716	\$ 5,981,620
Lease payable	2,305,293	2,841,492
Due to other governments	42,817,904	44,542,082
Bonds payable		
Revenue bonds	119,060,000	121,355,000
Unamortized discount	-	-
Unamortized premium	21,986,197	23,883,215
Swap liability	1,376,701	1,720,733
Note payable	6,377,593	7,724,441
Net pension liability	28,444,986	28,641,008
Total long-term liabilities	228,052,390	236,689,591
Less current portion	(9,422,964)	(9,348,273)
Total long-term liabilities, net of current portion	<u>\$ 218,629,426</u>	<u>\$ 227,341,318</u>

Economic Factors and Next Year's Budgets and Rates

Anticipated growth will further create demand for water supply, wastewater treatment and disposal, and additional capital facilities. These demands have been anticipated in Western Water's facility master plans with new supply demands being met through imported water, interties with neighboring agencies, desalted water, maximizing reclaimed water and conservation. Western Water's 2026 fiscal year budget includes \$32.8 million in capital projects, net of estimated grant funding.

Rates effective July 1, 2025 as recommended by a cost-of-service study, were adopted by the Board of Directors on June 4, 2025. This resulted in an increase for fiscal year 2026 of approximately 7.6% to the median residential customer water bill in the Riverside service area, 6.6% to customers in the Murrieta service area, and 8.1% to customers in the Rainbow service area. To address increasing costs associated with operating and maintaining Western Water's wastewater (sewer) systems, revised sewer rates became effective on July 1, 2025 for the sewer service areas. These adjustments resulted in rate increases of 6.7% for the La Sierra sewer service area and 7.1% for the Western Water Recycling Facility (WWRF) sewer service area. In addition, sewer rates increased by 3.9% for the majority of customers in the Murrieta sewer service area.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Western Municipal Water District of Riverside County's finances for the Board of Directors, customers, taxpayers, creditors and other interested parties. Questions concerning any of the information provided in the report or requests for additional information should be addressed to Western Water's Finance Department, 14205 Meridian Parkway, Riverside, CA 92518.

Western Municipal Water District
Statement of Net Position
June 30, 2025

Assets and Deferred Outflows of Resources

Current assets:	
Cash	\$ 4,523,535
Restricted cash	825,255
Investments	281,711,702
Receivables, net	27,646,840
Lease receivable	63,069
Water inventory	12,207,426
Materials and supplies inventory	2,364,988
Other current assets	1,153,527
Total current assets	<u>330,496,342</u>
Non-current assets:	
Restricted investments	50,316,862
Notes receivable	17,310,944
Assessments receivable	2,096,400
Derivative instrument - interest rate swap	2,474,943
Net OPEB Asset	9,565,932
Lease Receivable	1,113,705
Capital assets not being depreciated	169,621,432
Capital assets being depreciated, net	302,119,294
Total non-current assets	<u>554,619,512</u>
Total assets	<u>885,115,854</u>
Deferred outflows of resources:	
Deferred outflow of resources - debt refunding	6,084,480
Deferred outflow of resources - pension	10,057,122
Deferred outflow of resources - OPEB	3,727,665
Total deferred outflows of resources	<u>19,869,267</u>

See accompanying notes to the basic financial statements.

Western Municipal Water District
Statement of Net Position (Continued)
June 30, 2025

Liabilities, Deferred Inflows of Resources, and Net Position

Current liabilities:

Accounts payable and accrued expenses	27,336,151
Customer deposits and unearned revenue	7,906,656
Construction advances	4,550,316
Accrued interest payable	1,263,587
Long-term liabilities - due in less than one year:	
Compensated absences	3,353,392
Lease and subscription-based payables	559,364
Due to other governments	1,747,615
Note payable	1,377,593
Bonds payable	2,385,000
Total current liabilities	<u>50,479,674</u>

Non-current liabilities:

Long-term liabilities - due in more than one year:	
Compensated absences	2,330,324
Lease and subscription-based payables	1,745,929
Due to other governments	41,070,289
Note payable	5,000,000
Bonds payable	140,037,898
Net pension	28,444,986
Total non-current liabilities	<u>218,629,426</u>
Total liabilities	<u>269,109,100</u>

Deferred inflows of resources:

Deferred inflow of resources - deferred swap inflow	2,474,943
Deferred inflow of resources - pension	265,928
Deferred inflow of resources - OPEB	9,041,998
Deferred inflow of resources - leases	1,146,896
Total deferred inflows of resources	<u>12,929,765</u>

Net Position:

Net investment in capital assets	287,003,720
Restricted for debt service	1,510,763
Restricted for capacity charges	33,394,182
Restricted for other post-employment benefits (OPEB)	9,565,932
Restricted for construction-related escrow accounts	792,545
Unrestricted	290,679,114
Total net position	<u>\$ 622,946,256</u>

See accompanying notes to the basic financial statements.

Western Municipal Water District
Statement of Revenues, Expense and Changes in Net Position
For the Year Ended June 30, 2025

Operating Revenues:	
Water sales	\$ 107,649,931
Water service	27,762,692
Wastewater disposal	16,927,895
Other charges and services	114,299
Contractual services	6,811,393
Total operating revenues	<u>159,266,210</u>
Operating Expenses:	
Source of supply	1,958,484
Purchased water	91,252,093
Pumping - booster pumps	7,802,966
Water treatment	6,245,883
Transmission and distribution	14,930,584
Customer accounts	2,631,976
Administrative and general	16,293,810
Contractual services	5,999,936
Wastewater disposal	15,242,318
Other operating expense	289,693
Total operating expenses before depreciation and amortization	<u>162,647,743</u>
Operating loss before depreciation and amortization	(3,381,533)
Depreciation and amortization	<u>(16,271,451)</u>
Operating loss	<u>(19,652,984)</u>
Non-operating revenue (expense):	
Property taxes and assessments	38,464,149
Investment earnings	19,455,840
Interest expense	(4,710,318)
Capacity rights sales	8,489,648
Other revenues	5,146,013
Other expenses	(493,998)
Gain on disposal of assets, net	15,526
Total net non-operating revenues	<u>66,366,860</u>
Net income before capital contributions	<u>46,713,876</u>
Capital contributions:	
Capacity charges	4,277,533
Developer capital contributions	2,182,277
Federal, state and local capital grants	3,075,060
Total capital contributions	<u>9,534,870</u>
Change in net position	56,248,746
Net position, beginning of year	566,697,510
Net position, end of year	<u><u>\$ 622,946,256</u></u>

See accompanying notes to the basic financial statements.

**Western Municipal Water District
Statement of Cash Flows
For the Year Ended June 30, 2025**

Cash flows from operating activities:	
Cash receipts from customers for water sales and services	\$ 168,530,482
Cash paid to employees for salaries and wages	(31,896,499)
Cash paid to vendors and suppliers for materials and services	(142,197,212)
Net cash (used) provided by operating activities	<u>(5,563,229)</u>
Cash flows from non-capital financing activities:	
Proceeds from property taxes and assessments	38,471,520
Payments received from notes receivable	1,744,354
Issuance of notes receivable	(8,167,881)
Net cash provided by non-capital financing activities	<u>32,047,993</u>
Cash flows from capital and related financing activities:	
Proceeds from capacity rights sales	8,489,648
Acquisition and construction of capital assets	(17,634,671)
Proceeds from disposal of capital assets	82,723
Proceeds from capital contributions	11,539,119
Principal paid on long-term debt	(5,902,225)
Interest paid on long-term debt	(6,108,227)
Net cash provided by (used in) capital and related financing activities	<u>(9,533,633)</u>
Cash flows from investing activities:	
Investment earnings	18,822,201
Purchase of investments	(102,187,298)
Proceeds from sale of investments	54,164,926
Net cash provided by (used in) investing activities	<u>(29,200,171)</u>
Net Increase (decrease) in cash	(12,249,040)
Cash, beginning of year	<u>17,597,830</u>
Cash, end of year	<u><u>\$ 5,348,790</u></u>
Reconciliation of cash to statement of net position:	
Cash	\$ 4,523,535
Restricted cash	825,255
Total Cash	<u><u>\$ 5,348,790</u></u>

Continued on next page

See accompanying notes to the basic financial statements.

**Western Municipal Water District
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2025**

Reconciliation of operating loss to net cash provided by operating activities:

Operating loss	<u>\$ (19,652,984)</u>
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Adjustments to reconcile operating loss to net cash provided by operating activities:

Depreciation and amortization	16,271,451
Other revenues	5,146,013
Other expenses	(493,998)

Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:

(Increase) decrease in assets:	
Accounts receivable	4,041,449
Water inventory	(6,268,831)
Materials and supplies inventory	(194,485)
Other current and noncurrent assets	(204,104)
Net OPEB asset	(2,203,363)
(Increase) decrease in deferred outflow of resources:	
Deferred outflow of resources - pension	2,352,546
Deferred outflow of resources - OPEB	662,772
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(4,407,554)
Customer deposits and unearned revenue	76,560
Compensated absences	(297,904)
Net pension liability	(196,022)
Increase (decrease) in deferred inflow of resources:	
Deferred inflow of resources - pension	(391,772)
Deferred inflow of resources - OPEB	196,997
Total adjustments	<u>14,089,755</u>
Net cash (used) provided by operating activities	<u><u>\$ (5,563,229)</u></u>

Non-cash investing, capital and financing transactions:

Change in fair value of investments	\$ 9,990,238
Capital contributions	2,182,277
Acquisition and construction of capital assets in accounts payable	6,410,579
State capital grant revenue	2,200,319

See accompanying notes to the basic financial statements.

**Western Municipal Water District
Statement of Fiduciary Net Position
June 30, 2025**

	<u>OPEB Trust Fund</u>
Assets	
Cash and Investments:	
Money Market Funds	\$ 181,118
Exchange-Traded Funds:	
Small Cap U.S. Equity	1,895,840
Mid Cap U.S. Equity	3,163,020
Large Cap U.S. Equity	3,601,220
International Equity	3,135,550
Emerging Market Equity	1,246,392
U.S. Core Bonds	7,915,225
U.S. High Yield Bonds	1,225,602
International Bonds	445,590
Real Estate	1,211,216
International Real Estate	374,738
Other	146,346
Accrued Interest	6,804
Prepaid Expenses	<u>59,245</u>
 Total Assets	 24,607,906
 Liabilities	
Accrued Expenses	<u>12,212</u>
 Net Position restricted for Other Postemployment Benefits	 <u><u>\$ 24,595,694</u></u>

See accompanying notes to the basic financial statements.

**Western Municipal Water District
Statement of Change in Fiduciary Net Position
For the Year Ended June 30, 2025**

	<u>OPEB Trust Fund</u>
Additions:	
Contributions	
Employer	\$ 146,348
Total Contributions	<u>146,348</u>
Investment Income	
Net Increase (Decrease) in Fair Value of Investments	1,703,760
Interest	5,736
Dividends	<u>683,249</u>
Total Investment Income	2,392,745
Less: Investment Expense	<u>(46,780)</u>
Net Investment Income	<u>2,345,965</u>
Total Additions	<u>2,492,313</u>
Deductions	
Benefits	707,989
Administrative Expenses	<u>35,868</u>
Total Deductions	<u>743,857</u>
Change in Net Position	1,748,456
Net Position restricted for OPEB, Beginning of Year	<u>22,847,238</u>
Net Position restricted for OPEB, End of Year	<u><u>\$ 24,595,694</u></u>

See accompanying notes to the basic financial statements.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

Western Municipal Water District of Riverside County (Western Water) was formed in 1954 and created for the purpose of importing and delivering water to wholesale and retail customers within its service area. Western Water is governed by a five-member Board of Directors (the Board) who serve overlapping four-year terms. Western Water purchases approximately 82% of its water from the Metropolitan Water District of Southern California (MWD). Approximately 38% of the purchased water from MWD comes from the Colorado River aqueduct and approximately 62% comes from the State Water Project.

The criteria used in determining the scope of the financial reporting entity is based on Codification of Governmental Accounting and Financial Reporting Standards, Part II. Financial Reporting, Section 2100: *Defining the Financial Reporting Entity*. Western Water is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Western Water is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Western Municipal Water District Facilities Authority (the Authority) was created in October 2002 by a joint exercise of powers agreement for the purpose of financing public capital improvements. It is governed by a Board of Directors comprising Western Water's Board of Directors. The Authority has issued debt that is secured solely from installment payments payable under an installment purchase agreement entered into between Western Water and the Authority. All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and any interest earned or accrued thereon, shall inure to the benefit of Western Water. Separate financial statements are not prepared for the Authority. It is reported as a blended component unit.

Fiduciary Component Unit

The Western Municipal Water District Retirement Medical Benefits Plan (the Medical Plan), an Other Post-Employment Benefit Plan, provides advance funding for post-employment healthcare benefits to eligible employees and eligible dependents in accordance with plan provisions. Separate financial statements are prepared for the Voluntary Employee's Beneficiary Association (VEBA) Trust, established by Western Water for the Medical Plan, and may be obtained at Western Municipal Water District, 14205 Meridian Parkway, Riverside, CA 92518.

B. Basis of Accounting and Measurement Focus

Western Water reports its activities as a special-purpose government engaged in business-type activities using the economic resources measurement focus, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where, in most instances, the intent of Western Water is that the costs of providing water or wastewater disposal to its service area on a continuing basis be financed or recovered primarily through user charges (water sales, water service charges and wastewater disposal), capital grants and similar funding.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

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

B. Basis of Accounting and Measurement Focus, continued

Revenues and expenses are recognized on the full accrual basis of accounting.

Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales, water purchases and wastewater disposal, result from exchange transactions associated with the principal activity of Western Water. 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 revenues and expenses.

Western Water also reports on fiduciary fund activities. The Other Post-Employment Benefit Trust Fund is used to account for contribution and distributions related to the Medical Plan.

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

1. Investments

Investments are generally reported in the accompanying statement of net position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment earnings reported for that fiscal year. In addition to the change in fair value, other investment earnings includes interest income and any gains or losses realized upon liquidation or sale of investments.

2. Receivables, Net Allowance for Uncollectible Accounts

Western Water extends credit to customers in the normal course of operations. Account write-offs are based on management's evaluation of customer accounts and creditor's ability to pay. The allowance for doubtful accounts is deducted against receivables on the statement of net position.

3. Property Taxes and Assessments

The County of Riverside Assessor's Office assesses all real and personal property within Riverside County (the County) each year. The County of Riverside Tax Collector's Office bills and collects Western Water's share of property taxes and assessments. The County of Riverside Treasurer's Office remits current and delinquent property tax collections to Western Water throughout the year. Property tax revenue is recognized in the period levied for, less an allowance estimated for uncollectibles. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide-assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the County, which have not been credited to Western Water's cash balance as of June 30. The property tax calendar is as follows:

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

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

C. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position, continued

3. Property Taxes and Assessments (Continued)

Lien Date	January 1
Levy Date	July 1 to June 30
Due Date	November 1 - First Installment February 1 - Second Installment
Delinquent Date	December 10 - First Installment April 10 - Second Installment

4. Hedge Accounting

Western Water applies the provisions of Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Financial Instruments*, as amended by GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

Western Water has determined that its interest rate swap agreement for reducing interest rate risk exposure on its variable-rate debt is a hedging derivative instrument. Under hedge accounting, the fair values of a hedging derivative instrument are reported as either an asset and deferred swap inflow or deferred swap outflow and a liability in a government's statement of net position.

5. Inventory

Materials and supplies inventory primarily consists of materials and supplies used in the construction and maintenance of Western Water's ongoing operations and are valued at weighted-average cost.

Water inventory primarily consists of purchased water stored in various underground basins for future emergency use and are valued at weighted-average cost.

6. Restricted Assets

Restricted cash and investments are classified as restricted assets on the Statement of Net Position because these are maintained in separate bank accounts or tracked separately. Uses of these assets are restricted by applicable bond covenants, resolution, or contracts, such as with escrow agreements.

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Western Water policy has set the capitalization threshold for reporting capital assets at \$10,000 and an estimated useful life of more than one year. Donated assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

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

C. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position, continued

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 over the estimated useful lives of the assets, as follows:

Asset Type	Estimate Useful Lives	Depreciation Method
Vehicles and Equipment	5 - 10 years	Declining balance with switch to straight-line
Right of use leased assets	5 - 10 years	Straight-line
Right of use subscription IT assets	5 - 10 years	Straight-line
Plant	20 - 75 years	Declining balance with switch to straight-line
Building	30 years	Declining balance with switch to straight-line

Western Water participates with various agencies entitling it to certain capacity rights. Such capacity rights are recorded as intangible assets and treated in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Western Water's participation in these agencies is through cash payments. Monies used for the construction or expansion of capital assets, such as pipelines, wastewater facilities, etc., are recorded as capacity rights and included in capital assets. The capacity rights have either an indefinite useful life or a definite useful life depending on any legal, contractual, regulatory, technological or other factors that limit the useful life of the asset. Capacity rights with definite useful lives are amortized over the life of the agreements.

A capital asset is considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstances is outside the normal life cycle of the capital asset. Western Water periodically evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management has determined that there were no such impairments at June 30, 2025.

Lease and subscription right to use IT assets are defined as assets with an initial, individual cost of more than \$78,400 and an estimated useful life of at least one year.

The intangible right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into place. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use subscription IT assets are recognized at the subscription commencement date and represent Western Water's right to use the underlying IT asset for the subscription term. The right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription IT asset into service.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

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

C. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position, continued

The right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies based on the individual subscription IT arrangements.

8. Compensated Absences

Western Water's policy is to permit employees to accumulate earned vacation leave up to a maximum of 480 hours and at a rate of 10 to 20 days per year based on the number of years of employment. Sick leave accrues at a rate of eight hours per month up to a maximum of 1,600 hours. The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

9. Deferred Outflow of Resources and Deferred Inflow of Resources

Western Water applies the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The statement requires that the difference between assets, deferred outflow of resources, liabilities, and deferred inflow of resources be reported as net position. The impact of deferred outflow of resources and deferred inflow of resources on net position are explained in the following paragraphs.

At June 30, 2025, Western Water has three items reported as deferred outflow of resources. The first item relates to the deferred outflow of resources on debt refunding of \$6,084,480 at June 30, 2025. This amount relates to previous debt refundings in 2012 and 2020. It represents the difference in the carrying value of refunded debts and their reacquisition prices, net of amortization. The deferred outflow of resources on refunding are amortized as a component of interest expense over the life of the old debt or the new debt, whichever is shorter. The second and third items are the deferred outflow of resources related to pension and OPEB in the amount of \$10,057,122 and \$3,727,665, respectively. These amounts include the pension contributions made after the measurement date of the net pension liability, differences between expected and actual experience for both pension and OPEB, changes in assumption for both pension and OPEB, net difference between projected and actual earnings on pension plan investments, differences between the employer's contributions and the employer's proportionate share of contributions for pension, and adjustment due to differences in proportions for pension. Refer to Notes 10D and 11D for additional information.

At June 30, 2025, Western Water has four items reported as deferred inflow of resources. The first item relates to the deferred swap inflow of \$2,474,943. This amount would be recognized as an investment gain upon the early termination of the swap as it represents the fair market value or marked-to-market value of the swap at June 30, 2025. Western Water currently has no intention of terminating its interest rate swap agreement in advance.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

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

C. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflow of Resources, and Net Position, continued

The second and third items relate to pension and OPEB in the amount of \$265,928 and \$9,041,998, respectively. The amounts include the deferred inflow resulting from differences between expected and actual experience for both pension and OPEB, changes of assumption for OPEB, adjustment due to differences in proportion for pension, differences between the employer's contributions and the employer's proportionate share of contributions for pension and net difference between projected and actual earnings on OPEB plan investments. Refer to Notes 10D and 11D for additional information. The fourth item relates to lease receivables in the amount of \$1,146,896. This amount is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflows of resources are recognized as revenue over the life of the lease term.

10. Net Position

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

- **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding liability associated with the acquisition, construction or improvement of those assets.
- **Restricted for debt service** – This component of net position is restricted for debt service related to the La Sierra Project State Revolving Fund loan.
- **Restricted for capacity charges** – Restricted net position has constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Restricted for other post-employment benefits (OPEB)** – This component of net position consists of net position recognized for the OPEB.
- **Restricted for construction-related escrow accounts** – This component of net position consists of cash in escrow accounts until successful completion of related construction projects.
- **Unrestricted** – This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

When both restricted and unrestricted resources are available for use, it is Western Water's policy to use restricted resources first and then unrestricted resources, as needed.

D. Revenues

1. Water and Wastewater Services

Water and wastewater revenue is based on usage and recognized at the time of use. Customers are billed on a monthly cyclical basis. Estimated unbilled water and wastewater revenue based on estimated usage through June 30 has been recognized at year-end.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

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

D. Revenues, continued

2. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to Western Water by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment. Capital contributions are recognized on the statement of revenues, expenses and change in net position when the cash or capital assets are received.

3. Grants

When a grant agreement is approved and eligibility requirements are met, the amount is recorded as a receivable on the statement of net position and as capital grant contribution or non-operating grant revenue, as appropriate, on the statement of revenues, expenses and change in net position.

E. Pensions

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

F. Other Post-Employment Benefits (OPEB)

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

G. 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 outflow of resources, liabilities, deferred inflow of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

H. Budgetary Policies

Western Water adopts a biennial 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.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments

Cash and investments as of June 30, 2025 are classified in the financial statements as follows:

Cash	\$ 4,523,535
Restricted Cash	825,255
Total Cash	<u>5,348,790</u>
Investments	281,711,702
Restricted Investments	50,316,862
Total Investments	<u>332,028,564</u>
Total Cash and Investments	<u><u>\$ 337,377,354</u></u>

Cash and investments as of June 30, 2025 consist of the following:

Petty Cash	\$ 16,395
Deposits with Financial Institutions	4,507,140
Deposits with Escrow Agent	792,545
Deposits Held by Fiscal Agent	32,710
Total Cash	<u>5,348,790</u>
Money Market Mutual Funds	452,791
California Local Agency Investment Funds	28,676,008
California Asset Management Program	23,802,622
U.S. Treasury Notes	104,330,010
Government Sponsored Agency Securities	29,661,227
Corporate Medium Term Notes	72,156,567
Asset-Backed Securities	9,167,939
Collateralized Mortgage Obligations	42,188,114
Supranationals	7,929,856
Municipal Bonds	10,585,963
Helds by Fiscal Agent	
Local Agency Bonds	3,077,467
Total Investments	<u>332,028,564</u>
Total Cash and Investments	<u><u>\$ 337,377,354</u></u>

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

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

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and Western Water's Investment Policy, continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal Securities			
California State Obligations and Locas Agency Obligations, Notes or Bonds of any of the other 49 states	10 years	30%	5%
U.S. Treasury Obligations	10 years	No limit	No limit
U.S. Government Agency Securities Obligations	10 years	No limit	25%
Banker's Acceptance	180 days	40%	5%
Prime Commercial Paper	270 days	40%	5%
Federally Insured Time Deposits (Non-negotiable CDs)	5 years	20% (combined with collateralized time deposits)	FDIC limit
Collateralized Time Deposits (Non-negotiable CDs)	5 years	20% (combined with federally insured time deposits)	No limit
Certificate of Deposits Placement Services (CDARS)	5 years	30% (combined with CDs)	No limit
Negotiable Certificates of Deposit (NCDs)	5 years	30% (combined with CDARS)	5%
Repurchase Agreements	90 days	No limit	5%
Corporate Medium-Term Notes	5 years	30%	5%
Supranational	5 years	30%	10%
Local Agency Investment Fund (LAIF)	N/A	\$75 million	No limit
Mutual Funds	N/A	20% (combined with Money Market Mutual Funds)	10%
Money Market Mutual Funds	N/A	20% (Combined with Mutual Funds)	No limit
Mortgage Pass-Through Securities, Asset-Backed Securities, Collateralized Mortgage Obligations (1)	5 years	20% (combined)	5%
Local Government Investment Pools	N/A	No limit	No limit

(1) Not applicable to securities issued by a federal agency or Government-Sponsored Enterprise.

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Government Obligation	No limit	No limit	No limit
Local Agency Bonds	No limit	No limit	No limit
U.S. Government Agency Securities Obligations	No limit	No limit	No limit
Certificate of Deposits	365 days	10%	No limit
Money Market Mutual Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	N/A	No limit up to maximum allowable per LAIF	No limit

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(2) Cash and Investments, continued

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and Western Water'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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. 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 Local Agency Investment Fund (LAIF)). All investments, other than LAIF, are in the name of Western Water and held by a third-party custodian.

At June 30, 2025, the carrying amount of Western Water's deposits was \$5,338,792, and the corresponding bank balance was \$7,307,264. The difference of \$1,968,472 was principally due to outstanding checks, wires and/or deposits in transit.

Of the bank balances, up to \$250,000 is federally insured under the Federal Deposit Insurance Corporation per financial institution with balances in excess of \$250,000 collateralized in accordance with the California Government Code; however, the collateralized securities are not held in the name of Western Water.

	Bank Balance	FDIC Insurance
Deposits with financial institution	\$ 6,483,543	\$ 250,000
Deposits with escrow agents	792,545	250,000
Deposits held by fiscal agent	31,176	31,176
Total bank balance	<u>\$ 7,307,264</u>	<u>\$ 531,176</u>

Investment in State Investment Pool

Western Water is a voluntary participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of Western Water's investment in this pool is reported in the accompanying financial statements at amounts based upon Western Water's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is part of the California Pooled Money Investment Account (PMIA): included in LAIF's investment portfolio are mortgage-backed and other asset-backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes. The amounts invested in LAIF are recorded as cash and investments. As of June 30, 2025, Western Water's total investment in LAIF was \$28,676,008.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

Investment in California Asset Management Program

Western Water is a voluntary participant in the California Asset Management Program (CAMP) which is a permitted investment for all local agencies under California Government Code Section 53601. Western Water's investment in CAMP pool operates in a manner consistent with SEC Rule 2a-7, "Money Market Funds," of that Act. Accordingly, CAMP pool meets the definition of a "2a-7 like pool" set forth in GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. CAMP is not registered with the Securities and Exchange Commission (SEC) and is not rated. The amounts invested in CAMP are recorded as cash and investments. As of June 30, 2025, Western Water's total investment in CAMP was \$23,802,622.

