

CRESCENTA VALLEY WATER DISTRICT

2700 Foothill Boulevard
La Crescenta, California

Agenda for the
Adjourned Regular Meeting of the Board of Directors
of the Crescenta Valley Water District
to be held on Tuesday, April 23, 2024, at 7:00 p.m.

Posted: Friday, April 19, 2024 at 2:00 p.m.

This meeting will be conducted in person at the address listed above. Members of the public may also participate virtually by using a touchtone phone. You may select any of the following phone numbers (there are more than one for increased reliability during this time of increased phone traffic)

(669) 900-6833

(346) 248-7799

(929) 205-6099

(253) 215-8782

(301) 715-8592

(312) 626-6799

Then, enter Access Code: 847 6796 8796

Those members of the public who are able to and would like to additionally participate through computer may access the Zoom audio & video conferencing tool available at the following link:

<https://us02web.zoom.us/j/84767968796>

If there is a disruption of service, this meeting will continue without remote participation. The remote participation option is provided as a convenience to the public and is not required.

Public comment may be made either by emailing comments ahead of the meeting or by speaking over the phone. Emailed comments will be sent to the Board of Directors prior to the meeting and posted on the District's website. Comments may be sent to Customer Service, at (818) 248-3925 or customerservice@cvwd.com by 3pm on April 23, 2024.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting the District by phone or in writing at the above email address. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

Any written materials distributed to the Board in connection with this agenda will be made available at the same time for public inspection at the District office located at the above address and posted on the District's website.

Call to Order and Determination of Quorum

Pledge of Allegiance

Adoption of Agenda

Public Comments

At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the subject matter jurisdiction of the Board. This opportunity is non-transferable, and speakers are limited to one three-minute (3) comment. Under the provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda, except under certain circumstances.

Foothill Municipal Water District Report

Report on activities at Foothill Municipal Water District.

Consent Calendar

1. Consideration and approval of the Minutes of the of the Adjourned Regular Board Meeting on March 26, 2024.
2. Ratification of Board Compensation for March 2024.

Action Calendar

1. **Acceptance of Audited Financial Statements** – Consideration and motion to accept the Audited Financial Statements for Fiscal Year 2022-23.
2. **Third Quarter Budget Report** – Discuss the District's Third Quarter Budget Report on revenues and expenditures for Fiscal Year 2023-24.
3. **PFAS Update** – Discussion and possible motion regarding the District's short and longer-term objectives and alternatives as they relate to remediation and messaging related to PFAS.

Information Items

Written Communications to District/Board of Directors

General Manager's Report

Attorney Report

Reports of Committees

- Engineering and Operations Committee
- Finance Committee
- Employee Relations Committee
- Policy Committee
- Community Relations/Water Conservation Committee
- Emergency Planning Committee
- Technology Committee

April 23, 2024

Directors' Oral Reports – Reports on issues, meetings, or activities attended by Directors.

Board Members' Request for Future Agenda Items

Closed Session

Conference with Legal Counsel – Existing Litigation -

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: *Plone Trust, et al. v. Kalousd Pandazos, et al.*, Los Angeles Superior Court Case No. 21STCV19845; and *Perry Lazar, et al. v. County of Los Angeles, et al.*, Los Angeles Superior Court Case No. 22STCV34822

Adjournment

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CRESCENTA VALLEY WATER DISTRICT
ADJOURNED REGULAR MEETING, BOARD OF DIRECTORS
March 26, 2024

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District made at the Regular Meeting on February 13, 2024, an Adjourned Regular Meeting was held on March 26, 2024, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California and through audio and video conference. A call-in number was clearly noted on the meeting Agenda, posted in accordance with the Brown Act, with President Sharon Raghavachary presiding.

At roll call, the following Directors and staff members were present or online:

Directors:

James D. Bodnar
Kerry D. Erickson
Jeffery W. Johnson
Sharon S. Raghavachary
Jennifer T. Valdez

Attorney:

Thomas Bunn

General Manager:

James Lee

**Interim Director of Engineering
and Operations:**

Brook Yared

**Interim Director of Finance
and Administration:**

Arturo Montes

Staff Members:

Tessa Allmon, Customer Service Lead
Patrick Atwater, Regulatory & Public Affairs Manager
Adam Sutphin, Senior Management Analyst
Darlene Telles, Operations & Maintenance Manager

Guests:

Frank Colcord, Foothill Municipal Water District
Richard Atwater, Foothill Municipal Water District
Ramzi Kelley
Brendan Collins

PLEDGE OF ALLEGIANCE

Mr. Richard Atwater opened the meeting by leading the Directors and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

It was moved by Director Bodnar, seconded by Director Johnson, and carried by a 5-0 call vote that the Agenda for the Adjourned Regular Meeting of March 26, 2024, be adopted.

PUBLIC COMMENTS – No public comments.

FOOTHILL MUNICIPAL WATER DISTRICT REPORT – Director Colcord reported that the State Water Project allocation has been increased to 30%. Mr. Colcord said that the annual Foothill Management Report is ready and has been forwarded to Director Raghavachary. Mr. Colcord stated that Foothill Municipal Water District (FMWD) sent a letter to Metropolitan Water District (MWD) proposing that MWD revisit and prioritize the ongoing issue of FMWD and its members agencies paying an additional treatment surcharge. Mr. Colcord announced that representatives from MWD provided information to the FMWD Board at FMWD's Board meeting the previous week regarding on MWD's budget process and how their rates are proposed. Mr. Atwater provided details of the meeting held on March 19, 2024.

CONSENT CALENDAR

Director Erickson requested that his name be removed from attendance at the February 27, 2024 Board Meeting on the Director Compensation Report for February 2024.

It was moved by Director Erickson, seconded by Director Johnson, and carried by a 5-0 vote to approve the Minutes of the Regular Board Meeting held on March 12, 2024, and to ratify the Director Compensation Report for February 2024 with the correction requested by Director Erickson.

ACTION CALENDAR

Appeal of High Bill at 3333 Community – Mr. Montes presented an appeal from Kelly Ramzi, who is a tenant at 3333 Community for possible action to grant a request for relief from a high water bill due to a leak on the property. Mr. Montes provided correspondence received from the property owner, Heba Alfi, requesting an adjustment, an invoice for the repairs made to the irrigation system, water use graphs, and the water bills generated relating to the leak involved.

Following discussion:

It was moved by Director Johnson, seconded by Director Bodnar, and carried by a 5-0 vote to provide relief to the customer by recalculating the excess water usage at Tier 2 rates for this account to be consistent with recent Board actions.

Appeal of High Bill at 4642 Briggs – Mr. Montes presented an appeal from Brendan Collins, who is a tenant at 4642 Briggs for possible action to grant a request for relief from a high water bill due to a leak on the property. Mr. Montes explained the meter for this address is located at 2306 Mountain (not contiguous to his property of residence), which makes it difficult for Mr. Collins to detect any leaks promptly. Mr. Montes provided correspondence received from Mr. Collins requesting an adjustment, a map of the meter location, service requests, usage history, and the water bills generated relating to the leak involved.

Following discussion:

It was moved by Director Erickson, seconded by Director Bodnar, and carried by a 5-0 vote to provide relief to the customer by recalculating the excess water usage at Tier 2 rates for this account to be consistent with recent Board actions.

Grant-Funding – Identification of Opportunities and Strategy to Pursue – Mr. Lee stated that there are historic amounts of funding from the Bipartisan Infrastructure Law and Inflation Reduction Act and based on this and more recent opportunities and developments, it is prudent for the District to place a greater emphasis on pursuing grant opportunities. Mr. Lee emphasized that due to the affluence of the service as a whole, there are no US Census disadvantaged community tracts, which means that the District must partner with other agencies and non-profits to be successful in obtaining grants. Mr. Lee indicated that the District evaluated a number of prominent grant specialist companies and recently engaged with Kennedy Jenks to provide the District with strategic planning and administrative support, and that staff will complement this service with no-cost services recently made available through LA County, Metropolitan Water District, and the California Community Foundation. Mr. Lee shared that a master plan of available grants will be provided.

Advanced Metering Infrastructure (AMI) Consideration for Program Acceleration – Mr. Lee commented that water purveyors make the investment to adopt AMI (Automated Meter Information) based on providing value to customers whose leaks can be detected earlier, encouraging conservation by providing real-time information on water usage, and reducing demand for meter reading labor. Mr. Lee reported that due to insufficiency of funds over the years, the AMI program has been implemented piecemeal since 2012, and that the current plan is to complete the remaining components of the AMI program over the next 4-5 years. Mr. Lee stated that staff is evaluating a potential path to completion within approximately 18 months, contingent on the supply chain for key materials, ahead of implementing a water-budget rate structure. Mr. Lee stated that the current budget has approximately \$680K allocated to AMI, leaving approximately \$1.3 million for next year's budget.

INFORMATION ITEMS – CV Weekly – “CVWD Defers Rate Increase”, Rosemont Middle School presentation slides by Director Bodnar for science students on March 15, 2024.

WRITTEN COMMUNICATIONS TO DISTRICT – None

GENERAL MANAGER – Mr. Lee shared details of damage that the District facilities sustained during a recent major wind event. Mr. Lee announced that vendors were available at a first-ever “Benefits Fair” which was held for employees to facilitate resources available to them. Ms. Telles provided highlights of the Field Maintenance and Operations Report for February 2024. Mr. Yared provided highlights of the February 2024 Engineering Report. Mr. Lee invited Directors and their families to the “Spring Fling” which will be held at the Glenwood Plant on April 12th.

ATTORNEY REPORT – No report

REPORTS OF COMMITTEES

Engineering and Operations Committee – Director Bodnar reported that the Committee had not met; however, a meeting will be scheduled as needed.

Finance Committee – Director Raghavachary reported that the Committee had not met; however, a meeting will be scheduled as needed.

Employee Relations Committee – Director Valdez reported that the Committee had not met; however, a meeting will be scheduled as needed.

Policy Committee – Director Bodnar reported that the Committee had not met; however, a meeting will be scheduled as needed.

Community Relations/Water Conservation Committee – Director Raghavachary reported that the Committee had not met; however, a meeting will be scheduled as needed.

Emergency Planning Committee – Director Johnson reported that the Committee had not met; however, a meeting will be scheduled as needed.

Executive Committee – Director Raghavachary reported that the Committee had not met; however, a meeting will be scheduled as needed.

Technology Committee – Mr. Lee reported that the Committee had not met; however, a meeting will be scheduled as needed.

DIRECTORS' ORAL REPORTS

Director Bodnar – Reported that he had given a presentation at Rosemont Middle School on March 15, 2024, and stated that he had filed his Form 700 (Statement of Economics).

Director Erickson – No Report

Director Johnson – No report

Director Raghavachary – Presented pictures of damage to a home in her neighborhood caused by a fallen tree during a recent windstorm.

Director Valdez – No report

BOARD MEMBERS REQUESTS FOR FUTURE AGENDA ITEMS – None

CLOSED SESSION – None

ADJOURNMENT

There being no other business to come before the Board, at 8:33 p.m., the meeting was adjourned to April 9, 2024, at 7:00 p.m.

APPROVED

Sharon S. Raghavachary
President

Arturo Montes
Board Secretary

Director Compensation Report

March 2024



<u>Name</u>	<u>Date</u>	<u>Meeting/Event</u> *
Director Bodnar	2/29/2024	Board Workshop
	3/7/2024	Special Board Meeting
	3/12/2024	Board Meeting
	3/15/2024	Rosemont - STEM Career Day
	3/24/2024	Board Meeting

Director Erickson	3/5/2024	Conference w/GM
	3/7/2024	Special Board Meeting
	3/12/2024	Board Meeting
	3/27/2024	Board Meeting

Director Johnson	2/29/2024	Board Workshop
	3/7/2024	Special Board Meeting
	3/12/2024	Board Meeting
	3/27/2024	Board Meeting

Director Raghavachary	2/29/2024	Board Workshop
	3/6/2024	Phone Meeting w/GM
	3/7/2024	Special Board Meeting
	3/12/2024	Board Meeting
	3/27/2024	Board Meeting

Director Valdez	2/20/2024	Finance Committee Meeting
	2/29/2024	Board Workshop
	3/7/2024	Special Board Meeting
	3/12/2024	Board Meeting
	3/18/2024	Conference w/GM
	3/27/2024	Board Meeting

* Compensation of \$125 per meeting

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 1
April 23, 2024

To: Honorable President and Members of the Board of Directors
From: Arturo Montes, Interim Director of Finance & Administration
Subject: **Presentation of the Fiscal Year 2022-23 Audited Financial Statements**

ACTION ITEM:

Presentation and acceptance of the Audited Financial Statements for Fiscal Year 2022-23.

BACKGROUND:

The District maintains a commitment to fiscal accountability, responsibility, and transparency. As part of this commitment, the District undergoes an annual audit of its financial statements and internal controls to ensure accuracy, transparency, and compliance with regulatory obligations. The audited financial statements serve various stakeholders, including the public in terms of accountability and transparency, creditors as required disclosures, and the State Controller's office as regulatory compliance.

Previously, Clifton Larson Allen (CLA) served as the District's auditors. A key factor in annual audits is the auditing firm's independence. To this end, the auditing firm reports directly to the Board, maintaining independence from staff. A best practice is to replace the audit's engagement partner every five to eight years to further reinforce independence and mitigate potential conflicts of interest. At the June 27, 2023, Board Meeting, the Board replaced CLA and selected SingerLewak, LLP (SingerLewak) as the District's auditors for a three-year term.

The highest opinion an auditor can confer is that the financial statements present fairly, in all material aspects, the financial position of the District. SingerLewak will share this opinion with the Board, in addition to the process used to perform the audit. Additionally, this year SingerLewak pointed out deficiencies in accounting procedures and internal controls. These deficiencies were not material, and in response, staff has taken immediate action to address the identified deficiencies and prevent similar occurrences in the future.

Staff has provided a copy of the final draft of the report for review. SingerLewak LLP will provide a short presentation and will be available as a resource related to the statements.

RECOMMENDATION

Review the accept the audited financial statements for FY 2022-23.

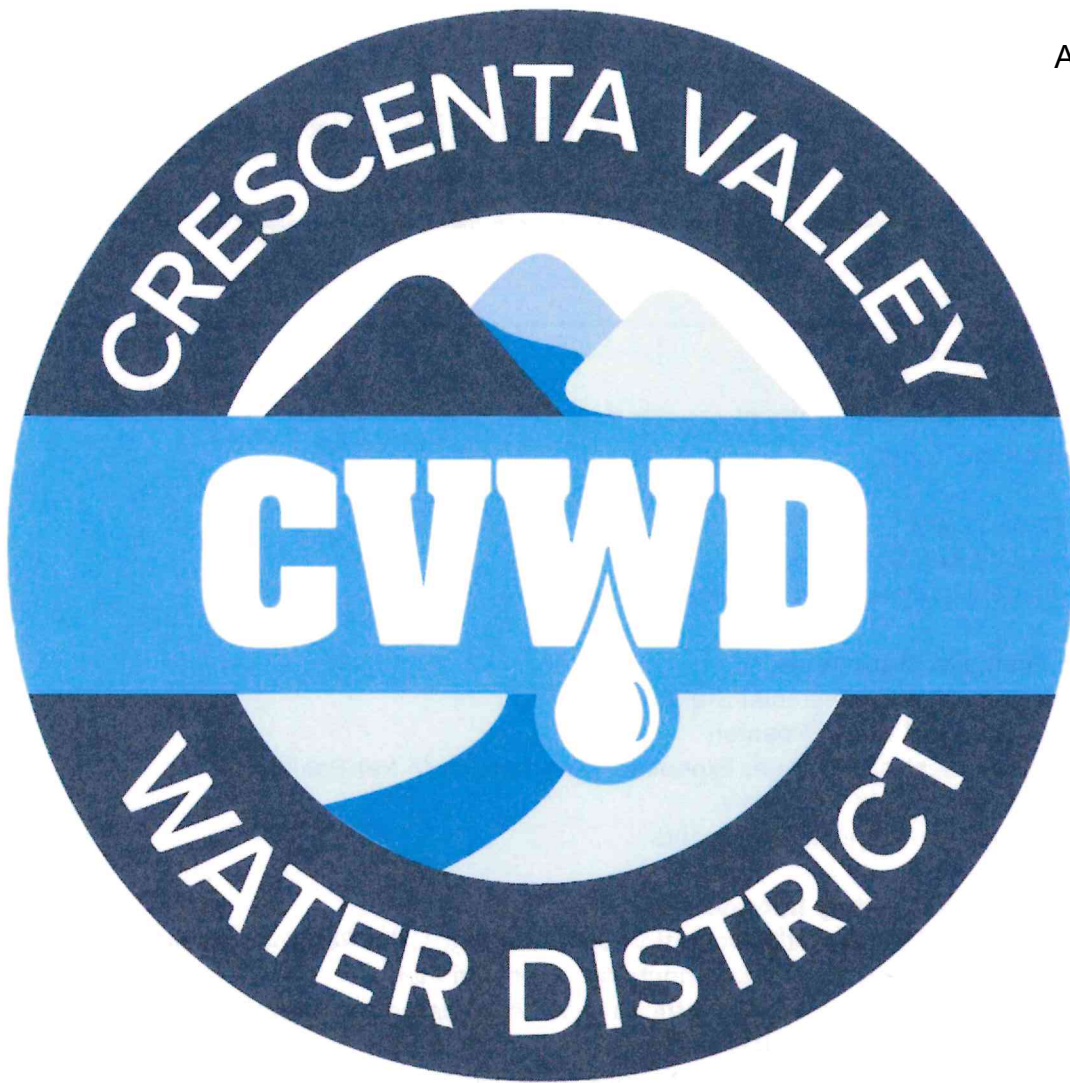
Prepared and submitted by:



Arturo Montes
Interim Director of Finance & Administration

Attachment(s):

1. FY 2022-23 Audited Financial Statements
2. Auditors communication letter
3. Control deficiencies letter



AUDITED FINANCIAL STATEMENTS REPORT

For Fiscal Year Ended June 30, 2023

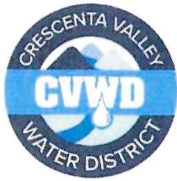
CRESCENTA VALLEY WATER DISTRICT

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INTRODUCTORY SECTION

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Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214
Phone (818) 248-3925 Fax (818) 248-1659

Directors

James D. Bodnar
Kerry D. Erickson
Jeffery W. Johnson
Sharon S. Raghavachary
Jennifer T. Valdez

General Manager

James K. Lee

April 9, 2024

Board of Directors
Crescenta Valley Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Crescenta Valley Water District (District) for the fiscal years ended June 30, 2023, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data, and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. The report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (U.S. GAAP) require that management provide a section including a narrative introduction, an overview, and an analysis to accompany the financial statements. This section is the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditors' Report.