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. Western Water's investment policy provides limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Maturities of investments at June 30, 2025 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1 - 5 Years	6 - 10 Years
Money Market Mutual Funds	452,791	\$ 452,791	\$ -	\$ -
California Local Agency Investment Funds	28,676,008	28,676,008	-	-
California Asset Management Program	23,802,622	23,802,622	-	-
U.S. Treasury Notes	104,330,010	-	50,943,152	53,386,858
Government Sponsored Agency Securities	29,661,227	3,104,808	20,740,382	5,816,037
Corporate Medium Term Notes	72,156,567	11,425,438	60,731,129	-
Asset-Backed Securities	9,167,939	-	9,167,939	-
Collateralized Mortgage Obligations	42,188,114	-	15,360,977	26,827,137
Supranationals	7,929,856	7,929,856	-	-
Municipal Bonds	10,585,963	-	-	10,585,963
Helds by Fiscal Agent				
Local Agency Bonds	3,077,467	3,077,467	-	-
Totals	<u>\$ 332,028,564</u>	<u>\$ 78,468,990</u>	<u>\$ 156,943,579</u>	<u>\$ 96,615,995</u>

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.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

Credit Risk, continued

Standard and Poor's credit ratings of investments as of June 30, 2025 were as follows:

Investment Type	Fair Value	Minimum Policy Rating	Exempt From Disclosure	Ratings as of Year-End				Not Rated
				AAA	AA/AA-/AA+	A/A-/A+	Others	
Money Market Mutual Funds	\$ 452,791	*	\$ -	\$ 452,791	\$ -	\$ -	\$ -	\$ -
California Local Agency Investment Funds	28,676,008	N/A	-	-	-	-	-	28,676,008
California Asset Management Program	23,802,622	N/A	-	-	-	-	-	23,802,622
U.S. Treasury Notes	104,330,010	N/A	104,330,010	-	-	-	-	-
Government Sponsored Agency Securities	29,661,227	None	-	-	29,661,227	-	-	-
Corporate Medium Term Notes	72,156,567	A**	-	-	20,905,889	47,294,074	1,910,927	2,045,677
Asset-Backed Securities	9,167,939	AA***	-	7,092,766	-	-	-	2,075,173
Collateralized Mortgage Obligations	42,188,114	AA	-	931,573	41,256,541	-	-	-
Supranationals	7,929,856	AAA	-	7,929,856	-	-	-	-
Municipal Bonds	10,585,963	A	-	3,314,794	7,271,169	-	-	-
Helds by Fiscal Agent								
Local Agency Bonds	3,077,467	*	-	3,077,467	-	-	-	-
Totals	\$ 332,028,564		\$ 104,330,010	\$ 22,799,247	\$ 99,094,826	\$ 47,294,074	\$ 1,910,927	\$ 56,599,480

* Highest rating by at least two nationally recognized statistical rating agencies

** Rated A or higher by at least one nationally recognized statistical rating agencies.

** Rated AA or higher by at least one nationally recognized statistical rating agencies.

Concentration of Credit Risk

Western Water's investment policy contains no limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer, other than the \$75 million limitation on LAIF, as stipulated by the California Government Code. Western Water's investment with LAIF is 8.58% of Western Water's total depository and investment portfolio as of June 30, 2025. Investments (excluding Held by Fiscal Agent) in any one issuer other than U.S. Treasury securities, mutual funds, external investment pools that represent 5% or more of total Western Water investments are as follows:

Issuer	Investment Type	Reported Amount	% of Total Investments
Federal Home Loan Bank	Government-Sponsored Agency Securities	\$ 17,310,066	5.26%
Federal Home Loan Mortgage Corporation	Collateralized Mortgage Obligations	42,188,114	12.83%

Fair Value Measurements

Western Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. When quoted prices in active markets are not readily available, fair values are based on pricing models or matrices maximizing the use of observable inputs for similar securities as received by Western Water's investment advisor from a third party service provider. For Western Water's derivative instrument - interest rate swap, it is valued based on applying a standard interest rate swap valuation methodology and by taking into account certain observable interest curves. Level 3 inputs are significant unobservable inputs.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

Fair Value Measurements, continued

Western Water has the following recurring fair value measurements as of June 30, 2025:

Investments by Fair Value Level	Fair Value or Amortized Cost	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 452,791	\$ 452,791	\$ -	\$ -
U.S. Treasury Notes	104,330,010	-	104,330,010	-
Government Sponsored Agency Securities	29,661,227	-	29,661,227	-
Corporate Medium Term Notes	72,156,567	-	72,156,567	-
Asset-Backed Securities	9,167,939	-	9,167,939	-
Collateralized Mortgage Obligations	42,188,114	-	42,188,114	-
Supranationals	7,929,856	-	7,929,856	-
Municipal Bonds	10,585,963	-	10,585,963	-
Helds by Fiscal Agent				
Local Agency Bonds	3,077,467	-	3,077,467	-
Total Investments at Fair Value	279,549,934	<u>\$ 452,791</u>	<u>\$ 279,097,143</u>	<u>\$ -</u>
Investments Reported at Amortized Cost				
California Local Agency Investment Funds	28,676,008			
California Asset Management Program	23,802,622			
Total Investments	<u>\$ 332,028,564</u>			
Derivative Instruments - interest rate swap	<u>\$ 2,474,943</u>	<u>\$ -</u>	<u>\$ 2,474,943</u>	<u>\$ -</u>

OPEB Trust Fund

Cash and investments as of June 30, 2025 classified on the Statement of Fiduciary Net Position consist of the following:

Money Market Mutual Funds	\$ 181,118
Exchange-Traded Funds:	
Small Cap U.S. Equity	1,895,840
Mid Cap U.S. Equity	3,163,020
Large Cap U.S. Equity	3,601,220
International Equity	3,135,550
Emerging Market Equity	1,246,392
U.S. Core Bonds	7,915,225
U.S. High Yield Bonds	1,225,602
International Bonds	445,590
Real Estate	1,211,216
International Real Estate	374,738
Other	146,346
Total Cash and Investments	<u>\$ 24,541,857</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

OPEB Trust Fund, continued

Investments Authorized by the Trust Agreement

Investments of the OPEB Trust Fund are held by the trustee and governed by provisions of the trust agreement rather than the general provisions of the California Government Code. The table below identifies the investment classes that are authorized for investments held by the trustee. The table also identifies certain provisions of the trust agreement that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Exchange-traded funds and/or mutual funds:			
Equities			
Domestic	No limit	75%	No limit
International	No limit	50%	No limit
Real Estate			
Domestic	No limit	25%	No limit
International	No limit	10%	No limit
Commodities	No limit	25%	No limit
Bonds			
Domestic	No limit	75%	No limit
International	No limit	35%	No limit
Cash/Money Market Fund	N/A	10%	No limit

Custodial Credit Risk

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. The OPEB Trust Fund's investment policy does not contain legal or policy requirements, 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 Exchange-Traded Funds. All investments are in the name of the Trust and held by a third-party custodian.

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 change in market interest rates. Interest rate risk applies to investments in debt securities. Maturities of investments at June 30, 2025 are as follows:

Investment	Fair Value	Investment Maturities (in Years)		
		Less Than 1 Year	1 - 5 Years	6 - 10 Years
Money Market Mutual Funds	181,118	\$ 181,118	\$ -	\$ -
Exchange-Traded Funds:				
US Core Bonds	7,915,225	7,915,225	-	-
US High Yield Bonds	1,225,602	1,225,602	-	-
International Bonds	445,590	445,590	-	-
Total	<u>\$ 9,767,535</u>	<u>\$ 9,767,535</u>	<u>\$ -</u>	<u>\$ -</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

OPEB Trust Fund, continued

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, Standard & Poor's and Moody's. Credit risk applies to investments in debt securities.

Credit ratings of investments at June 30, 2025 are as follows:

Investment	Minimum Legal Rating	Fair Value	Rating as of Year-End AAA	Not Rated
Money Market Mutual Funds	N/A	\$ 181,118	\$ 181,118	\$ -
Exchange-Traded Funds:				
US Core Bonds	N/A	7,915,225	-	7,915,225
US High Yield Bonds	N/A	1,225,602	-	1,225,602
International Bonds	N/A	445,590	-	445,590
Total		<u>\$ 9,767,535</u>	<u>\$ 181,118</u>	<u>\$ 9,586,417</u>

Concentration of Credit Risk

The OPEB Trust Fund's investment policy contains no limitations on the amounts that can be invested in any one issuer. The OPEB Trust Fund does not hold investments in any one issuer other than Mutual Funds or Exchange-Traded Funds that represent 5% or more of total investments.

Fair Value Measurements

The OPEB Trust Fund categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. When quoted prices in active markets are not readily available, fair values are based on pricing models or matrices maximizing the use of observable inputs for similar securities as received by the OPEB Trust Fund's investment manager from a third-party service provider. Level 3 inputs are significant unobservable inputs.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(2) Cash and Investments, continued

OPEB Trust Fund, continued

Fair Value Measurements, continued

The hierarchy of the OPEB Trust Fund's investments at June 30, 2025 is as follows:

Investments by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 181,118	\$ 181,118	\$ -	\$ -
Exchange-Traded Funds:				
Small Cap U.S. Equity	1,895,840	1,895,840	-	-
Mid Cap U.S. Equity	3,163,020	3,163,020	-	-
Large Cap U.S. Equity	3,601,220	3,601,220	-	-
International Equity	3,135,550	3,135,550	-	-
Emerging Market Equity	1,246,392	1,246,392	-	-
U.S. Core Bonds	7,915,225	7,915,225	-	-
U.S. High Yield Bonds	1,225,602	1,225,602	-	-
International Bonds	445,590	445,590	-	-
Real Estate	1,211,216	1,211,216	-	-
International Real Estate	374,738	374,738	-	-
Other	146,346	146,346	-	-
Total Investments	<u>\$ 24,541,857</u>	<u>\$ 24,541,857</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Restricted Cash and Investments

Restricted cash at June 30, 2025 are restricted as follows:

Cash in escrow and trustee accounts	\$ 792,545
2012 Series A Water Revenue Bonds Service Fund	29,425
2022 Series A Revolving Line of Credit	1,534
	<u>\$ 825,255</u>

Restricted investments at June 30, 2025 are restricted as follows:

Capacity charges	\$ 33,394,182
Customer deposits	4,409,049
Construction advances	4,550,316
Water Infrastructure Projects	3,375,086
La Sierra Project SRF Loan debt service requirement	1,510,763
2020 Series A Water Revenue Bonds Project Fund	3,077,466
	<u>\$ 50,316,862</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(4) Receivables

Current Receivables, net

Current receivables at June 30, 2025 consisted of the following:

Utility services - wholesale	\$ 9,107,642
Utility services - retail	8,370,301
Accrued interest	2,421,527
Property taxes and assessments	958,665
Other	<u>7,024,992</u>
Gross Receivables	27,883,127
Less Allowance for Uncollectible Amounts	<u>236,287</u>
Net Receivables	<u><u>\$ 27,646,840</u></u>

Notes Receivable, Non-current

Non-current receivables at June 30, 2025 consisted of the following:

Note receivable from Jurupa Community Services District	\$ 3,241,806
Note receivable from Elsinore Valley Municipal Water District	14,069,138
	<u><u>\$ 17,310,944</u></u>

In May 2004, Western Water sold 3.0 million gallons per day (MGD) of its capacity rights in Western Riverside County Regional Wastewater Authority (WRCRWA) to Jurupa Community Services District (Jurupa or JCSD) for \$9,486,754, for which a note was received. The note requires Jurupa to pay Western Water 29 annual principal payments ranging from \$198,884 to \$517,098 beginning January 1, 2005. The interest rate is variable and currently at 3.305%.

In November 2020, Western Water entered into an agreement with Elsinore Valley Municipal Water District (EVMWD) wherein EVMWD secured an option to purchase 12 cubic feet per seconds (cfs) of service rights in the Mills Pipeline. In August 2023, the agreement was amended to split the one option into two separate options to purchase 6 cfs. The first option was exercised in August 2023 for \$8,167,881, payable to Western Water in installments of \$555,178 annually on October 1st over 18 years at an annual rate of 2.5% with the loan receivable maturing on October 1, 2040. The second option was exercised in December 2024 for \$8,167,881, payable to Western Water in installments of \$581,137 annually on December 31st over 17 years at an annual rate of 2.5% with the loan receivable maturing on December 31, 2040.

(5) Compensated Absences

Compensated absences comprise unpaid vacation and sick leave, which are accrued as earned. Western Water's liability for compensated absences is determined annually.

The changes to compensated absences balances for the year ended June 30, 2025 are as follows:

	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Compensated Absences	\$ 5,981,620	\$ -	\$ (297,904)	\$ 5,683,716	\$ 3,353,392	\$ 2,330,324

The change in the compensated absence liability is presented as a net change.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(6) Capital Assets

The balance in capital assets for the year ended June 30, 2025, are as follows:

	Balance at July 1, 2024	Additions	Transfers	Deletions	Balance at June 30, 2025
Capital Assets, Not Being Depreciated:					
Land	\$ 8,598,253	\$ -	\$ -	\$ -	\$ 8,598,253
Capacity rights	104,138,442	1,407,975	-	-	105,546,417
Construction-in-progress	53,215,520	18,900,372	(16,559,621)	(590,957)	54,965,314
Right of use subscription in progress	294,489	216,959	-	-	511,448
Total Capital Assets, Not Being Depreciated	<u>166,246,704</u>	<u>20,525,306</u>	<u>(16,559,621)</u>	<u>(590,957)</u>	<u>169,621,432</u>
Capital Assets, Being Depreciated and Amortized:					
Land improvements	9,070,410	-	-	-	9,070,410
Plant	486,428	-	-	-	486,428
Source of supply - plant	682,448	-	-	-	682,448
Pumping plant	32,591,281	-	8,386,212	-	40,977,493
Water treatment plant	8,906,259	-	-	-	8,906,259
Transmission and distribution plant	288,871,253	70,677	6,839,024	-	295,780,954
Wastewater treatment plant	118,686,854	-	-	-	118,686,854
Buildings	27,165,033	-	-	-	27,165,033
Furnitures, fixture and office equipment	1,666,441	-	-	-	1,666,441
Vehicles	5,019,075	-	29,476	-	5,048,551
Construction and maintenance equipment	2,650,499	-	388,093	-	3,038,592
Computer equipment	8,019,025	-	916,816	-	8,935,841
Miscellaneous equipment	1,457,454	-	-	(67,197)	1,390,257
Capacity rights	33,063,165	862,423	-	-	33,925,588
Right of use leased assets					
Ground lease	497,984	-	-	-	497,984
Vehicles	1,534,774	6,737	-	(123,431)	1,418,080
Right of use subscription assets	<u>4,506,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,506,172</u>
Total Capital Assets, Being Depreciated and Amortized	<u>544,874,555</u>	<u>939,837</u>	<u>16,559,621</u>	<u>(190,628)</u>	<u>562,183,385</u>
Less: Accumulated Depreciation and Amortization:					
Land improvements	(3,632,919)	(382,195)	-	-	(4,015,114)
Plant	(472,791)	(6,819)	-	-	(479,610)
Source of supply - plant	(682,448)	-	-	-	(682,448)
Pumping plant	(22,200,287)	(907,025)	-	-	(23,107,312)
Water treatment plant	(6,933,757)	(317,987)	-	-	(7,251,744)
Transmission and distribution plant	(120,392,969)	(7,575,434)	-	-	(127,968,403)
Wastewater treatment plant	(53,395,838)	(3,814,668)	-	-	(57,210,506)
Buildings	(11,854,516)	(900,465)	-	-	(12,754,981)
Furnitures, fixture and office equipment	(1,635,497)	(10,136)	-	-	(1,645,633)
Vehicles	(4,006,582)	(155,122)	-	-	(4,161,704)
Construction and maintenance equipment	(1,532,509)	(195,516)	-	-	(1,728,025)
Computer equipment	(7,571,263)	(254,329)	-	-	(7,825,592)
Miscellaneous equipment	(1,245,387)	(17,409)	-	-	(1,262,796)
Capacity rights	(7,475,191)	(673,169)	-	-	(8,148,360)
Right of use leased assets					
Ground lease	(38,307)	(12,769)	-	-	(51,076)
Vehicles	(515,295)	(301,535)	-	123,431	(693,399)
Right of use subscription assets	<u>(330,515)</u>	<u>(746,873)</u>	<u>-</u>	<u>-</u>	<u>(1,077,388)</u>
Total Accumulated Depreciation and Amortization	<u>(243,916,071)</u>	<u>(16,271,451)</u>	<u>-</u>	<u>123,431</u>	<u>(260,064,091)</u>
Total Capital Assets, Being Depreciated and Amortized, Net	<u>300,958,484</u>	<u>(15,331,614)</u>	<u>16,559,621</u>	<u>(67,197)</u>	<u>302,119,294</u>
Total Capital Assets, Net	<u>\$ 467,205,188</u>	<u>\$ 5,193,692</u>	<u>\$ -</u>	<u>\$ (658,154)</u>	<u>\$ 471,740,726</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(6) Capital Assets, continued

Construction-In-Progress

Western Water has been involved in various construction projects throughout the year. The balances of the various construction projects that compose the construction-in-progress balance at June 30, 2025 are as follows:

Magnolia Ave Interconnection with Riverside Public Utilities	\$	6,824,441
SARCCUP Non Potable Well No. 7		5,349,112
Woodcrest Pipe Replacement		4,421,292
North Well 2 Wellhead Treatment		3,249,724
Cannon Pump Station & Interconnection with Riverside Public Utilities		1,654,221
SCADA Control System Upgrade		1,393,095
MGL Blow Off Replacement		1,256,787
1269 Forcemain		1,121,263
Jefferson Ave Water Improv		960,038
McKinley Grade Separation		923,629
Orangecrest Pipeline Replacement		880,221
Arlington Desalter Well #5 Rehab		812,210
Lake Mathews Pipeline Replacement		768,838
PFAS Removal Facility		666,525
Victoria Basin Monitoring		627,779
Riverside Campbell Interconnection		545,002
Various projects		23,511,137
Total Capital Assets, Being Depreciated	\$	54,965,314

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt

Long-term debt activities for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Current Portion	Long-term Portion
<u>Due to Other Governments</u>						
Public Offering:						
Santa Rosa Regional Resources Authority: SRRRA 2017 Bond Issuance	\$ 6,009,685	\$ -	\$ (509,019)	\$ 5,500,666	\$ 513,630	\$ 4,987,036
Direct Borrowing:						
Western Riverside County Regional Wastewater Authority:						
State Water Resources Control Board - Plant Expansion	481,354	-	(30,336)	451,018	30,912	420,106
Santa Rosa Regional Resources Authority: SRRRA SRF Loan	5,722,786	-	(158,985)	5,563,801	161,846	5,401,955
State Water Resources Control Board - La Sierra Project	32,328,257	-	(1,025,838)	31,302,419	1,041,227	30,261,192
Total Due to Other Governments	44,542,082	-	(1,724,178)	42,817,904	1,747,615	41,070,289
<u>Bonds Payable</u>						
Public Offering:						
2012 Series A Bonds	32,025,000	-	(1,955,000)	30,070,000	2,030,000	28,040,000
2020 Series A Bonds	89,330,000	-	(340,000)	88,990,000	355,000	88,635,000
Unamortized premium	23,883,215	-	(1,897,018)	21,986,197	-	21,986,197
Swap liability ⁽¹⁾	1,720,733	-	(344,032)	1,376,701	-	1,376,701
Total Bonds Payable	146,958,948	-	(4,536,050)	142,422,898	2,385,000	140,037,898
<u>Note Payable</u>						
Direct Borrowing:						
Note payable - Headquarters Building	2,724,441	-	(1,346,848)	1,377,593	1,377,593	-
Revolving Notes - Line of Credit:						
Revolving notes, Series 2022A	5,000,000	-	-	5,000,000	-	5,000,000
Total Notes Payable	7,724,441	-	(1,346,848)	6,377,593	1,377,593	5,000,000
<u>Leases Payable ⁽²⁾:</u>						
Leases payable - Vehicles	1,059,914	-	(282,095)	777,819	291,637	486,182
Leases payable - Land	475,588	-	(6,754)	468,834	6,976	461,858
Total Leases Payable	1,535,502	-	(288,849)	1,246,653	298,613	948,040
<u>Subscriptions-based Payable ⁽³⁾:</u>						
Subscription Payable	1,305,990	-	(247,350)	1,058,640	260,751	797,889
Total Subscriptions-based Payable	1,305,990	-	(247,350)	1,058,640	260,751	797,889
 Total Business-Type Activities	 \$ 202,066,963	 \$ -	 \$ (8,143,275)	 \$ 193,923,688	 \$ 6,069,572	 \$ 187,854,116

⁽¹⁾Refer to Note 8 for further information on the swap liability agreement.

⁽²⁾Refer to Note 13 for further information on leases.

⁽³⁾Refer to Note 14 for further information on subscription-based information technology arrangements.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Scheduled future debt service requirements of long-term debt excluding lease payables and subscription-based payables, for years subsequent to June 30, 2025 are as follows, assuming that the 2012 Series A is remarketed and the liquidity agreement is renewed. If the liquidity agreement for 2012 Series A is not renewed in September 2027, amounts due in fiscal year 2028 will increase by \$25,935,000 than the amount reported below.

Year Ending June 30,	Principal	Interest ⁽¹⁾	Total
2026	\$ 5,510,208	\$ 6,061,511	\$ 11,571,719
2027	4,970,552	5,927,651	10,898,203
2028	11,011,793	5,778,946	16,790,739
2029	6,792,756	5,578,875	12,371,631
2030	7,002,856	5,341,779	12,344,635
2031-2035	39,597,041	22,721,305	62,318,346
2036-2040	46,132,739	13,989,936	60,122,675
2041-2045	31,878,375	4,416,843	36,295,218
2046-2050	13,644,008	1,549,779	15,193,787
2051-2052	1,715,169	74,065	1,789,234
Totals	168,255,497	<u>\$ 71,440,690</u>	<u>\$ 239,696,187</u>
Unamortized Premium	21,986,197		
Swap liability	1,376,701		
Total	191,618,395		
Less current portion	(5,510,208)		
Total non-current	<u>\$ 186,108,187</u>		

⁽¹⁾ The 2012 Series A bonds have an assumed interest rate of 2.715% based on the swap.

Due to Other Governments

Santa Rosa Regional Resources Authority (SRRRA)

SRRRA 2017 Bonds

On August 1, 2017, Western Water entered into a Capacity Funding Agreement with SRRRA in connection with the issuance of the 2017A and 2017B revenue bonds by SRRRA (collectively referred herein as SRRRA Bonds) to finance the acquisition of the Santa Rosa Water Reclamation Facility (SRWRF) and plant upgrades. Series 2017A tax-exempt, fixed-rate revenue bonds were issued in the amount of \$24,040,000 with interest ranging from 3.00% to 5.00% maturing on August 1, 2034. Series 2017B taxable fixed-rate revenue bonds were issued in the amount of \$31,190,000 with interest ranging from 1.5% to 3.65% maturing on August 1, 2031. Under the Capacity Funding Agreement, Western Water's shares of the 2017A and 2017B revenue bonds are \$4,156,438 and \$5,752,289, as revised respectively, which are approximately 18% of the total SRRRA Bonds based on Western Water's ownership of the treatment capacity in the SRWRF. Western Water's share of the outstanding balance as of June 30, 2025 is \$5,500,666.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Due to Other Governments, continued

Santa Rosa Regional Resources Authority (SRRRA), continued

SRRRA 2017 Bonds, continued

As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 513,630	\$ 193,857	\$ 707,487
2027	512,449	175,479	687,928
2028	524,272	158,342	682,614
2029	540,516	138,584	679,100
2030	500,589	117,418	618,007
2031-2034	2,909,210	257,472	3,166,682
Totals	\$ 5,500,666	\$ 1,041,152	\$ 6,541,818
Less current portion	(513,630)		
Total non-current	\$ 4,987,036		

***Western Riverside County Regional Wastewater Authority (WRCRWA) - State Water Resources Control Board
- Plant Expansion***

This loan with WRCRWA is in connection with odor control improvements at the WRCRWA Plant and bears interest at 1.9% with a 20-year repayment term that began December 2018 and matures in December 2037. Western Water's loan amount is \$451,018 as of June 30, 2025.

As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 30,912	\$ 8,569	\$ 39,481
2027	31,499	7,982	39,481
2028	32,098	7,384	39,482
2029	32,708	6,774	39,482
2030	33,329	6,152	39,481
2031-2035	176,390	21,018	197,408
2036-2038	114,082	4,362	118,444
Totals	\$ 451,018	\$ 62,241	\$ 513,259
Less current portion	(30,912)		
Total non-current	\$ 420,106		

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Due to Other Governments, continued

SRRRA SRF Loan

On January 2, 2018, Western Water entered into a Funding Agreement with SRRRA for the SRRRA State Revolving Fund Loan with the State Water Resources Control Board in order to finance the costs of rehabilitation projects with respect to the SRWRF. Western Water's revised share of debt service is \$6,033,974, which is approximately 20% of the SRRRA SRF loan based on Western Water's ownership of the treatment capacity in the SRWRF, with interest at 1.8% maturing on September 30, 2051. As of June 30, 2025, Western Water's share is \$5,563,801.

As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows:

Year Ending <u>June 30,</u>	Principal	Interest	Total
2026	\$ 161,846	\$ 100,149	\$ 261,995
2027	164,759	97,236	261,995
2028	167,725	94,270	261,995
2029	170,744	91,251	261,995
2030	173,818	88,177	261,995
2031-2035	917,160	392,813	1,309,973
2036-2040	1,002,730	307,243	1,309,973
2041-2045	1,096,284	213,689	1,309,973
2046-2050	1,198,566	111,407	1,309,973
2051-2052	510,169	13,815	523,984
Totals	\$ 5,563,801	\$ 1,510,050	\$ 7,073,851
Less current portion	(161,846)		
Total non-current	<u>\$ 5,401,955</u>		

State Water Resources Control Board – La Sierra Project

On April 17, 2015, Western Water entered into an agreement with the State Water Resources Control Board (SWRCB) for a Clean Water State Revolving Fund Loan to finance the construction of the La Sierra Project. The maximum loan amount was \$24,000,000 with interest at 1.5%. On March 12, 2019, the SWRCB increased the original loan approval to \$35,794,100 with interest at 1.5%, which added funding for the construction of the Sterling Reservoir and Pump Station. Western Water's annual repayment every July 1st, including principal and interest, is \$1,510,763. The repayment term is 30 years, maturing on July 1, 2050. Total proceeds from the loan were \$35,794,100. Western Water's loan amount is \$31,302,419 as of June 30, 2025.

The loan with the State Water Resources Control Board contains covenants and restrictions that include, but are not limited to, assurances relating to adherence to the Clean Water Act, Equal Opportunity and Civil rights laws, and certain other assurances.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Due to Other Governments, continued

State Water Resources Control Board – La Sierra Project, continued

As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,041,227	\$ 469,537	\$ 1,510,764
2027	1,056,845	453,918	1,510,763
2028	1,072,698	438,065	1,510,763
2029	1,088,788	421,975	1,510,763
2030	1,105,120	405,643	1,510,763
2031-2035	5,779,281	1,774,533	7,553,814
2036-2040	6,225,927	1,327,887	7,553,814
2041-2045	6,707,091	846,723	7,553,814
2046-2050	7,225,442	328,372	7,553,814
Totals	\$ 31,302,419	\$ 6,466,653	\$ 37,769,072
Less current portion	(1,041,227)		
Total non-current	\$ 30,261,192		

Bonds Payable

As provided in the Bond Master Installment Purchase Agreement, Western Water has created a Rate Stabilization Fund into which Western Water deposited \$20,000,000 in May 2009. The balance in the Rate Stabilization Fund is currently \$20,000,000, which is recorded as Investments in the basic financial statements, with no usage of such funding during fiscal year 2025.

2012 Series A Bonds

In June 2012, the Authority issued \$43,775,000 of 2012 Series A Adjustable Rate Water Revenue Refunding Bonds (2012 Series A) to refund Western Water's 2009 Series A Adjustable Rate Water Revenue Refunding Bonds (2009 Series A). The refunded bonds were fully redeemed.

The 2012 Series A Bonds are adjustable interest rate bonds with varying optional redemption provisions whose rates adjust from the remarketing of bonds tendered for redemption. An underlying credit facility that expires in September 2027 provides liquidity and security for redemption should remarketing efforts not provide sufficient funds. In addition to optional redemption, mandatory redemption occurs through scheduled sinking fund payments. The bonds are secured by a pledge of Western Water's net revenues. Western Water is required to maintain net revenues equal to at least 110% of adjusted annual debt service. Refer to Note 8 for information on the interest-rate swap agreement associated with these bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$12,538,597. The difference is reported on the accompanying financial statements as a deferred outflow of resources, which will be amortized through 2032. The balance of the deferred outflow is \$2,080,978 at June 30, 2025.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Bonds Payable, continued

2012 Series A Bonds, continued

Scheduled principal maturities of \$25,935,000 occurring between fiscal year 2028-2043, along with any accrued interest would be due in fiscal year 2028 should the underlying credit facility, which matures in September 2027, not be renewed and the remarketing agent is unable to resell bonds that are tendered for redemption.

As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows if the bonds are successfully remarketed and the underlying credit facility is renewed over the original terms of the bonds:

Year Ending June 30,	Principal	Interest ⁽¹⁾	Total
2026	\$ 2,030,000	\$ 816,401	\$ 2,846,401
2027	2,105,000	761,286	2,866,286
2028	2,195,000	704,135	2,899,135
2029	2,280,000	644,541	2,924,541
2030	2,365,000	582,639	2,947,639
2031-2035	7,670,000	1,972,719	9,642,719
2036-2040	-	1,550,944	1,550,944
2041-2043	11,425,000	688,931	12,113,931
Totals	\$ 30,070,000	\$ 7,721,596	\$ 37,791,596
Less current portion	(2,030,000)		
Total non-current	\$ 28,040,000		

⁽¹⁾ Assuming an interest rate of 2.715% based on the swap.

2020 Series A Bonds

In July 2020, the Authority issued \$90,260,000 of the 2020 Series A Water Revenue Bonds with original issue premium of \$31,341,035. The bonds were issued to: 1) refund the 2010 Series B Water Revenue, Taxable Build America Bonds (2010 Series B) in the amount of \$42,755,000, 2) refund the 2016 Series A Adjustable Rate Water Revenue Refunding Bonds (2016 Series A) in the amount of \$51,975,000 prior to the October 1, 2020 mandatory tender date, and 3) provide funds to acquire various capital improvements to Western Water's water and wastewater system facilities in the amount of \$25,500,000.

The 2020 Series A bonds bear stated interest at 5.0% and are payable semiannually on April 1st and October 1st through October 2050.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,706,939. The difference is reported on the accompanying financial statements as a deferred outflow of resources, which will be amortized through 2050. The balance of the deferred outflow is \$4,003,502 at June 30, 2025.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(7) Long-term Debt, continued

Bonds Payable, continued

2020 Series A Bonds, continued

As of June 30, 2025, the outstanding balance on the 2020 Series A Revenue Bonds was \$88,990,000. The future annual maturities of Western Water's obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 355,000	\$ 4,449,500	\$ 4,804,500
2027	1,100,000	4,431,750	5,531,750
2028	2,020,000	4,376,750	6,396,750
2029	2,680,000	4,275,750	6,955,750
2030	2,825,000	4,141,750	6,966,750
2031-2035	22,145,000	18,302,750	40,447,750
2036-2040	38,790,000	10,799,500	49,589,500
2041-2045	12,650,000	2,667,500	15,317,500
2046-2050	5,220,000	1,110,000	6,330,000
2051	1,205,000	60,250	1,265,250
Totals	<u>\$ 88,990,000</u>	<u>\$ 54,615,500</u>	<u>\$ 143,605,500</u>
Less current portion	(355,000)		
Total non-current	<u><u>\$ 88,635,000</u></u>		

Note Payable – Headquarters Building

In July 2016, Western Water refinanced the original unsecured financing done in September 2009 for the acquisition and development of its headquarters building. Along with this refinance, Western Water borrowed another \$8 million to accommodate the cash needs for certain capital projects. Terms of the note provide that Western Water is to make semiannual payments of \$700,546 every April 1st and October 1st, including interest, through April 2026. The note has a stated interest rate of 2.27%. As of June 30, 2025, the future annual maturities of Western Water's obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,377,593	\$ 23,498	\$ 1,401,091

Note Payable - 2022A Revolving Line of Credit

On August 17, 2022, the Board of Directors of both Western Water and its Facilities Authority adopted Resolution No. 3244 and No. 23, respectively, to issue a four-year Tax-Exempt Rate Revolving Notes, Series of 2022A (revolving line of credit) with TD Bank, N.A., in an amount not to exceed \$20 million that expires on August 30, 2026 to provide funding for Western Water's Pipeline Replacement Program. This revolving line of credit has an interest rate based on a percentage of the Secured Overnight Financing Rate (SOFR) plus a margin based on Western Water's credit rating. The interest rate as of June 30, 2025 was 4.41%. In addition, there is an unutilized fee of 0.20% of the balance of the revolving line of credit remaining after draws. In conjunction with the issuance of the revolving line of credit, the Facilities Authority and Western Water entered into an Agency Agreement, an Installment Purchase Agreement and a Note Purchase and Continuing Covenant Agreement. As of June 30, 2025, and for the year then ended, there were two outstanding Notes, with a total outstanding principal balance of \$5 million.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(8) Interest Rate Swap

Western Water entered into an interest rate swap agreement for the Authority's 2009 Series A Water Revenue Refunding Bonds. In connection with the refunding of the 2009 Series A Bonds, Western Water has amended and restated the swap agreement, with the same counterparty, essentially replacing the 2009 Series A Bonds with the 2012 Series A Bonds with no change in notional amounts. The amended agreement carries over the swap liability of \$7,765,573 from the prior agreement. Western Water subsequently entered the Second Amended and Restated Transaction swap agreement in December 2022 which amended some of the terms and conditions and changed the guarantor. The interest rates remained unchanged.

For the fiscal year ended June 30, 2025, the balance of the swap liability is \$1,376,701. The swap liability is amortized as a component of interest expense over the life of the old debt or the new debt, whichever is shorter. Because of the carryover, the new agreement is considered a hybrid instrument for financial reporting, whose pay fixed rate of 2.715% (off-market rate) enables the pay-down of the carryover swap liability.

Western Water's objective with the swap agreement is to alter its exposure to interest rate fluctuations, specifically rising interest rates that would negatively impact cash flows, by swapping an obligation to pay fixed rates for one that pays a floating rate. The table that follows summarizes the significant swap payment terms:

	Western Water	Counterparty
Original Confirmation Date	November 4, 2008	November 4, 2008
Original Notional Amount	\$ 48,000,000	\$ 48,000,000
First Amended and Restated Date	June 26, 2012	June 26, 2012
Second Amended and Restated Date	December 1, 2022	December 1, 2022
Amended Notional Amount	\$ 43,775,000	\$ 43,775,000
Notional Reductions	Annually on October 1	Annually on October 1
Termination Date	October 1, 2042	October 1, 2042
Payment Dates	First calendar day of each month	First calendar day of each month
Original Payment Rate	2.960%	67% of 1-month LIBOR
Amended Payment Rate	2.715%	67% of 1-month SOFR + 0.1148%

Evaluation of Swap Effectiveness

Western Water applies the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 prescribes the accounting and financial reporting required for derivative instruments that hedge identified financial risks. If the derivative instrument is determined to be effective in reducing the identified exposure, hedge accounting provides that changes in the fair value of the hedging instrument—in this instance, the interest rate swap—be reported as either deferred inflows or deferred outflows in a government's statement of net position. To evaluate the effectiveness of the swap, the Synthetic Instrument Method prescribed by GASB Statement No. 53 was employed for the fiscal year ended June 30, 2025. The resulting analyses reveal the swap is effective as a hedging instrument for the fiscal year.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(8) Interest Rate Swap, continued

The fair value or marked-to-market value of the swap (imputed at market rate of 1.424%) as of June 30, 2025 is \$2,474,943, which is the amount Western Water would be owed as of this date should the swap be terminated. The change in fair value by \$594,892 results in a decrease in deferred swap inflow for the year ended June 30, 2025.

Credit Risk

The amended and restated interest rate swap agreement adds a third-party guarantor for any termination payment obligation that may be incurred by the counterparty.

The following tables compare the counterparty and guarantor credit ratings at June 30, 2025 against their threshold rating for termination:

Counterparty	Moody's	S&P
Senior Debt	Aa2	A+
Threshold Amount	A3	A-

Counterparty Guarantor	Moody's	S&P
Senior Debt	A1	A-
Threshold Amount	A3	A-

Interest Rate Risk

Western Water is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swap. As Secured Overnight Financing Rate (SOFR) decreases, Western Water's net payment on the swap may increase.

Basis Risk

Western Water is exposed to basis risk on the swap because the variable-rate payments received by Western Water are based on an index other than interest rates Western Water pays on hedged variable rate debt. For the fiscal year ended June 30, 2025, Western Water's 2012 Series A Bonds, which are hedged by the amended swap, had a weighted-average variable rate of 1.90%. Over the same period, the weighted average of 67% of one-month SOFR + .11448% was 3.17%. Therefore, Western Water's basis gain over this period was approximately 1.28%. As of June 30, 2025, the current rate on the 2012 Series A Bonds was .75%, and the current rate of 67% of one-month SOFR + .11448% was 2.97%, resulting in a basis gain of 2.22% for Western Water.

Termination Risk

The swap may be terminated by Western Water or its counterparty if the other party fails to perform under the terms of the contract. If, at the time of termination, the swap is in a liability position, Western Water would be obligated to pay the counterparty the liability position. Western Water has established policies to limit its termination liability payment risk to a predetermined percentage of its available reserves. Western Water is within its swap policy guidelines with respect to exposure to swap termination payments compared to its available reserves.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(9) Net Investment in Capital Assets

The balance at June 30 consists of the following:

Capital assets not being depreciated	\$ 169,621,432
Capital assets being depreciated, net	302,119,294
Due to other government agencies	(42,817,904)
Bonds payable:	
Bonds payable (1)	(114,004,671)
Unspent Bond Proceeds (2)	3,079,217
Unamortized premium	(21,986,197)
Deferred outflow of resources - debt refunding	6,084,480
Notes payable:	
Notes	(6,377,593)
Unspent notes proceeds	1,534
Lease and subscription-based payables	(2,305,293)
Acquisition and construction of capital assets in accounts payable	(6,410,579)
Total Capital Assets, Being Depreciated	<u>\$ 287,003,720</u>

- (1) Amount of bonds outstanding does not include a portion of the 2012A bonds proceeds that were utilized for purchases of capacity rights that Western Water no longer owns. As this amount was not related to acquisition of capital assets, this amount has been excluded from the calculation of net investment in capital assets.
- (2) The unspent bond proceeds amount excludes the \$29,425 in the 2012 Series A Water Revenue Bonds Service Fund as this amount represents the interest payment Western is required to pay monthly and that is funded ahead of the due date to avoid higher interest rates. It is not considered unspent bond proceeds. There are no remaining unspent bond proceeds for the 2012 A bonds.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(10) Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Descriptions

The Public Agency Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan (Plan) is administered by CalPERS. The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Reports. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. The actuarial valuation reports and CalPERS' audited financial statements are publicly available reports that can be obtained from CalPERS' website under Forms and Publications, at www.calpers.ca.gov.

All qualified permanent and probationary employees are eligible to participate in the Plan, administered by CalPERS. The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. Western Water sponsors three rate plans under the miscellaneous risk pool: Miscellaneous rate plan, Miscellaneous Second Tier rate plan and PEPRA Miscellaneous rate plan. Benefit provisions under the Plan are established by State statute and Western Water resolution.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to Plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for the PEPRA Miscellaneous rate plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(10) Defined Benefit Pension Plan, continued

A. General Information about the Pension Plan (the Plan), continued

Benefits Provided, continued

Western Water-sponsored rate plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous Rate Plan	Second Tier Rate Plan	Miscellaneous Rate Plan
Hire Date	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Benefit Formula	2.5% @ 55	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.5%	1.426% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	7.000%	7.750%
Required Employer Contribution Rates:			
Normal Cost Rate	14.130%	11.880%	7.870%
Payment of Unfunded Liability	\$ 2,116,798	\$ 73,704	\$ 19,230

Contributions

Section 20814(c) of PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For the public agency cost-sharing plan covered by either the miscellaneous or safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. For the period ended June 30, 2025, the employer contributions for the respective Western Water-sponsored Miscellaneous rate plan, Miscellaneous Second Tier rate plan and PEPRA Miscellaneous rate plan are \$905,245, \$648,832 and \$768,312, plus respective lump sum payments of \$2,209,732. Thus, employer contributions made by Western Water to the Plan of the period ended June 30, 2025 is \$4,532,121.

B. Net Pension Liability

The net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(10) Defined Benefit Pension Plan, continued

B. Net Pension Liability, continued

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liability using standard updated procedures. The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

Changes of benefit terms: None

Changes of Assumptions: There were no assumption changes.

Discount Rate

The discount rate used by CalPERS to measure the total pension liability for the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C) was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(10) Defined Benefit Pension Plan, continued

B. Net Pension Liability, continued

Discount rate, continued

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rate of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00)%	(0.59)%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2022 Asset Liability Management study.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained from CalPERS' website under Forms and Publications at www.calpers.ca.gov. The Plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(10) Defined Benefit Pension Plan, continued

B. Net Pension Liability, continued

Pension Plan Fiduciary Net Position, continued

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and pension expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves.

C. Proportionate Share of Net Pension Liability

Western Water's net pension liability for the Plan is measured as the proportionate share of the Plan's net pension liability. Western Water's proportion of the net pension liability was based on a projection of Western Water's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The following tables shows Western Water's proportionate share of the net pension liability over the measurement period.

Measurement Date (MD)	Western Water's Total Pension Liability (a)	Western Water's Fiduciary Net Pension (b)	Western Water's Net Pension Liability (c) = (a) - (b)
Balance at: 06/30/2023	\$ 116,403,075	\$ 87,762,067	\$ 28,641,008
Balance at: 06/30/2024	124,805,350	96,360,319	28,444,986
Net Changes 2023-2024	<u>\$ 8,402,275</u>	<u>\$ 8,598,252</u>	<u>\$ (196,022)</u>

	Western Water Pension Plan
Proportion - June 30, 2023 (MD)	0.57277%
Proportion - June 30, 2024 (MD)	0.58812%
Change - Increase (Decrease)	0.01535%

MD = Measurement Date

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

The following presents Western Water's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1% Decrease in Discount Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase in Discount Rate (7.90%)
Western Water's Net Pension Liability	\$ 45,286,262	\$ 28,444,986	\$ 14,582,136

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(10) Defined Benefit Pension Plan, continued

C. Proportionate Share of Net Pension Liability, continued

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	Five-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the PERF C for the June 30, 2024, measurement period is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense/(Income) and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2023), Western Water's proportionate share of the Plan's net pension liability is \$28,641,008 (the net pension liability of the Miscellaneous Risk Pool as of June 30, 2023 is \$5,000,417,077).

For the measurement period ended June 30, 2024 (the measurement date), Western Water incurred pension expense of \$6,296,873 (the pension expense for the risk pool for the measurement period is \$1,093,361,824).

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(10) Defined Benefit Pension Plan, continued

D. Pension Expense/(Income) and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, continued

As of June 30, 2025, Western Water has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 731,095	\$ -
Differences Between Expected and Actual Experience	2,459,330	(95,961)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,637,543	-
Changes in Proportion	403,058	(17,772)
Differences Between Employer Contributions and Proportionate Share of Contributions	293,975	(152,195)
Employer Contributions Subsequent to the Measurement Date	4,532,121	-
Totals	<u>\$ 10,057,122</u>	<u>\$ (265,928)</u>

These amounts above are net of outflows and inflow recognized in the 2023-24 measurement period expense. \$4,532,121 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year rather than in the current fiscal year. Amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in future pension expense as follows:

<u>Measurement Period Ending June 30,</u>	Pension Expense Amount
2025	\$ 1,785,244
2026	3,886,261
2027	148,734
2028	(561,166)
2029	-
Thereafter	-
Total	<u>\$ 5,259,073</u>

E. Payable to the Pension Plan

At June 30, 2025, Western Water reported a payable of \$267,508 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(11) Other Post-Employment Benefits

A. General Information about the OPEB Plan

Plan Description

Western Water is the Plan Administrator for the Western Municipal Water District Retirement Medical Benefits Plan (the Medical Plan). The Medical Plan was established effective June 15, 2006 and is a single employer defined benefit plan to provide advance funding for post-employment healthcare benefits to eligible employees and eligible dependents in accordance with plan provisions. Medical Plan assets are accumulated and benefits are paid from a voluntary employees' beneficiary association (VEBA) trust established by Western Water. Separate financial statements of the VEBA trust may be obtained at Western Municipal Water District, 14205 Meridian Parkway, Riverside, CA 92518.

Benefits Provided

Eligible participants for the Medical Plan are based on three groups:

- a. Group 1 are classified and non-classified employees hired on or before December 18, 2002, who are at least 55 years old at retirement and have completed at least 10 years of service. Western Water provides medical benefits for the employee and spouse/registered domestic partner.
- b. Group 2 are classified and non-classified employees hired after December 18, 2002, who are at least 55 years old at retirement and have completed at least 10 years of service. Western Water provides medical benefits for the employee only.
- c. Group 3 are classified and non-classified employees hired on or after July 1, 2021, who are at least 55 years old at retirement and have completed at least 20 years of service. Western Water provides medical benefits for the employee only.

Employees Covered

As of June 30, 2025, the following employees and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefit payments	68
Active employees	168
Total	<u>236</u>

Contributions

The Medical Plan and its contribution requirement of Western Water is established and may be amended by Western Water's Board of Directors. Western Water contributes to the VEBA trust an amount equal to the actuarially determined contribution at the time of biennial valuation. For the fiscal year ended June 30, 2025, Western Water's total benefit payments of \$146,348 net of estimated implied subsidy of \$146,348, resulted in no cash contributions to the trust.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(11) Other Post-Employment Benefits, continued

B. Net OPEB Liability (Asset)

Western Water's net OPEB liability (asset) was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated July 1, 2024, rolled forward using standard procedures to determine the June 30, 2025, measurement date. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Fair Value
Assumptions:	
Discount Rate	6.80%
Salary scale	2.80%
Investment Rate of Return	6.80%
Healthcare Cost Trend Rates	Actual premium rates, then 8.00% and 6.50% for pre-65 and post -65 respectively per annum in fiscal year 2026, decreasing 0.25% per year to an ultimate rate of 4.50% for fiscal years 2040 and later years.
Pre-retirement turnover	Derived from CalPERS pension plan
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study

The actuarial assumptions used in the July 1, 2024 valuation were based on a standard set of assumptions the actuary has used for similar valuations.

The long-term expected rate of return was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025, are summarized in the following table:

Asset Class (a)	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Equity	53.00%	5.50%
Fixed Income	40.00%	2.50%
REITS	7.00%	5.00%
Total	100.00%	4.30%
Inflation		2.50%

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(11) Other Post-Employment Benefits, continued

B. Net OPEB Liability (Asset), continued

Discount Rate

The discount rate used to measure the total OPEB liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that Western Water's contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Medical Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees, and beneficiaries. Therefore, the long-term expected rate of return on the Medical Plan's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) are as follows:

	(A) Total OPEB Liability	(B) Plan Fiduciary Net Position	(A - B) Net Net OPEB Liability (Asset)
Balances - June 30, 2024	\$ 15,484,669	\$ 22,847,238	\$ (7,362,569)
Changes for the Period:			
Service Cost	665,876	-	665,876
Interest	883,285	-	883,285
Difference Between Expected and Actual Experience	731,882	-	731,882
Assumption Changes	(1,970,316)	-	(1,970,316)
Employer Contributions	-	146,348	(146,348)
Employee Contributions	-	57,645	(57,645)
Net Investment Income	-	2,345,966	(2,345,966)
Benefit Payments and Refunds	(765,634)	(765,634)	-
Administrative Expense	-	(35,869)	35,869
Net Changes	(454,907)	1,748,456	(2,203,363)
Balances - June 30, 2025	<u>\$ 15,029,762</u>	<u>\$ 24,595,694</u>	<u>\$ (9,565,932)</u>

Change in Assumptions

Actuarial assumptions that changed from the prior year include the medical trend rate have been updated to rate of 8.00% for pre-65 and 6.5% for post-65 in 2026 decreasing 0.25% annually to an ultimate rate of 4.50%. This change caused an increase in liabilities.

Updated the discount rate from 5.60% as of June 30, 2024 to 6.80% as of June 30, 2025. This change resulted in a significant decrease in liabilities.

Change in Benefit Terms

There were no changes of benefit terms.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(11) Other Post-Employment Benefits, continued

C. Changes in net OPEB Liability (Asset), continued

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of Western Water, as well as what Western Water's net OPEB liability (asset) would be if it were calculated using a different rate that is one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current discount rate:

	1% Decrease in Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase in Discount Rate (7.80%)
Net OPEB Liability (Asset)	\$ (7,711,402)	\$ (9,565,932)	\$ (11,122,182)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following represents the net OPEB liability (asset) of Western Water, as well as Western Water's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease Cost Trend Rate (7.00% - Pre 65 and 5.5% - Post 65 Decreasing to 3.50%)	Current Healthcare Cost Trend Rate (8.00% - Pre 65 and 6.5% - Post 65 Decreasing to 4.50%)	1% Increase Cost Trend Rate (9.00% - Pre 65 and 7.5% - Post 65 Decreasing to 5.50%)
Net OPEB Liability (Asset)	\$ (11,484,806)	\$ (9,565,932)	\$ (7,192,753)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, Western Water recognized OPEB income of \$1,197,246. At June 30, 2025, Western Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 974,895	\$ (6,450,870)
Changes of Assumptions	2,752,770	(2,209,435)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(381,693)
Totals	<u>\$ 3,727,665</u>	<u>\$ (9,041,998)</u>

The net difference between projected and actual earnings on plan investments is amortized over a five-year period. The differences between actual and expected experience and change in assumptions are amortized over the expected average remaining service life.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(11) Other Post-Employment Benefits, continued

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense Amount</u>
2026	\$ (660,640)
2027	(1,428,791)
2028	(1,327,509)
2029	(1,376,711)
2030	(88,353)
Thereafter	(432,329)
Total	<u><u>\$ (5,314,333)</u></u>

E. Payable to the OPEB Plan

At June 30, 2025, Western Water had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

(12) Risk Management

Western Water is exposed to various risks of loss including, but not limited to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Western Water is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (JPIA), an intergovernmental risk-pooling self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. At June 30, 2025, Western Water participated in the following self-insurance and purchased insurance programs with JPIA:

- General, automobile, employment practices & public officials' liability: Broad coverage against third-party claims for Western Water, its directors, employees, and volunteers. Covered up to the following limits: the JPIA pools for first \$5,000,000 and purchases excess coverage limits to \$55,000,000 with aggregated policy limits.
- Property loss: Insured up to replacement value with a \$50,000 deductible per occurrence on scheduled buildings, fixed equipment and contents. Actual cash value on scheduled mobile equipment with a \$25,000 deductible per occurrence, and actual cash value on scheduled vehicles with a \$25,000 per occurrence. JPIA is self-insured up to \$10,000,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for accidental mechanical breakdown up to a sub-limit of \$100,000,000 with a deductible of \$25,000 to \$50,000 depending on the type of equipment. The property program also includes earthquake coverage with an aggregate limit of \$2,500,000, with a deductible equal to 5% of Western Water's total insurable values affected in a loss, subject to a minimum of \$75,000, and flood coverage with an aggregate limit up to \$25,000,000 and a sub-limit of \$10,000,000 for Flood Zones A or V, with a \$100,000 deductible.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(12) Risk Management, continued

- Workers' compensation: Insured for employer's liability for job-related injury or disease with a \$4,000,000 program aggregate limit. JPIA pools the first \$2,000,000 and purchases excess coverage for California statutory limits up to a \$4,000,000 program aggregate limit.
- Cyber liability: Including cyber security up to \$3,000,000 per member and \$5,000,000 aggregate limit. Cyber liability is subject to a \$100,000 deductible.
- Employee dishonesty/Crime Supplement: Insured up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty, computer fraud, and forgery or alteration. An excess crime program provides a coverage/limit up to \$1,000,000 per occurrence with a \$100,000 deductible. The program covers all employees and the Board of Directors.
- Fiduciary liability: Insured up to \$1,000,000 per occurrence and \$1,000,000 aggregate limit with sub-limits of \$100,000 and \$250,000 for certain coverages. Fiduciary liability is subject to a \$50,000 deductible.

In addition, Western Water has purchased Pollution and Remediation Legal Liability insurance through an independent insurance company that provides coverage of \$2,000,000 per occurrence and a \$10,000,000 aggregate. Coverage includes pollution conditions for water supply and biosolids, sewer backup, mold, remediation, emergency response cost, on-site clean-up cost, third-party claims for off-site clean-up, and transportation pollution liability, with a \$100,000 deductible.

There have been no significant changes in insurance coverage as compared to the prior year and settled claims have not exceeded any coverage amounts in any of the last three fiscal years.

(13) Leases

Western Water has adopted the following policies to account for agreements in accordance with the requirements of GASB Statement No. 87 (unless otherwise specified, the following policies pertain to agreements in which Western Water is lessee, and agreements in which Western Water is lessor):

Basis of Lease Classification

In accordance with GASB No. 87, Western Water does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, has 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.