District Structure and Leadership

The Crescenta Valley Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing services to area residents since 1950. The District is governed by a five-member board of directors, elected at-large from within the District boundaries. The District's General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the board of directors. The Crescenta Valley Water District employs a full-time staff of 27 employees. The District's board of directors' regularly scheduled meetings are on the second and fourth Tuesday of each month. Meetings are publicly noticed and customers are encouraged to attend.

The District is located in the Crescenta Valley area of Los Angeles County in the foothills of the San Gabriel Mountains, between the San Fernando and San Gabriel Valleys. The District provides water distribution and sewage collection within its boundaries to the unincorporated communities of La Crescenta, Montrose, and Verdugo City as well as a portion of the City of La Cañada-Flintridge. The District also serves a portion of the City of Glendale in Montrose and La Crescenta outside District boundaries.

The District serves an area of approximately 4 square miles in relatively steep terrain ranging from 1,200 feet to almost 3,000 feet above sea level. The customer base is primarily residential with some light commercial along Foothill Boulevard in La Crescenta and Honolulu Avenue in Montrose. The District currently provides water to over 8,000 accounts representing a population of approximately 33,000.

Economic Condition and Outlook

The District's administrative office is located in Los Angeles County, in the community of La Crescenta, and the District serves La Crescenta, and portions of Montrose and La Canada-Flintridge. The economic outlook for the area is expected to be stable. Although the Crescenta Valley area is nearly built out, residential growth continues through increased housing density in the multiple-unit zoned areas (primarily Montrose), as well as limited in-fill housing development on parcels in La Crescenta and La Canada-Flintridge as they become available.

In September 2020, the District refinanced existing debt at a net present value savings of \$391 and issued an additional \$5 million for infrastructure projects. Bond proceeds were used to ensure a commitment to catching up on pipeline infrastructure while smoothing rate increases over time. \$2.3 million of the bond proceeds were deployed in FY 2021, with the remaining \$2.7 million used in FY 2022.

The current drought that began in 2020 has persisted. The District enjoys a high degree of water supply sustainability based on having three primary sources of water supply – its own groundwater, imported water through the State Water Project, and imported water from the Colorado River. Although local water supplies within the Verdugo Groundwater Basin in La Crescenta and Montrose are expected to withstand the current drought, statewide water supply, specifically in Northern California (State Water Project), is at record-low levels. The District's other source of imported water through the Colorado River is also facing extreme drought, and the levels of its reservoirs are also at record lows. The State of CA issued water conservation mandates that have resulted in reductions in water sales revenue, and the District is expected to face continued "demand hardening" as large portions of the customer base continue to transition toward more efficient water use through low-flow toilets, drought-tolerant landscaping, etc. Staff closely monitors water consumption and sales on a monthly basis to make any necessary adjustments to revenue forecasts. Additionally, the State enacted two water efficiency laws (SB 606 & AB 1668) in 2018 that focus on using water more wisely, eliminating water waste, and strengthening local drought resilience. These new standards were implemented in 2020. That said, the District's customers have already exceeded the State's required consumption levels because of their conservation efforts, and these new mandates may have little effect on consumption patterns until after 2030. Meanwhile, the District is actively considering alternative water supply projects to increase future reliability and affordability of water supply.

City of Los Angeles wastewater treatment costs continue to represent a significant portion of the District's wastewater operating expenses. The District has begun developing a wastewater master plan that includes a wastewater treatment and disposal study to evaluate alternative sewer treatment options as a strategy for mitigating the rising costs of wastewater treatment.

Major Initiatives

The activities of the board and staff of the District are driven by its Mission Statement: "The mission of the Crescenta Valley Water District is to provide quality water and wastewater services to the Crescenta Valley community in a dependable and economically responsible manner."

Crescenta Valley Water District works to provide a stable supply of high-quality, safe drinking water at a fair price to all customers of the District. In addition, the District aims to provide reliable sewer service that is collected through the District's wastewater collection system and treated through the City of Los Angeles Sanitation Department. The board, the staff, and all employees of Crescenta Valley Water District are committed to providing its customers with high-quality, cost-effective, and environmentally sensitive customer service. The following summarize the District's strategic goals that translate to its major initiatives:

1. To develop long-term water supply reliability and ensure infrastructure reliability and performance;
2. To increase customer awareness, improve customer service, improve emergency preparedness, and improve community stewardship;

3. To evaluate automated metering infrastructure, develop energy efficiency measures, optimize business software to maximize functionality, effectively manage the supervisory control and data acquisition (SCADA) program, improve communication reliability, improve database management, develop a graphical information system (GIS), and develop decision-support modeling tools;
4. To improve financial stability, ensure equitable cost of service, implement asset management, enhance financial reporting, and identify cost-recovery or cost-saving measures;
5. To ensure water quality compliance, ensure District-wide regulatory compliance, and evaluate green power alternatives;
6. To develop and participate in programs to maximize regional collaboration; and
7. To develop best-in-class culture, develop a safety-oriented workforce, and productivity and mission efficacy.

All programs and operations of the District are developed and performed to provide the highest level of services to its customers.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with U.S. GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management. District management takes internal control seriously, and improvements based on the balance between internal control and staff resources are an ongoing conscious effort.

Budgetary Control

The District board of directors adopts an operating and capital budget every year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis and the financial statement basis of accounting.

Investment Policy

The board of directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Investment Policy are safety, liquidity, and yield.

Water and Sewer Rates and District Revenues

It is District policy that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding in accordance with cost-of-service principles. Accordingly, water and sewer rates are reviewed annually by District staff and periodically reviewed externally to ensure that revenues collected reflect the cost of providing service. Water and wastewater rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water and wastewater rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge to all residential dwelling units.

Water Conservation Programs

Although conservation impacts the District's revenues, as public stewards, the District recognizes the value of preserving our natural resources. The District has implemented conservation management practices that includes District staff participating in community events and distributing materials to encourage water conservation. The District has offered the following conservation programs:

- Mandatory Water Conservation Program
- Low-Flow Retrofit Program
- Hi-Efficiency Washers Program
- Rain Barrel Program

Audit and Financial Reporting

State Law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of SingerLewak LLP, has conducted the audit for the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

The District participates in a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPA). The District participates in the Liability, Property and Workers' Compensation program. The property program includes Fidelity Coverage, Cyber Security Coverage, and Boiler & Machinery Coverage.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the board of directors for their continued support in the planning and implementation of the Crescenta Valley Water District's fiscal policies.

CRESCENTA VALLEY WATER DISTRICT
OFFICERS AND MEMBERS OF THE GOVERNING BODY
AS OF JUNE 30, 2023

BOARD OF DIRECTORS

Sharon Raghavachary – Board President

James Bodnar – Board Vice President

Kerry Erickson – Board Member

Judy Tejeda - Board Member

Jeffery Johnson - Board Member

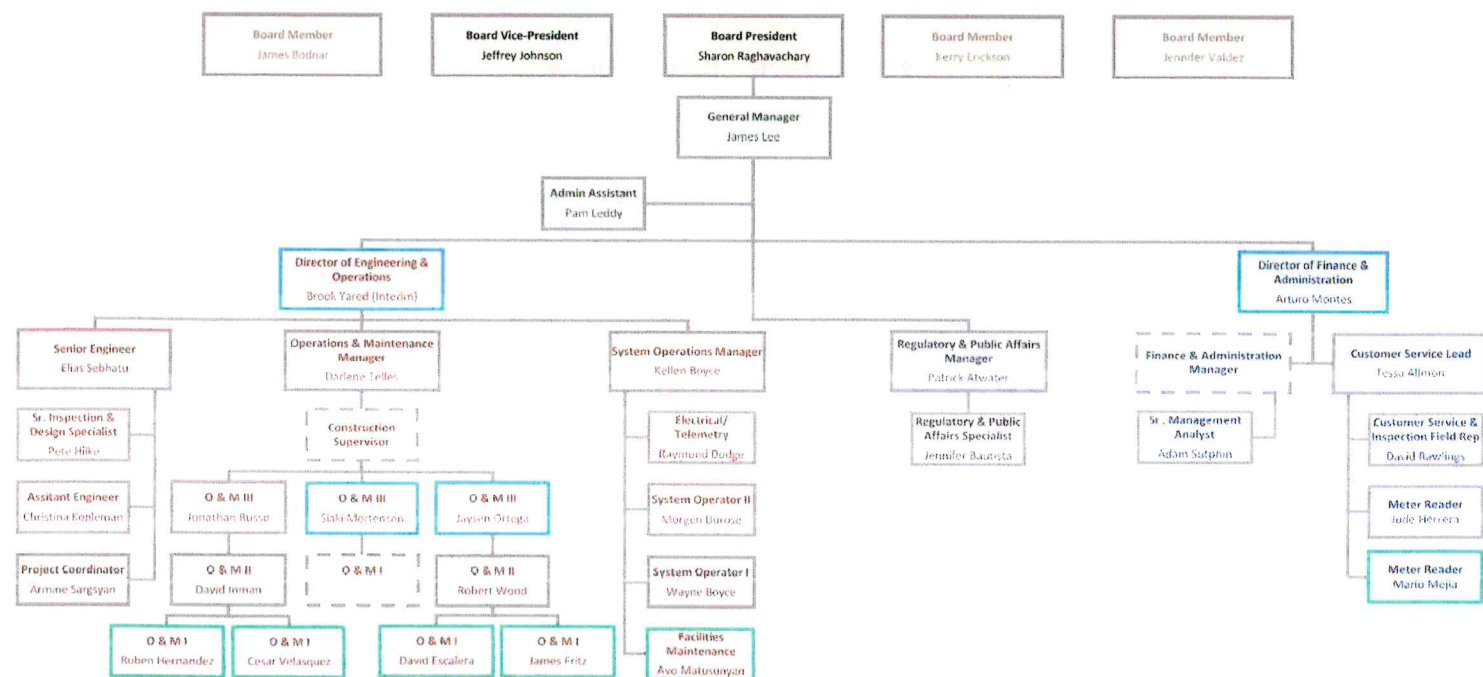
ADMINISTRATIVE OFFICIALS

James Lee, Interim General Manager / Director of Finance and Administration

Arturo Montes, Financial and Administration Manager

ADDRESS:

2700 Foothill Boulevard
La Crescenta, California 91214
(818) 248-3925 – www.cvwd.com



- Interim
- LTE (3 Year contract, renewed annually)
- Temp (6-month employee, no benefits)
- Vacant

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescenta Valley Water District
La Crescenta, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the of the Crescenta Valley Water District (the District), as of and for the year ended June 30, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023, 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 Opinion

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 Auditor's 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 opinion.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the District implemented the provisions of GASB Statement No. 87, Leases (GASB Statement No. 87) effective July 1, 2022. GASB Statement No. 87 requires lessees to report a "right to use" asset and a lease liability for leases with a term of more than one year. Our opinion is not modified with respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 on pages a - e and the pension and OPEB schedules on pages 27 - 31 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining schedule of net position, combining schedule of revenues, expenses and changes in net position, and the detailed schedules of revenues, expenses and changes in net position for the water and wastewater operations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of net position, combining schedule of revenues, expenses and changes in net position, and the detailed schedules of revenues, expenses and changes in net position for the water and wastewater operations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion 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.

Crescenta Valley Water District
Independent Auditor's Report
April 9, 2024

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting and compliance.

Singer Lewak LLP

April 9, 2024

By:

Orlando R. Torres

Orlando R. Torres, Partner

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Crescenta Valley Water District (the District) provides a narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here, in conjunction with, the transmittal letter in the Introductory Section and the basic financial statements and related notes, which follow this section. In an effort to make the MD&A more readable, all amounts have been rounded to the nearest thousand or, in some cases, the nearest million.

Financial Highlights

- The District's net position decreased 1.59%, or \$710K to \$43.9M in fiscal year 2023. The slight decrease was due to increased rates offset by lower water demand, as a result of drought messaging in the summer months, and an above average rainfall in the winter months. Other factors included a no outdoor watering period and a continued high cost of wastewater processing charges by the City of Los Angeles.
- The District's operating revenues decreased 3.70% or \$614K in fiscal year 2023.
- The District's operating expenses increased 4.28%, or \$683K in fiscal year 2023.

Overview of the Financial Statements

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

The District's statements consist of two operations, the Water Operation and the Wastewater Operation. The District's records are maintained on an enterprise basis, as it is the intent of the board of directors that the costs of providing water and wastewater services to the customers of the District are financed primarily through user charges.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate sustainability and creditworthiness.

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing activities, capital and related financing activities and investing activities, as well as, providing answers to such questions as the source of cash, the use of it, and the change in cash balance during the reporting period.

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found following the Statement of Cash Flows.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position found on page 1 and the Statements of Revenues, Expenses, and Changes in Net Position on page 2 report information about the District in a manner that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. One can think of the District's net position (the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources), as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state water quality standards.

Table 1 – District's Net Position

	2023	2022	Change
Current and other assets	\$ 17,168,726	\$ 18,152,538	\$ (983,812)
Capital assets, net	54,581,519	52,994,862	1,586,657
Total assets	71,750,245	71,147,400	602,845
Deferred outflow of resources	3,303,787	1,711,486	1,592,301
Long-term liabilities	24,081,034	22,407,697	1,673,337
Other liabilities	4,513,752	2,700,960	1,812,792
Total liabilities	28,594,786	25,108,657	3,486,129
Deferred inflow of resources	2,535,537	3,116,949	(581,412)
Net position:			
Net investment in capital assets	41,984,990	40,458,844	1,526,146
Unrestricted	1,938,719	4,174,436	(2,235,717)
Total net position	\$ 43,923,709	\$ 44,633,280	\$ (709,571)

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$43.9M as of June 30, 2023.

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far, the largest portion of the District's net position consists of the District's net investment in capital assets at 95.59% as of June 30, 2023. The District uses the capital assets to provide services to customers within the District boundaries; consequently, these assets are not available for future spending. See Note 10 for further information.