Term

At the time of commencement or conversion, the term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

Discount Rate

Unless explicitly stated in the lease agreement, known by Western Water, or Western Water is unable to determine the rate implicit within the lease, the discount rate used to calculate lease right-of-use assets and liabilities and related lease receivable is Western Water's incremental borrowing rate at the end of each fiscal year. The incremental borrowing rate was between 3.25% and 8.5% as of June 30, 2025, and corresponding discount rate was utilized for applicable leases in fiscal year 2025.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(13) Leases, continued

Variable Payments

Variable payments based on the future performance of the lessee or lessor or usage of the underlying asset are not included in the measurement of lease assets or liabilities. For the fiscal year ended June 30, 2025, all leases are based on fixed payments and do not have variable payment components.

Remeasurement

For the fiscal year ended June 30, 2025, Western Water did not have to remeasure any lease liabilities due to 1) early termination of leases, 2) reduction in monthly lease payment, or 3) change in borrowing rate.

Western Water as Lessee

Vehicle Leases

Western Water has entered into various vehicle agreements with lease terms expiring between 2023 to 2027. As of June 30, 2025, Western Water has recognized right to use assets of \$724,681 and lease liabilities of \$777,819, related to these agreements. During the fiscal year, Western Water recorded \$301,535 in amortization expense.

Land Lease

Western Water has entered into an agreement to lease land from the Metropolitan Water District with the lease term expiring in 2061. As of June 30, 2025, Western Water has recognized a right to use asset of \$446,908 and a lease liability of \$468,834 related to this agreement. During the fiscal year, Western Water recorded \$12,769 in amortization expense.

Remaining obligations associated with these leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 298,613	\$ 57,841	\$ 356,454
2027	288,455	39,028	327,483
2028	196,679	21,585	218,264
2029	23,389	14,311	37,700
2030	7,943	13,900	21,843
2031-2035	43,826	65,393	109,219
2036-2040	51,548	57,671	109,219
2041-2045	60,630	48,589	109,219
2046-2050	71,312	37,907	109,219
2051-2055	83,877	28,021	111,898
2056-2060	98,655	10,564	109,219
2061-2062	21,726	118	21,844
Totals	<u>\$ 1,246,653</u>	<u>\$ 394,928</u>	<u>\$ 1,641,581</u>

Western Water as Lessor

Cell Site Leases

Western Water has entered into two cell site leases with lease terms expiring between 2035 to 2049. As of June 30, 2025, the lease receivable is \$1,120,817 and deferred inflows of resources are \$1,094,212. Western Water recognized \$73,258 of lease revenue during the year.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(13) Leases, continued

Western Water as Lessor

Office Space Lease

Western Water leases a portion of its headquarters to March Joint Powers Authority for office space use with the lease term expiring in 2025. As of June 30, 2025, the lease receivable is \$11,651 and deferred inflows of resources are \$10,928. Western Water recognized \$65,562 of lease revenue during the fiscal year.

Land Sublease

Western Water subleases a portion of its land at El Sobrante for use by the County of Riverside with the lease term expiring in 2061. As of June 30, 2025, the lease receivable is \$44,306 and deferred inflows of resources are \$41,756. Western Water recognized \$1,155 of lease revenue during the fiscal year.

Below is a summary of Western Water's lease receivable balance:

	Balance at June 30, 2024	Adjustments	Additions	Deletions	Balance at June 30, 2025
Cell Sites	\$ 451,425	\$ -	\$ 756,127	\$ (86,735)	\$ 1,120,817
Office Space	80,248	-		(68,597)	11,651
Land (Sublease)	44,940	-	-	(634)	44,306
Total	<u>\$ 576,613</u>	<u>\$ -</u>	<u>\$ 756,127</u>	<u>\$ (155,966)</u>	<u>\$ 1,176,774</u>

Remaining amounts to be received associated with these leases are as follows:

<u>Year Ending June 30,</u>	<u>Lease Revenue</u>
2026	\$ 63,069
2027	54,436
2028	57,592
2029	60,894
2030	64,346
2031-2035	379,252
2036-2040	161,571
2041-2045	185,567
2046-2050	130,550
2051-2055	7,866
2056-2060	9,252
2061-2062	2,379
Totals	<u>\$ 1,176,774</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(14) Subscription-Based Information Technology Arrangements (SBITA)

Western Water utilizes IT software contracts to purchase all software, including a variety of software products that are installed on servers, workstations, mobile devices, notebooks, and other hardware. These software products include enterprise software licensing and subscription agreements, cloud data warehousing, e-procurement system services as well as various technology security and geographical mapping imagery. In many cases, Western Water is required to purchase the annual licenses for these products to obtain functional and security updates as well as maintenance support services.

Western Water evaluates these contracts and identifies the qualified SBITAs in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The present value of the SBITAs, calculated based on the incremental borrowing rate discussed below, are aggregated on a portfolio basis. Western Water has adopted the following policies to account for agreements in accordance with the requirements of GASB No. 96.

Basis of SBITA classification

In accordance with GASB No. 96, Western Water recognizes short-term subscription payments, which have a maximum possible term under the SBITA contract of 12 months or less, as outflows of resources based on the payment provisions of the contract.

For purposes of determining the applicability of GASB No. 96, Software as a Service, Platform as a Service, and Infrastructure as a Service are three common deployment models of cloud computing arrangements. Each deployment model may contain IT software used in combination with tangible capital assets. The substance of the arrangement is evaluated by Western Water in accordance with GASB No. 96 to determine whether the arrangement meets the definition of SBITA.

Term

At the time of the SBITA commencement or conversion, the term will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal. For extension periods without explicit rent payment amounts in the agreement, Western Water will assume a CPI increase applicable to the western Riverside area for the fiscal year to prior payment amounts on an annual basis. No such assumptions were required in fiscal year 2025.

Discount rate

Unless explicitly stated in the agreement, known by Western Water, or Western Water is able to determine the rate implicit within the agreement, the discount rate used to calculate the right-to-use subscription IT assets and liabilities is Western Water's incremental borrowing rate at the time control of the SBITA was given to Western Water. The incremental borrowing rate was between 3.25% and 8.5% as of June 30, 2025, and corresponding discount rate was utilized for SBITA in fiscal year 2025.

**Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025**

(14) Subscription-Based Information Technology Arrangements (SBITA), continued

Variable payments

Variable payments based on the future performance of the agreement or usage of the underlying IT asset are not included in the measurement of subscription IT assets or liabilities. For the fiscal year ended June 30, 2025, Western Water reported two SBITA arrangements for payroll processing and utility bill online and phone payment processing per the variable payment component. SBITA variable expenses range from \$20,000 to \$50,000 per month based on the number of employee payments processed or a percentage of the amount of payments received online or via phone. For the year ended June 30, 2025, Western Water recorded \$413,423 of SBITA variable based payments as administrative and general expenses.

Future principal and interest payments to be made under these SBITAs for each of the next five years and in five-year increments thereafter (if applicable) are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 260,751	\$ 71,043	\$ 331,794
2027	141,951	59,901	201,852
2028	154,044	47,807	201,851
2029	101,654	36,346	138,000
2030	116,480	27,040	143,520
2031-2032	283,760	20,730	304,490
Totals	<u>\$ 1,058,640</u>	<u>\$ 262,867</u>	<u>\$ 1,321,507</u>

(15) Commitments and Contingencies

Joint Ventures

Western Water participates in the following joint ventures with other districts and agencies for various water and wastewater projects and operating facilities in Southern California:

Chino Basin Desalter Authority

Western Water joined the Chino Basin Desalter Authority (CDA) in November 2008 and became a voting member of the CDA on September 22, 2011, through a facility buy-in contribution of \$3,163,712. Working in partnership with two CDA partners, the City of Ontario and Jurupa Community Services District (JCSD), Western Water is augmenting water supplies from the Chino Basin by expanding the capacity of the Chino II Desalter from 12 MGD to 22 MGD. As expansion partners, Western Water, the City of Ontario and JCSD are responsible for funding the remaining cost of the \$155 million project, net of grants. Western Water's total share of the project is about \$64 million reduced by about \$33 million in grant funding, for a net cost of \$31 million excluding Western Water's internal costs and capitalized interest. Western Water's share of costs incurred to date, including Western Water's internal costs and capitalized interest, is \$72 million as of June 30, 2025. Western Water's participation in the CDA is accounted for as a joint venture without an equity interest. Western Water's share of the expansion cost was capitalized throughout construction, including capacity rights of 3,534 acre-feet of water annually.

Separate financial statements may be obtained at the Chino Basin Desalter Authority, 2151 S. Haven Avenue, Suite 202, Ontario, CA 91761.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(15) Commitments and Contingencies, continued

Unaudited financial information for the operation of the CDA for the fiscal year ended June 30, 2025 is as follows:

Total Assets	<u>\$ 296,649,881</u>
Total Deferred Outflows of Resources	<u>\$ 2,541,946</u>
Total Liabilities	<u>\$ 58,920,709</u>
Total Net Position	<u>\$ 240,271,118</u>
Total Revenues	49,870,535
Total Expenses	<u>(44,955,676)</u>
Change in Net Position	<u>\$ 4,914,859</u>

Western Riverside County Regional Wastewater Authority (WRCRWA)

WRCRWA was formed in 1992 pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California relating to the joint exercise of powers common to public agencies for the purpose of constructing, maintaining, operating and managing facilities for the collection, transmission, treatment and disposal of wastewater, the reclamation of wastewater, and the use of reclaimed wastewater for any beneficial purpose.

The five-member agencies are the Home Gardens Sanitary District, Western Water, the City of Norco, the City of Corona and JCSD. WRCRWA is governed by a 10-member Board of Directors. Western Water's participation in WRCRWA is accounted for as a joint venture without an equity interest.

WRCRWA owns and operates a tertiary wastewater treatment plant in Riverside County. In 2018, WRCRWA completed an expansion of the plant from an 8.0 MGD to a 14.0 MGD treatment capacity. The member agencies support the operating costs and capital costs through fixed and variable rates established by WRCRWA's Board of Directors. At June 30, 2025, the carrying value of Western Water's capacity rights in WRCRWA is \$6.8 million, net of accumulated amortization. The capacity rights in WRCRWA are being amortized over the term of the WRCRWA joint exercise of powers agreement.

The plant's treatment capacity is owned by member agencies as follows:

Member Agencies	MGD
Western Municipal Water District	1.93
Jurupa Community Services District	6.00
City of Norco	2.70
Home Gardens Sanitary District	0.75
City of Corona	<u>2.62</u>
	<u>14.00</u>

The plant expansion was financed by all member agencies, including a portion from Western Water for certain expenses that primarily deal with odor control. Western Water's participation in the plant expansion did not result in additional allocated capacity to Western Water. The table above reflects plant treatment capacity among the member agencies as a result of the plant expansion.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(15) Commitments and Contingencies, continued

Joint Ventures, continued

Western Riverside County Regional Wastewater Authority, continued

Unaudited financial information for the operation of WRCRWA for the fiscal year ended June 30, 2025 is as follows:

Total Assets	<u>\$ 122,281,970</u>
Total Liabilities	<u>\$ 53,164,512</u>
Total Deferred Inflows of Resources	<u>\$ 881,921</u>
Total Net Position	<u>\$ 68,235,537</u>
Total Revenues	21,013,243
Total Expenses	<u>(18,471,147)</u>
Change in Net Position	<u>\$ 2,542,096</u>

Since July 1, 1998, Western Water has been responsible for the administration and operations of WRCRWA. Separate financial statements of WRCRWA may be obtained at Western Municipal Water District, 14205 Meridian Parkway, Riverside, CA 92518.

Santa Ana Watershed Project Authority (SAWPA)

SAWPA was formed under a joint exercise of powers agreement for the purpose of undertaking projects for water quality control and protection in the Santa Ana River Watershed. SAWPA is composed of five water agencies within the watershed area: Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, Western Water and the Inland Empire Utilities Agencies. Each participating agency appoints two commissioners to SAWPA to form an oversight committee of 10. Equal contributions are made by each member agency for administration and contributions based on capacity use rights for project agreements under which capital construction is accomplished. Special projects or studies are funded by contributions based on the general or specific nature of the project or study. Western Water's participation in SAWPA is accounted for as a joint venture without an equity interest. At June 30, 2025, the carrying value of Western Water's capacity rights in SAWPA is \$18.7 million. The capacity rights in SAWPA were determined to have an indefinite useful life and are not being amortized. Financial data may be obtained at Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, CA 92503.

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(15) Commitments and Contingencies, continued

Joint Ventures, continued

Santa Ana Watershed Project Authority (SAWPA), continued

Unaudited financial information for the operation of SAWPA for the fiscal year ended June 30, 2025 is as follows:

Total Assets	<u>\$ 190,440,818</u>
Total Deferred Outflows of Resources	<u>\$ 1,906,602</u>
Total Liabilities	<u>\$ 96,478,350</u>
Total Deferred Inflows of Resources	<u>\$ 874,419</u>
Total Net Position	<u>\$ 94,994,651</u>
Total Revenues	36,399,011
Total Expenses	<u>(29,505,606)</u>
Change in Net Position	<u>\$ 6,893,405</u>

Santa Rosa Regional Resources Authority (SRRRA)

SRRRA was formed under a joint exercise of powers agreement for the purpose of constructing, maintaining, operating and managing facilities for the collection, transmission, treatment and disposal of wastewater, the reclamation of wastewater, and the use of reclaimed wastewater for any beneficial purpose.

SRRRA comprises three-member agencies: Elsinore Valley Municipal Water District, Rancho California Water District, and Western Water. SRRRA is governed by a three-member Board of Directors. Western Water's participation is accounted for as a joint venture without an equity interest.

In 2018, SRRRA completed the acquisition of the SRWRF, a 5.0 MGD secondary and tertiary plant, from Rancho California Water District. Wastewater flows in SRRRA's service area are treated at the SRWRF. At June 30, 2025, the carrying value of Western Water's capacity rights in SRRRA is \$16.4 million. Financial data may be obtained at Rancho California Water District, 42135 Winchester Road, Temecula, CA 92590.

Financial information for the operation of SRRRA for the fiscal year ended June 30, 2025 is as follows:

Total Assets	<u>\$ 83,691,222</u>
Total Liabilities	<u>\$ 66,429,190</u>
Total Net Position	<u>\$ 17,262,032</u>
Total Revenues	14,263,463
Total Expenses	<u>(11,084,944)</u>
Change in Net Position	<u>\$ 3,178,519</u>

Western Municipal Water District
Notes to the Basic Financial Statements
June 30, 2025

(15) Commitments and Contingencies, continued

Construction Contracts

Western Water has committed to \$1,522,065 in open construction contracts as of June 30, 2025. These include:

Project	Approved Contract	Payments to Date	Remaining Commitment
Water Filling Stations	\$ 1,485,000	\$ 1,359,820	\$ 125,180
Permanent Generator @ Hillside/Mockingbird	769,492	129,933	639,559
SCADA Wide Area Network Design	581,398	445,210	136,188
Jefferson Ave Water Improvement	559,590	522,019	37,571
Riverside Facilities	552,699	412,570	140,129
SARCCUP NP Well #7	543,616	154,181	389,435
North Well 2 Wellhead Treatment	255,537	242,760	12,777
Various projects	298,111	256,885	41,226
Total Capital Assets, Being Depreciated	<u>\$ 5,045,443</u>	<u>\$ 3,523,378</u>	<u>\$ 1,522,065</u>

General Litigation

Western Water is subject to various claims covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters has already been accrued as of June 30, 2025.

(16) Subsequent Events

On October 1, 2025, the Board of Directors approved the establishment of Section 115 Trust and advance funding of \$25.2 million for the CalPERS unfunded pension liability.

Required Supplementary Information

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Proportionate Share of Net Pension Liability
And Related Ratios
Last Ten Fiscal Years**

	CalPERS Miscellaneous				
Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's Proportion of the Net Pension Liability	0.58812%	0.57277%	0.55652%	0.60813%	0.51461%
Plan's Proportionate Share of the Net Pension Liability	\$ 28,444,986	\$ 28,641,008	\$ 26,040,982	\$ 11,547,259	\$ 21,706,462
Plan's Covered Payroll	\$ 21,248,258	\$ 18,369,788	\$ 17,632,348	\$ 17,369,367	\$ 16,473,446
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	133.87%	155.91%	147.69%	66.48%	131.77%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.21%	75.39%	75.94%	88.10%	75.91%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

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

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2025:

There were no significant changes in assumptions.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Proportionate Share of Net Pension Liability
And Related Ratios (Continued)
Last Ten Fiscal Years**

	CalPERS Miscellaneous				
Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability	0.49608%	0.47950%	0.46740%	0.45294%	0.45074%
Plan's Proportionate Share of the Net Pension Liability	\$ 19,865,378	\$ 18,070,806	\$ 18,425,168	\$ 15,734,556	\$ 12,365,976
Plan's Covered Payroll	\$ 14,957,485	\$ 13,685,044	\$ 12,875,107	\$ 12,276,411	\$ 11,614,001
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	132.81%	132.05%	143.11%	128.17%	106.47%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.17%	76.36%	74.23%	75.02%	78.89%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

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

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2025:

There were no significant changes in assumptions.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Pension Plan Contributions
Last Ten Fiscal Years**

	CalPERS Miscellaneous				
Fiscal Year Ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Contractually Required Contribution (Actuarially Determined)	\$ 4,532,121	\$ 4,032,279	\$ 3,718,057	\$ 3,458,959	\$ 3,266,946
Contributions in Relation to the Actuarially Determined Contributions	(4,532,121)	(4,032,279)	(3,718,057)	(3,458,959)	(3,266,946)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 21,123,001	\$ 21,248,258	\$ 18,369,788	\$ 17,632,348	\$ 17,369,367
Contributions as a Percentage of Covered Payroll	21.46%	18.98%	20.24%	19.62%	18.81%

Notes to Schedule:

Valuation Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.300%	2.300%	2.500%	2.500%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (3)	6.90% (3)	7.00% (3)	7.00% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Classic: 50-63 and PEPR: 52-67
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Pension Plan Contributions (Continued)
Last Ten Fiscal Years**

	CalPERS Miscellaneous				
Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually Required Contribution (Actuarially Determined)	\$ 2,868,787	\$ 2,390,220	\$ 2,029,535	\$ 1,785,348	\$ 1,700,996
Contributions in Relation to the Actuarially Determined Contributions	(2,868,787)	(2,390,220)	(2,029,535)	(1,785,348)	(1,700,996)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,473,446	\$ 14,957,485	\$ 13,685,044	\$ 12,875,107	\$ 12,276,411
Contributions as a Percentage of Covered Payroll	17.41%	15.98%	14.83%	13.87%	13.86%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.38% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Classic: 50-63 and PEPR: 52-67
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Changes in Net Other Post-Employment Benefits
Liability (Asset) and Related Ratios
Last Ten Fiscal Years**

	2025	2024	2023	2022
TOTAL OPEB LIABILITY				
Service Cost	\$ 665,876	\$ 491,932	\$ 477,783	\$ 609,870
Interest on Total OPEB Liability	883,285	989,075	934,353	1,473,775
Differences Between Expected and Actual Experience	731,882	(1,896,335)	31,782	(8,137,337)
Changes in Assumptions	(1,970,316)	2,180,016	-	(436,726)
Contributions - Retiree		54,618	55,904	28,889
Benefit Payments	(765,634)	(710,453)	(706,809)	(758,234)
Net Change in Total OPEB Liability	(454,907)	1,108,853	793,013	(7,219,763)
Total OPEB Liability - Beginning	15,484,669	14,375,816	13,582,803	20,802,566
Total OPEB Liability - Ending (a)	15,029,762	15,484,669	14,375,816	13,582,803
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	146,348	109,717	119,998	851,933
Contributions - Retiree	57,645	54,618	55,904	28,889
Net investment Income	2,345,966	2,041,569	1,655,124	(3,216,588)
Benefit Payments	(765,634)	(655,835)	(650,905)	(729,345)
Administration Expense	(35,869)	(32,358)	(22,360)	(40,490)
Net Change in Plan Fiduciary Net Position	1,748,456	1,517,711	1,157,761	(3,105,601)
Plan Fiduciary Net Position - Beginning	22,847,238	21,329,527	20,171,766	23,277,367
Plan Fiduciary Net Position - Ending (b)	24,595,694	22,847,238	21,329,527	20,171,766
Net OPEB Liability (Asset) - Ending (a)-(b)	<u>\$ (9,565,932)</u>	<u>\$ (7,362,569)</u>	<u>\$ (6,953,711)</u>	<u>\$ (6,588,963)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	163.65%	147.55%	148.37%	148.51%
Covered Payroll	\$ 21,123,001	\$ 21,248,258	\$ 18,369,788	\$ 17,632,348
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-45.29%	-34.65%	-37.85%	-37.37%

Notes to Schedule

Changes of Assumptions

In 2025, 1) the discount rate changed from 5.60% to 6.80%, 2) health care trend rates have been updated to an initial rate of 8.00% decreasing 0.25% annually to an ultimate rate of 4.50%.

In 2024, 1) the discount rate changed from 6.80% to 5.60%, 2) Salary scale was changed from 1.50% to 2.80% per year, 3) health care trend rates have been updated to an initial rate of 8.00% decreasing 0.25% annually to an ultimate rate of 4.50%.

In 2022, 1) the discount rate was changed from 7.0% to 6.8%, 2) the expected long-term investment rate of return was changed from 7.0% to 6.8%, and 3) the medical trend rate table was reset in fiscal year 2023.

In 2021, the salary scale was changed from 3.0% to 1.50%, and the medical trend rate table was reset in fiscal year 2022.

In 2020, the salary increase rate was changed from 5.7% to 3.0%, and the medical trend rate table was reset in fiscal year 2021.

In 2019, 1) the salary increase rate was changed from 3.0% to 5.7%, 2) spousal coverage assumption was changed from 85% to 60%, and 3) the medical trend rate table was reset in fiscal year 2020.

Fiscal year 2024-2025 was the eight year of implementation; therefore, only eight years are shown.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of Changes in Net Other Post-Employment Benefits
Liability (Asset) and Related Ratios (Continued)
Last Ten Fiscal Years**

	2021	2020	2019	2018
TOTAL OPEB LIABILITY				
Service Cost	\$ 810,090	\$ 803,311	\$ 785,273	\$ 713,625
Interest on Total OPEB Liability	1,294,035	1,337,944	1,357,315	1,049,476
Differences Between Expected and Actual Experience	-	(3,591,478)	-	1,544,082
Changes in Assumptions	1,367,534	1,526,814	(1,742,305)	847,628
Contributions - Retiree	33,005	30,622	33,327	36,511
Benefit Payments	(723,451)	(761,449)	(692,604)	(498,497)
Net Change in Total OPEB Liability	2,781,213	(654,236)	(258,994)	3,692,825
Total OPEB Liability - Beginning	18,021,353	18,675,589	18,934,583	15,241,758
Total OPEB Liability - Ending (a)	20,802,566	18,021,353	18,675,589	18,934,583
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	664,580	729,432	729,432	708,338
Contributions - Employee	33,005	30,622	33,327	36,511
Net investment Income	5,274,077	31,747	820,649	1,265,227
Plan to Plan Resource Movement	(561,722)	(534,127)	(536,005)	(498,497)
Other Miscellaneous Income (Expense)	(32,786)	(28,303)	(30,076)	(27,625)
Net Change in Plan Fiduciary Net Position	5,377,154	229,371	1,017,327	1,483,954
Plan Fiduciary Net Position - Beginning	17,900,213	17,670,842	16,653,515	15,169,561
Plan Fiduciary Net Position - Ending (b)	23,277,367	17,900,213	17,670,842	16,653,515
Net OPEB Liability (Asset) - Ending (a)-(b)	\$ (2,474,801)	\$ 121,140	\$ 1,004,747	\$ 2,281,068
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	111.90%	99.33%	94.62%	87.95%
Covered Payroll	\$ 17,369,367	\$ 16,473,446	\$ 14,957,485	\$ 13,685,044
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-14.25%	0.74%	6.72%	16.67%

Notes to Schedule

Changes of Assumptions

In 2025, 1) the discount rate changed from 5.60% to 6.80%, 2) health care trend rates have been updated to an initial rate of 8.00% decreasing 0.25% annually to an ultimate rate of 4.50%.

In 2024, 1) the discount rate changed from 6.80% to 5.60%, 2) Salary scale was changed from 1.50% to 2.80% per year, 3) health care trend rates have been updated to an initial rate of 8.00% decreasing 0.25% annually to an ultimate rate of 4.50%.

In 2022, 1) the discount rate was changed from 7.0% to 6.8%, 2) the expected long-term investment rate of return was changed from 7.0% to 6.8%, and 3) the medical trend rate table was reset in fiscal year 2023.

In 2021, the salary scale was changed from 3.0% to 1.50%, and the medical trend rate table was reset in fiscal year 2022.

In 2020, the salary increase rate was changed from 5.7% to 3.0%, and the medical trend rate table was reset in fiscal year 2021.

In 2019, 1) the salary increase rate was changed from 3.0% to 5.7%, 2) spousal coverage assumption was changed from 85% to 60%, and 3) the medical trend rate table was reset in fiscal year 2020.

Fiscal year 2024-2025 was the eight year of implementation; therefore, only eight years are shown.

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of OPEB Contributions
Last Ten Fiscal Years**

Fiscal Year Ended	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually Required Contribution (Actuarially Determined)	\$ -	\$ -	\$ -	\$ 770,235
Contributions in Relation to the Actuarially Determined Contributions	<u>(146,348)</u>	<u>(109,717)</u>	<u>(119,998)</u>	<u>(851,933)</u>
Contribution Deficiency (Excess)	<u><u>\$ (146,348)</u></u>	<u><u>\$ (109,717)</u></u>	<u><u>\$ (119,998)</u></u>	<u><u>\$ (81,698)</u></u>
Covered Payroll	\$ 21,123,001	\$ 21,248,258	\$ 18,369,788	\$ 17,632,348
Contributions as a Percentage of Covered Payroll	0.69%	0.52%	0.65%	4.83%

Notes to Schedule:

Valuation Date	7/1/2024	7/1/2024	11/1/2021	11/1/2021
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Discount Rate	6.80%	5.60%	6.80%	6.80%
Salary Increases	2.80%	2.80%	1.50%	1.50%
Investment Rate of Return	6.80%	5.60%	6.80%	7.00%
Retirement Age	55 years	55 years	55 years	55 years
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study			

**Western Municipal Water District
Required Supplementary Information
June 30, 2025**

**Schedule of OPEB Contributions (Continued)
Last Ten Fiscal Years**

Fiscal Year Ended	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually Required Contribution (Actuarially Determined)	\$ 904,195	\$ 729,432	\$ 729,432	\$ 530,291
Contributions in Relation to the Actuarially Determined Contributions	<u>(793,304)</u>	<u>(729,432)</u>	<u>(729,432)</u>	<u>(708,338)</u>
Contribution Deficiency (Excess)	<u><u>\$ 110,891</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (178,047)</u></u>
Covered Payroll	\$ 17,369,367	\$ 16,473,446	\$ 14,957,485	\$ 13,685,044
Contributions as a Percentage of Covered Payroll	4.57%	4.43%	4.88%	5.18%

Notes to Schedule:

Valuation Date	11/1/2019	11/1/2019	11/1/2017	11/1/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Discount Rate	7.00%	7.00%	7.00%	7.00%
Salary Increases	1.50%	3.00%	5.70%	3.00%
Investment Rate of Return	7.375%	7.50%	7.50%	7.50%
Retirement Age	55 years	55 years	55 years	55 years
Mortality	Derived from CalPERS pension plan updated to reflect most recent experience study			

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STATISTICAL SECTION



ANNUAL COMPREHENSIVE FINANCIAL REPORT 2024-25

STATISTICAL SECTION

Statistical Section

This part of Western Water's annual comprehensive financial report presents detailed information as a context for understanding what the information in the accompanying basic financial statements and notes to the basic financial statements says about Western Water's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how Western Water's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting Western Water's ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of Western Water's current levels of outstanding debt and Western Water's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which Western Water's financial activities take place and to help make comparisons over time and with other agencies.