Table 2 – District's Changes in Net Position

	2023	2022	Total
Revenues			
Operating revenues	\$ 15,974,614	\$ 16,588,466	\$ (613,852)
Nonoperating revenues	180,731	(270,733)	451,464
Total revenues	<u>16,155,345</u>	<u>16,317,733</u>	<u>(162,388)</u>
Expenses			
Operating expenses	16,634,562	15,952,006	682,556
Nonoperating expenses	361,727	348,409	13,318
Total expenses	<u>16,996,289</u>	<u>16,300,415</u>	<u>695,874</u>
Net income(loss) before capital contributions	(840,944)	17,318	(858,262)
Capital contributions	<u>131,373</u>	<u>124,257</u>	<u>7,116</u>
Change in net position	<u>(709,571)</u>	<u>141,575</u>	<u>(851,146)</u>
Net position, beginning	<u>44,633,280</u>	<u>44,491,705</u>	<u>141,575</u>
Net position, ending	<u>\$ 43,923,709</u>	<u>\$ 44,633,280</u>	<u>\$ (709,571)</u>

Table 2 presents how the District's net position changed during the reported fiscal years. In the case of the District, net position in fiscal year 2023 decreased by \$710K, or 1.59%, to \$43.9M. The slight decrease was a result of increased rates offset by lower water demand and an increase in operating costs as a result of economic inflation.

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

In 2023, the District's total revenues decreased by \$162K or 1.00%. Revenues from metered water sales decreased significantly from 2022. The ongoing drought prompted significant conservation efforts during the summer and fall months. The situation is further compounded by an outdoor watering ban that was put in place by Metropolitan Water District (MWD) to allow for repairs on one of their main water supply lines. This was followed by above-average rainfall in the winter and spring, leading to a substantial decrease in residential water usage.

In 2023, the District's total expenses increased by \$696K, or 4.27%. The increase was driven by above average inflation affecting costs of materials and a rate increase for purchased water and wastewater processing costs.

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2023, nonoperating expenses increased by \$13K or 3.82%, due primarily to a increase in interest expense

In 2023, capital contributions increased by \$7K, or 5.73%, due primarily to an increase in new construction, home expansions and ADU permits.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets (net of related debt), as of June 30, 2023, amounts to \$42.0M. This investment in capital assets includes land, construction in process, buildings and building improvements, vehicles and equipment, infrastructure and right to use lease assets. Major capital assets additions during the year included upgrades to the District's water production system and transmission and distribution systems. Overall, capital assets, net of accumulated depreciation/amortization increased \$1.6M, or 2.99%.

The District implemented GASB Statement 87, *Leases*, for the fiscal year 2022-23. GASB 87 establishes a single model for lease accounting based in the foundational principal that leases are financings of the right to use an underlying asset. The District's leases are considered capital assets and are included as such in the Notes to the Financial Statements, in Note 4. The District's net value of the right to use assets at June 30, 2023 are \$342,772.

The following table summarizes the District's capital assets, net of accumulated depreciation as of June 30:

	2023	2022
Land	\$ 1,158,526	\$ 1,158,526
Construction in process	4,603,787	7,448,272
Buildings and building improvements	459,002	478,247
Vehicles and equipment	589,870	511,959
Infrastructure	47,427,562	43,397,858
Right to use - lease infrastructure	318,229	337,323
Right to use - lease equipment	24,543	73,628
Capital assets, net of accumulated depreciation	<u>\$ 54,581,519</u>	<u>\$ 53,405,813</u>

Long-Term Debt

At June 30, 2023, the District had a total of \$12.7M in long-term debt, which includes \$359K in leases payable. The District implemented GASB Statement 87, *Leases* during the fiscal year 2022-23. Leases are considered to be long-term debt for lease terms greater than one year and are included as such in the Notes to the Financial Statements, in Note 5.

CRESCENTA VALLEY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table summarizes the District's long-term debt as of June 30:

	2023	2022
Direct placements	\$ 10,670,000	\$ 10,890,000
Unamortized premium	772,990	844,955
Direct borrowings	935,116	957,033
Leases	358,577	410,951
Total long-term debt	<u>\$ 12,736,683</u>	<u>\$ 13,102,939</u>

The District's did not issue any new debt in the 2022-2023 fiscal year. Principal payments of the long-term debt, including leases, totaled of \$294K and premiums were amortized \$72K during fiscal year 2022-2023.

Conditions Affecting Current Financial Position

Management is unaware of any conditions at June 30, 2023, that would have a significant impact on the District's financial position, net position, or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact James Lee, Interim General Manager of Crescenta Valley Water District, at 2700 Foothill Blvd., La Crescenta, California, 91214.

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BASIC FINANCIAL STATEMENTS

CRESCENTA VALLEY WATER DISTRICT

STATEMENT OF NET POSITION

June 30, 2023

Assets

Current assets	
Cash and cash equivalents	\$ 5,069,774
Accounts receivable:	
Water and wastewater, net	2,967,015
Other	1,471
Interest receivable	20,679
Prepaid expenses	53,446
Inventory	656,275
Total current assets	<u>8,768,660</u>
Noncurrent assets	
Investments	8,400,066
Capital assets:	
Capital assets, nondepreciable	5,762,313
Capital assets, net of accumulated depreciation	48,819,206
Total noncurrent assets	<u>62,981,585</u>
Total assets	<u>71,750,245</u>

Deferred outflows of resources

Deferred outflows on bond refunding	192,242
Pension related items	2,595,744
Other post employment benefits related items	515,801
Total deferred outflows of resources	<u>3,303,787</u>

Liabilities

Current liabilities	
Accounts payable	3,312,976
Accrued payroll liabilities	215,888
Retainage payable	52,087
Customer deposits	807,229
Accrued interest expense	125,572
Compensated absences - current portion	71,736
Lease payable - current portion	36,984
Loan payable - current portion	296,847
Total current liabilities	<u>4,919,319</u>
Noncurrent liabilities	
Lease payable	321,593
Net pension liability	5,749,196
Net other postemployment benefits liability	5,257,740
Compensated absences	265,679
Loan payable	12,081,259
Total noncurrent liabilities	<u>23,675,467</u>
Total liabilities	<u>28,594,786</u>

Deferred inflows of resources

Pension related items	503,322
Other post employment benefits related items	2,032,215
Total deferred inflows of resources	<u>2,535,537</u>

Net position

Net investment in capital assets	41,984,990
Unrestricted	1,938,719
Total net position	<u>\$ 43,923,709</u>

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

Operating revenues

Water operations - consumption sales	\$ 7,935,623
Water operations - service charges	3,609,799
Water operations - other charges	686,023
Wastewater operations - user and standby charges	<u>3,743,169</u>
Total operating revenues	<u>15,974,614</u>

Operating expenses

Source of supply	2,924,787
Plant operations	1,863,728
Distribution system	1,834,099
City of Los Angeles wastewater system	2,394,509
Collection system	407,526
General and administrative expenses	4,996,486
Depreciation and amortization	<u>2,213,427</u>
Total operating expenses	<u>16,634,562</u>

Operating income (loss) (659,948)

Nonoperating revenues (expenses)

Investment income (loss)	95,923
Rental income	79,806
Interest expense	(359,782)
Other income (expense), net	<u>3,057</u>
Total nonoperating revenues (expenses)	<u>(180,996)</u>

Income (loss) before capital contributions (840,944)

Capital contributions

Capital grants - State	92,046
Assessments	<u>39,327</u>
Total capital contributions	<u>131,373</u>

Change in net position (709,571)

Net position - beginning of year 44,633,280

Net position - end of year \$ 43,923,709

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

Cash flows from operating activities	
Cash received from customers	\$ 16,086,944
Cash paid to employees for services	(5,234,992)
Cash paid to suppliers and others	(8,207,694)
Net cash provided by (used in) operating activities	<u>2,644,258</u>
Cash flows from noncapital financing activities	
Other receipts	<u>5,002</u>
Net cash provided by (used in) noncapital financing activities	<u>5,002</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(3,405,358)
Proceeds from grants	92,046
Proceeds from property owner assessments	39,327
Principal payments on Leases	(52,374)
Principal payments on long-term debt	(241,917)
Interest paid	(274,135)
Net cash provided by (used in) capital and related financing activities	<u>(3,842,411)</u>
Cash flows from investing activities	
Purchase of investments	(1,999,708)
Proceeds from sale of investments	1,924,859
Interest earned	220,383
Proceeds from rental properties	79,806
Cash paid for rentals	(1,945)
Net cash provided by (used in) investing activities	<u>223,395</u>
Net increase (decrease) in cash and cash equivalents	(969,756)
Cash and cash equivalents, beginning of year	6,039,530
Cash and cash equivalents, end of year	<u>\$ 5,069,774</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (659,948)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation and amortization	2,213,427
(Increase) decrease in assets and deferred outflows	
Accounts receivable	105,218
Prepaid expenses	50,285
Inventory	(191,058)
Deferred outflows - pension related	(1,609,356)
Deferred outflows - OPEB related	(14,985)
Increase (decrease) in liabilities and deferred inflows	
Accounts payable	1,687,266
Accrued payroll liabilities	9,067
Compensated absences liability	(28,372)
Customer deposits	7,112
Net pension liability	3,218,579
Net OPEB liability	(1,561,565)
Deferred inflows - pension related	(2,106,921)
Deferred inflows - OPEB related	1,525,509
Net cash provided by (used in) operating activities	<u>\$ 2,644,258</u>

See notes to financial statements

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Organization and Operations of the Reporting Entity

The Crescenta Valley Water District (the District) is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Crescenta Valley Water District has been providing water and sewer service to the residents of the La Crescenta/ Montrose area since 1950. The District is governed by a five-member board of directors who serve overlapping four-year terms.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Measurement Focus

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

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

The District recognizes revenue from water and sewer service charges based on cycle billings performed bi-monthly. The District accrues revenues with respect to water and sewer service sold but not billed at the end of a fiscal period.

Financial Reporting

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

Cash and Cash Equivalents

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

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Policy

The District has adopted an investment policy directing the Treasurer to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

Level 1 – This valuation level is based on quoted prices in active markets for identical assets.

Level 2 – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

Restricted Assets

Amounts shown as restricted assets are to be used for specified purposes, such as servicing general obligation bond debt and the construction of capital assets. Such assets have been restricted by bond indenture, law, or contractual obligations. As of June 30, 2023, the District did not have restricted assets.

Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. The District uses the allowance method for recording the bad debt. Management regularly reviews its outstanding accounts receivable for collectability and has established an allowance for uncollectible accounts based upon its collection history and knowledge of its customers. When an account is deemed uncollectible, it is written off against the allowance.

Inventory

Inventory consists primarily of materials and supplies used in construction and maintenance of the water and sewer system and is stated at cost using the average-cost method.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid expenses

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

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at acquisition cost at the date of contribution. 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 expense is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Useful Life</u>
Sewer Facilities	40 to 50 Years
Water Facilities	40 Years
Buildings	5 to 10 Years
Joint-Use-Facilities	40 to 50 Years
Meters	5 to 15 years
Office Equipment	3 to 15 Years
Maintenance Facilities	5 to 15 Years

Lease assets are assets which the District leases for term of more than one year. The value of the leases is determined by the net value of the leases using the interest rate implicit in the lease or, if not determinable, at the District's incremental borrowing rate at the time of the lease agreement and are amortized over the term of the agreement.

Customer Deposits

The District collects two types of deposits. Customer deposits for starting a new account requires a \$100 deposit if proof of ownership is not provided. The other type of deposit is for work the district performs and is then charged to the customer, usually for meter upgrades and new service installation. The deposit is converted to revenue upon the completion of the project.

Long-term Liabilities

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts on a refunding are amortized over the life of the related debt. Loan payable is reported net of unamortized premiums or discounts. Debt payments are reported as a reduction of the related liability.

A deferred outflow from a loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave according to the number of years of service with the District. The liability for vested vacation and sick leave is recorded as an expense when earned and become vested, in accordance with District policy.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (the Plans) 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.

Postemployment Benefits Other than Pensions (OPEB)

The District participates in an agent multiple-employer defined benefit postemployment healthcare plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense information about the fiduciary net position of the District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflow / inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows of resources related to deferred charges related to loss on refunding, pensions and OPEB.

In addition to liabilities the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to pensions and OPEB.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The District classified equity as net position and it can be displayed in three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- *Restricted net position* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted net position* – is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for particular purpose from both restricted and unrestricted resources. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Water and Sewer Service Charges

The District recognizes water and sewer services charges based on cycle billings rendered to the customers on a bi-monthly basis.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenses or capacity commitment.

Budgetary Policies

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

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 are as follows:

Deposits with financial institutions	\$	1,623,285
Local District Investment Fund		3,445,689
Cash on hand		<u>800</u>
Total cash and cash equivalents	\$	<u>5,069,774</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

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

Investment in State Investment Pool

The District is a voluntary participant in the Local District Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the state of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

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

NOTE 4 – INVESTMENTS

Investments and future maturities at June 30, 2023 were as follows:

Investment Type	Total	Remaining Maturity (in months)			
		12 months or less	13 to 24 months	25 to 60 months	61 to 120 months
U.S. Treasury	\$ 3,920,040	\$ 525,877	\$ 1,662,401	\$ 1,731,762	\$ -
U.S. Government agencies	762,086	195,540	295,289	271,257	-
Corporate notes	3,717,940	574,535	965,721	2,177,684	-
Total	<u>\$ 8,400,066</u>	<u>\$ 1,295,952</u>	<u>\$ 2,923,411</u>	<u>\$ 4,180,703</u>	<u>\$ -</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS (Continued)

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

Investment Type	Total	Minimum Legal Rating	Rating at Yearend			
			AAA	AA+	A	Not Rated
U.S. Treasury	\$ 3,920,040	A	\$ -	\$ 3,920,040	\$ -	\$ -
U.S. Government agencies	762,086	A	-	762,086	-	322,156
Corporate notes	3,717,940	A	967,152	506,459	1,922,173	-
Total	<u>\$ 8,400,066</u>		<u>\$ 967,152</u>	<u>\$ 5,188,585</u>	<u>\$ 1,922,173</u>	<u>\$ 322,156</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023 none of the Districts investments in any one issuer exceeded 5%.

Fair Value Measurements

Investments measured at fair value on a recurring and nonrecurring basis at June 30, 2023:

Investment Type	Total	Rating at Yearend		
		Level 1	Level 2	Level 3
U.S. Treasury	\$ 3,920,040	\$ 3,920,040	\$ -	\$ -
U.S. Government agencies	762,086	-	762,086	-
Corporate notes	3,717,940	-	3,717,940	-
Total	<u>\$ 8,400,066</u>	<u>\$ 3,920,040</u>	<u>\$ 4,480,026</u>	<u>\$ -</u>

NOTE 5 – ACCOUNTS RECEIVABLE – WATER AND WASTEWATER, NET

Accounts receivable – water and wastewater, net consisted of the following at June 30, 2023:

Accounts Receivable:	
Water user charges	\$ 2,282,754
Wastewater user charges	754,717
Allowance for uncollectible accounts	<u>(70,456)</u>
Total accounts receivable - water and wastewater, net	<u>\$ 2,967,015</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,158,526	\$ -	\$ -	\$ 1,158,526
Construction in process	7,448,272	3,389,133	6,233,618	4,603,787
Totals capital assets, not being depreciated	8,606,798	3,389,133	6,233,618	5,762,313
Capital assets, being depreciated:				
Buildings and building improvements	1,222,921	-	-	1,222,921
Vehicles and equipment	3,812,273	233,295	-	4,045,568
Infrastructure	90,440,357	6,000,323	-	96,440,680
Right to use - lease infrastructure	356,417	-	-	356,417
Right to use - lease equipment	122,713	-	-	122,713
Totals capital assets, being depreciated	95,954,681	6,233,618	-	102,188,299
Less accumulated depreciation:				
Buildings and building improvements	744,674	19,245	-	763,919
Vehicles and equipment	3,300,314	155,384	-	3,455,698
Infrastructure	47,042,499	1,970,619	-	49,013,118
Right to use - lease infrastructure	19,094	19,094	-	38,188
Right to use - lease equipment	49,085	49,085	-	98,170
Totals accumulated depreciation	51,155,666	2,213,427	-	53,369,093
Totals capital assets, being depreciated	44,799,015	4,020,191	-	48,819,206
Capital assets, net	\$ 53,405,813	\$ 7,409,324	\$ 6,233,618	\$ 54,581,519

Implementation of the Standard for Leases

The District implemented the provisions of GASB Statement No. 87, *Leases* (GASB Statement No. 87) effective July 1, 2022. GASB Statement No. 87 was effective for fiscal years ended June 30, 2022, but the provisions of this guidance were deemed immaterial for those financial statements. GASB Statement No. 87 requires lessees to report a “right to use” asset and a lease liability for leases with a term of more than one year. The District implemented the provisions of GASB Statement No. 87 by recording right to use assets as of July 1, 2022, with equal amounts of lease liabilities, with no impact to the beginning net position. Refer also the effect on long-term liabilities in Note 7.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES

Changes in long-term liability amounts as of June 30, 2023 were as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Long-term debt					
Direct borrowing and placements:					
Certificates of participation	\$ 10,890,000	\$ -	\$ 220,000	\$ 10,670,000	\$ 225,000
Premium	844,955	-	71,965	772,990	49,930
	11,734,955	-	291,965	11,442,990	274,930
Infrastructure loan	957,033	-	21,917	935,116	21,917
Total direct borrowing and and placements	12,691,988	-	313,882	12,378,106	296,847
Leases	410,951	-	52,374	358,577	36,984
Total long-term debt	13,102,939	-	366,256	12,736,683	333,831
Compensated absences	365,787	359,620	387,992	337,415	71,736
Net pension liability	2,530,617	3,218,579	-	5,749,196	-
Net OPEB liability	6,819,305	-	1,561,565	5,257,740	-
Totals long-term liabilities	\$ 22,818,648	\$ 3,578,199	\$ 2,315,813	\$ 24,081,034	\$ 405,567

Direct borrowing and direct placements outstanding at June 30, 2023 is as follows:

Purpose	Amount Outstanding
---------	-----------------------

Direct Borrowing - 2016 GWP Infrastructure Loan

On September 9, 2014 the District entered into a loan agreement with City of Glendale Water and Power (GWP) to receive a \$1,091,590 loan. Loan proceeds were to provide construction-related expenditure costs related to the Rockhaven (Well #16) project. Terms of the agreement call for monthly installments of principal and interest payments with an average interest rate of 3.34% and the loan maturing on March 1, 2041. On the loan maturity date, the principal balance will be \$540,613, at which point a new agreement will be negotiated. In the event of default, the landlord at law or in equity, landlord shall have the option to terminate the agreement and shall be entitled to immediate restraint by injunction of any violation of any of the covenants, conditions, or provisions of the agreement.

	\$ 935,116
Less: current portion	21,917
Long-term portion	<u>\$ 913,199</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Direct Placement - 2020 Revenue Certificates of Participation

On September 15, 2020, the District and the Crescenta Valley Water District Financing Corporation (the Corporation), have issued Crescenta Valley Water District Revenue Certificates of Participation (Water System Improvement Projects), Series 2020 for the aggregate principal amount of \$11,095,000, mature in varying amounts from \$205,000 to \$565,000 annually, on September 1, 2021 through 2050, plus interest from 3.00% to 4.00% payable semi-annually each March 1 and September 1. A portion of the debt proceeds were used to pay off the 2017 Pacific Western Loan balance. The debt issuance is binding upon the District.

	\$ 10,670,000
Less: current portion	<u>225,000</u>
Long-term portion	<u>\$ 10,445,000</u>

Future maturities of long-term debt

As of June 30, 2023, the future maturities of long-term debt are as follows:

Fiscal Year	Certificates of Participation		Infrastructure Loan		Unamortized Premium	Total	
	Principal	Interest	Principal	Interest	Amortization	Principal	Interest
2024	\$ 225,000	\$ 350,281	\$ 21,917	\$ 29,095	\$ 49,930	\$ 246,917	\$ 429,306
2025	235,000	341,081	21,917	29,095	48,619	256,917	418,795
2026	245,000	331,481	21,917	29,095	47,250	266,917	407,826
2027	255,000	321,481	21,917	29,095	45,825	276,917	396,401
2028	265,000	311,081	21,917	29,095	44,342	286,917	384,518
2029-33	1,470,000	1,408,256	109,585	145,475	200,737	1,579,585	1,754,468
2034-38	1,780,000	1,093,634	109,585	145,475	155,890	1,889,585	1,394,999
2039-43	2,070,000	803,963	606,361	87,288	114,600	2,676,361	1,005,851
2044-48	2,465,000	398,725	-	-	56,835	2,465,000	455,560
2049-51	1,660,000	62,876	-	-	8,962	1,660,000	71,838
Total	<u>\$ 10,670,000</u>	<u>\$ 5,422,859</u>	<u>\$ 935,116</u>	<u>\$ 523,713</u>	<u>\$ 772,990</u>	<u>\$ 11,605,116</u>	<u>\$ 6,719,562</u>

Leases payable

Leases payable outstanding as of June 30, 2023 are as follows:

	Original Amount	Outstanding July 1, 2022	Additions	Payments	Outstanding June 30, 2023	Due Within One Year
Copier leases						
Interest at 1.15%, monthly payments of principal and interest of \$2,073, due 2023	\$ 122,713	\$ 73,628	\$ -	\$ 48,826	\$ 24,802	\$ 24,802
Rockhaven well lease						
Interest at 2.01%, monthly payments of principal and interest of \$1,497, due 2025	\$ 356,417	337,323	-	3,548	333,775	12,182
Total leases payable		<u>\$ 410,951</u>	<u>\$ -</u>	<u>\$ 52,374</u>	<u>\$ 358,577</u>	<u>\$ 36,984</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Future maturities – leases payable

As of June 30, 2023, the future maturities of leases payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 36,984	\$ 6,682
2025	12,998	6,346
2026	13,847	6,077
2027	14,732	5,791
2028	15,652	5,486
2029-33	93,414	22,177
2034-38	122,608	11,394
2039-43	48,342	862
Total	<u>\$ 358,577</u>	<u>\$ 64,815</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Pension Plan or PERF C) serves public agencies with generally fewer than 100 active members that is administered by the California Public Employees' Retirement System (CalPERS). The Pension Plan consists of a Miscellaneous Pool and a Safety Pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety valuation rate plans, respectively. The District participates in the Pension Plan as part of the Miscellaneous Risk Pool. All qualified permanent and probationary employees of the District are eligible to participate in the Pension Plan.

Benefits Provided

The Pension Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. Benefit provisions under the plan are established by state statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (continued)

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect on January 1, 2013, closed the District's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants (PEPRA Members or Tier 2). All employees hired after January 1, 2013 are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA. All members that do not fall into the definition of a PEPRA Member will generally be considered Classic Members, or Tier 1.

A summary of the plans' provision and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.00% at 55	2.00% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 to 55	52 to 67
Required employee contribution rates	6.91%	6.75%
Required employer contribution rates	10.88%	7.59%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The District was required to contribute the difference between the actuarially determined rate (or 10.88%) and the contribution rate of employees. The District's contributions for the fiscal year ended June 30, 2023 were \$786,573, including \$117,605 paid by the District on behalf of the employees.

Proportionate Share of Net Pension Liability

As of the fiscal year ended June 30, the District reported \$5,749,196 for its proportionate share of the net pension liability. The net pension liability of the Pension Plan was measured as of June 30, 2022, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. The allocation method utilized by CalPERS to determine the employer's proportionate share of the net pension liability considers the actuarial measurement of the future pension benefits of the plan participants by employer and the employer's share of the fiduciary net position.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Proportionate Share of Net Pension Liability (continued)

The District's proportionate share of the pension liability for the District's plan as of the June 30, 2022 valuation was 0.122886%, which is an increase of 0.010338% from June 30, 2021.

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2022 was determined using the following methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Experience study	2021 CalPERS Experience Study
Actuarial assumptions:	
Discount rate	6.90%
Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Post retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and postretirement mortality rates include generation 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expense of 10 basis points. The expected real rates of return by asset class are as follows:

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return (continued)

Asset Class ¹	Assumed Asset	
	Allocation	Real Return ^{1, 2}
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%	27.00%
Mortgage-backed securities	5.00%	50.00%
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%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The discount rate equals the long-term expected rate of return of the plan assets, net of investment expense, but not reduced for administrative expenses. 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.

Discount Rate Sensitivity Analysis

	1% Decrease	Current Discount Rate	1% Increase
District's Net OPEB Liability	\$ 8,910,049	\$ 5,749,196	\$ 3,148,599

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

During the year ended June 30, 2023, the District recognized pension benefit of \$497,698.

As of the fiscal year ended June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,455	\$ 77,327
Changes in assumptions or inputs	589,125	-
Net difference between projected and actual earnings	1,053,100	-
Difference between employer's contributions and proportionate share of contributions	-	425,995
Change in employer's proportion	169,096	-
Contributions subsequent to the measurement date	668,968	-
Total	<u>\$ 2,595,744</u>	<u>\$ 503,322</u>

As of June 30, 2023, employer pension contributions of \$668,968 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 fiscal years ending June 30, 2024. Other pension related amounts will be recognized as pension expense as follows:

Year Ending June 30,	
2024	\$ 306,656
2025	304,578
2026	168,109
2027	644,111
2028	-
Thereafter	-
Total	<u>\$ 1,423,454</u>

Pension Plan Fiduciary Net Position

The Pension Plan's fiduciary net position has been determined on the same basis used by the Pension Plan. The Pension Plan is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the Pension Plan are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized by the Pension Plan when due and payable in accordance with the terms of the Pension Plan.

Detailed information about the Pension Plan's fiduciary net position is available in the CalPERS annual comprehensive financial report. Copies of the CalPERS annual comprehensive financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District. Currently, the District participates in the Public Agency portion of the California Employers' Retiree Benefit Trust Fund ("CERBT" or "OPEB Plan"), an agent multiple-employer plan administered by CalPERS.

Benefits Provided

District employees who retire from the District at age 55 or older with 10 or more consecutive years of service with the District, and District managers who retire from the District at age 50 or older with 10 or more consecutive years of service with the District are eligible for lifetime medical benefits for themselves and their spouses. Retirees may continue their enrollment in any of the ACWA plans offered by the District. The District does not offer retiree dental or vision coverage.

The District pays the cost to continue current medical/hospitalization for a retired employee and eligible spouse, but not other dependents. A retiree may opt for any Association of California Water Agencies (ACWA) medical plan offered by the District; however, District payment shall not exceed the cap. The cap is ACWA's Blue Cross HMO Plan (i.e. California Care) for two-party coverage. Coverage for a higher-cost plan or additional eligible dependents may be provided at the retiree's expense. Coverage will be maintained under its group benefit until the retiree elects to discontinue coverage. Coverage is continued for the lifetime of the retiree and could further continue for the lifetime of a surviving spouse, if eligible.

For retired employees whose date of hire is prior to July 1, 2008 shall be subject to the following retiree medical vesting schedule:

Years of Service	0-9	10	11	12	13	14	15	16	17	18	19	20+
Coverage percentage	0%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%

Retirees whose hire date of hire is on or after July 1, 2019 are not eligible for retiree medical benefits.

Membership in the OPEB Plan consisted of the following members as of June 30, 2023:

Participant Type	Number of Participants
Active participants	22
Retired participants and beneficiaries	26
Inactive participants with deferred benefits	-
	<u>48</u>

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funding Policy

Contributions to the OPEB Plan are voluntarily determined by the District's own funding schedule, and there are no long-term contracts for contributions to the plan. The Districts' intends to contribute the pay-as-you-go amount with a fixed dollar trust contribution. The fixed dollar trust contribution may be up to \$400,000. For the measurement period ended June 30, 2022, the actuarially determined contributions were \$696,699 and the District contributed \$324,542 to the OPEB Plan, including trust contributions and the implicit rate subsidy.

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation using the actuarial assumptions shown herein, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Inflation	2.30%
Salary increases	2.80%
Discount rate	7.00%
Expected rate of return	7.00%
Healthcare trend rate	7.45 2023 to 5.00% 2033 and later
Retirement and Mortality	2021 CalPERS Experience Study
Bond Buyer 20-Bond GO Index	3.54%

Long-Term Expected Rate of Return

The long-term expected rate of return was based upon the CERBT strategy 1 investment allocation. The following tables shows the target allocation for each asset class as well as the corresponding long-term expected rate of return. This along with an assumed 2.30% inflation rate was used to measure the reasonableness of the plans expected rate of return on assets of 7.00%.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	60%	2.85%
Fixed income	32%	70.00%
REITs	8%	3.40%
Cash	0%	1.30%

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Long-Term Expected Rate of Return (continued)

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Changes in Assumptions

The discount rate, capital market assumptions, and inflation rate were updated to reflect the change in economic outlook. The trend rate was updated based on a survey of expectations of health insurers. The mortality, retirement, withdrawal assumptions and morbidity factors were updated to the most recent CalPERS experience study. And the claims costs were updated to reflect current ACWA premiums.

There have been no other changes in the assumptions since the last measurement date.

Changes in Plan Provisions

Effective July 1, 2022, the plan was amended to homogenize eligibility to age 50 and 10 years of service for all employees. This plan amendment increased the Total OPEB Liability by \$128,769. Since this change occurred after the June 30, 2022 measurement date, it is considered a post-measurement date event and is not reflected in any of the costs shown in this report.

There have been no changes in plan provisions since the last measurement date.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Changes in the Net OPEB Liability

The District's changes in net OPEB liability as of the June 30, 2023 fiscal year was follows:

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at June 30, 2021	\$ 7,617,638	\$ 798,333	\$ 6,819,305
Changes for the year:			
Service cost	144,886	-	144,886
Interest	553,506	-	553,506
Difference between expected and actual experience	(291,937)	-	(291,937)
Changes in assumptions	(1,750,524)	-	(1,750,524)
Contributions - employer	-	324,542	(324,542)
Net investment income	-	(106,844)	106,844
Benefit payments	(324,542)	(324,542)	-
Administrative expense	-	(202)	202
Balance at June 30, 2022	<u>\$ 5,949,027</u>	<u>\$ 691,287</u>	<u>\$ 5,257,740</u>

Discount Rate Sensitivity Analysis

The following table presents the District's net OPEB liability calculated using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 6,125,827	\$ 5,257,740	\$ 4,552,006

Healthcare Cost Trend Sensitivity Analysis

The following table presents the District's net OPEB liability calculated using the current healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Trend Rate	1% Increase
Net OPEB Liability	\$ 4,486,900	\$ 5,257,740	\$ 6,226,505

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2023, the District recognized OPEB expense of \$257,498. As of June 30, 2023, the District reported deferred outflows and inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 130,767	\$ 379,031
Changes in assumptions or inputs	-	1,653,184
Net difference between projected and actual earnings	76,495	-
Contributions subsequent to the measurement date	308,539	-
Total	<u>\$ 515,801</u>	<u>\$ 2,032,215</u>

As of June 30, 2023, employer contributions of \$308,539 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal years ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ (383,563)
2025	(383,845)
2026	(397,452)
2027	(382,422)
2028	(278,067)
Thereafter	396
Total	<u>\$ (1,824,953)</u>

OPEB Plan Fiduciary Net Position

The OPEB Plan's fiduciary net position has been determined on the same basis used by the OPEB Plan. The OPEB Plan is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the OPEB Plan are recognized when received. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

Detailed information about the OPEB Plan's fiduciary net position is available in the CalPERS annual comprehensive financial report. Copies of the CalPERS annual comprehensive financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – RISK MANAGEMENT

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

At June 30, 2023, the District participated in the liability, property programs, and workers' compensation programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,000,000 per occurrence. The District has additional excess coverage layers through ACWA/JPIA: \$58 million for general, auto, and public officials' liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage from the ACWA/JPIA provides self-insurance up to \$100,000 subject to a \$1,000 deductible per loss. The District has purchased excess coverage up to \$1,000,000 per loss, subject to a \$100,000 deductible. Coverage includes public employee dishonesty, forgery or alteration, computer fraud, and faithful performance.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, up to a policy limit of \$500 million per occurrence, subject to a \$2,500 deductible per occurrence. Scheduled mobile equipment is replaced at actual cash value subject to a \$2,500 deductible per occurrence. Scheduled vehicles covered for comprehensive and collision, actual cash value basis subject to \$1,000 deductible per occurrence.
- Boiler and machinery coverage at the replacement cost for property on file up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work-related injuries/illnesses covered by California law.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2022 and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021, respectively.

CRESCENTA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 – JOINTLY GOVERNED ORGANIZATION (JOINT POWERS AGREEMENT)

The District participates in a jointly governed under a joint powers agreement (JPA) with the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The relationship between the District and the JPIA is such that the JPIA is not a component unit of the District for financial reporting purposes. Audited financial statements are available by contacting the JPIA at 2100 Professional Drive, Roseville, California 95661.

The JPIA arranges for and provides insurance coverage for its nearly 370 member districts. JPIA is governed by a board of directors and each member agency is required to designate one representative from its local board of directors to participate in the JPIA board. Refer to Note 8.

NOTE 12 – NEWLY ISSUED ACCOUNTING STANDARDS

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the District's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the District's financial statements.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

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

NOTE 14 – SUBSEQUENT EVENTS

On February 1, 2024, the District issued revenue certificates of participation, series 2024, in the amount of \$12,090,000 for water system improvement projects.