Operating Information

These schedules contain information about Western Water's operations and resources to help the reader understand how Western Water's financial information relates to the services Western Water provides and the activities it performs.

TABLE I – NET POSITION BY COMPONENT
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net investment in capital assets	\$ 245,988,252	\$ 252,235,082	\$ 264,247,599	\$ 268,948,994	\$ 260,463,443	\$ 267,186,229	\$ 274,308,171	\$ 277,868,096	\$ 283,773,471	\$ 287,003,720
Restricted for debt service	-	-	-	-	-	-	1,443,855	1,510,763	1,510,763	1,510,763
Restricted for capacity charges	26,101,407	8,748,405	12,425,740	15,914,014	20,337,578	22,713,124	24,913,314	25,492,336	30,368,532	33,394,182
Restricted for OPEB benefits	-	-	-	-	-	2,474,801	6,588,963	6,953,711	7,362,569	9,565,932
Restricted for construction-related escrow accounts	-	-	-	-	-	-	-	-	765,394	792,545
Unrestricted	<u>86,965,126</u>	<u>113,132,995</u>	<u>121,760,230</u>	<u>135,616,911</u>	<u>167,439,334</u>	<u>194,837,187</u>	<u>190,418,697</u>	<u>209,311,767</u>	<u>242,916,781</u>	<u>290,679,114</u>
Total Net Position	<u>\$ 359,054,785</u>	<u>\$ 374,116,482</u> ⁽¹⁾	<u>\$ 398,433,569</u>	<u>\$ 420,479,919</u>	<u>\$ 448,240,355</u> ⁽²⁾	<u>\$ 487,211,341</u>	<u>\$ 497,673,000</u>	<u>\$ 521,136,673</u>	<u>\$ 566,697,510</u>	<u>\$ 622,946,256</u>
Percentage Increase (Decrease)	2%	4%	6%	6%	7%	9%	2%	5%	9%	10%

⁽¹⁾ Fiscal year 2017 balance reflects the cumulative effect of the implementation of GASB Statement No. 75.

⁽²⁾ Fiscal year 2020 balance was restated for a correction of grant revenue recognition error.

Source: Western Municipal Water District

TABLE II – CHANGES IN NET POSITION
Last 10 Fiscal Years

Fiscal Years	Operating Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Operating Income/(Loss)	Total Net Non-Operating Revenues	Income/(Loss) Before Capital Contributions	Capital Contributions ⁽³⁾	Change in Net Position
2025	\$ 159,266,210	\$ 178,919,194	\$ (19,652,984)	\$ 66,366,860	\$ 46,713,876	\$ 9,534,870	\$ 56,248,746
2024	138,503,062	159,089,941	(20,586,879)	50,787,277	30,200,398	15,360,439	45,560,837
2023	125,213,685	141,241,014	(16,027,329)	30,142,813	14,115,484	9,348,189	23,463,673
2022	135,837,820	148,730,180	(12,892,360)	11,535,417	(1,356,943)	11,818,602	10,461,659
2021	140,557,065	152,238,915	(11,681,850)	37,093,116	25,411,266	13,559,720	38,970,986
2020	122,346,891	139,579,516	(17,232,625)	30,079,330	12,846,705	14,913,731	(4) 27,760,436
2019	112,902,500	130,503,015	(17,600,515)	28,084,728	10,484,213	11,562,137	22,046,350
2018	118,267,870	135,533,919	(17,266,049)	22,692,961	5,426,912	18,890,172	24,317,084
2017	104,189,580	121,746,937	(17,557,357)	16,973,881	(583,476)	16,216,272	15,632,796
2016	95,250,268	111,085,922	(15,835,654)	18,293,873	2,458,219	5,005,341	7,463,560

⁽¹⁾ See Table III for details of revenues.

⁽²⁾ See Table IV for details of expenses.

⁽³⁾ Capital contributions include water and sewer connection fees (capacity charges) and contributed assets from developers, as well as grant proceeds. Being dependent on the development interest within the retail service area, these amounts naturally fluctuate from year to year.

⁽⁴⁾ Balance was restated for a correction of grant revenue recognition error.

Source: Western Municipal Water District

TABLE III – REVENUES BY SOURCE
(Excluding Capital Contributions and Special Items)
Last 10 Fiscal Years

Fiscal Years	Operating Revenues						Non-Operating Revenues					Combined Revenues
	Water Sales	Water Service	Wastewater Disposal	Contractual Services	Other Operating	Total Operating Revenues	Property Taxes	Investment Earnings	Capacity Rights Sales	Other Non-Operating	Total Non-Operating Revenues	
2025	\$ 107,649,931	\$ 27,762,692	\$ 16,927,895	\$ 6,811,393	\$ 114,299	\$ 159,266,210	\$ 38,464,149	\$ 19,455,840	\$ 8,489,648	\$ 5,161,539	\$71,571,176	\$ 230,837,386
2024	89,803,872	25,039,170	16,314,298	7,146,951	198,771	138,503,062	36,667,081	11,200,381	8,453,404	1,270,337	57,591,203	196,094,265
2023	79,412,015	23,920,251	15,710,393	6,044,627	126,399	125,213,685	32,871,464	911,945	222,552	2,367,088	36,373,049	161,586,734
2022	90,804,160	24,263,833	15,243,153	5,376,463	150,211	135,837,820	28,939,433	(14,568,475)	209,018	1,650,291	16,230,267	152,068,087
2021	96,387,528	24,574,875	14,592,692	4,860,581	141,389	140,557,065	27,416,336	(446,251)	15,940,572	988,019	43,898,676	184,455,741
2020	80,000,798	23,149,760	14,174,941	4,940,400	80,992	122,346,891	24,616,030	11,084,735	84,469	1,922,873	37,708,107	160,054,998
2019	74,974,766	20,717,986	12,409,135	4,633,486	167,127	112,902,500	23,641,810	8,673,064	47,212	2,263,940	34,626,026	147,528,526
2018	81,720,213	19,845,736	12,169,537	3,966,995	565,389	118,267,870	21,728,238	(19,896)	41,426	6,961,562	⁽¹⁾ 28,711,330	146,979,200
2017	70,698,068	17,355,249	11,512,039	4,007,195	617,029	104,189,580	20,053,770	(212,898)	1,548,535	1,880,972	23,270,379	127,459,959
2016	63,988,478	16,669,887	10,234,040	3,575,488	782,375	95,250,268	18,837,852	4,759,409	338,202	1,209,100	25,144,563	120,394,831

⁽¹⁾ This line item includes the net gain on disposal of assets in the amount of \$2.5 million, while in prior years the District had a net loss on the disposal of assets and included this line item in Table IV - Expenses by Function.

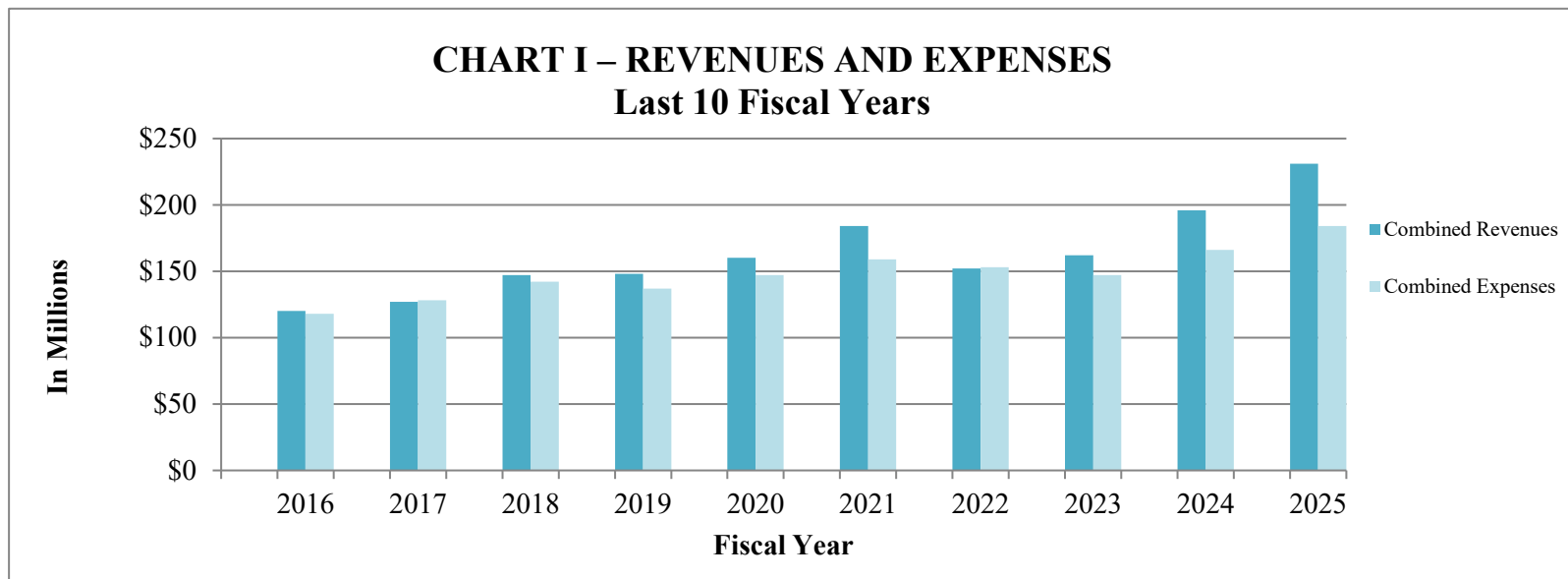
Source: Western Municipal Water District

TABLE IV – EXPENSES BY FUNCTION
Last 10 Fiscal Years

Fiscal Years	Operating Expenses									Total Non- Operating Expenses ⁽¹⁾	Combined Expenses
	Purchased Water	Pumping	Transmission & Distribution	Admin and General	Contractual Services	Depreciation and Amortization	Other	Wastewater Disposal	Total Operating		
2025	\$ 91,252,093	\$ 7,802,966	\$ 14,930,584	\$ 16,293,810	\$ 5,999,936	\$ 16,271,451	\$ 11,126,036	\$ 15,242,318	\$ 178,919,194	\$ 5,204,316	\$ 184,123,510
2024	76,783,173	6,711,868	13,929,597	15,681,894	6,016,625	16,095,818	10,870,570	13,000,396	159,089,941	6,803,926	165,893,867
2023	66,588,834	6,733,795	12,065,586	13,133,141	4,947,799	16,039,268	9,711,048	12,021,543	141,241,014	6,230,236	147,471,250
2022	78,965,903	6,301,412	11,392,793	11,992,745	4,331,625	14,369,632	9,331,380	12,044,690	148,730,180	4,694,850	153,425,030
2021	82,239,192	6,249,818	11,443,335	12,930,326	4,294,338	14,022,593	9,289,722	11,769,591	152,238,915	6,805,560	159,044,475
2020	67,906,312	5,541,953	10,371,146	14,982,493	4,629,855	13,405,239	11,743,192	10,999,326	139,579,516	7,628,777	147,208,293
2019	67,250,907	5,549,088	10,282,887	14,458,740	3,793,232	13,092,797	5,799,883	10,275,481	130,503,015	6,541,298	137,044,313
2018	72,045,551	5,396,486	10,367,900	14,041,873	3,559,405	12,735,181	7,133,113	10,254,410	135,533,919	6,018,368	141,552,287
2017	62,906,377	4,943,515	9,361,842	11,064,591	3,508,952	12,722,189	6,493,358	10,746,113	121,746,937	6,296,498	128,043,435
2016	55,342,184	4,703,808	10,040,804	8,239,639	3,261,688	12,787,432	7,100,179	9,610,188	111,085,922	6,850,690	117,936,612

⁽¹⁾ Total Non-Operating Expenses include net gain or loss on disposal of assets, except for in fiscal year 2018, where the net gain of \$2.5 million was included as part of Other Non-Operating Revenues in Table III - Revenues By Sources.

Source: Western Municipal Water District



Note: Combined Revenues exclude Capital Contributions and Special Items.

TABLE V – WATER ACCOUNTS BY METER SIZE
Last 10 Fiscal Years

Fiscal Years	¾-Inch	1-Inch	1½-Inch	2-Inch	3-Inch	4-Inch	6-Inch	8-Inch and Greater	Total
2025	19,035	5,140	462	664	51	76	79	253	25,760
2024	18,571	4,999	436	633	52	73	78	256	25,098
2023	18,523	4,954	429	612	30	74	73	235	24,930
2022	18,650	4,870	439	622	54	78	74	234	25,021
2021	18,632	4,777	440	622	55	81	68	227	24,902
2020	18,624	4,672	423	585	56	59	39	71	24,529
2019	18,546	4,617	414	571	54	59	44	66	24,371
2018	18,339	4,566	412	536	54	63	54	68	24,092
2017	18,237	4,452	401	542	52	63	52	68	23,867
2016	18,167	4,399	398	508	50	63	62	67	23,714

Source: Western Municipal Water District

**TABLE VI – RETAIL WATER ACCOUNTS BY TYPE
AND RETAIL WASTEWATER ACCOUNTS**
Last 10 Fiscal Years

Fiscal Years	Water Accounts			Wastewater Accounts
	Domestic	Agriculture	Total	
2025	25,708	52	25,760	9,718
2024	25,045	53	25,098	9,487
2023	24,882	48	24,930	9,273
2022	24,967	54	25,021	9,201
2021	24,834	68	24,902	9,145
2020	24,463	66	24,529	9,003
2019	24,299	72	24,371	8,836
2018	24,016	76	24,092	8,592
2017	23,791	76	23,867	8,480
2016	23,629	85	23,714	8,326

Source: Western Municipal Water District

TABLE VII – WATER AND SEWER RATES
Last 10 Fiscal Years

At June 30,	Fixed Monthly Base Rate Based on Meter Size								Monthly Water Usage Charge ⁽¹⁾	Monthly Sewer Charge ⁽²⁾
	¾-Inch	1-Inch	1½-Inch	2-Inch	3-Inch	4-Inch	6-Inch	8-Inch		
2025	\$ 39.99	\$ 61.89	\$ 116.88	\$ 139.39	\$ 337.20	\$ 662.55	\$ 1,479.47	\$ 1,972.04	\$ 100.28	\$ 56.72
2024	38.65	59.81	112.95	134.71	325.85	640.20	1,429.54	1,725.64	95.66	55.07
2023	37.36	57.81	109.16	130.19	314.89	618.61	1,235.61	1,479.24	91.65	53.47
2022	36.11	55.87	105.49	125.82	304.30	597.76	1,041.68	1,232.84	88.77	51.91
2021 ⁽⁴⁾	41.40	62.99	117.13	139.31	340.72	662.88	1,467.24	1,951.07	80.38	50.40
2020 ⁽³⁾	41.40	62.99	117.13	139.31	340.72	662.88	1,467.24	1,951.07	80.38	50.40
2019	37.94	57.49	106.51	126.62	265.42	466.81	598.78	694.23	78.06	49.41
2018	34.67	52.29	96.48	114.64	205.40	310.74	384.41	442.70	76.59	48.44
2017	26.38	42.66	85.34	105.67	128.02	148.31	168.65	190.99	79.10	46.37
2016	26.38	42.66	85.34	105.67	128.02	148.31	168.65	190.99	79.10	43.21

Note: The water meter and water rate information shown is for domestic customers (i.e., non-agricultural) residing in the District's retail service area that has the vast majority of customers (Riverside service area, Power Zone 1).

⁽¹⁾ The rate shown is for an average monthly treated water consumption of 29 units. A unit is 100 cubic feet of water or 748 gallons. An average customer with a ¾-inch water meter will pay \$140.27 per month (\$39.99 fixed + \$100.28 usage).

⁽²⁾ The sewer rate information shown is for one EDU (equivalent dwelling unit) in the District's Lake Hills area.

⁽³⁾ Water and sewer rates were increased effective January 1, 2020 and October 1, 2019, respectively

⁽⁴⁾ There were no rate changes effective in Fiscal Year 2021

Source: Western Municipal Water District

TABLE VIII – PRINCIPAL RETAIL WATER CUSTOMERS

Fiscal Year Ended June 30, 2025 and Nine Years Prior

Fiscal Year 2024-2025

Customer Name	Water Deliveries in Acre-Feet	Percentage of Water Deliveries
Riverside National Cemetery	1,206	4.8%
Altman Plants	589	2.3%
Village Nurseries	563	2.2%
452nd Air Force Base	346	1.4%
Pepsi Cola Plant	314	1.3%
Riverside Unified School District	312	1.2%
Riverside Operations	297	1.2%
City of Riverside	286	1.1%
The Kroger Co.	220	0.9%
Lake Hills Maintenance Corp	209	0.8%
Total Principal Customers	4,342	17.3%
Other Customers	20,747	82.7%
Total Retail Water Deliveries	25,089	100.0%

Fiscal Year 2015-2016

Customer Name	Water Deliveries in Acre-Feet	Percentage of Water Deliveries
Riverside National Cemetery	1,158	4.6%
Altman Plants	712	2.8%
Village Nurseries	550	2.2%
Pepsi Cola Plant	347	1.6%
General Old Golf Course	321	1.3%
The Kroger Company	292	1.2%
Riverside Unified School District	331	1.4%
Lennar Homes of California Inc	328	1.3%
Altavita	305	1.2%
Air Force 452 Air Mobility Wing	291	1.2%
Total Principal Customers	4,635	20.2%
Other Customers	18,336	79.8%
Total Retail Water Deliveries	22,971	100.0%

Source: Western Municipal Water District

TABLE IX – WHOLESALE WATER CUSTOMER DELIVERIES

Fiscal Year Ended June 30, 2025

Water Agency	Water Deliveries in Acre-Feet	Percentage of Water Deliveries
Elsinore Valley Municipal Water District	20,079	31.4%
City of Corona	18,355	28.6%
Rancho California Water District	16,264	25.3%
City of Norco	3,672	5.7%
Temescal Valley Water District	3,520	5.5%
Jurupa Community Services District	2,135	3.3%
Box Springs Mutual Water Company	149	0.2%
Eagle Valley Mutual Water District	62	0.1%
Total Wholesale Deliveries	64,236	100%

Source: Western Municipal Water District

**TABLE X – SUMMARY OF IMPORTED WATER RATES
(Dollars Per Acre-Foot - Last Ten Calendar Years)**

Rates Effective	Treated	Untreated
Jan. 1, 2016 Tier 1	942	594
Jan. 1, 2016 Tier 2	1076	728
Jan. 1, 2017 Tier 1	979	666
Jan. 1, 2017 Tier 2	1073	760
Jan. 1, 2018 Tier 1	1015	695
Jan. 1, 2018 Tier 2	1101	781
Jan. 1, 2019 Tier 1	1050	731
Jan. 1, 2019 Tier 2	1136	817
Jan. 1, 2020 Tier 1	1078	755
Jan. 1, 2020 Tier 2	1165	842
Jan. 1, 2021 Tier 1	1104	777
Jan. 1, 2021 Tier 2	1146	819
Jan. 1, 2022 Tier 1	1143	799
Jan. 1, 2022 Tier 2	1185	841
Jan. 1, 2023 Tier 1	1209	855
Jan. 1, 2023 Tier 2	1418	1064
Jan. 1, 2024 Tier 1	1256	903
Jan. 1, 2024 Tier 2	1455	1102
Jan. 1, 2025 Full Service ¹	1395	912

(1) Starting January 2025 Metropolitan Water District moved from a Tier1, Tier 2 rate to a single Full Services rate

Source: Metropolitan Water District

TABLE XI – WATER SOURCES (IN ACRE-FEET)
Last 10 Fiscal Years

Fiscal Years	Purchased			Wells	Desalter	Recycled Water	Grand Total
	Full Service						
	Treated	Untreated	Total				
2025	49,903	30,402	80,305	1,341	7,571	1,459	90,676
2024	43,542	26,211	69,753	608	7,740	1,419	79,520
2023	41,276	25,619	66,895	846	7,552 (1)	1,488	76,781
2022	53,234	27,057	80,291	681	5,372	1,359	87,703
2021	57,131	27,133	84,264	989	7,934	1,789	94,976
2020	47,214	27,756	74,970	573	7,489	1,512	84,544
2019	50,778	24,178	74,956	393	4,627	1,166	81,143
2018	57,621	26,885	84,506	427	5,006	917	90,856
2017	52,080	22,804	74,884	379	5,523	899	81,685
2016	45,896	18,992	64,889	866	4,969	887	71,610

(1) Updated in FY 2024 ACFR to 7,552 for Desalter, which was under-reported as 4,867 in FY 2023.

Source: Western Municipal Water District

TABLE XII – RATIO OF OUTSTANDING DEBT BY TYPE
Last 10 Fiscal Years

Fiscal Years	Revenue Bonds	Loans Payable	Notes Payable	Leases Payables	Subscription-Based Payables	Total	Total Debt Per Capita⁽¹⁾
2025	\$ 142,422,898	\$ 42,817,904	\$ 6,377,593	\$ 1,246,653	\$ 1,058,640	193,923,688	196.74
2024	146,958,949	44,542,082	7,724,440	1,535,502	1,305,990	202,066,963	206.02
2023	151,440,064	46,243,113	5,086,978	1,530,893	261,374	204,562,422	202.28
2022	155,873,839	46,391,279	5,519,702	1,034,873	-	208,819,693	208.86
2021	160,256,681	46,799,352	6,587,285	1,922,002	-	215,565,320	218.10
2020	138,273,552	46,445,697	7,817,855	1,469,782	-	194,006,886	197.06
2019	141,566,384	22,516,184	9,020,960	1,740,343	-	174,843,871	179.62
2018	144,792,855	12,076,194	10,197,212	1,281,334	-	168,347,595	174.94
2017	147,955,307	1,649,679	11,347,212	807,025	-	161,759,223	170.04
2016	149,626,360	1,757,012	4,367,963	-	-	155,751,335	166.31

Note: Details regarding the District's outstanding debt can be found in the notes to the basic financial statements

⁽¹⁾ Calculated by dividing the total outstanding debt by the District's estimated service area population.

Source: Western Municipal Water District

TABLE XIII – REVENUE BOND COVERAGE
Last 10 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GROSS REVENUE										
Water Sales	\$ 63,988,478	\$ 70,698,068	\$ 81,720,213	\$ 74,974,766	\$ 80,000,798	\$ 96,387,528	\$ 90,804,160	\$ 79,412,015	\$ 89,803,872	\$ 107,649,931
Water Service	16,669,887	17,355,249	19,845,736	20,717,986	23,149,760	24,574,875	24,263,833	23,920,251	25,039,170	27,762,692
Wastewater Service	10,234,040	11,512,039	12,169,537	12,409,135	14,174,941	14,592,692	15,243,153	15,710,393	16,314,298	16,927,895
Ad Valorem Taxes	18,837,555	20,053,654	21,728,238	23,641,810	24,616,030	27,416,336	28,939,433	32,871,464	36,667,081	38,464,149
Interest Income, including unrealized gain/(loss) ⁽²⁾	4,791,047	(213,018)	(20,117)	8,672,749	11,084,622	(723,382)	(14,743,355)	911,945	11,098,551	19,234,932
Connection Fees - Water	481,489	1,629,145	1,907,987	3,104,809	2,865,404	2,559,845	2,060,151	1,624,937	6,092,421	2,265,486
Connection Fees - Wastewater	215,298	823,002	4,243,084	4,167,829	5,649,570	3,359,550	6,121,811	1,293,987	4,817,136	2,012,047
Federal, State and Local Capital Grants	4,057,387	3,913,610	12,574,333	2,320,149	2,630,134	2,973,340	3,163,224	6,231,511	4,222,245	3,075,060
Other Revenue	5,049,329	7,196,054	10,675,474	6,249,944	6,163,691	21,930,561	7,385,983	8,760,666	17,069,463	20,561,353
Total	124,324,510	132,967,803	164,844,485	156,259,177	170,334,950	193,071,345	163,238,393	170,737,169	211,124,237	237,953,545
MAINTENANCE AND OPERATION COSTS										
Administration	8,239,639	11,064,591	14,041,869	14,458,740	14,982,493	12,930,326	12,012,439	13,133,141	15,681,894	16,293,810
Purchased Water	55,342,184	62,906,377	72,045,551	67,250,907	67,906,312	82,239,192	78,965,903	66,588,834	76,783,173	91,252,093
Water Operations	20,122,121	19,660,514	20,456,884	21,014,389	23,936,550	24,997,714	25,421,417	26,808,384	29,971,903	33,569,893
Wastewater Operations	9,610,188	10,746,113	10,254,410	10,275,481	10,999,326	11,769,591	12,044,690	12,021,543	13,000,396	15,242,318
Other Expenses	6,552,875	6,136,239	6,942,500	5,262,051	7,040,053	6,980,430	5,317,607	7,963,825	9,623,336	6,783,627
Contract Resource Obligations	1,725,125	89,063	-	89,053	-	-	-	-	-	-
Total	101,592,132	110,602,897	123,741,214	118,350,621	124,864,734	138,917,253	133,762,056	126,515,727	145,060,702	163,141,741
Net Revenues	22,732,378	22,364,906	41,103,271	37,908,556	45,470,216	54,154,092	29,476,337	44,221,442	66,063,535	74,811,804
Series of 2009 A&B Bonds	2,142,382	-	-	-	-	-	-	-	-	-
Series of 2010 A&B Bonds	3,008,567	3,020,184	3,012,302	3,013,122	3,009,554	1,287,533	-	-	-	-
Series of 2012 A Bonds	1,163,524	1,277,173	2,648,824	2,539,310	2,618,519	2,687,034	2,714,483	2,499,757	2,305,224	2,367,464
Series of 2016 A Bonds	335,672	779,608	779,597	779,586	779,614	15,159	- ⁽³⁾	-	-	-
Series of 2020 A Bonds	-	-	-	-	-	4,148,117	4,622,057	4,796,625	4,795,563	4,793,750
Series of 2022 A Revolving Notes	-	-	-	-	-	-	-	34,840	144,899	231,563
WRCRWA SRF Loans	33,833	33,759	33,725	38,448	39,481	39,214	39,209	39,203	39,199	39,194
SRRRA 2017 Bonds	-	-	817,161	769,558	1,002,676	973,357	759,262 ⁽³⁾	726,145	713,677	694,942
SRRRA SRF Loans	-	-	-	-	-	-	80,249 ⁽³⁾	261,185	259,885	259,849
SWRCB - La Sierra Project	-	-	-	-	-	1,443,856	1,443,855	1,510,763	1,510,763	1,510,763
Total	\$ 6,683,978	\$ 5,110,725	\$ 7,291,609	\$ 7,140,024	\$ 7,449,844	\$ 10,594,270	\$ 9,659,115	\$ 9,868,518	\$ 9,769,210	\$ 9,897,525
DEBT SERVICE COVERAGE	3.40	4.38	5.64	5.31	6.10	5.11	3.05	4.48	6.76	7.56
Adjusted Debt Service Coverage Excluding Unrealized Gain/Loss:										
Net Revenues Including Unrealized Gain/Loss	\$ 22,732,378	\$ 22,364,906	\$ 41,103,271	\$ 37,908,556	\$ 45,470,216	\$ 54,154,092	\$ 29,476,337	\$ 44,221,442	\$ 66,063,535	\$ 74,811,804
Unrealized Gain/Loss	(2,560,659)	2,635,149	2,807,012	(5,484,614)	(6,957,824)	5,783,181	19,298,643	3,544,266	(5,195,274)	(10,086,667)
Adjusted Net Revenues	\$ 20,171,720	\$ 25,000,056	\$ 43,910,283	\$ 32,423,942	\$ 38,512,392	\$ 59,937,273	\$ 48,774,980	\$ 47,765,708	\$ 60,868,261	\$ 64,725,137
Adjusted Debt Service Coverage	3.02	4.89	6.02	4.54	5.17	5.66	5.05	4.84	6.23	6.54

(1) Balance was restated for a correction of a grant revenue recognition error.

(2) Less income on trustee-held investments.

(3) Balance was restated to present proper bond balances

Source: Western Municipal Water District

TABLE XIV – DIRECT AND OVERLAPPING DEBT

As of June 30, 2025

2024-25 Assessed Valuation: \$126,651,161,088 (1)

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>	<u>% Applicable (2)</u>	<u>Debt 6/30/25</u>
Metropolitan Water District	3.305% \$	566,973
Riverside City Community College District	74.371	356,125,848
Alvord Unified School District	99.987	244,970,347
Corona-Norco Unified School District	96.749	449,967,250
Jurupa Unified School District	99.767	198,515,529
Murrieta Valley Unified School District	12.77	17,961,074
Riverside Unified School District	99.976	348,266,396
Other School Districts	Various	118,248,798
Western Municipal Water District	100.000	0
Western Municipal Water District Community Facilities Districts	100.000	1,355,896
Community Facilities Districts	Various	1,089,764,297
City and Special District 1915 Act Bonds	Various	<u>15,920,613</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$2,841,663,021
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>		
Riverside County General Fund Obligations	31.700% \$	359,544,501
Riverside County Pension Obligations	31.700	191,168,435
Riverside Community College District Certificates of Participation	74.371	17,722,609
Corona-Norco Unified School District Certificates of Participation	96.749	14,271,434
Jurupa Unified School District Certificates of Participation	99.767	43,778,506
Murrieta Unified School District General Fund Obligations	12.77	4,433,744
Riverside Unified School District Certificates of Participation	99.976	8,479,964
Other School District General Fund Obligations	Various	979,979
City of Corona General Fund Obligations	100.000	224,427,247
City of Jurupa Valley Certificates of Participation	99.827	6,314,058
City of Lake Elsinore General Fund Obligations	71.171	28,431,565
City of Moreno Valley General Fund Obligations	0.924	613,266
City of Murrieta General Fund Obligations	14.031	191,523
City of Riverside General Fund Obligations	98.632	190,667,033
City of Riverside Pension Obligations	98.632	384,654,937
City of Wildomar Certificates of Participation	32.718	363,993
Western Municipal Water District General Fund Obligations	100.000	<u>1,377,594</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$1,477,420,388
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies)</u>		\$513,826,363
TOTAL DIRECT DEBT		\$1,377,594
TOTAL OVERLAPPING DEBT		\$4,831,532,178
COMBINED TOTAL DEBT		\$4,832,909,772 (3)

(1) Excludes assessed valuation of additional fringe areas of the district.

(2) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the district's total taxable assessed value.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-25 Assessed Valuation:

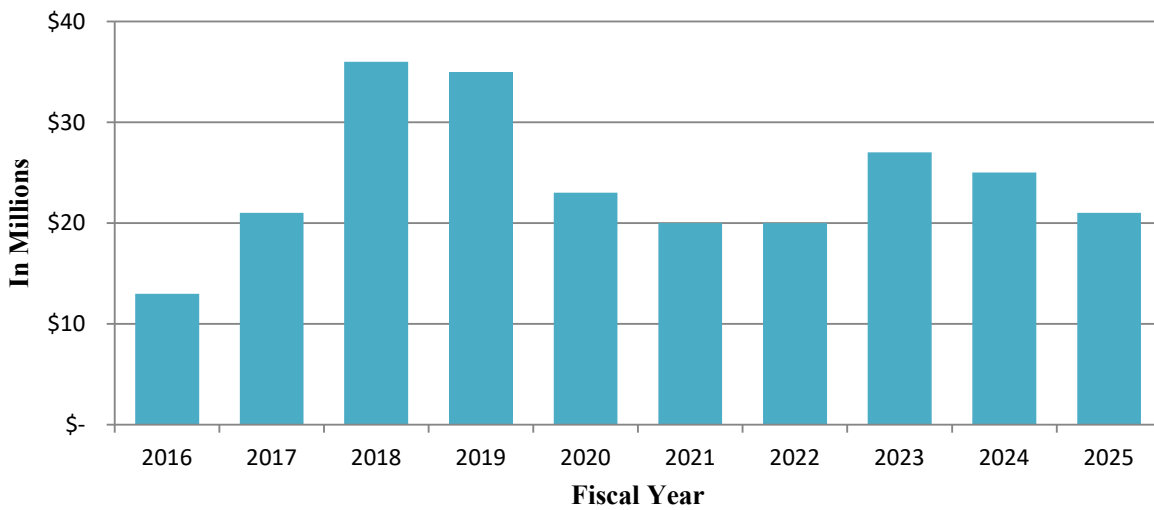
Direct Debt (\$1,377,594)	0.001%
Total Direct and Overlapping Tax and Assessment Debt	2.11%
Combined Total Debt	5.59%

Ratio to Redevelopment Incremental Valuation (\$43,532,397,200):

Total Overlapping Tax Increment Debt	1.18%
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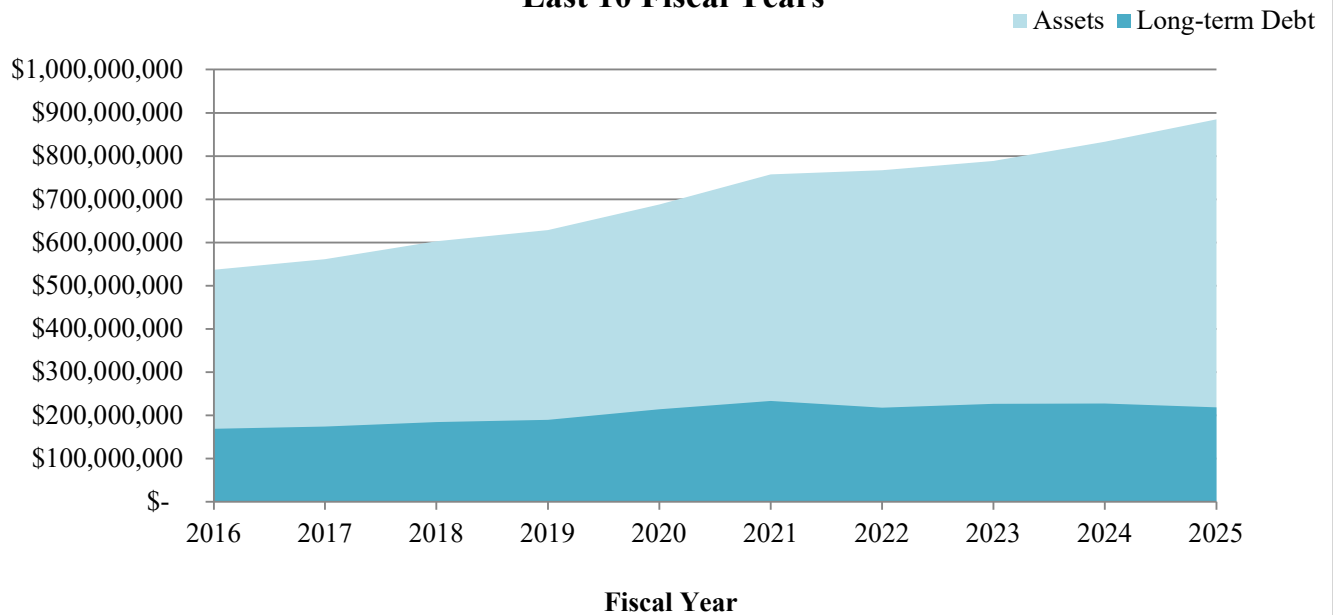
Source: California Municipal Statistics, Inc.

**CHART II – CONTRIBUTED CAPITAL AND ASSET ADDITIONS
Last 10 Fiscal Years**



Source: Western Municipal Water District

**CHART III – TOTAL DEBT TO ASSETS
Last 10 Fiscal Years**



Source: Western Municipal Water District

TABLE XV – DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Years	Assessed Valuation ⁽¹⁾ Western Service Area	Estimated Svc. Area Population	County Population	Personal Income ⁽²⁾ (in Billions)	County Per Capita Personal Income (3)	County Unemployment Rate (June)
2025	\$ 154,591,019,545	985,700	2,471,003	\$ 42.0	\$ 42,590	6.0%
2024	145,501,724,542	980,800	2,458,774	40.8	41,629	5.4%
2023	133,344,919,117	1,011,300	2,535,310	41.3	40,791	4.4%
2022	122,747,779,894	999,800	2,506,351	38.9	38,859	4.0%
2021	116,446,038,420	988,400	2,477,971	37.7	38,097	7.9%
2020	109,487,211,049	984,500	2,468,145	36.6	37,183	14.8%
2019	103,376,809,609	973,400	2,443,454	35.3	36,292	4.4%
2018	96,784,985,331	962,300	2,412,536	34.2	35,569	4.8%
2017	91,396,796,807	951,300	2,384,783	33.4	35,058	5.7%
2016	86,851,292,179	936,500	2,347,828	33.1	35,331	6.7%

(1) Assessed value includes both secured and unsecured property. Values from FY2016-2024 were updated in FY2025 to reflect a more accurate value

(2) Personal income for the service area is calculated by multiplying the estimated population in Western Water's service area by the County's per capita personal income projection.

(3) Projected based on a 10-year average

Sources: Riverside County Assessor for the assessed valuation; California Department of Finance for the county population estimates; County of Riverside Annual Comprehensive Financial Report for the county per capita personal income; and California Employment Development Department for the county unemployment rate

**TABLE XVI – PRINCIPAL EMPLOYERS IN THE
COUNTY OF RIVERSIDE**

Fiscal Year Ended June 30, 2025 and Nine Years Prior

Employer Name	Fiscal Year 2025	
	No. of Employees	Percentage of Total County Labor Force
County of Riverside	25,345	2.3%
Amazon	14,317	1.3%
State of California	8,398	0.7%
Walmart	7,523	0.7%
Riverside Unified School District	6,562	0.6%
Moreno Valley Unified School District	6,306	0.6%
Kaiser Permanente Medical Center	5,817	0.5%
Stater Bros. Markets	5,145	0.5%
University of California, Riverside	5,137	0.5%
Eisenhower Medical Center	4,971	0.4%
Total	89,521	8.0%
Total Labor Force		1,121,600

Employer Name	Fiscal Year 2016	
	No. of Employees	Percentage of Total County Labor Force
County of Riverside	21,984	2.3%
March Air Reserve Base	8,500	0.9%
University of California Riverside	8,306	0.9%
Amazon	7,500	0.8%
Stater Bros. Markets	6,900	0.7%
Kaiser Permanente Medical Center	5,300	0.5%
Corona-Norco Unified School District	5,098	0.5%
Desert Sands Unified School District	4,202	0.4%
Riverside Unified School District	3,973	0.4%
Pechanga Resort & Casino	3,931	0.4%
Total	75,694	7.8%
Total Labor Force		974,800

Notes: Data is for the County of Riverside. The District is located within the County.

Source: Riverside County Economic Development Agency

TABLE XVII – DISTRICT EMPLOYEES BY FUNCTION
 Filled Positions Only at June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Management	13	12	14	14	14	15	15	15	15	16
Human Resources & Administration	9	10	8	13	12	12	9	11	12	13
Engineering	14	15	14	14	16	16	14	15	16	17
Finance	12	10	13	13	13	14	13	12	15	13
Billing/Customer Service	9	9	9	9	9	9	9	8	9	9
Strategic Communications	4	4	3	2	5	4	3	6	8	9
Water Resources	6	8	7	6	5	4	6	6	6	6
Operations	65	65	67	69	69	71	71	73	70	76
Legislative Affairs	-	1	1	1	1	1	1	1	1	1
Information Systems	6	6	7	7	8	8	6	5	5	5
Total	138	140	143	148	152	154	147	152	157	165

Notes: All managers are included with their divisions. Temporary and part-time employees are not included.

Source: *Western Municipal Water District*

TABLE XVIII – OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees	138	140	143	148	152	154	147	152	157	165
Service Area (in acres)	337,000	337,000	337,000	337,000	337,000	337,000	337,000	337,000	337,000	337,000
Service Area (in square miles)	527	527	527	527	527	527	527	527	527	527
Assessed Valuation (billion)	\$ 87	\$ 91	\$ 97	\$ 103	\$ 109	\$ 116	\$ 123	\$ 133	\$ 146	\$ 155
Population Served (approx.)	936,500	951,300	962,300	973,400	984,500	988,400	999,800	1,011,300	980,800	985,700
Miles of Water Pipeline	639	639	639	640	641	641	640	652	649	665
Number of Storage Tanks	34	34	34	34	35	35	35	35	35	35
Max Storage Capacity (million gal.)	92.2	92.2	92.2	92.2	92.3	92.3	92.0	92.0	92.0	92.0
Sewer Treatment Plants Owned	1	1	1	1	1	1	1	1	1	1
Sewer Treatment Capacity (MGD)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Avg. Flows into Sewer Plant (MGD)	0.9	0.9	1.0	1.2	1.4	2.1	1.7	1.5	1.6	1.7
Number of Lift Stations	20	20	19	19	19	19	19	19	19	20

Source: Western Municipal Water District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2025



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
Western Municipal Water District
Riverside, 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 business-type activities and the fiduciary activities of Western Municipal Water District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Western Municipal Water District's basic financial statements, and have issued our report thereon dated December 19, 2025. The financial statements of the fiduciary activities were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instance of reportable noncompliance and other matters associated with the fiduciary activities.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Municipal Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Municipal Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Municipal Water District's internal control.

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

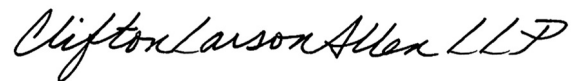
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Municipal Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
December 19, 2025



CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
Western Municipal Water District
Riverside, California

We have audited the financial statements of the business-type activities, and the fiduciary activities of Western Municipal Water District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 19, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated June 11, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Western Municipal Water District are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2025.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

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

- The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuation provided by CalPERS.
- The OPEB actuarially determined contributions, OPEB expense, net OPEB liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's defined benefit OPEB plan are based on an actuarial valuation performed by an independent third party.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of the effectiveness of the interest rate swap in Note 8 to the financial statements.
- The disclosure of the District's defined benefit pension plan in Note 10 to the financial statements.
- The disclosure of the District's defined benefit other post-employment benefits plan in Note 11 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements: The beginning net position is understated and current fiscal year change in net position is overstated resulting from the Implementation of GASB 101.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required Supplementary Information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the board of directors and management of Western Municipal Water District and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Irvine, California
December 19, 2025

Agenda Item: 8D

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**CONFIRM WESTERN MUNICIPAL WATER DISTRICT'S REPRESENTATIVES
TO OUTSIDE ORGANIZATIONS; RECEIVE AND FILE BOARD DIRECTOR
COMMITTEE APPOINTMENTS**

RECOMMENDATION:

Staff recommends the Board of Directors:

1. Confirm Western Municipal Water District's representatives to outside organizations for calendar year 2026, as outlined in the attached matrix; and
2. Receive and file Board Director committee appointments made by the Board President to standing and ad hoc committees, as outlined in the attached matrix.

EXECUTIVE SUMMARY:

Per Western Municipal Water District Resolution 2320, at a meeting in January of every year, the Board of Directors shall confirm the existing appointment(s) or appoint a new person(s) to serve as the District's representative(s) to those outside organizations to which the Board, by resolution or minute action, has appointed a person to represent the District's interests.

BUDGET IMPACT:

This item has no budget impact.

DETAIL:

Per Western Municipal Water District (Western Water) Resolution 2320, at a meeting in January of every year, the Board of Directors shall confirm the existing appointment(s) or appoint a new person(s) to serve as the District's representative(s) to those outside organizations to which the Board, by resolution or minute action, has appointed a person to represent the District's interests.

Western Water Resolution 2320 further provides that the President of the Board is authorized to establish standing or ad hoc committees. Upon establishment of any committee or the appointment of any member of the Board to a committee, the action shall be publicly announced and recorded in the Minutes of the Board meeting at which the action occurs.

REASON FOR ACTION:

This action will confirm the appointment(s) as the District representative(s) to outside organizations to which the Board represents the District's interests.

SOLUTION:

Confirm Western Water's representatives to outside organizations for calendar year 2026 and receive and file committee appointments of standing and ad hoc committees, as outlined in the attached matrix.

LEGAL COUNSEL REVIEW:

Not applicable.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Resolution 2320
2. Standing and Ad Hoc Committee Matrix

Attachment 1

RESOLUTION 2320

RESOLUTION OF THE BOARD OF DIRECTORS
OF WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY ESTABLISHING A
POLICY FOR THE APPOINTMENT OF
CERTAIN OFFICERS REQUIRED BY LAW,
FOR THE CONFIRMATION OR APPOINTMENT
OF REPRESENTATIVES TO VARIOUS
OUTSIDE ORGANIZATIONS, AND FOR THE
APPOINTMENT OF BOARD MEMBERS TO
VARIOUS BOARD COMMITTEES

WHEREAS, Western Municipal Water District of
Riverside County ("Western") is a municipal water district
established pursuant to Section 71000 et seq. of the
California Water Code;

WHEREAS, pursuant to Section 71273 of the
California Water Code, the Western Board of Directors
("Board") shall elect one of its members as president at
least every January of each odd numbered year. In
addition, Water Code Section 71273 permits the Board to
elect, at any meeting of the Board, one of its members as
vice-president who shall exercise the powers of the
president, if the president is absent or unable to act;

WHEREAS, Water Code Section 71340 requires the
Board to appoint persons to the following offices:
secretary, treasurer, attorney, general manager, and
auditor. In addition, Water Code Section 71340 permits the
Board to create and appoint persons to the offices of
deputy secretary and deputy treasurer. Water Code Section
71342 permits the Board to consolidate the offices of
secretary and treasurer;

WHEREAS, Water Code Sections 71301 and 71305 permit the Board to create any necessary offices and appoint persons to such offices, and to delegate executive, administrative, and ministerial powers to such offices; and

WHEREAS, Water Code Section 71301 and 71360 of the California Water Code permit the Board to delegate executive, administrative, and ministerial powers to the president of the Board.

WHEREAS, the Board adopted Resolution No. 2141 on December 20, 2000 which established a policy for the appointment of certain officers, confirmation or appointment of representatives to various outside organizations, and for the appointment of Board members to various Board committees. Resolution No. 2141 provides, among other things, for the election of Board officers at the first meeting of the Board in January of every odd-numbered year.

NOW THEREFORE, the Board of Directors of the Western Municipal Water District of Riverside County hereby resolves as follows:

SECTION 1. In accordance with the authority provided under Water Code Section 71273, at the first meeting of the Board in January of every year, the Board shall elect by a majority vote:

a. One member of the Board to serve as President of the Board; and

b. One member of the Board to serve as Vice-President of the Board.

SECTION 2. In accordance with the authority provided under Water Code Sections 71340 and 71342, at the first meeting of the Board in January of every year, the Board shall, by a majority vote, appoint one of its members Secretary-Treasurer of the Board, and shall appoint one other person to serve as Deputy Secretary-Treasurer of the Board.

SECTION 3. In accordance with the authority provided under Water Code Sections 71301 and 71305, at a meeting of the Board in January of every year, the Board shall, by a majority vote, confirm the existing appointment (s) or appoint new person (s) to serve as Western's representative (s) to those outside organizations to which the Board, by resolution or minute action, has appointed a person to represent Western's interests.

SECTION 4. In accordance with the authority provided under Water Code Sections 71301 and 71360, the President of the Board is hereby authorized to establish standing or ad hoc committees of the Board, and to appoint members of the Board to serve on such committees. No more than two members of the Board shall be appointed to a committee, and all appointees shall serve until a successor is appointed or the committee is dissolved by the President of the Board. Upon the establishment of any committee or the appointment of any member of the Board to a committee, the action shall be publicly announced and recorded in minutes of the Board meeting at which the action occurs.

SECTION 5. This Resolution shall take effect and be in force according to law on the date of adoption set forth below. This Resolution No. 2320 shall supercede and

otherwise control over the provisions of Resolution No. 2141. As of the effective date of this Resolution No. 2320, Resolution No. 2141 shall be of no further force or effect.

SECTION 6. The President of the Board shall sign this Resolution and the Secretary-Treasurer of the Board shall attest thereto.

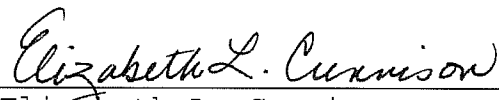
ADOPTED, this 3rd day of November 2004.



Wayne H. Holcomb President of
the Board

November 3, 2004

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution No. 2320 adopted by the Board of Directors of Western Municipal Water District of Riverside County at a duly-noticed regular meeting held on November 3, 2004.



Elizabeth L. Cunnison,
Secretary-Treasurer

Attachment 2

Western Municipal Water District's 2026 Committee Assignments

	Meeting Schedule	Division 1	Division 2	Division 3	Division 4	Division 5	
		Dir. Gardner	Dir. Torres	Dir. Dennstedt	Dir. Roughton	Dir. Rizvi	Staff
External Committees							
Eastern	Bi-Monthly	X	A	X			
Elsinore	Bi-Monthly	A		X		X	
Riverside	Bi-Monthly	X	X		A		
Riverside Advisory Committee (RAC)	Varies		X				
Rancho	Bi-Monthly	A		X	X		

Board Committees							
Community and Government Affairs	Monthly				X	X	
Finance	Monthly	X			X		
Engineering, Operations and Water Resources	Monthly		X			X	
Executive Board	As Needed				X	X	

Representatives							
CDA (Chino Desalter Authority)	Monthly	A			X		
SAWPA PA 24 Committee	Monthly	X		A			KAWAII
SAWPA Commission & PA Meetings	Monthly	X		A			
SAWPA Project Agreement 22	Monthly						MILLER
SAWPA OWOW Committee	Varies			X			
WRCRWA	Varies				A	X	RUGGE
Chino Basin Watermaster	Monthly	X			A		
Chino Basin Watermaster Advisory Committee	Monthly				X		SHAW
Santa Rosa Regional Resources Authority	Monthly	A				X	
Temescal Valley Municipal Advisory Council	Monthly		A	X			
ACWA JPIA	Varies			A	X		
ACWA JPIA Liability Committee	Varies			X			
WRCOG (Alternate for Executive Committee Only)	Monthly			X		A	
MWD	Monthly			X			
Joint Inland-Orange County Caucuses (MWD)	Monthly			X			
LESJWA	Varies	A		X			
Woodcrest Municipal Advisory Council	Varies	A	X				

Agenda Item: 8E

Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

**APPOINT WESTERN MUNICIPAL WATER DISTRICT'S REPRESENTATIVE TO
THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA**

RECOMMENDATION:

Staff recommends the Board of Directors:

1. Appoint Western Municipal Water District's representative to the Board of Directors of the Metropolitan Water District for calendar year 2026.

EXECUTIVE SUMMARY:

Pursuant to Resolution 3182, Western Municipal Water District's Board of Directors affirms or appoints its representative to the Board of Directors of the Metropolitan Water District. This affirmation or appointment typically occurs in January of each year during the annual appointment of Board member representatives to standing and ad hoc committees as provided by Resolution 2320.

BUDGET IMPACT:

This item has no budget impact.

DETAIL:

Western Municipal Water District (Western Water) is a member agency of the Metropolitan Water District of Southern California (MWD) and as a result, Western has a representative seat on the MWD Board of Directors. The Western Water Board had adopted policies over time, which set forth the process for appointing Western's MWD representative. Resolution 3182 provides that the Board of Directors shall elect its representative to the MWD Board of Directors by a majority vote. The Western Water representative to MWD shall serve an indefinite term, however, Pursuant to Resolution 2320, the Western Water Board of Directors affirms and appoints its representatives to outside organizations each year at a Board meeting each January.

It is the policy of the Western Water Board that the MWD representative shall be a current member of the Western Water Board, provided that there is a Western Water Board member willing and able to serve as a MWD representative. If no member of the current board of directors of Western Water is willing and able to serve, the Western Water Board shall select a MWD representative from a non-member of the Western Water Board. It is of the utmost intent of the Western Water Board to achieve an effective representation of the Western Water Board at MWD.

REASON FOR ACTION:

Resolution 2320 calls for the affirmation and appointment of representatives to outside organizations each year at a Board meeting in January.

SOLUTION:

Appoint Western Municipal Water District's representative to the Board of Directors of the Metropolitan Water District for calendar year 2026.