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REQUIRED SUPPLEMENTARY INFORMATION

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years

Year Ended June 30,	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll based on related measurement date of the net pension liability (asset)	District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.12287%	\$ 5,749,196	\$ 2,635,277	218.16%	78.19%
2022	0.13327%	2,530,617	2,777,559	91.11%	76.06%
2021	0.11275%	4,755,999	2,853,255	166.69%	76.06%
2020	0.10811%	4,329,249	2,966,432	145.94%	76.87%
2019	0.10376%	3,910,317	3,305,507	118.30%	77.79%
2018	0.10092%	3,910,317	2,906,241	134.55%	75.39%
2017	0.09684%	3,364,245	2,715,807	123.88%	75.87%
2016	0.09156%	2,512,020	2,388,479	105.17%	81.15%
2015	0.09037%	2,415,225	2,296,444	105.17%	77.88%

Note 1: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Note 2: The proportionate share of the net pension liability reports prior year covered payroll as of the measurement

CRESCENTA VALLEY WATER DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION PLAN

Last 10 Fiscal Years

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 668,968	\$ 546,030	\$ 573,759	\$ 271,620	\$ 266,500	\$ 350,982	\$ 381,098	\$ 308,670	\$ 292,716	
Contributions in relation to the contractually required contribution	668,968	546,030	573,759	271,620	266,500	350,982	381,098	308,670	292,716	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 2,859,717	\$ 2,635,277	\$ 2,777,559	\$ 2,853,255	\$ 2,966,432	\$ 3,305,507	\$ 2,906,241	\$ 2,715,807	\$ 2,388,479	
Contribution as a percent of covered payroll	23.39%	20.72%	20.66%	9.52%	8.98%	10.62%	13.11%	11.37%	12.26%	

Note 1: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Note 2: The proportionate share of the net pension liability reports prior year covered payroll as of the measurement date however this schedule reports covered payroll based on the fiscal year.

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	Years Ended June 30,					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 144,886	\$ 137,987	\$ 130,710	\$ 124,486	\$ 132,270	\$ 125,970
Interest	553,506	524,812	509,267	484,045	444,552	417,013
Change in benefit terms	-	-	329,497	-	-	-
Differences between expected and actual experience	(291,937)	51,587	(194,307)	(45,954)	284,776	(19,457)
Changes of assumptions	(1,750,524)	-	(283,714)	-	(125,750)	-
Benefit payments	(324,542)	(329,643)	(242,284)	(203,075)	(168,710)	(134,956)
Net change in total OPEB liability	(1,668,611)	384,743	249,169	359,502	567,138	388,570
Total OPEB liability - Beginning	7,617,638	7,232,895	6,983,726	6,624,224	6,057,086	5,668,516
Total OPEB liability - Ending (a)	\$ 5,949,027	\$ 7,617,638	\$ 7,232,895	\$ 6,983,726	\$ 6,624,224	\$ 6,057,086
Plan Fiduciary Net Position						
Contributions - employer	\$ 324,542	\$ 429,643	\$ 242,284	\$ 503,075	\$ 268,711	\$ 234,956
Member contributions	-	-	-	-	-	-
Net investment income	(106,844)	150,518	18,708	21,727	7,968	-
Benefit payments	(324,542)	(329,643)	(242,284)	(203,075)	(168,711)	(134,956)
Administrative expenses	(202)	(208)	(259)	(54)	(67)	-
Net change in plan fiduciary net position	\$ (107,046)	\$ 250,310	\$ 18,449	\$ 321,673	\$ 107,901	\$ 100,000
Plan Fiduciary Net Position - Beginning	798,333	548,023	529,574	207,901	100,000	-
Plan Fiduciary Net Position - Ending (b)	\$ 691,287	\$ 798,333	\$ 548,023	\$ 529,574	\$ 207,901	\$ 100,000
Net OPEB Liability (Asset) - Ending (a - b)	\$ 5,257,740	\$ 6,819,305	\$ 6,684,872	\$ 6,454,152	\$ 6,416,323	\$ 5,957,086
Plan Fiduciary Net Position as a percentage of the total OPEB liability	11.62%	10.48%	7.58%	7.58%	3.14%	1.65%
Covered-employee payroll	\$ 2,357,750	\$ 2,731,105	\$ 2,856,902	\$ 2,965,045	\$ 2,595,864	\$ 3,305,507
District's net OPEB liability as a percentage of covered-employee payroll	223.00%	249.69%	233.99%	217.67%	247.17%	180.22%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be retroactively. Years will be added to this schedule as future data becomes available.

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY
Last 10 Fiscal Years

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 696,699	\$ 669,236	\$ 618,255	\$ 601,567	\$ 525,315	\$ 525,315
Contributions in relation to the actuarially determined contribution	324,542	429,643	242,284	503,075	268,711	234,956
Contribution deficiency (excess)	\$ 372,157	\$ 239,593	\$ 375,971	\$ 98,492	\$ 256,604	\$ 290,359
District's covered-employee payroll	\$ 2,357,750	\$ 2,731,105	\$ 2,856,902	\$ 2,965,045	\$ 2,595,864	\$ 3,305,507
Contribution as a percentage of covered-employee payroll	13.76%	15.73%	8.48%	16.97%	10.35%	7.11%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

Notes to RSI:

Actuarial valuation date:	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2017
Measurement date:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial assumptions:						
Inflation rate	2.30%	2.26%	2.26%	2.26%	2.26%	2.00%
Salary increases	2.80%	3.25%	3.25%	3.25%	3.25%	3.25%
Discount rate	7.00%	7.28%	7.28%	7.28%	7.28%	7.28%
Expected rate of return	7.00%	7.28%	7.28%	7.28%	7.28%	7.28%
Experience study	2021 CalPERS	2017 CalPERS	2017 CalPERS	2017 CalPERS	2017 CalPERS	2014 CalPERS

CRESCENTA VALLEY WATER DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

NOTE 1 – PENSION INFORMATION

The schedule of the District's proportionate share of the net pension liability and the schedule of the District's contributions are intended to show data for 10 year. Additional years will be displayed as data becomes available.

Changes in Benefit Terms and Plan Provisions

There were no changes to benefit terms or plan provisions that applied to all members of the plan since the last measurement date.

Changes in Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

NOTE 2 – OTHER POSTEMPLOYMENT BENEFIT INFORMATION

The schedule of the District's net OPEB liability and related ratios and the schedule of the District's contributions are intended to show data for 10 year. Additional years will be displayed as data becomes available.

Changes in Benefit Terms and Plan Provisions

Effective July 1, 2022 the plan was amended to homogenize eligibility to age 50 and 10 years of service for all employees.

The discount rate, capital market assumptions, and inflation rate were updated to reflect the change in economic outlook. The trend rate was updated based on a survey of expectations of health insurers. The mortality, retirement, withdrawal assumptions and morbidity factors were updated to the most recent 2021 CalPERS experience study. And the claims costs were updated to reflect current ACWA premiums.

Changes in Assumptions

There have been no other changes in the assumptions since the last measurement date.

SUPPLEMENTAL INFORMATION

CRESCENTA VALLEY WATER DISTRICT

COMBINING STATEMENT OF NET POSITION

June 30, 2023

	Water	Wastewater	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 5,069,774	\$ -	\$ -	\$ 5,069,774
Accounts receivable:				
Water and wastewater, net	2,228,798	738,217	-	2,967,015
Other	1,471	-	-	1,471
Interest receivable	20,679	-	-	20,679
Due from other funds	-	1,626,543	(1,626,543)	-
Prepaid expenses	68,065	(14,619)	-	53,446
Inventory	642,480	13,795	-	656,275
Total current assets	8,031,267	2,363,936	(1,626,543)	8,768,660
Noncurrent assets				
Investments	8,400,066	-	-	8,400,066
Capital assets:				
Capital assets, nondepreciable	5,242,376	519,937	-	5,762,313
Capital assets, net of accumulated depreciation	34,147,158	14,672,048	-	48,819,206
Total noncurrent assets	47,789,600	15,191,985	-	62,981,585
Total assets	55,820,867	17,555,921	(1,626,543)	71,750,245
Deferred outflows of resources				
Deferred outflows on bond refunding	192,242	-	-	192,242
Pension related items	1,557,447	1,038,297	-	2,595,744
Other post employment benefits related items	309,481	206,320	-	515,801
Total deferred outflows of resources	2,059,170	1,244,617	-	3,303,787
Total assets and deferred outflows of resources	\$ 57,880,037	\$ 18,800,538	\$ (1,626,543)	\$ 75,054,032
Liabilities				
Current liabilities				
Accounts payable	\$ 849,742	\$ 2,463,234	\$ -	\$ 3,312,976
Accrued payroll liabilities	134,745	81,143	-	215,888
Retainage payable	42,577	9,510	-	52,087
Customer deposits	732,474	74,755	-	807,229
Due to other funds	1,626,543	-	(1,626,543)	-
Accrued interest expense	125,572	-	-	125,572
Compensated absences - current portion	49,558	22,178	-	71,736
Lease payable - current portion	24,583	12,401	-	36,984
Loan payable - current portion	296,847	-	-	296,847
Total current liabilities	3,882,641	2,663,221	(1,626,543)	4,919,319
Noncurrent liabilities				
Lease payable	321,593	-	-	321,593
Net pension liability	3,449,516	2,299,680	-	5,749,196
Net other postemployment benefits liability	3,194,758	2,062,982	-	5,257,740
Compensated absences	192,425	73,254	-	265,679
Loan payable	12,081,259	-	-	12,081,259
Total noncurrent liabilities	19,239,551	4,435,916	-	23,675,467
Total liabilities	23,122,192	7,099,137	(1,626,543)	28,594,786
Deferred inflows of resources				
Pension related items	301,993	201,329	-	503,322
Other post employment benefits related items	1,219,328	812,887	-	2,032,215
Total deferred inflows of resources	1,521,321	1,014,216	-	2,535,537
Net position				
Net investment in capital assets	26,814,916	15,170,074	-	41,984,990
Unrestricted	6,421,608	(4,482,889)	-	1,938,719
Total net position	33,236,524	10,687,185	-	43,923,709
Total liabilities, deferred inflows of resources and net position	\$ 57,880,037	\$ 18,800,538	\$ (1,626,543)	\$ 75,054,032

CRESCENTA VALLEY WATER DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Water	Wastwater	Total
Operating revenues			
Water operations - consumption sales	\$ 7,935,623	\$ -	\$ 7,935,623
Water operations - service charges	3,609,799	-	3,609,799
Water operations - other charges	686,023	-	686,023
Wastewater operations - user and standby charges	-	3,743,169	3,743,169
	<u>12,231,445</u>	<u>3,743,169</u>	<u>15,974,614</u>
Operating expenses			
Source of supply	2,924,787	-	2,924,787
Plant operations	1,684,843	178,885	1,863,728
Distribution system	1,834,099	-	1,834,099
City of Los Angeles wastewater system	-	2,394,509	2,394,509
Collection system	-	407,526	407,526
General and administrative expenses	3,463,856	1,532,630	4,996,486
Depreciation	1,598,346	615,081	2,213,427
	<u>11,505,931</u>	<u>5,128,631</u>	<u>16,634,562</u>
Total operating expenses			
	<u>11,505,931</u>	<u>5,128,631</u>	<u>16,634,562</u>
Operating income (loss)	<u>725,514</u>	<u>(1,385,462)</u>	<u>(659,948)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	95,923	-	95,923
Rental income	52,620	27,186	79,806
Interest expense	(359,486)	(296)	(359,782)
Other income (expense), net	(1,459)	4,516	3,057
	<u>(212,402)</u>	<u>31,406</u>	<u>(180,996)</u>
Total nonoperating revenues (expenses)			
	<u>(212,402)</u>	<u>31,406</u>	<u>(180,996)</u>
Income (loss) before capital contributions	513,112	(1,354,056)	(840,944)
Capital contributions			
Capital grants - State	92,046	-	92,046
Assessments	-	39,327	39,327
	<u>92,046</u>	<u>39,327</u>	<u>131,373</u>
Total capital contributions			
	<u>92,046</u>	<u>39,327</u>	<u>131,373</u>
Change in net position	605,158	(1,314,729)	(709,571)
Net position - beginning of year	<u>32,631,366</u>	<u>12,001,914</u>	<u>44,633,280</u>
Net position - end of year	<u>\$ 33,236,524</u>	<u>\$ 10,687,185</u>	<u>\$ 43,923,709</u>

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER OPERATIONS
YEAR ENDED JUNE 30, 2023

	Water	
	Amount	Percent
Operating revenues		
Water operations - customers	\$ 7,935,623	64.88%
Water operations - others	64,524	0.53%
Service charges	3,609,799	29.51%
Meter installations	439,680	3.59%
Other revenue	181,819	1.49%
Total operating revenues	12,231,445	100.00%
Operating expenses		
Source of supply-water purchases	2,924,787	100.00%
Plant operations:		
Power	780,256	6.78%
Plant wages	443,635	3.86%
Utilities	11,574	0.10%
Maintenance	44,027	0.38%
Signal system	83,883	0.73%
Lab and treatment	168,471	1.46%
Nitrate treatment	98,527	0.86%
Insurance	3,252	0.03%
Water conservation	7,134	0.06%
Other expense	44,084	0.38%
Total plant operations	1,684,843	14.64%
Distribution system:		
Meter maintenance	1,096,595	9.53%
Pipeline maintenance	280,586	2.44%
Reservoir and building maintenance	139,372	1.21%
Well site maintenance	21,261	0.18%
Auto and truck expense	106,893	0.93%
Insurance	29,208	0.25%
Administrative consultant	2,239	0.02%
Water treatment	147,996	1.29%
Other expense	9,949	0.09%
Total distribution system	1,834,099	15.94%
General and administrative:		
Director's fees	7,811	0.07%
Salaries - statutory officers	230,074	2.00%
Salaries - general officers	683,609	5.94%
Retirement (CalPERS)	313,060	2.72%
Payroll taxes	173,231	1.51%
Engineering and drafting	310,461	2.70%
Accounting	3,445	0.03%
Legal	181,288	1.58%
Administrative consultant - water system	338,005	2.94%

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WATER OPERATIONS
YEAR ENDED JUNE 30, 2023

	Water	
	Amount	Percent
General and administrative (continued):		
Insurance	\$ 450,998	3.92%
Maintenance	97,002	0.84%
Computer and supplies	200,393	1.74%
Utilities	19,453	0.17%
Telephone	56,671	0.49%
Printing and postage	16,613	0.14%
Water system fees	64,221	0.56%
Water conservation	51,267	0.45%
Training	47,639	0.41%
Property taxes	14,496	0.13%
Other expense	204,119	1.77%
Total general and administrative	<u>3,463,856</u>	30.10%
Depreciation expense	<u>1,598,346</u>	100.00%
Total operating expenses	<u>11,505,931</u>	100.00%
Operating income (loss)	725,514	100.00%
Nonoperating revenues (expenses)		
Investment income (loss)	95,923	-45.16%
Rental income	52,620	-24.77%
Interest expense	(359,486)	169.25%
Other income (expense), net	(1,459)	0.69%
Total nonoperating revenues (expenses)	<u>(212,402)</u>	100.00%
Income (loss) before capital contributions	513,112	100.00%
Capital contributions		
Capital grants - State	<u>92,046</u>	100.00%
Total capital contributions	<u>92,046</u>	100.00%
Change in net position	<u>\$ 605,158</u>	100.00%

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER OPERATIONS
YEAR ENDED JUNE 30, 2023

	Wastewater	
	Amount	Percent
Operating revenues		
Wastewater operations - user and standby charges	\$ 3,743,169	100.00%
Total operating revenues	<u>3,743,169</u>	100.00%
Operating expenses		
City of Los Angeles wastewater system expense	<u>2,394,509</u>	46.69%
Plant operations:		
Power	14,818	0.29%
Plant wages	26,405	0.51%
Utilities	1,728	0.03%
Maintenance	10,584	0.21%
Signal system	2,150	0.04%
Insurance	109,446	2.13%
Other expense	<u>13,754</u>	0.27%
Total plant operations	<u>178,885</u>	3.49%
Collection system:		
Maintenance	330,734	6.45%
Auto and truck expense	37,301	0.73%
Inspection	<u>39,491</u>	0.77%
Total distribution system	<u>407,526</u>	7.95%
General and administrative:		
Director's fees	7,687	0.15%
Salaries - statutory officers	217,337	4.24%
Salaries - general officers	300,372	5.86%
Retirement (CalPERS)	177,842	3.47%
Payroll taxes	69,336	1.35%
Engineering and drafting	102,397	2.00%
Accounting	3,055	0.06%
Legal	49,183	0.96%
Administrative consultant - water system	180,164	3.51%
Insurance - group	193,414	3.77%
Insurance - general	7,392	0.14%
Maintenance	8,575	0.17%
Computer and supplies	67,573	1.32%
Utilities	7,353	0.14%
Telephone	20,815	0.41%
Printing and postage	6,396	0.12%
Training	13,602	0.27%
Other expense	<u>100,137</u>	1.95%
Total general and administrative	<u>1,532,630</u>	29.88%

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
WASTEWATER OPERATIONS
YEAR ENDED JUNE 30, 2023

	Wastewater	
	Amount	Percent
Depreciation expense	\$ 615,081	11.99%
Total operating expenses	<u>5,128,631</u>	100.00%
Operating income (loss)	(1,385,462)	100.00%
Nonoperating revenue (expenses)		
Rental income	27,186	86.56%
Interest expense	(296)	-0.94%
Other income (expense), net	<u>4,516</u>	14.38%
Total nonoperating revenues (expenses)	<u>31,406</u>	100.00%
Income (loss) before capital contributions	(1,354,056)	100.00%
Capital contributions		
Assessments	<u>39,327</u>	100.00%
Total capital contributions	<u>39,327</u>	100.00%
Change in net position	<u>\$ (1,314,729)</u>	100.00%

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COMPLIANCE SECTION

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**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**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescenta Valley Water District
La Crescenta, 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 (*Government Auditing Standards*), the financial statements of the Crescenta Valley Water District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

Board of Directors
Crescenta Valley Water District
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Singer Lewak LLP

Riverside, California

April 9, 2024

CRESCENTA VALLEY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023

2023-001 TIMELY RECONCILIATION AND PROPER CUTOFF

Criteria: Account activity is required to be reported in the proper period in accordance with generally accepted accounting principles.

Condition: The District did not perform timely reconciliation procedures at yearend to ensure various account balances were properly reported and activity was recorded in the proper period.

Cause: Lack of timely reconciliation of various accounts including inventory, compensated absences, accounts payable, deposits and related revenue and expense accounts.

Effect or potential effect: An audit adjustment was required to adjust accounts payable and the District had to re-evaluate the proper recognition in the account balances noted above to ensure the financial statements were not materially misstated.

Recommendation: We recommend that the District perform timely reconciliations of the balance sheet, revenue and expense activity, especially at yearend, to ensure that receipts and disbursements and any accruals are recorded in the proper period for accurate and complete financial reporting in accordance with generally accepted accounting principles.

Views of responsible officials: The District appreciates the review and findings provided in your report regarding our accounting practices. In response, the District has taken immediate action to address the identified deficiencies and prevent similar occurrences in the future. Measures implemented include revamping reconciliation processes, enhancing oversight, providing additional training to the accounting staff, improving communication channels between departments, and committing to continuous improvement of the reconciliation processes. The District is confident that these steps will strengthen overall financial reporting processes and ensure the accuracy and completeness of financial statements in accordance with GAAP.



April 9, 2024

Board of Directors
Crescenta Valley Water District
La Crescenta, California

This letter is to inform the Board of Directors of Crescenta Valley Water District (the "District") about significant matters related to the conduct of our audit as of and for the year ended June 30, 2023, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities with Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated September 6, 2023. The audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated September 6, 2023, regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Accounting Policies

- A summary of the significant accounting policies adopted by the District is included in Note 2 to the financial statements.

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

Accounting Policies (Continued)

- As described in Note 4, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* effective for fiscal years ended June 30, 2022, but the provisions of this guidance were deemed immaterial for those financial statements and recognition of this activity began effective July 1, 2022.
- As described in Note 10, the District implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. We evaluated the key factors and assumptions used by management to develop the significant estimates reflected in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole. The following summarizes the significant accounting estimates reflected in the District's financial statements:

- *Fair value of investments*

In the statement of net position, the investments are presented based on the fair value as of June 30, 2023. The fair value estimate is based on the portfolio summary provided by the District's asset management group.

- *Accumulated depreciation – Estimated useful lives*

In the statement of revenues, expenses, and changes in net position, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service and technology demands.

- *Net pension liability and related deferred outflows and inflows*

The net pension liability reflected in the financial statements represents the proportionate share of the amount by which the total pension liability of the Miscellaneous Risk Pool, a cost-sharing multiple-employer defined benefit pension plan (CalPERS), exceeds the CalPERS fiduciary net position. The total pension liability was determined by the CalPERS using update procedures to roll forward to June 30, 2022 based on the underlying amounts from an actuarial valuation as of June 30, 2021. The CalPERS has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured by the CalPERS using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total pension liability was determined using a discount rate of 6.9% based on the long-term projected portfolio return.

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

Significant Accounting Estimates (Continued)

- *Net postemployment benefits liability and related deferred outflows and inflows*

The net other postemployment benefits (OPEB) liability represents the amount by which the total OPEB liability exceeds the OPEB plan's fiduciary net position. The total OPEB liability was determined based on an actuarial valuation as of June 30, 2022. The District has hired an external actuarial specialist to assist in the measurement of such liability. The total OPEB liability was measured using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total OPEB liability was determined using a discount rate of 7.00% based on a blend of the long-term expected rate of return on assets for benefits covered by the plan assets and yield or index for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Disclosures

- The disclosure of deposits and investments in Note 2 to the financial statements which describes the liquid assets available for operations of the District.
- The disclosure of long-term liabilities in Note 5 to the financial statements, which describes the future principal and interest payments for which the District is legally obligated.

Audit Adjustments and Uncorrected Misstatements

Management corrected the material misstatements in the attached Summary of Recorded Audit Adjustments that were identified as a result of our audit procedures.

We identified the uncorrected misstatements in the attached Summary of Uncorrected Misstatements that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Internal Control Matters

We have issued a separate communication dated April 9, 2024 regarding certain deficiencies in internal control that we identified during the planning and performance of our audit of the financial statements.

Disagreements with Management

We are not aware of any disagreements with management during the audit process.

Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For SingerLewak LLP to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors and SingerLewak LLP each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. SingerLewak LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The District's Responsibilities

- Understand and conclude on the permissibility, prior to the District and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with SingerLewak LLP.
- Not entering into relationships resulting in close family members of SingerLewak LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the District.

Board of Directors
Crescenta Valley Water District
April 9, 2024
Page 5

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF RECORDED AUDIT ADJUSTMENTS
Year Ended June 30, 2023

Number	Date	Name	Account No	Debit	Credit
AJE #1	6/30/2023	Accounts Payable	01-00-2013-000		(27,575)
AJE #1	6/30/2023	Utilities	01-06-5200-000	651	
AJE #1	6/30/2023	Power Purchased	01-07-5402-000	26,924	

To record additional accounts payable at June 30, 2023

AJE #2	6/30/2023	Deferred Outflow - OPEB	01-00-1602-000	8,991	
AJE #2	6/30/2023	OPEB Liability	01-00-2010-000	936,939	
AJE #2	6/30/2023	OPEB Liability	01-00-2010-000		(152,094)
AJE #2	6/30/2023	Deferred Inflows - OPEB	01-00-2491-000		(915,305)
AJE #2	6/30/2023	GASB 75 Adjustment	01-01-5052-001		(30,625)
AJE #2	6/30/2023	GASB 75 Adjustment	01-01-5052-001	152,094	

To record changes in OPEB liabilities and related accounts

AJE #3	6/30/2023	Accrued Interest Expense	01-00-2310-000		(7,311)
AJE #3	6/30/2023	Interest Expense - Notes	01-06-5910-000	7,311	

To adjust interest expense payable to actual at June 30, 2023

AJE #4	6/30/2023	Lease Liability - LT	01-00-2460-000	3,548	
AJE #4	6/30/2023	Land Lease Cost Expense Well16	01-03-5431-000		(10,382)
AJE #4	6/30/2023	Amortization Expense	01-03-5820-000	19,094	
AJE #4	6/30/2023	Accumulated Amortization	01-99-1499-001		(19,094)
AJE #4	6/30/2023	Interest Expense - Leases	01-99-5910-000	6,834	

To record adjustments in accordance with GASB 87

AJE #5	6/30/2023	Lease Liability - LT	01-00-2460-000	24,413	
AJE #5	6/30/2023	Printing Postage Stationery	01-06-5230-000		(24,709)
AJE #5	6/30/2023	Amortization Expense	01-06-5825-000	24,542	
AJE #5	6/30/2023	Accumulated Amortization	01-99-1499-001		(24,542)
AJE #5	6/30/2023	Interest Expense - Leases	01-99-5910-000	296	

To record adjustments in accordance with GASB 87

AJE #6	6/30/2023	LAIF - Fair Market Value Adj	01-00-1006-000		(30,650)
AJE #6	6/30/2023	Fair Value Adjustment	01-00-4265-000	30,650	

To adjust investment in LAIF to fair value as of June 30, 2023.

AJE #7	6/30/2023	Prepaid CalPERS Retirement	01-00-1530-000	241,625	
AJE #7	6/30/2023	Net Pension Liability	01-00-2470-000		(241,625)

To correct prepaid PERS as of June 30, 2023

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF RECORDED AUDIT ADJUSTMENTS
Year Ended June 30, 2023

Number	Date	Name	Account No	Debit	Credit
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	353,475	
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000		(100,996)
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	7,512	
AJE #8	6/30/2023	Deferred Pension Outflows	01-00-1600-000	631,860	
AJE #8	6/30/2023	Net Pension Liability	01-00-2470-000		(2,258,765)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000		(46,396)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000	1,325,457	
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000		(25,160)
AJE #8	6/30/2023	Deferred Pension Inflows	01-00-2490-000	10,252	
AJE #8	6/30/2023	GASB 68 Adjustment - Water	01-01-5052-000	102,761	
<i>To adjust pension to actual based on CalPers reports.</i>					
AJE #9	6/30/2023	Deferred Pension Outflows	01-00-1600-000		(327,618)
AJE #9	6/30/2023	Deferred Pension Outflows	01-00-1600-000	401,381	
AJE #9	6/30/2023	Net Pension Liability	01-00-2470-000	327,618	
AJE #9	6/30/2023	GASB 68 Adjustment - Water	01-01-5052-000		(401,381)
<i>To adjust pension for contributions subsequent to the measurement date.</i>					
AJE #10	6/30/2023	Lease Liability - LT	01-00-2460-000		(337,323)
AJE #10	6/30/2023	Right of Use Asset	01-99-1499-000	356,417	
AJE #10	6/30/2023	Accumulated Amortization	01-99-1499-001		(19,094)
<i>To record beginning balances for lease activity</i>					
AJE #11	6/30/2023	Lease Liability - LT	01-00-2460-000		(36,814)
AJE #11	6/30/2023	Right of Use Asset	01-99-1499-000	61,357	
AJE #11	6/30/2023	Accumulated Amortization	01-99-1499-001		(24,543)
<i>To record beginning balances for lease activity</i>					

To record FY2022 expenses paid in FY2023 that were not properly accrued

Fund Balance	District - Water	\$	-	\$	-	\$	192,715	\$
Expenses	District - Water		-		-		-	
Fund Balance	District - Wastewater		-		-		3,281	
Expenses	District - Wastewater		-		-		-	

To reverse deposits related to closed job that were improperly recorded as revenues in prior years

Fund Balance	District - Water	\$	-	\$	-	\$	(136,560)	\$
Revenues	District - Water		-		-		-	13
Understated (Overstated)		\$	-	\$	-	\$	35,825	\$ 13



Crescenta Valley Water District

2700 Foothill Boulevard, La Crescenta, California 91214
Phone (818) 248-3925 Fax (818) 248-1659

Directors

James D. Bodnar
Kerry D. Erickson
Jeffery W. Johnson
Sharon S. Raghavachary
Jennifer T. Valdez

General Manager

James K. Lee

April 9, 2024

SingerLewak, LLP
1255 Lee St. SE Suite 210
Salem, Oregon 97302

This representation letter is provided in connection with your audit of the basic financial statements of the Crescenta Valley Water District (the District) as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 6, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the District include:
 - a. Those with other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.]

- b. Those with jointly governed organizations in which the District participates.
 - c. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees between operations for supplementary information purposes.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
 8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
 9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
 10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
 11. Provisions for uncollectible receivables have been properly identified and recorded.
 12. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated/amortized.
 13. The District properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
 14. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
 15. Revenues are appropriately classified in the statement of revenues, expenses and changes in net position between operating and nonoperating.
 16. Expenses have been appropriately classified in or allocated to functions in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
 17. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported in the supplementary information.
 18. The District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
 19. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.

20. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
21. With respect to nonaudit services performed related to drafting the financial statements and related notes, proposing GAAP journal entries based on client provided information and implementation of new GASB standards, in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the service; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
22. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - b. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
23. We believe the implementation of the GASB Statement listed below is appropriate:
 - a. GASB Statement No. 87, *Leases* – although implemented as of June 30, 2022, no items were reported since there was no material impact however we have elected to begin recognizing the activity as of July 1, 2022 despite there being no impact on the beginning net position.
24. As of and for the year ended June 30, 2023, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in the attached Summary of Uncorrected Misstatements are immaterial, both individually and in the aggregate, to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
25. If we have requested an unsecured electronic copy of the auditor's report and basic financial statements, we agree that the auditor's report and basic financial statements will not be modified in any manner.

Information Provided

26. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
27. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
28. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
29. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
30. We have no knowledge of allegations of fraud or suspected fraud affecting the District's basic financial statements involving:
- a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
31. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
32. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
33. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
34. We have disclosed to you the identity of all of the District's related parties and all the related-party relationships and transactions of which we are aware.

35. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the District's ability to record, process, summarize and report financial data.
36. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
37. It is our responsibility to inform you of all current and potential affiliates of the District as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the District may create threats to independence. We have:
 - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the District's financial statements as a whole, (ii) the level of influence the District has over an entity's financial reporting process or (iii) the level of control or influence the District or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the District and SingerLewak LLP to identify and eliminate potential impermissible services and relationships between SingerLewak LLP or its associated entities and those potential affiliates, prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the District or any of our affiliates has engaged SingerLewak LLP or any of its associated entities to perform.
38. We agree with the findings of the specialist in evaluating the valuation of other post-employment benefits (OPEB) liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
39. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
40. We believe that the information obtained from the audited financial statements and other participant information provided by CalPERS is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan or its auditor.
41. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

42. With respect to supplementary information presented in relation to the basic financial statements as a whole:

- a. We acknowledge our responsibility for the presentation of such information.
- b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.
- e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

43. With respect to Management's Discussion and Analysis and the pension and OPEB schedules, as listed in the "Required Supplementary Information" identified in the table of contents of the financial statements, presented as required by U.S. GAAP to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. The significant assumptions or interpretations underlying the measurement or presentation of such information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

44. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
45. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
46. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
47. Is responsible 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.
48. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.

- 49. Has a process to track the status of audit findings and recommendations.
- 50. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 51. Has identified for the auditor any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 52. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
- 53. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Crescenta Valley Water District



James Lee, General Manager



Arturo Montes, Interim Director of Finance and Administration

09/04/24

Date

CRESCENTA VALLEY WATER DISTRICT
SUMMARY OF UNCORRECTED MISSTATEMENTS
Year Ended June 30, 2023

Number	Date	Name	Fund	Assets	Liabilities	Equity	Revenues	Expenditures/ Expenses
UM#1	6/30/2023	To record FY2023 expenses paid in FY2022 as prepaid expenses						
		Fund Balance	District - Water	\$ -	\$ -	\$ (18,167)	\$ -	\$ -
		Expenses	District - Water	-	-	-	-	18,167
		Fund Balance	District - Wastewater	-	-	(5,444)	-	-
		Expenses	District - Wastewater	-	-	-	-	5,444
UM#2	6/30/2023	To record FY2022 expenses paid in FY2023 that were not properly accrued						
		Fund Balance	District - Water	\$ -	\$ -	\$ 192,715	\$ -	\$ -
		Expenses	District - Water	-	-	-	-	(192,715)
		Fund Balance	District - Wastewater	-	-	3,281	-	-
		Expenses	District - Wastewater	-	-	-	-	(3,281)
UM#3	6/30/2023	To reverse deposits related to closed job that were improperly recorded as revenues in prior years						
		Fund Balance	District - Water	\$ -	\$ -	\$ (136,560)	\$ -	\$ -
		Revenues	District - Water	-	-	-	136,560	-
		Understated (Overstated)		\$ -	\$ -	\$ 35,825	\$ 136,560	\$ (172,385)



April 9, 2024

Management and the Board of Directors
Crescenta Valley Water District
La Crescenta, California

In planning and performing our audit of the financial statements of the Crescenta Valley Water District (the District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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. We consider the following deficiency in the District's internal control to be a significant deficiency:

SIGNIFICANT DEFICIENCY

Lack of Timely Reconciliations and Proper Cutoff

The District did not perform timely reconciliation procedures at yearend to ensure various account balances were properly reported and activity was recorded in the proper period. During the audit the District was required to go back and re-evaluate the proper cutoff of these account balances to ensure there was no material misstatement of the financial statements. After this re-evaluation, the District corrected accounts payable, inventory, compensated absences, deposits and the related revenues and expenses. Subsequent to the District's corrections, one additional item was identified during the audit related to additional accounts payable to be recorded.