LEGAL COUNSEL REVIEW:

Not applicable.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Resolution 3182
2. Resolution 2320

Attachment 1

RESOLUTION 3182

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY UPDATING THE POLICY FOR APPOINTING WESTERN'S REPRESENTATIVE TO THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT

WHEREAS, the Western Municipal Water District (Western) is a member agency of the Metropolitan Water District of Southern California (MWD) and as a result, Western has a seat on the MWD Board of Directors; and

WHEREAS, the Western Board has adopted policies over time which set forth the process for appointing Western's representative (Met Rep) to the MWD Board including, but not necessarily limited to, Resolution 1854 which was then superseded by Resolution 2646. Said policies have addressed the number of MWD Board seats for Western, who can serve as the Met Rep, and the voting procedure for the appointment, among other things; and

WHEREAS, the Western Board desires to update the policy for appointing the Met Rep to address available legal clarifications which authorize all members of the Western Board to vote for the appointment. Since the current policy prohibits the individual subject to the appointment from voting for himself/herself, these new policies will not have that prohibition. It is also the desire of the Western Board to set forth in one resolution all the policies regarding the appointment of the Met Rep.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Western Municipal Water District of Riverside County as follows:

Section 1. The recitals in this Resolution are true and correct and the Western Board so finds, determines and represents. Said recitals are incorporated herein and made a part of this Resolution.

Section 2. The Met Rep shall be selected by a majority vote of the Western Board.

Section 3. The Met Rep shall serve an indefinite term, at the pleasure of the Western Board.

Section 4. It is the policy of the Western Board that the Met Rep shall be a current member of the Western Board, provided that there is a Western Board member willing and able to serve as a Met Rep. If no member of the current board of directors of Western is willing and able to serve, the Western Board shall select a Met Rep from a non-member of the Western Board.

Section 5. It is the intent of the Western Board to achieve an effective representation of the Western Board on the MWD Board. The Western Board shall have full discretion to determine how best to achieve such effectiveness, subject, however, to Paragraph 4 of this Resolution.

Section 6. No member of the Western Board, holding the dual offices of a Western Director and the Met Rep, shall vote upon any contract between MWD and Western.

Section 7. This Resolution shall become effective upon adoption. Upon the effective date of this Resolution, the provisions of any conflicting policies shall be of no further force or effect including, but not limited to, Resolution 2646.

Section 8. If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED, this 16th day of June, 2021.


BREND A DENNSTEDT
President

R-3182

June 16, 2021

I HEREBY CERTIFY that the foregoing is a full, true, and a correct copy of Resolution 3182 adopted by the Board of Directors of Western Municipal Water District of Riverside County at a duly noticed regular meeting held on June 16, 2021.



MIKE GARDNER
Secretary-Treasurer

Attachment 2

RESOLUTION 2320

RESOLUTION OF THE BOARD OF DIRECTORS
OF WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY ESTABLISHING A
POLICY FOR THE APPOINTMENT OF
CERTAIN OFFICERS REQUIRED BY LAW,
FOR THE CONFIRMATION OR APPOINTMENT
OF REPRESENTATIVES TO VARIOUS
OUTSIDE ORGANIZATIONS, AND FOR THE
APPOINTMENT OF BOARD MEMBERS TO
VARIOUS BOARD COMMITTEES

WHEREAS, Western Municipal Water District of
Riverside County ("Western") is a municipal water district
established pursuant to Section 71000 et seq. of the
California Water Code;

WHEREAS, pursuant to Section 71273 of the
California Water Code, the Western Board of Directors
("Board") shall elect one of its members as president at
least every January of each odd numbered year. In
addition, Water Code Section 71273 permits the Board to
elect, at any meeting of the Board, one of its members as
vice-president who shall exercise the powers of the
president, if the president is absent or unable to act;

WHEREAS, Water Code Section 71340 requires the
Board to appoint persons to the following offices:
secretary, treasurer, attorney, general manager, and
auditor. In addition, Water Code Section 71340 permits the
Board to create and appoint persons to the offices of
deputy secretary and deputy treasurer. Water Code Section
71342 permits the Board to consolidate the offices of
secretary and treasurer;

WHEREAS, Water Code Sections 71301 and 71305 permit the Board to create any necessary offices and appoint persons to such offices, and to delegate executive, administrative, and ministerial powers to such offices; and

WHEREAS, Water Code Section 71301 and 71360 of the California Water Code permit the Board to delegate executive, administrative, and ministerial powers to the president of the Board.

WHEREAS, the Board adopted Resolution No. 2141 on December 20, 2000 which established a policy for the appointment of certain officers, confirmation or appointment of representatives to various outside organizations, and for the appointment of Board members to various Board committees. Resolution No. 2141 provides, among other things, for the election of Board officers at the first meeting of the Board in January of every odd-numbered year.

NOW THEREFORE, the Board of Directors of the Western Municipal Water District of Riverside County hereby resolves as follows:

SECTION 1. In accordance with the authority provided under Water Code Section 71273, at the first meeting of the Board in January of every year, the Board shall elect by a majority vote:

a. One member of the Board to serve as President of the Board; and

b. One member of the Board to serve as Vice-President of the Board.

SECTION 2. In accordance with the authority provided under Water Code Sections 71340 and 71342, at the first meeting of the Board in January of every year, the Board shall, by a majority vote, appoint one of its members Secretary-Treasurer of the Board, and shall appoint one other person to serve as Deputy Secretary-Treasurer of the Board.

SECTION 3. In accordance with the authority provided under Water Code Sections 71301 and 71305, at a meeting of the Board in January of every year, the Board shall, by a majority vote, confirm the existing appointment (s) or appoint new person (s) to serve as Western's representative (s) to those outside organizations to which the Board, by resolution or minute action, has appointed a person to represent Western's interests.

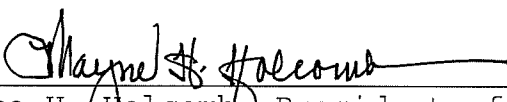
SECTION 4. In accordance with the authority provided under Water Code Sections 71301 and 71360, the President of the Board is hereby authorized to establish standing or ad hoc committees of the Board, and to appoint members of the Board to serve on such committees. No more than two members of the Board shall be appointed to a committee, and all appointees shall serve until a successor is appointed or the committee is dissolved by the President of the Board. Upon the establishment of any committee or the appointment of any member of the Board to a committee, the action shall be publicly announced and recorded in minutes of the Board meeting at which the action occurs.

SECTION 5. This Resolution shall take effect and be in force according to law on the date of adoption set forth below. This Resolution No. 2320 shall supercede and

otherwise control over the provisions of Resolution No. 2141. As of the effective date of this Resolution No. 2320, Resolution No. 2141 shall be of no further force or effect.

SECTION 6. The President of the Board shall sign this Resolution and the Secretary-Treasurer of the Board shall attest thereto.

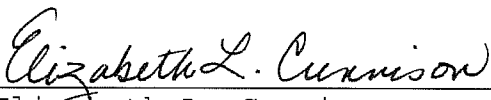
ADOPTED, this 3rd day of November 2004.



Wayne H. Holcomb President of
the Board

November 3, 2004

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution No. 2320 adopted by the Board of Directors of Western Municipal Water District of Riverside County at a duly-noticed regular meeting held on November 3, 2004.



Elizabeth L. Cunnison,
Secretary-Treasurer

Agenda Item: 11A
Date: January 21, 2026

TO: THE BOARD OF DIRECTORS

Laura Roughton, President
Fauzia Rizvi, Vice President
Brenda Dennstedt, Secretary/Treasurer
Gracie Torres
Mike Gardner

FROM: Craig D. Miller, P.E., General Manager

INVESTMENT REPORT – NOVEMBER 2025

**WESTERN MUNICIPAL WATER DISTRICT
SUMMARY OF INVESTMENTS
As of 11/30/2025**

CHANDLER ASSET MANAGEMENT PORTFOLIO	Market Value as of 10/31/2025	Investment Purchases/Deposits	Sales, Maturities & Interest Received	Interest Earned	Change in Unrealized Gain/(Loss)	Market Value As of 11/30/2025
Securities	\$ 281,422,798.58	\$ 7,287,969.35	\$ (7,366,536.85)	\$ 731,314.36	\$ 985,041.25	\$ 283,060,586.69
Cash and Cash Equivalents	492,172.65	8,156,323.60	(8,035,532.35)	3,197.64		(7,416,173.17)
Total	281,914,971.23	15,444,292.95	(15,402,069.20)	734,512.00	985,041.25	283,676,748.23
Liquidity	40,157,712.01	13,000,000.00	(10,700,000.00)	143,246.43		42,600,958.44
Total Portfolio	\$ 322,072,683.24	\$ 28,444,292.95	\$ (26,102,069.20)	\$ 877,758.43	\$ 985,041.25	\$ 326,277,706.67
Accrued Interest						1,907,409.02
Total Portfolio, including Accrued Interest						\$ 328,185,115.69

Fiscal Year To Date:	<u>As of 11/30/2025</u>	
Interest Earned	\$ 4,657,124.70	
Realized Gain (Loss)	143,424.78	A realized gain or loss occurs when a security is sold before maturity, and the market value of the security is higher or lower than its original cost.
Unrealized Gain (Loss)	3,102,192.92	An unrealized gain or loss occurs when a security held in the portfolio has a market value that is higher or lower than its original cost.
Total Investment Revenue (Expense):	\$ 7,902,742.40	

Portfolio Value:	<u>As of 11/30/2025</u>	
Cost Value	\$ 326,741,115.89	The value at which the securities were purchased.
Market Value	326,277,706.67	The current fair value of investments, as determined by transactions between willing buyers and sellers.
Portfolio Unrealized Gain (Loss):	\$ (463,409.22)	

I hereby certify that the investments contained in this report are made in accordance with the District's Investment Policy.

All investment securities are held in a third party custodial account with US Bank.
Included for your review is the Portfolio Summary Report provided by Chandler Asset Management.

The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of anticipated expenditures.



Richard R. Aragon, CPFO
Assistant General Manager/Chief Financial Officer

January 21, 2026

Date

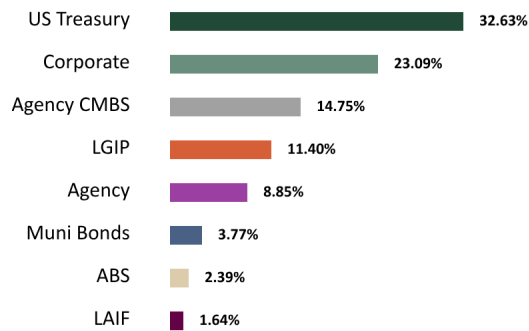
PORTFOLIO SUMMARY

Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Portfolio Characteristics

Average Modified Duration	3.09
Average Coupon	3.43%
Average Purchase YTM	3.53%
Average Market YTM	3.87%
Average Credit Quality*	AA+
Average Final Maturity	3.56
Average Life	3.45

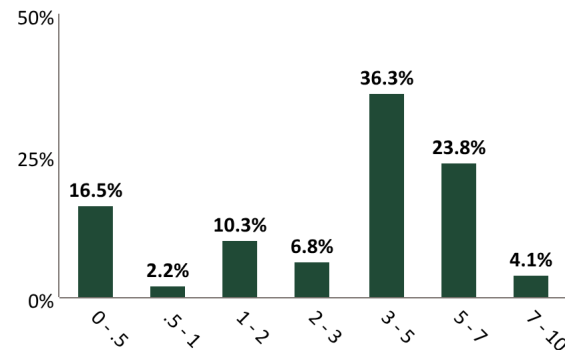
Sector Allocation



Account Summary

	End Values as of 10/31/2025	End Values as of 11/30/2025
Market Value	322,072,683.24	326,277,706.67
Accrued Interest	1,826,954.24	1,907,409.02
Total Market Value	323,899,637.49	328,185,115.69
Income Earned	1,146,971.84	859,713.47
Cont/WD	(1,000,000.00)	2,300,000.00
Par	325,854,078.99	329,033,497.77
Book Value	323,521,133.71	326,741,115.89
Cost Value	323,521,133.71	326,741,115.89

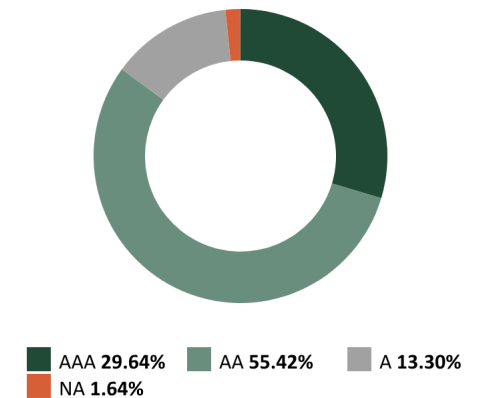
Maturity Distribution



Top Issuers

United States	32.63%
FHLMC	14.75%
California Asset Mgmt Program	11.40%
Federal Home Loan Banks	5.21%
FNMA	2.08%
State of California	1.96%
LAIF	1.64%
The Home Depot, Inc.	1.39%

Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (11/01/23)
WMWD Cons Agg	0.61%	1.38%	6.49%	5.93%	5.80%	--	--	--	--

*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: NO BENCHMARK REQUIRED

STATEMENT OF COMPLIANCE



Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	100.0	14.7	Compliant	
Max % Issuer (MV)	25.0	14.7	Compliant	
Max Maturity (Years)	10.0	7.0	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	2.4	Compliant	
Max % Issuer (MV)	5.0	0.6	Compliant	
Max Maturity (Years)	5	3	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	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	40.0	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	23.1	Compliant	
Max % Issuer (MV)	5.0	1.4	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)				

STATEMENT OF COMPLIANCE

Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	20.0	0.0	Compliant	
Max Amount Issuer	250,000.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	8.8	Compliant	
Max % Issuer (MV)	25.0	5.2	Compliant	
Max Maturity (Years)	10	5	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	5.4	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.2	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)	30.0	2.0	Compliant	
Max % Issuer (MV)	5.0	2.0	Compliant	
Max Maturity (Years)	10	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	1.8	Compliant	
Max % Issuer (MV)	5.0	0.8	Compliant	
Max Maturity (Years)	10	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	10.0	0.0	Compliant	
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	

STATEMENT OF COMPLIANCE



Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	90.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.3	Compliant	
Max % Issuer (MV)	10.0	1.3	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	32.6	Compliant	
Max Maturity (Years)	10	7	Compliant	

HOLDINGS REPORT

Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
362585AC5	GMCAR 2022-2 A3 3.1 02/16/2027	12,431.40	04/05/2022 3.10%	12,428.80 12,428.80	99.95 4.41%	12,424.84 16.06	0.00% (3.97)	Aaa/AAA NA	1.21 0.04
36269FAD8	GMALT 2024-1 A3 5.09 03/22/2027	1,076,680.64	03/27/2024 5.08%	1,076,975.04 1,076,975.04	100.26 3.91%	1,079,515.54 1,674.54	0.33% 2,540.49	NA/AAA AAA	1.31 0.21
47800CAC0	JDOT 2023 A3 5.01 11/15/2027	385,691.96	02/27/2023 5.05%	385,029.05 385,029.05	100.43 3.96%	387,367.40 858.81	0.12% 2,338.35	Aaa/NA AAA	1.96 0.39
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	1,350,000.00	03/26/2024 4.96%	1,350,052.73 1,350,052.73	100.81 4.00%	1,360,882.35 2,976.00	0.42% 10,829.62	Aaa/NA AAA	2.96 0.79
448973AD9	HART 2024-A A3 4.99 02/15/2029	1,500,000.00	03/26/2024 4.98%	1,500,585.94 1,500,585.94	100.80 4.01%	1,512,021.00 3,326.67	0.46% 11,435.06	NA/AAA AAA	3.21 0.77
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	2,055,000.00	04/16/2024 5.23%	2,054,578.73 2,054,578.73	101.92 3.82%	2,094,427.23 4,776.73	0.64% 39,848.50	NA/AAA AAA	3.38 1.30
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	1,315,000.00	06/06/2024 4.93%	1,314,926.23 1,314,926.23	101.58 3.85%	1,335,742.81 2,881.31	0.41% 20,816.58	Aaa/AAA NA	3.45 1.38
Total ABS		7,694,803.99	5.05%	7,694,576.53	101.14 3.91%	7,782,381.17 16,510.11	2.39% 87,804.64		2.92 0.92
AGENCY									
3130AGFP5	FEDERAL HOME LOAN BANKS 2.5 06/12/2026	2,000,000.00	06/17/2019 2.19%	2,040,340.00 2,040,340.00	99.39 3.67%	1,987,788.00 23,472.22	0.61% (52,552.00)	Aa1/AA+ AA+	0.53 0.51
3130A9YY1	FEDERAL HOME LOAN BANKS 2.125 12/11/2026	2,500,000.00	02/06/2020 1.74%	2,562,475.00 2,562,475.00	98.50 3.62%	2,462,595.00 25,086.81	0.75% (99,880.00)	Aa1/AA+ AA+	1.03 0.99
880591EU2	TENNESSEE VALLEY AUTHORITY 2.875 02/01/2027	2,500,000.00	07/30/2019 2.26%	2,604,650.00 2,604,650.00	99.11 3.66%	2,477,767.50 23,958.33	0.76% (126,882.50)	Aa1/AA+ AA+	1.17 1.12
3130A3VD3	FEDERAL HOME LOAN BANKS 2.625 06/11/2027	1,485,000.00	08/15/2017 2.58%	1,491,118.20 1,491,118.20	98.51 3.63%	1,462,912.11 18,407.81	0.45% (28,206.09)	Aa1/AA+ AA+	1.53 1.46
3130ACKB9	FEDERAL HOME LOAN BANKS 2.625 09/10/2027	2,275,000.00	11/20/2017 2.68%	2,263,670.50 2,263,670.50	98.42 3.55%	2,239,064.10 13,436.72	0.69% (24,606.40)	Aa1/AA+ AA+	1.78 1.71
3135G05Y5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.75 10/08/2027	3,670,000.00	-- 0.74%	3,671,721.90 3,671,721.90	95.07 3.52%	3,489,190.11 4,052.29	1.07% (182,531.79)	Aa1/AA+ AA+	1.85 1.81
3130AEB25	FEDERAL HOME LOAN BANKS 3.25 06/09/2028	2,500,000.00	01/29/2019 3.13%	2,523,925.00 2,523,925.00	99.36 3.52%	2,483,955.00 38,819.44	0.76% (39,970.00)	Aa1/AA+ AA+	2.53 2.36
3130AG3X1	FEDERAL HOME LOAN BANKS 2.875 03/09/2029	1,855,000.00	-- 2.67%	1,887,021.80 1,887,021.80	97.62 3.65%	1,810,813.90 12,147.67	0.55% (76,207.90)	Aa1/AA+ AA+	3.27 3.07

HOLDINGS REPORT

Western Municipal Water District Cons | Account #253 | As of November 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3130AGDY8	FEDERAL HOME LOAN BANKS 2.75 06/08/2029	2,720,000.00	-- 2.45%	2,791,164.60 2,791,164.60	97.35 3.56%	2,647,971.68 35,945.56	0.81% (143,192.92)	Aa1/AA+ AA+	3.52 3.27
3130AGUW3	FEDERAL HOME LOAN BANKS 2.125 09/14/2029	2,000,000.00	03/05/2020 1.21%	2,164,080.00 2,164,080.00	94.59 3.67%	1,891,796.00 9,090.28	0.58% (272,284.00)	Aa1/AA+ AA+	3.79 3.57
3135G05Q2	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875 08/05/2030	3,720,000.00	-- 0.99%	3,680,090.60 3,680,090.60	88.43 3.58%	3,289,454.64 10,488.33	1.01% (390,635.96)	Aa1/AA+ AA+	4.68 4.49
3133ERDM0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/02/2031	2,500,000.00	07/19/2024 4.38%	2,553,425.00 2,553,425.00	105.04 3.71%	2,625,987.50 9,565.97	0.80% 72,562.50	Aa1/AA+ AA+	5.42 4.75
Total Agency		29,725,000.00	2.17%	30,233,682.60	97.30 3.61%	28,869,295.54 224,471.44	8.85% (1,364,387.06)		2.68 2.52

AGENCY CMBS									
3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	2,050,000.00	02/02/2022 1.80%	2,195,582.03 2,195,582.03	99.02 3.75%	2,029,850.55 5,541.83	0.62% (165,731.48)	Aaa/AA+ AA+	1.73 1.59
3137H1Z33	FHMS K-744 A2 1.712 07/25/2028	1,566,983.17	02/08/2022 2.05%	1,532,760.26 1,532,760.26	95.08 3.77%	1,489,962.81 2,235.56	0.46% (42,797.44)	Aa1/AA+ AAA	2.65 2.39
3137H5DX2	FHMS K-747 A2 2.05 11/25/2028	2,555,000.00	01/19/2022 1.96%	2,566,939.52 2,566,939.52	95.07 3.83%	2,429,153.48 4,364.79	0.74% (137,786.05)	Aa1/AA+ AAA	2.99 2.77
3137H9D71	FHMS K-750 A2 3.0 09/25/2029	3,525,000.00	-- 4.84%	3,224,685.42 3,224,685.42	97.10 3.88%	3,422,908.95 8,812.50	1.05% 198,223.53	Aa1/AA+ AAA	3.82 3.19
3137FQ3Z4	FHMS K-101 A2 2.524 10/25/2029	2,200,000.00	06/02/2022 3.30%	2,083,898.43 2,083,898.43	95.22 3.85%	2,094,903.80 4,627.33	0.64% 11,005.37	Aa1/AA+ AA+	3.90 3.59
3137FREH0	FHMS K-104 A2 2.253 01/25/2030	1,100,000.00	03/29/2023 4.31%	973,757.81 973,757.81	93.98 3.87%	1,033,754.70 2,065.25	0.32% 59,996.89	Aa1/AA+ AAA	4.15 3.75
3137HB2L7	FHMS K-753 A2 4.4 10/25/2030	1,450,000.00	11/27/2023 5.12%	1,390,583.98 1,390,583.98	101.76 3.96%	1,475,586.70 5,316.67	0.45% 85,002.72	Aa1/AA+ AAA	4.90 4.25
3137HBC51	FHMS K-754 A2 4.94 11/25/2030	2,000,000.00	12/07/2023 4.77%	2,025,000.00 2,025,000.00	104.07 3.99%	2,081,404.00 8,233.33	0.64% 56,404.00	Aa1/AA+ AAA	4.99 4.31
3137FJY60	FHMS K-1508 A2 3.9 12/25/2030	2,000,000.00	01/04/2023 4.16%	1,959,375.00 1,959,375.00	99.82 3.91%	1,996,368.00 6,500.00	0.61% 36,993.00	Aa1/AA+ AA+	5.07 4.35
3137HDVA5	FHMS K756 4.963 05/25/2031	3,115,000.00	07/24/2024 4.57%	3,177,159.83 3,177,159.83	104.34 4.02%	3,250,271.99 12,883.12	1.00% 73,112.16	Aa1/AA+ AAA	5.48 4.64
3137HH5X5	FHMS K757 A2 4.456 08/25/2031	3,725,000.00	10/02/2024 4.07%	3,799,391.98 3,799,391.98	101.97 4.04%	3,798,226.05 13,832.17	1.16% (1,165.93)	Aaa/AA+ AA+	5.73 4.89
3137HHJF9	FHMS K-758 A2 4.68 10/25/2031	3,000,000.00	12/30/2024 4.78%	2,973,750.00 2,973,750.00	103.03 4.07%	3,090,984.00 11,700.00	0.95% 117,234.00	Aa1/AA+ AA+	5.90 5.02

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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
3137H6LN3	FHMS K-139 A2 2.59 01/25/2032	2,045,000.00	03/01/2022 2.33%	2,087,773.22 2,087,773.22	92.03 4.08%	1,881,988.96 4,413.79	0.58% (205,784.26)	Aaa/AA+ AA+	6.15 5.50
3137HJZS9	FHMS K-759 A2 4.8 01/25/2032	2,625,000.00	02/11/2025 4.76%	2,622,196.50 2,622,196.50	103.67 4.09%	2,721,235.13 10,500.00	0.83% 99,038.63	Aa1/AA+ AAA	6.15 5.16
3137H8BK6	FHMS K-147 A2 3.0 06/25/2032	4,100,000.00	-- 3.48%	3,817,156.25 3,817,156.25	93.59 4.12%	3,837,263.80 10,250.00	1.18% 20,107.55	Aa1/AA+ AAA	6.57 5.78
3137HN4L9	FHMS K-761 A2 4.4 06/25/2032	2,750,000.00	09/04/2025 4.23%	2,769,549.75 2,769,549.75	101.44 4.13%	2,789,715.50 10,083.33	0.86% 20,165.75	Aa1/AA+ AAA	6.57 5.55
3137H8U90	FHMS K-148 A2 3.5 07/25/2032	4,050,000.00	-- 4.14%	3,856,083.97 3,856,083.97	96.33 4.13%	3,901,344.75 11,812.50	1.20% 45,260.78	Aaa/AA+ AA+	6.65 5.77
3137HNTK4	FHMS K-762 A2 4.36 09/25/2032	2,800,000.00	11/05/2025 4.25%	2,809,483.60 2,809,483.60	101.14 4.15%	2,832,048.80 10,173.33	0.87% 22,565.20	Aa1/AA+ AA+	6.82 5.72
3137H9M89	FHMS K-152 A2 3.78 11/25/2032	2,000,000.00	01/17/2023 4.01%	1,957,812.50 1,957,812.50	97.87 4.13%	1,957,484.00 6,300.00	0.60% (328.50)	Aa1/AA+ AAA	6.99 5.89
Total Agency CMBS		48,656,983.17	3.92%	47,822,940.05	99.03 4.01%	48,114,455.96 149,645.52	14.75% 291,515.91		5.33 4.60
CASH									
CCYUSD	Receivable	44,590.62	--	44,590.62 44,590.62	1.00	44,590.62 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	36,555.25	--	36,555.25 36,555.25	1.00	36,555.25 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		81,145.87		81,145.87	1.00	81,145.87 0.00	0.02% 0.00		0.00 0.00
CORPORATE									
023135BX3	AMAZON.COM INC 1.0 05/12/2026	3,195,000.00	05/10/2021 1.09%	3,181,197.60 3,181,197.60	98.73 3.89%	3,154,321.26 1,686.25	0.97% (26,876.34)	A1/AA AA-	0.45 0.44
40139LBD4	GUARDIAN LIFE GLOBAL FUNDING 1.25 05/13/2026	1,190,000.00	-- 1.13%	1,196,593.00 1,196,593.00	98.77 4.03%	1,175,374.90 743.75	0.36% (21,218.10)	Aa1/AA+ NA	0.45 0.44
808513BR5	CHARLES SCHWAB CORP 1.15 05/13/2026	2,060,000.00	05/11/2021 1.20%	2,055,220.80 2,055,220.80	98.74 4.00%	2,034,015.16 1,184.50	0.62% (21,205.64)	A2/A- A	0.45 0.44
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	2,260,000.00	06/15/2021 1.13%	2,259,005.60 2,259,005.60	98.51 3.90%	2,226,332.78 11,511.88	0.68% (32,672.82)	A1/A+ A+	0.55 0.53
58989V2D5	MET TOWER GLOBAL FUNDING 1.25 09/14/2026	1,195,000.00	09/07/2021 1.27%	1,193,900.60 1,193,900.60	97.91 3.98%	1,169,991.04 3,194.97	0.36% (23,909.56)	Aa3/AA- AA-	0.79 0.77

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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
59217GER6	METROPOLITAN LIFE GLOBAL FUNDING I 1.875 01/11/2027	1,730,000.00	01/03/2022 1.90%	1,728,027.80 1,728,027.80	97.75 3.97%	1,691,040.40 12,614.58	0.52% (36,987.40)	Aa3/AA- AA-	1.11 1.08
26444HAC5	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	2,000,000.00	03/08/2022 2.52%	2,059,040.00 2,059,040.00	99.32 3.82%	1,986,422.00 24,177.78	0.61% (72,618.00)	A1/A NA	1.13 1.08
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	2,065,000.00	03/07/2022 2.30%	2,064,607.65 2,064,607.65	98.30 3.66%	2,029,804.14 10,026.72	0.62% (34,803.51)	Aa2/AA A+	1.29 1.25
66815L2M0	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.9 06/12/2028	1,300,000.00	06/06/2023 4.84%	1,303,484.00 1,303,484.00	102.37 3.91%	1,330,746.30 29,903.61	0.41% 27,262.30	Aa1/AA+ AAA	2.53 2.31
74340XBX8	PROLOGIS LP 4.0 09/15/2028	1,000,000.00	11/29/2023 5.07%	955,070.00 955,070.00	100.17 3.93%	1,001,715.00 8,444.44	0.31% 46,645.00	A2/A NA	2.79 2.37
66815L2Q1	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.71 01/10/2029	1,000,000.00	-- 4.67%	1,001,825.24 1,001,825.24	101.90 4.05%	1,019,015.00 18,447.50	0.31% 17,189.76	Aa1/AA+ AAA	3.11 2.82
24422EXH7	JOHN DEERE CAPITAL CORP 4.5 01/16/2029	1,000,000.00	01/10/2024 4.53%	998,650.00 998,650.00	101.73 3.90%	1,017,346.00 16,875.00	0.31% 18,696.00	A1/A A+	3.13 2.85
57629W5B2	MASSMUTUAL GLOBAL FUNDING II 4.85 01/17/2029	1,450,000.00	01/09/2024 4.85%	1,449,811.50 1,449,811.50	102.16 4.10%	1,481,346.10 26,176.53	0.45% 31,534.60	Aa3/AA+ AA+	3.13 2.83
64952WFF5	NEW YORK LIFE GLOBAL FUNDING 4.7 01/29/2029	1,700,000.00	01/22/2024 4.74%	1,696,923.00 1,696,923.00	101.95 4.04%	1,733,087.10 27,077.22	0.53% 36,164.10	Aa1/AA+ AAA	3.16 2.87
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	1,775,000.00	02/07/2024 4.51%	1,773,828.50 1,773,828.50	101.96 3.84%	1,809,873.43 24,850.00	0.55% 36,044.93	Aa3/A+ NA	3.19 2.84
14913UAJ9	CATERPILLAR FINANCIAL SERVICES CORP 4.85 02/27/2029	2,500,000.00	03/18/2024 4.84%	2,501,225.00 2,501,225.00	102.96 3.87%	2,574,015.00 31,659.72	0.79% 72,790.00	A2/A A+	3.24 2.95
89115A2Y7	TORONTO-DOMINION BANK 4.994 04/05/2029	1,565,000.00	03/26/2024 4.99%	1,565,000.00 1,565,000.00	102.76 4.10%	1,608,223.74 12,157.62	0.49% 43,223.74	A2/A- AA-	3.34 3.04
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,325,000.00	06/03/2024 5.04%	1,322,456.00 1,322,456.00	102.97 4.08%	1,364,340.58 32,204.86	0.42% 41,884.58	Aa1/AA+ AAA	3.51 3.13
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	1,500,000.00	06/07/2024 5.04%	1,487,670.00 1,487,670.00	103.00 3.93%	1,545,051.00 34,354.17	0.47% 57,381.00	A1/A A+	3.53 3.16
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	2,000,000.00	06/13/2024 4.82%	2,027,729.45 2,027,729.45	103.97 3.94%	2,079,336.00 47,494.44	0.64% 51,606.55	Aa2/A+ AA-	3.54 3.01
437076DC3	HOME DEPOT INC 4.75 06/25/2029	2,000,000.00	06/20/2024 4.84%	1,991,920.00 1,991,920.00	102.58 3.97%	2,051,676.00 41,166.67	0.63% 59,756.00	A2/A A	3.57 3.13
713448FX1	PEPSICO INC 4.5 07/17/2029	2,380,000.00	07/15/2024 4.53%	2,376,311.00 2,376,311.00	102.26 3.82%	2,433,895.10 39,865.00	0.75% 57,584.10	A1/A+ NA	3.63 3.20

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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
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	2,300,000.00	08/15/2024 4.50%	2,315,433.00 2,315,433.00	102.27 3.98%	2,352,122.60 31,490.83	0.72% 36,689.60	A2/A A	3.71 3.27
40139LBJ1	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029	1,930,000.00	09/23/2024 4.18%	1,930,000.00 1,930,000.00	100.08 4.15%	1,931,592.25 14,562.65	0.59% 1,592.25	Aa1/AA+ NA	3.82 3.47
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	2,500,000.00	09/26/2024 4.04%	2,495,625.00 2,495,625.00	100.39 3.89%	2,509,662.50 18,055.56	0.77% 14,037.50	A1/A+ NA	3.82 3.49
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	2,200,000.00	10/15/2025 4.14%	2,200,792.00 2,200,792.00	100.07 4.33%	2,201,586.20 10,151.78	0.67% 794.20	A2/BBB+ A	3.89 2.69
59217GFT1	METROPOLITAN LIFE GLOBAL FUNDING I 4.9 01/09/2030	1,275,000.00	01/02/2025 4.95%	1,272,373.50 1,272,373.50	102.60 4.20%	1,308,202.28 24,642.92	0.40% 35,828.78	Aa3/AA- AA-	4.11 3.63
61747YFK6	MORGAN STANLEY 5.173 01/16/2030	2,500,000.00	01/13/2025 5.39%	2,480,625.00 2,480,625.00	102.93 4.47%	2,573,207.50 48,496.88	0.79% 92,582.50	A1/A- A+	4.13 2.82
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	2,000,000.00	02/05/2025 4.88%	2,005,746.39 2,005,746.39	103.31 4.08%	2,066,140.00 31,350.00	0.63% 60,393.61	A2/NA A	4.19 3.64
06051GHQ5	BANK OF AMERICA CORP 3.974 02/07/2030	2,900,000.00	02/14/2025 4.97%	2,796,963.00 2,796,963.00	99.56 4.38%	2,887,321.20 36,494.57	0.88% 90,358.20	A1/A- AA-	4.19 2.92
02665WFY2	AMERICAN HONDA FINANCE CORP 4.8 03/05/2030	1,500,000.00	03/03/2025 4.82%	1,498,680.00 1,498,680.00	102.19 4.23%	1,532,878.50 17,200.00	0.47% 34,198.50	A3/A- NA	4.26 3.79
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	2,000,000.00	03/11/2025 4.69%	1,996,200.00 1,996,200.00	101.97 4.14%	2,039,444.00 19,633.33	0.63% 43,244.00	A3/A- A-	4.29 3.76
743315AW3	PROGRESSIVE CORP 3.2 03/26/2030	2,500,000.00	11/14/2025 4.16%	2,405,125.00 2,405,125.00	96.59 4.07%	2,414,735.00 14,444.44	0.74% 9,610.00	A2/A A	4.32 3.96
74153WCW7	PRICOA GLOBAL FUNDING I 4.7 05/28/2030	2,700,000.00	08/20/2025 4.38%	2,737,017.00 2,737,017.00	101.88 4.24%	2,750,768.10 1,057.50	0.84% 13,751.10	Aa3/AA- AA-	4.49 4.02
437076DJ8	HOME DEPOT INC 3.95 09/15/2030	2,500,000.00	09/09/2025 4.02%	2,492,250.00 2,492,250.00	99.77 4.00%	2,494,190.00 20,847.22	0.76% 1,940.00	A2/A A	4.79 4.29
828807DZ7	SIMON PROPERTY GROUP LP 4.375 10/01/2030	2,750,000.00	10/07/2025 4.28%	2,761,763.64 2,761,763.64	100.80 4.19%	2,772,112.75 34,088.54	0.85% 10,349.11	A3/A NA	4.84 4.20
40139LBN2	GUARDIAN LIFE GLOBAL FUNDING 4.327 10/06/2030	1,400,000.00	09/30/2025 4.33%	1,400,000.00 1,400,000.00	100.63 4.18%	1,408,878.80 9,254.97	0.43% 8,878.80	Aa1/AA+ NA	4.85 4.31
141781CF9	CARGILL INC 4.125 10/23/2030	1,500,000.00	10/21/2025 4.11%	1,500,870.00 1,500,870.00	99.85 4.16%	1,497,784.50 6,531.25	0.46% (3,085.50)	A2/A NA	4.90 4.37
717081FD0	PFIZER INC 4.2 11/15/2030	2,075,000.00	11/18/2025 4.22%	2,073,360.75 2,073,360.75	100.48 4.09%	2,084,933.03 2,420.83	0.64% 11,572.28	A2/A NA	4.96 4.36

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Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Corporate		74,720,000.00	3.97%	74,552,321.02	100.87 4.04%	75,342,527.22 796,540.48	23.09% 790,206.20		3.27 2.84
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,355,239.34	-- 4.09%	5,355,239.34 5,355,239.34	1.00 4.09%	5,355,239.34 0.00	1.64% 0.00	NA/NA NA	0.00 0.00
Total LAIF		5,355,239.34	4.09%	5,355,239.34	1.00 4.09%	5,355,239.34 0.00	1.64% 0.00		0.00 0.00
LOCAL GOV INVESTMENT POOL									
90CAMP\$00	CAMP	37,209,163.85	-- 4.11%	37,209,163.85 37,209,163.85	1.00 4.11%	37,209,163.85 0.00	11.40% 0.00	NA/AAAm NA	0.00 0.00
Total Local Gov Investment Pool		37,209,163.85	4.11%	37,209,163.85	1.00 4.11%	37,209,163.85 0.00	11.40% 0.00		0.00 0.00
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	616,161.54	-- 3.62%	616,161.54 616,161.54	1.00 3.62%	616,161.54 0.00	0.19% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		616,161.54	3.62%	616,161.54	1.00 3.62%	616,161.54 0.00	0.19% 0.00		0.00 0.00
MUNICIPAL BONDS									
8827237U7	TEXAS STATE 3.621 10/01/2030	1,590,000.00	05/22/2024 4.71%	1,495,713.00 1,495,713.00	99.40 3.76%	1,580,445.69 9,595.65	0.48% 84,732.69	Aaa/AAA NA	4.84 4.37
13063D7E2	CALIFORNIA STATE 5.75 10/01/2031	3,000,000.00	10/04/2023 5.57%	3,034,320.00 3,034,320.00	109.04 4.00%	3,271,209.00 28,750.00	1.00% 236,889.00	Aa2/AA- AA	5.84 4.94
373384J80	GEORGIA ST 4.48 02/01/2032	1,750,000.00	05/22/2024 4.74%	1,720,425.00 1,720,425.00	100.03 4.47%	1,750,588.00 26,133.33	0.54% 30,163.00	Aaa/AAA AAA	6.17 0.08
57582TEC2	MASSACHUSETTS COMMONWEALTH 4.6 06/01/2032	2,500,000.00	06/10/2025 4.56%	2,505,825.00 2,505,825.00	102.84 4.10%	2,570,887.50 52,069.44	0.79% 65,062.50	Aa1/AA+ AA+	6.50 5.59

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13063ESC1	CALIFORNIA ST 4.35 11/01/2032	3,100,000.00	10/31/2025 4.26%	3,116,492.00 3,116,492.00	101.05 4.17%	3,132,624.40 9,364.58	0.96% 16,132.40	Aa2/AA- AA	6.92 5.91
Total Municipal Bonds		11,940,000.00	4.80%	11,872,775.00 11,872,775.00	103.19 4.10%	12,305,754.59 125,913.01	3.77% 432,979.59		6.17 4.56
SUPRANATIONAL									
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	4,185,000.00	04/13/2021 0.97%	4,165,832.70 4,165,832.70	98.85 3.89%	4,136,931.09 4,170.47	1.27% (28,901.61)	Aaa/AAA NA	0.39 0.38
Total Supranational		4,185,000.00	0.97%	4,165,832.70 4,165,832.70	98.85 3.89%	4,136,931.09 4,170.47	1.27% (28,901.61)		0.39 0.38
US TREASURY									
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	1,750,000.00	09/24/2021 0.95%	1,733,115.23 1,733,115.23	97.84 3.71%	1,712,184.25 3,335.64	0.52% (20,930.98)	Aa1/AA+ AA+	0.75 0.73
912828ZB9	UNITED STATES TREASURY 1.125 02/28/2027	2,950,000.00	03/24/2020 0.75%	3,025,248.05 3,025,248.05	97.02 3.59%	2,862,075.25 8,434.39	0.88% (163,172.80)	Aa1/AA+ AA+	1.25 1.22
912828ZN3	UNITED STATES TREASURY 0.5 04/30/2027	2,200,000.00	06/21/2021 1.07%	2,128,843.75 2,128,843.75	95.82 3.56%	2,107,960.80 941.99	0.65% (20,882.95)	Aa1/AA+ AA+	1.41 1.39
912828ZV5	UNITED STATES TREASURY 0.5 06/30/2027	2,200,000.00	06/04/2021 1.07%	2,126,953.13 2,126,953.13	95.37 3.54%	2,098,164.20 4,603.26	0.64% (28,788.93)	Aa1/AA+ AA+	1.58 1.55
91282CAH4	UNITED STATES TREASURY 0.5 08/31/2027	1,100,000.00	08/06/2021 0.94%	1,071,554.69 1,071,554.69	94.91 3.53%	1,044,012.20 1,397.79	0.32% (27,542.49)	Aa1/AA+ AA+	1.75 1.71
91282CAL5	UNITED STATES TREASURY 0.375 09/30/2027	2,300,000.00	06/21/2021 1.15%	2,192,097.66 2,192,097.66	94.47 3.52%	2,172,872.10 1,469.09	0.67% (19,225.56)	Aa1/AA+ AA+	1.83 1.79
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	2,000,000.00	-- 1.66%	2,088,027.35 2,088,027.35	97.63 3.51%	1,952,656.00 1,988.95	0.60% (135,371.35)	Aa1/AA+ AA+	1.96 1.89
91282CBB6	UNITED STATES TREASURY 0.625 12/31/2027	4,100,000.00	01/25/2021 0.72%	4,073,253.91 4,073,253.91	94.27 3.50%	3,865,209.40 10,723.51	1.18% (208,044.51)	Aa1/AA+ AA+	2.08 2.03
91282CBJ9	UNITED STATES TREASURY 0.75 01/31/2028	4,200,000.00	03/12/2021 1.28%	4,053,820.31 4,053,820.31	94.32 3.50%	3,961,452.60 10,528.53	1.21% (92,367.71)	Aa1/AA+ AA+	2.17 2.11
91282CCV1	UNITED STATES TREASURY 1.125 08/31/2028	2,200,000.00	09/03/2021 1.10%	2,203,351.56 2,203,351.56	93.84 3.50%	2,064,563.60 6,290.06	0.63% (138,787.96)	Aa1/AA+ AA+	2.75 2.66
91282CCY5	UNITED STATES TREASURY 1.25 09/30/2028	2,200,000.00	10/25/2021 1.46%	2,169,148.44 2,169,148.44	93.99 3.50%	2,067,828.40 4,684.07	0.63% (101,320.04)	Aa1/AA+ AA+	2.84 2.73

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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
91282CDW8	UNITED STATES TREASURY 1.75 01/31/2029	2,200,000.00	02/03/2022 1.78%	2,196,046.88 2,196,046.88	94.75 3.52%	2,084,500.00 12,868.21	0.64% (111,546.88)	Aa1/AA+ AA+	3.17 3.02
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	4,000,000.00	-- 4.20%	3,964,160.15 3,964,160.15	101.44 3.51%	4,057,500.00 53,478.26	1.24% 93,339.85	Aa1/AA+ AA+	3.17 2.92
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	3,000,000.00	04/05/2024 4.35%	2,969,414.06 2,969,414.06	101.87 3.52%	3,056,133.00 21,078.30	0.94% 86,718.94	Aa1/AA+ AA+	3.33 3.07
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	2,100,000.00	05/28/2020 0.66%	2,280,058.59 2,280,058.59	93.51 3.51%	1,963,663.80 10,014.95	0.60% (316,394.79)	Aa1/AA+ AA+	3.71 3.53
91282CFJ5	UNITED STATES TREASURY 3.125 08/31/2029	850,000.00	09/19/2022 3.62%	824,367.19 824,367.19	98.52 3.55%	837,415.75 6,750.69	0.26% 13,048.56	Aa1/AA+ AA+	3.75 3.47
91282CFT3	UNITED STATES TREASURY 4.0 10/31/2029	3,000,000.00	12/31/2022 4.02%	2,997,187.50 2,997,187.50	101.61 3.56%	3,048,165.00 10,276.24	0.93% 50,977.50	Aa1/AA+ AA+	3.92 3.59
91282CGJ4	UNITED STATES TREASURY 3.5 01/31/2030	3,500,000.00	02/03/2023 3.56%	3,487,011.72 3,487,011.72	99.74 3.57%	3,490,840.50 40,944.29	1.07% 3,828.78	Aa1/AA+ AA+	4.17 3.80
912828Z94	UNITED STATES TREASURY 1.5 02/15/2030	2,200,000.00	02/04/2022 1.85%	2,142,765.63 2,142,765.63	92.01 3.56%	2,024,257.40 9,684.78	0.62% (118,508.23)	Aa1/AA+ AA+	4.21 4.00
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	1,900,000.00	05/11/2023 3.37%	1,915,734.38 1,915,734.38	99.68 3.58%	1,893,914.30 5,694.75	0.58% (21,820.08)	Aa1/AA+ AA+	4.41 4.04
912828ZQ6	UNITED STATES TREASURY 0.625 05/15/2030	3,700,000.00	-- 0.89%	3,612,863.28 3,612,863.28	87.91 3.58%	3,252,677.40 1,022.10	1.00% (360,185.88)	Aa1/AA+ AA+	4.45 4.32
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	5,050,000.00	-- 4.20%	4,989,179.69 4,989,179.69	101.73 3.59%	5,137,193.30 67,516.30	1.57% 148,013.61	Aa1/AA+ AA+	4.67 4.18
91282CAV3	UNITED STATES TREASURY 0.875 11/15/2030	4,300,000.00	-- 1.24%	4,157,757.81 4,157,757.81	87.71 3.61%	3,771,401.00 1,662.98	1.16% (386,356.81)	Aa1/AA+ AA+	4.96 4.76
91282CJX0	UNITED STATES TREASURY 4.0 01/31/2031	5,000,000.00	-- 4.18%	4,947,460.94 4,947,460.94	101.72 3.63%	5,085,940.00 66,847.83	1.56% 138,479.06	Aa1/AA+ AA+	5.17 4.58
91282CKC4	UNITED STATES TREASURY 4.25 02/28/2031	3,000,000.00	03/20/2024 4.27%	2,995,664.06 2,995,664.06	102.92 3.63%	3,087,540.00 32,403.31	0.95% 91,875.94	Aa1/AA+ AA+	5.25 4.63
91282CKF7	UNITED STATES TREASURY 4.125 03/31/2031	3,800,000.00	-- 4.55%	3,703,562.50 3,703,562.50	102.31 3.64%	3,887,875.00 26,699.18	1.19% 184,312.50	Aa1/AA+ AA+	5.33 4.73
91282CKN0	UNITED STATES TREASURY 4.625 04/30/2031	2,750,000.00	05/03/2024 4.49%	2,771,591.80 2,771,591.80	104.77 3.65%	2,881,054.00 10,891.75	0.88% 109,462.20	Aa1/AA+ AA+	5.41 4.76
91282CLZ2	UNITED STATES TREASURY 4.125 11/30/2031	2,000,000.00	12/20/2024 4.44%	1,962,500.00 1,962,500.00	102.24 3.71%	2,044,766.00 226.65	0.63% 82,266.00	Aa1/AA+ AA+	6.00 5.28
91282CMT5	UNITED STATES TREASURY 4.125 03/31/2032	2,800,000.00	04/08/2025 4.06%	2,810,171.88 2,810,171.88	102.18 3.74%	2,860,922.40 19,673.08	0.88% 50,750.52	Aa1/AA+ AA+	6.33 5.50

HOLDINGS REPORT



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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
91282CNA5	UNITED STATES TREASURY 4.0 04/30/2032	3,000,000.00	05/05/2025 4.15%	2,972,929.69 2,972,929.69	101.47 3.74%	3,044,064.00 10,276.24	0.93% 71,134.31	Aa1/AA+ AA+	6.42 5.60
91282CEP2	UNITED STATES TREASURY 2.875 05/15/2032	6,250,000.00	-- 3.69%	5,928,593.75 5,928,593.75	95.02 3.75%	5,938,475.00 7,941.99	1.82% 9,881.25	Aa1/AA+ AA+	6.46 5.80
91282CFV8	UNITED STATES TREASURY 4.125 11/15/2032	3,500,000.00	06/03/2025 4.26%	3,470,605.47 3,470,605.47	102.06 3.79%	3,572,051.00 6,381.22	1.09% 101,445.53	Aa1/AA+ AA+	6.96 6.00
91282CGM7	UNITED STATES TREASURY 3.5 02/15/2033	5,800,000.00	-- 3.97%	5,614,367.19 5,614,367.19	98.04 3.81%	5,686,041.60 59,576.09	1.74% 71,674.41	Aa1/AA+ AA+	7.21 6.24
91282CHC8	UNITED STATES TREASURY 3.375 05/15/2033	3,700,000.00	-- 4.19%	3,466,441.41 3,466,441.41	97.06 3.83%	3,591,312.50 5,519.34	1.10% 124,871.09	Aa1/AA+ AA+	7.45 6.50
91282CHT1	UNITED STATES TREASURY 3.875 08/15/2033	4,250,000.00	-- 4.34%	4,091,427.74 4,091,427.74	100.19 3.85%	4,257,968.75 48,332.20	1.31% 166,541.01	Aa1/AA+ AA+	7.71 6.54
Total US Treasury		108,850,000.00	3.03%	107,137,277.39	98.00 3.63%	106,464,650.50 590,157.99	32.63% (672,626.89)		4.53 4.08
Total Portfolio		329,033,497.77	3.53%	326,741,115.89	86.17 3.87%	326,277,706.67 1,907,409.02	100.00% (463,409.22)		3.56 3.09
Total Market Value + Accrued						328,185,115.69			

Accrued Interest – The interest that has accumulated on a bond since the last interest payment up to, but not including, the settlement date.

Acquisition (Acq.)/Disposition (Disp.) Yield – Yield to Maturity on the purchase/sale date.

Amount – The principal amount of the transaction (i.e., units or par value x price).

Average Coupon – The weighted average coupon of the portfolio, based on the par value. Coupon is the stated rate of annual interest paid on a bond.

Average Final Maturity – The weighted average maturity of the portfolio, based on market value, including accrued interest.

Average Life – The weighted average life of the portfolio, based on market value, including accrued interest. The average life in mortgage-related investments is the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Average Purchase Yield to Maturity (YTM) – The weighted average purchase yield to maturity of the portfolio, based on the book value. The YTM is the internal rate of return that equates the periodic future cash flows (interest payments and redemption value) of the bond to its purchase price.

Average Market Yield to Maturity (YTM) – The weighted average market yield to maturity of the portfolio, based on market value, including accrued interest. The market YTM is the internal rate of return that equates the periodic future cash flows (interest payments and redemption value) to the market price.

Average Modified Duration – The weighted average duration of the portfolio, based on market value, including accrued interest. Duration is the weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

Average S&P/Moody Rating – The weighted average Standard and Poor's rating and Moody's rating of securities in the portfolio based on market value, including accrued interest.

Book Value – The value at which an asset is carried on a balance sheet. To calculate, take the cost of an asset +/- net accretion/amortization.

Book Yield – The YTM that equates the current amortized value of the security to its periodic future cash flows.

Contributions (Cont.)/Withdrawals (WD) – The net amount of contributions and withdrawals for the reporting period.

Glossary



Cost Value – The value at which the securities were purchased. This is calculated by multiplying the par or units by the purchase price, excluding accrued interest.

CUSIP (Committee on Uniform Securities Identification Procedures) – A unique identification number assigned to all securities.

Fitch – The Fitch rating for the security.

Gain/Loss – The realized gain or loss on the security compared to the original purchase or amortized cost. For the amortization method, gain/loss is calculated by taking the principal amount on the sale less the amortized book value on the date of the sale. If the original cost method is used, the gain/loss is calculated by taking the principal amount on the sale less the original cost.

Income Earned – The income earned in the portfolio which includes income received, net interest accrued and net accretion/amortization.

Interest Purchase (Pur.)/Sold – The accrued interest purchased or sold on the transaction. When a bond is purchased or sold between coupon payment dates, the accrued interest up to the settlement date of the transaction is included in the net proceeds.

Market (Mkt) Price – The current fair value market price.

Market Value – The current fair value of an investment, as determined by transactions between willing buyers and sellers.

Maturity – The final date upon which principal of a security becomes due and payable.

Moody – The Moody's rating for the security.

Par – The face value or number of units held in the portfolio.

Par Value/Units – The face value or number of units held in the portfolio.

Percent (%) of Port. – The percentage of the portfolio that the security represents based on market value, including accrued interest.

Price – The price at which the transaction was executed, expressed as dollars per \$100 dollars of par value.

Purchase Date – The settlement date on which the security was purchased.

Quantity – Par value of bonds or units such as equity or mutual fund shares.

Glossary



S&P – The Standard and Poor’s rating for the security.

Security Description – The issuer name, coupon (annual interest paid on a bond) and maturity.

Settlement Date – The date on which an executed security trade must be settled. That is, the date on which a buyer must pay for the securities and the seller must deliver them.

Total Amount – The principal amount (i.e., units or par value x price) plus accrued interest purchased or sold.

Total Market Value – The market value plus accrued interest.

Total Rate of Return – A measure of a portfolio's performance over time. It is the internal rate of return that equates the beginning value of the portfolio with the ending value, including interest earnings and realized/unrealized gains and losses on the portfolio, adjusted by the amount and timing of contributions to and withdrawals from the portfolio.

Transaction Type – Purchase, sale, interest/paydown (principal), dividend, withdrawal, or contribution.