Recommendation

We recommend that the District perform timely reconciliations of the balance sheet, revenue and expense activity, especially at yearend, to ensure that receipts and disbursements and any accruals are recorded in the proper period for accurate and complete financial reporting in accordance with generally accepted accounting principles.

The identified significant deficiency is not considered to be a material weakness.

Certain deficiencies in internal control that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

Following is a description of another identified deficiency in internal control that we determined did not constitute a significant deficiency or a material weakness:

CONTROL DEFICIENCY

Monitoring, Oversight and Supporting Documentation

During the audit we noted instances where there was a lack of monitoring or oversight related to certain activities. The circumstances noted were as follows:

- Inventory requisition inspected during the audit did not indicate proper review and approval.
- Credit card expenses were reimbursed for items that did not contain supporting documentation and there was no alternative documentation of inquiry or review by the District for these expenses.
- There was no indication of the Treasurer presenting a quarterly report to the Board as required per the investment policy. However, it was noted that the District did begin to remedy this item later in calendar year 2023.

Recommendation

We recommend that the District evaluate its control processes to make sure they are being designed and implemented as intended to ensure that risks of errors or fraud are mitigated to the greatest extent possible.

Crescenta Valley Water District
Communication of a Significant Deficiency and a Control Deficiency
April 9, 2024
Page 3

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 2
April 23, 2024

To: Honorable President and Members of the Board of Directors
From: Arturo Montes, Interim Director of Finance & Administration
Subject: Fiscal Year 2024 Q3 Budget Report

ACTION ITEM:

Review of the District's Fiscal Year 2023-24 Q3 Budget Report.

BACKGROUND:

This agenda item reports on the District's FY 2023-24 budget as of the conclusion of the third quarter, ending March 31, 2024. The following discussion is intended to provide additional context to the actual revenue and expenditure figures.

DISCUSSION:

WATER FUND

The District continues to experience lower than projected water sales. After three quarters, the District has recorded 66% of the expected water consumption sales for the year, whereas historically the District collects 75% of expected water sales by the third quarter. However, because less water is being produced, projected imported water purchases and power costs are lower than budgeted. Rising interest rates and adjustments made to the District's investment strategy have led to an increase in interest revenue.

District expenses as a whole are expected to come in lower than budgeted. Reductions in expenses can be attributed to updated procedures and reduced system maintenance costs. Labor costs are lower than expected due to personnel turnover, but have been offset by rising costs of insurance and benefits.

The District received its first Capital Charge installment from the County of Los Angeles.

The following are notable over/under variances for each department's budget:

- **Dept 1 – Board**
 - Director expenses are expected to be within budget.
- **Dept 2 – Operations**
 - A reevaluation of the District's asset management plan will leave substantial savings in the valves expense budget but also includes a commitment to fully utilize the hydrant repair and lateral maintenance budgets.
 - The Hydrant Repair/Replace program is expected to produce savings of approximately \$15K, from rebuilding hydrants in-house.
 - Auto/Truck Maintenance is higher than expected due to a number of unexpected repairs including repairs to Unit #2, one of the District's most utilized utility trucks and repairs to larger diesel vehicles.
- **Dept 7 – System Operations**
 - Changes in the nitrate plant operations are expected to yield savings of \$30K.
 - Water treatment costs are tracking slightly higher due to increased cost of chemicals.

- **Dept 3 – Engineering**
 - Administrative consultant costs were reduced as project scopes were adjusted to meet the District's needs.
 - All other expenses are expected to be within budget.
- **Dept 4 – Regulatory and Public Outreach**
 - Lab and sampling expenses have increased with additional sampling requirements and the need to change vendors.
 - Water conservation expenses are expected to be under budget with the reduction in conservation messaging.
- **Dept 5 – Technology**
 - Technology expenses are expected to be within budget.
 - Communication costs have decreased with savings from consolidation of services.
- **Dept 6 – Administration**
 - Administration expenses are tracking well overall and slightly above budget
 - Legal Fees have increased with the need for additional counsel.

WASTEWATER FUND

The Wastewater revenues are tracking well for the fiscal year. Higher construction activity has contributed to slightly higher wastewater revenues.

City of Los Angeles treatment costs are lower than previously anticipated by \$350k. This amount takes into account possible additional adjustments through the reconciliation bill that will appear next fiscal year.

Capital Outlays included the purchase of new vehicles, although the District is currently waiting on grant assistance to reduce costs. The purchase of new vehicles will help reduce Auto/Truck maintenance costs.

Despite budgeting to go use \$686K of reserve funds, The District projects ending the year by adding to wastewater reserve funds by \$70K.

The following are notable over/under variances for each department's budget:

- **Dept 1 – Board**
 - Director expenses are on track with the budget.
- **Dept 2 – Operations**
 - Proactive maintenance has helped reduce sewer lift station expenses.
 - Auto/Truck maintenance is tracking above budget due to necessary vehicle repairs.
- **Dept 3 – Engineering**
 - Engineering expenses are tracking well.
 - Administrative Consultant costs were reduced as project scopes were adjusted to meet the District's needs.
- **Dept 4 – Regulatory and Public Affairs**
 - Department costs stayed relatively close to what was budgeted.
- **Dept 5 – Technology**

- Technology expenses are expected to be within budget.
- **Dept 6 – Administration**
 - Legal Fees have increased with the additional use of General Counsel.
 - Administrative Consultants expense is tracking slightly higher than anticipated with the continuation of a new rate study and other District goals.
 - All other expenses are tracking at or under budget with the Total Department expense projected to be under budget by \$50K.

RECOMMENDATION

Review and discuss FY 2023-24 Q3 Budget Report.

Prepared by:



Adam Sutphin
Senior Management Analyst

Submitted by:



Arturo Montes
Interim Director of Finance & Administration

Attachment(s):

1. FY 2023-24 Q3 Budget Report

SUMMARY

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

Attachment 1

Q3

9 Month Actuals (75%)					
Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Revenue					
	Water Sales - Fixed	\$ 3,938,400	\$ 3,021,876	\$ 916,524	77%
	Water Sales - Metered	10,990,000	7,220,551	3,769,449	66%
	Interest Income Water	170,000	106,470	63,530	63%
	Other Income Water	2,269,532	1,299,313	972,203	57%
	Construction Revenue	475,000	114,018	360,982	24%
Revenue		\$ 17,842,932	\$ 11,762,228	\$ 6,082,688	66%
Expenses					
	Labor & Benefits	\$ 3,582,997	\$ 2,388,223	\$ 1,194,774	67%
	Imported Water (Foothill)	3,530,000	1,557,760	1,972,240	44%
	Imported Water (Glendale)	68,000	42,914	25,086	63%
	Power Cost	910,000	620,042	289,958	68%
	Operating Cost	3,599,006	2,249,448	1,349,557	63%
Expenses		\$ 11,690,003	\$ 6,858,388	\$ 4,831,615	59%
Debt Service		\$ 579,781	\$ 397,000	\$ 182,781	68%
	Infrastructure	\$ 2,887,700	\$ 1,107,000	\$ 1,780,700	38%
	***Bond Funded CIP	3,949,300	1,771,000	2,178,300	45%
	Capital Outlays & Equip	240,000	147,000	93,000	61%
	OPEB	-	-	-	0%
Total CIP & OPEB		7,077,000	3,025,000	4,052,000	43%
Net Revenue minus Expenses		2,445,448	3,252,840		

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 3,927,000	\$ 11,400	100%
9,500,000	1,490,000	86%
175,000	(5,000)	103%
2,119,775	149,757	93%
640,000	(165,000)	135%
\$ 16,361,775	\$ 1,481,157	92%
3,570,801	12,196	100%
3,100,000	430,000	88%
58,000	10,000	85%
850,000	60,000	93%
3,260,218	338,788	91%
\$ 10,839,019	\$ 850,984	93%
\$ 579,781	\$ -	100%
\$ 2,347,700	540,000	81%
2,541,100	1,408,200	64%
240,000	-	100%
-	-	
\$ 5,128,800	\$ 1,948,200	72%
2,355,275		

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

3rd Quarter Actuals					
Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Revenue					
4010-000	Water Sales - Consumers	\$ 10,400,000	\$ 6,738,097	\$ 3,661,903	65%
4010-007	Irrigation	590,000	482,454	107,546	82%
4010-008	Water Sales- Service Charge	3,834,604	2,935,255	899,349	76.5%
4010-009	Water Sales - Fire Service	103,796	86,621	17,175	83%
4010-010	Capital Charge	1,898,611	1,124,106	774,505	
4020-000	Water Sales - Others	75,000	68,790	6,210	92%
4110-000	Meter Installation/Hydrant	200,000	3,559	196,441	2%
4220-000	Water Systems Connect Fee	150,000	110,459	39,541	74%
4230-000	Other Income - Misc	10,000	46,322	(36,322)	463%
4230-010	Other Income - Flood Meters	-	-	-	0%
4230-020	Other Income - Applications	20,000	13,810	6,190	69%
4230-030	Other Income - Cell Towers	200,000	4,500	195,500	2%
4240-000	Interest Earned - Water	160,000	106,470	53,530	67%
4245-000	Interest Earned-2007 COPS	-	423	(423)	0%
4260-000	Unrealized Gain/Loss on Invest	-	-	-	0%
4265-000	Fair Value Adjustment	-	-	-	0%
4270-000	Gain/Loss on Sale of Assets	-	-	-	0%
4271-000	Gain/Loss Sale of Investments	10,000	-	10,000	0%
4275-001	Rental Income - PA House	12,366	6,800	5,566	55%
4275-002	Rental Income - Sycamore House	20,655	13,219	7,436	64%
4275-003	Rental Income - Mills House	32,900	19,782	13,118	60%
4280-000	MTBE Settlement	-	1,561	(1,561)	0%
4285-000	Grant Revenue - State	125,000	-	125,000	0%
4287-000	Capital Contributions - Local	-	-	-	0%
Revenue		\$ 17,842,932	\$ 11,762,228	\$ 6,080,704	66%

Management Estimate		
Projected Year-End Revenue	Projected Excess/ (Defecit)	% of Total Budget
\$ 8,900,000	\$ (1,500,000)	86%
600,000	10,000	102%
3,820,000	(14,604)	100%
107,000	3,204	103%
1,898,611	-	100%
80,000	5,000	107%
400,000	200,000	200%
140,000	(10,000)	93%
50,000	40,000	500%
300	300	0%
20,000	-	100%
4,500	(195,500)	2%
175,000	15,000	109%
564	564	0%
-	-	0%
-	-	0%
-	-	0%
-	(10,000)	0%
12,300	(66)	99%
20,600	(55)	100%
32,900	-	100%
-	-	0%
100,000	(25,000)	80%
-	-	0%
\$ 16,361,775	\$ (1,481,157)	92%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

3rd Quarter Actuals					
Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
5000-100	Director Fees	\$ 12,000	\$ 8,125	\$ 3,875	68%
5000-200	Officer Salaries	118,476	81,710	36,766	69%
5000-300	Administrative Service - Labor	568,375	383,613	184,762	67%
5000-310	Administrative Service - OT	14,000	8,808	5,192	63%
5000-350	Engineering Labor	142,036	241,487	(99,451)	170%
5000-360	Engineering Labor OT	7,500	13,156	(5,656)	175%
5000-400	Maintenance Labor	633,633	315,922	317,711	50%
5000-410	Maintenance Labor OT	63,363	39,650	23,713	63%
5000-500	System Operations	440,071	288,673	151,398	66%
5000-510	System Operations OT	18,400	12,480	5,920	68%
5000-800	Standby Pay	89,640	58,705	30,935	65%
5045-000	Automobile Allowance	8,925	6,400	2,525	72%
5047-000	Phone Allowance	1,512	692	821	46%
5050-000	Employer Portion of PERS	444,223	232,571	211,652	52%
5052-000	GASB 68 Adjustment - Water	-	-	-	0%
5052-001	GASB 75 Adjustment	-	-	-	0%
5060-000	Taxes-Payroll	192,893	142,457	50,437	74%
5070-000	Sick Leave/Vacation-Office	231,386	190,596	40,791	82%
5080-000	Health Dental Vision	348,167	288,551	59,616	83%
5080-055	Retiree Health Care Expense	-	-	-	0%
5080-100	Retiree Health Care Expense	144,792	-	144,792	0%
5082-000	Life and Disability Insurance	10,528	7,985	2,542	76%
5083-000	Self Insurance	13,800	7,715	6,085	56%
5084-000	Wellness Program	6,540	4,201	2,339	64%
5085-000	Workers' Compensation Ins	72,736	54,727	18,009	75%
Compensation and Benefits		\$ 3,582,997	\$ 2,388,223	\$ 1,194,774	67%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 12,000	\$ -	100%
110,000	\$ 8,476	93%
554,000	\$ 14,375	97%
14,000	\$ -	100%
340,000	\$ (197,964)	239%
21,000	\$ (13,500)	280%
430,000	\$ 203,633	68%
60,000	\$ 3,363	95%
414,000	\$ 26,071	94%
17,800	\$ 600	97%
84,000	\$ 5,640	94%
10,400	\$ (1,475)	117%
2,005	\$ (493)	133%
436,500	\$ 7,723	98%
-	\$ -	0%
-	\$ -	0%
182,500	\$ 10,393	95%
279,900	\$ (48,514)	121%
345,000	\$ 3,167	99%
-	\$ -	0%
144,792	\$ -	100%
11,464	\$ (936)	109%
17,000	\$ (3,200)	123%
6,980	\$ (440)	107%
77,460	\$ (4,724)	106%
\$ 3,570,801	\$ 12,196	100%

EXPENSE

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

Q3

Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses				
5090-000 GL, Property, Fidelity Ins	\$ 100,000	\$ 78,115	\$ 21,885	78%
5100-000 Accounting	26,250	-	26,250	0%
5125-000 Legal	125,000	162,609	(37,609)	130%
5130-000 Administrative Consultants	572,260	188,763	383,497	33%
5135-000 Interns	57,900	-	57,900	0%
5140-000 Election Expense	-	-	-	0%
5150-000 Building Maintenance-Office	31,650	21,224	10,426	67%
5160-000 Furniture & Fixtures Expense	-	-	-	0%
5170-000 Landscaping Expense	21,750	7,126	14,624	33%
5180-000 Office Supplies & Misc Expense	14,493	4,561	9,931	31%
5180-100 Misc Expense - COVID-19	975	1,177	(202)	121%
5190-000 Computers and Network	11,153	7,728	3,425	69%
5195-000 Computer Software	175,780	183,289	(7,509)	104%
5200-000 Utilities	29,850	27,239	2,611	91%
5225-000 Enterprise Voice Com	60,075	28,486	31,589	47%
5226-000 Wireless Voice & Data	-	-	-	0%
5227-000 Data Communications - Fiber	-	-	-	0%
5230-000 Printing Postage Stationery	49,500	40,108	9,392	81%
5240-000 Uncollectible Accounts	-	-	-	0%
5250-000 Water System Fees	65,000	63,580	1,420	98%
5260-000 Engineering Expense	-	1,441	(1,441)	0%
5300-000 Training-Office	18,750	4,405	14,345	23%
5311-000 Tuition Reimbursement	7,325	461	6,865	6%
5320-000 Conferences & Seminars	52,056	21,362	30,694	41%
5320-005 Conferences & Seminars-Board	-	-	-	0%
5350-000 Misc Administration	19,850	39,550	(19,700)	199%
5350-005 Misc Administration-Board	-	-	-	0%
5355-000 Memberships/Subscriptions	25,350	23,929	1,421	94%
5365-000 Bank Charges	42,000	36,032	5,968	86%
5270-000 Water Conservation Expense	55,000	1,671	53,329	3%
5270-400 Water Conservation Rebates	5,000	-	5,000	0%
5270-600 Community Outreach	70,000	9,894	60,106	14%
Gen'l and Admin Expenses	\$ 1,636,967	\$ 952,750	\$ 684,217	58%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
105,000	\$ (5,000)	105%
26,000	\$ 250	99%
200,000	\$ (75,000)	160%
471,000	\$ 101,260	82%
13,500	\$ 44,400	23%
-	\$ -	0%
24,500	\$ 7,150	77%
-	\$ -	0%
15,000	\$ 6,750	69%
8,500	\$ 5,993	59%
2,300	\$ (1,325)	236%
15,000	\$ (3,847)	134%
200,000	\$ (24,220)	114%
35,250	\$ (5,400)	118%
38,000	\$ 22,075	63%
-	\$ -	0%
-	\$ -	0%
54,000	\$ (4,500)	109%
-	\$ -	0%
65,000	\$ -	100%
1,600	\$ (1,600)	0%
15,250	\$ 3,500	81%
3,050	\$ 4,275	42%
40,900	\$ 11,156	79%
-	\$ -	0%
28,000	\$ (8,150)	141%
-	\$ -	0%
7,048	\$ 18,302	28%
50,000	\$ (8,000)	119%
10,000	\$ 45,000	18%
-	\$ 5,000	0%
50,000	\$ 20,000	71%
\$ 1,478,898	\$ 158,069	90%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Non-Operating Expense					
5900-000	Amortization of Intangibles	-	-	-	0%
5900-001	Amortization of Inv Premium	-	-	-	0%
5900-002	Loan Costs	-	-	-	0%
5910-000	Interest Expense - Notes	29,000	244,490	(215,490)	843%
5920-100	Rental Expenses - PA House	1,500	1,631	(131)	109%
5920-200	Rental Expenses - Sycamore	1,500	-	1,500	0%
5920-300	Rental Expenses - Mills	1,500	71	1,429	5%
Non-Operating Expense		\$ 33,500	\$ 246,193	\$ (212,693)	735%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
-	\$ -	0%
-	\$ -	0%
-	\$ -	0%
40,000	\$ (11,000)	138%
2,000	\$ (500)	133%
1,500	\$ -	100%
1,500	\$ -	100%
\$ 45,000	\$ (11,500)	134%

Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)

Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Operations Expense					
5145-000	Taxes-Property	\$ 16,500	\$ 12,031	\$ 4,469	73%
5310-000	Operator Certifications-Educ	16,550	(514)	17,064	-3%
5330-000	Safety & Security	27,750	13,900	13,850	50%
5340-000	Uniforms	17,700	5,820	11,880	33%
5360-000	Emergency Operations/Repairs	17,250	9,961	7,289	58%
5370-000	Permit & Assessment Fees	2,516	2,912	(396)	116%
5380-000	Tools and Eq Maintenance	39,013	22,497	16,516	58%
5390-000	Nitrate Plant	-	-	-	0%
5441-000	Inventory Shrinkage/Overage	-	55	(55)	0%
5442-000	Inventory Disposal	-	-	-	0%
5445-000	Telemetry & Signal System	101,650	58,224	43,426	57%
5460-000	Water Treatment Expense	130,000	108,550	21,450	84%
5450-100	Lab & Sampling Expense	160,000	176,721	(16,721)	110%
5450-200	Non-Lab & Sampling	15,000	-	15,000	0%
5445-100	Telemetry & Signal System	-	-	-	0%
5445-200	SCADA Hardware	-	-	-	0%
5445-300	SCADA Software	-	14,185	(14,185)	0%
5445-400	SCADA Phone Lines	-	-	-	0%
5402-000	Power Purchased - Pumping	910,000	620,042	289,958	68%
Operations Expense		\$ 1,453,929	\$ 1,044,384	\$ 409,545	72%
Water System Expense					
5400-000	Water Usage Cost Exp Well 16	\$ 68,000	\$ 42,914	\$ 25,086	63%
5401-000	Purchased Water FMWD	3,530,000	1,557,760	1,972,240	44%
5401-002	Purchased Water Glend Well 16	-	-	-	0%
Water System Expense		\$ 3,598,000	\$ 1,600,675	\$ 1,997,325	44%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
16,057	\$ 443	97%
7,300	\$ 9,250	44%
27,750	\$ -	100%
15,700	\$ 2,000	89%
17,250	\$ -	100%
5,000	\$ (2,484)	199%
38,013	\$ 1,000	97%
-	\$ -	0%
-	\$ -	0%
-	\$ -	0%
101,650	\$ -	100%
145,000	\$ (15,000)	112%
260,000	\$ (100,000)	163%
2,000	\$ 13,000	13%
-	\$ -	0%
-	\$ -	0%
-	\$ -	0%
20,000	\$ (20,000)	0%
-	\$ -	0%
850,000	\$ 60,000	93%
\$ 1,505,720	\$ (51,791)	104%
Water System Expense		
58,000	\$ 10,000	85%
3,100,000	\$ 430,000	88%
-	\$ -	0%
\$ 3,158,000	\$ 440,000	88%

EXPENSE

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

Q3

Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Distribution System Expense				
5410-000 Backflow Expense	\$ 750	\$ -	\$ 750	0%
5423-100 Pipelines - Maintenance	48,500	23,892	24,608	49%
5423-300 Fire Hydrant Repair/Replace	44,615	19,939	24,676	45%
5423-500 Pipelines-Trench Plate Rentals	5,000	-	5,000	0%
5423-700 Pipelines - Valves	142,400	9,752	132,648	7%
5424-100 Reservoir Maintenance	130,000	86,623	43,377	67%
5424-200 Reservoir Landscape	30,500	20,095	10,405	66%
5425-100 Meter Maintenance	7,000	11,607	(4,607)	166%
5425-300 Meter Repair/Replace/Upgrade	27,000	14,863	12,137	55%
5425-400 Lateral Maintenance	121,000	45,691	75,309	38%
5425-450 Lateral Leaks and Repairs	88,000	27,824	60,176	32%
5425-500 Meters - Trench Plate Rentals	-	-	-	0%
5431-000 Land Lease Cost Expense Well1	17,160	14,012	3,148	82%
5432-100 Well Site - Maintenance	60,000	13,596	46,404	23%
5432-200 Well Site - Landscape	12,560	1,305	11,255	10%
5433-000 Booster Pumps - Maintenance	66,000	75,159	(9,159)	114%
5434-000 Emergency Power Generators	52,500	4,696	47,804	9%
5440-100 Auto/Truck Maintenance	43,500	33,018	10,482	76%
5440-200 Auto/Truck Maintenance-Gas	33,000	25,820	7,180	78%
5440-300 Auto/Truck Maintenance-Diesel	21,825	21,346	479	98%
5423-200 Pipelines - Paving	-	-	-	0%
5423-400 Pipelines - Leak Detect/Repair	33,000	14,660	18,340	44%
5425-200 Meters - Paving	200,000	115,600	84,400	58%
5425-700 D-Job Meters/Hydrants	200,000	46,667	153,333	23%
5432-300 Well Site - Lease Payment	300	-	300	0%
Distribution System Expense	\$ 1,384,610	\$ 626,164	\$ 758,446	45%
Water Totals				
Totals	\$ 11,690,003	\$ 6,858,388	\$ 4,831,615	59%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
750	\$ -	100%
38,500	\$ 10,000	79%
30,000	\$ 14,615	67%
5,000	\$ -	100%
20,000	\$ 122,400	14%
110,000	\$ 20,000	85%
35,000	\$ (4,500)	115%
7,000	\$ -	100%
24,300	\$ 2,700	90%
63,000	\$ 58,000	52%
-	\$ 88,000	0%
-	\$ -	0%
17,000	\$ 160	99%
60,000	\$ -	100%
15,000	\$ (2,440)	119%
76,000	\$ (10,000)	115%
20,000	\$ 32,500	38%
63,500	\$ (20,000)	146%
33,000	\$ -	100%
29,250	\$ (7,425)	134%
-	\$ -	0%
33,000	\$ -	100%
200,000	\$ -	100%
200,000	\$ -	100%
300	\$ -	100%
\$ 1,080,600	\$ 304,010	78%
Water Totals		
\$ 10,839,019	\$ 850,984	93%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-01-5000-100	Director Fees	12,000.00	8,125.00	3,875.00	68%
01-01-5060-000	Taxes-Payroll	974.00	830.99	143.01	85%
01-01-5085-000	Workers' Compensation Ins	204.00	149.35	54.65	73%
Compensation and Benefits		13,178.00	9,105.34	4,072.66	69%
Gen'l and Admin Expenses					
01-01-5320-000	Conferences & Seminars	5,625.00	2,222.5	3,402.49	40%
01-01-5230-000	Printing Postage Stationery	-	-	-	0%
01-01-5140-000	Election Expense	-	-	-	0%
Gen'l and Admin Expenses		5,625.00	2,222.51	3,402.49	40%
Board - Water					
Totals		18,803.00	11,327.85	7,475.15	60%

Management Estimate		
Year End Expense	Budget Balance	% of Total Budget
\$ 12,000	\$ -	100%
1,100	(126)	113%
200	4	98%
13,300	(122)	101%
\$ 5,625	\$ -	100%
-	-	0%
5,625	-	100%
18,925	(122)	101%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-02-5000-300	Administrative Service - Labor	\$ 92,468	\$ 65,042	\$ 27,426	70%
01-02-5000-310	Administrative Service - OT	-	-	-	0%
01-02-5000-400	Maintenance Labor	633,633	\$ 315,922	317,711	50%
01-02-5000-410	Maintenance Labor OT	63,363	\$ 39,650	23,713	63%
01-02-5000-800	Standby Pay	39,700	\$ 22,444	17,256	57%
01-02-5047-000	Phone Allowance	-	-	-	0%
01-02-5050-000	Employer Portion of PERS	59,939	\$ 22,484	37,455	38%
01-02-5060-000	Taxes-Payroll	69,539	\$ 47,529	22,011	68%
01-02-5070-000	Sick Leave/Vacation	65,571	\$ 84,204	(18,633)	128%
01-02-5080-000	Health Dental Vision	111,514	\$ 81,486	30,028	73%
01-02-5082-000	Life and Disability Insurance	3,046	\$ 2,116	930	69%
01-02-5083-000	Self Insurance	1,800	\$ 269	1,531	15%
01-02-5084-000	Wellness Program	1,800	\$ 1,763	38	98%
01-02-5085-000	Workers' Compensation Ins	36,401	\$ 29,778	6,623	82%
Compensation and Benefits		\$ 1,178,774	\$ 712,685	\$ 466,089	60%
Gen'l and Admin Expenses					
01-02-5180-000	Office Supplies & Misc Exp	\$ 5,250	\$ 1,600	\$ 3,650	30%
01-02-5180-100	Misc Expense - COVID-19	-	-	-	0%
01-02-5320-000	Conferences & Seminars	11,250	\$ 5,507	5,743	49%
01-02-5355-000	Memberships/Subscriptions	1,950	\$ 81	1,869	4%
Gen'l and Admin Expenses		\$ 18,450	\$ 7,188	\$ 11,262	39%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 94,000	\$ (1,532)	102%
-	-	0%
430,000	203,633	68%
60,000	3,363	95%
30,000	9,700	76%
-	-	0%
53,000	6,939	88%
64,000	5,539	92%
110,000	(44,429)	168%
110,000	1,514	99%
3,046	-	100%
1,800	-	100%
1,800	-	100%
39,000	(2,599)	107%
\$ 996,646	\$ 182,128	85%
Gen'l and Admin Expenses		
\$ 3,000	\$ 2,250	57%
-	-	0%
11,250	-	100%
1,950	-	100%
\$ 16,200	\$ 2,250	88%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Operation Expense					
01-02-5150-000	Building Maintenance-Plant	19,500	\$ 11,721	7,779	60%
01-02-5170-000	Landscaping Expenses-Plant	6,000	\$ 553	5,447	9%
01-02-5200-000	Utilities-Plant	8,250	\$ 6,983	1,267	85%
01-02-5300-000	Training-Plant	9,750	\$ 177	9,573	2%
01-02-5310-000	Operator Certifications-Educ	12,750	\$ 180	12,570	1%
01-02-5311-000	Tuition Reimbursement	1,875	\$ -	1,875	0%
01-02-5330-000	Safety & Security	27,750	\$ 13,900	13,850	50%
01-02-5340-000	Uniforms	16,500	\$ 5,635	10,865	34%
01-02-5350-000	Misc- Administration	3,750	\$ 13,569	(9,819)	362%
01-02-5360-000	Emergency Operations/Repairs	17,250	\$ 9,961	7,289	58%
01-02-5380-000	Tools and Eq Maintenance	34,013	\$ 22,497	11,516	66%
01-02-5441-000	Inventory Shrinkage/Overage	-	\$ 55	(55)	0%
01-02-5442-000	Inventory Disposal	-	\$ -	-	0%
Operation Expense		\$ 157,388	\$ 85,229	\$ 72,159	54%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 14,500	\$ 5,000	74%
6,000	-	100%
8,250	-	100%
9,750	-	100%
5,500	7,250	43%
1,050	825	56%
27,750	-	100%
14,500	2,000	88%
3,750	-	100%
17,250	-	100%
34,013	-	100%
-	-	0%
-	-	0%
\$ 142,313	\$ 15,075	90%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Distribution System Expense					
01-02-5423-100	Pipelines - Maintenance	\$ 48,500	\$ 23,892	\$ 24,608	49%
01-02-5423-300	Fire Hydrant Repair/Replace	44,615	\$ 19,939	24,676	45%
01-02-5423-500	Pipelines-Trench Plate Rentals	5,000	\$ -	5,000	0%
01-02-5423-700	Pipelines - Valves	108,400	\$ 9,752	98,648	9%
01-02-5425-100	Meter Maintenance	7,000	\$ 11,607	(4,607)	166%
01-02-5425-300	Meter Repair/Replace/Upgrade	27,000	\$ 14,863	12,137	55%
01-02-5425-400	Lateral Maintenance	121,000	\$ 45,691	75,309	38%
01-02-5425-450	Lateral Leaks and Repairs	88,000	\$ 27,824	60,176	32%
01-02-5425-500	Meters - Trench Plate Rentals	-	\$ -	-	0%
01-02-5440-100	Auto/Truck Maintenance	43,500	\$ 33,018	10,482	76%
01-02-5440-200	Auto/Truck Maintenance-Gas	33,000	\$ 25,820	7,180	78%
01-02-5440-300	Auto/Truck Maintenance-Diesel	21,825	\$ 21,346	479	98%
Distribution System Expense		\$ 547,840	\$ 233,752	\$ 314,088	43%
Operations - Water					
Totals		\$ 1,902,452	\$ 1,038,854	\$ 863,598	55%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 38,500	\$ 10,000	79%
30,000	14,615	67%
5,000	\$ -	100%
20,000	88,400	18%
7,000	\$ -	100%
24,300	2,700	90%
63,000	\$ 58,000	52%
45,000	\$ 43,000	51%
-	-	0%
63,500	(20,000)	146%
33,000	\$ -	100%
29,250	(7,425)	134%
\$ 358,550	\$ 189,290	65%
\$ 1,513,709	\$ 388,743	80%

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-07-5000-500	System Operations	440,071	\$ 288,673	151,398	66%
01-07-5000-510	System Operations OT	18,400	\$ 12,480	5,920	68%
01-07-5000-800	Standby Pay	49,940	\$ 36,261	13,679	73%
01-07-5047-000	Phone Allowance	-	\$ -	-	0%
01-07-5050-000	Employer Portion of PERS	71,133	\$ 31,939	39,193	45%
01-07-5060-000	Taxes-Payroll	42,014	\$ 32,466	9,548	77%
01-07-5070-000	Sick Leave/Vacation	42,614	\$ (2,041)	44,654	-5%
01-07-5080-000	Health Dental Vision	92,845	\$ 84,138	8,707	91%
01-07-5082-000	Life and Disability Insurance	2,563	\$ 1,996	567	78%
01-07-5083-000	Self Insurance	3,000	\$ 1,817	1,183	61%
01-07-5084-000	Wellness Program	1,200	\$ 900	300	75%
01-07-5085-000	Workers' Compensation Ins	26,494	\$ 13,594	12,900	51%
Compensation and Benefits		\$ 790,273	\$ 502,224	\$ 288,049	64%
Gen'l and Admin Expenses					
01-07-5310-000	Operator Certifications-Educ	1,800	\$ 540	1,260	30%
01-07-5311-000	Tuition Reimbursement	3,000	\$ 461	2,540	15%
01-07-5320-000	Conferences & Seminars	11,025	\$ 3,594	7,431	33%
01-07-5340-000	Uniforms	1,200	\$ 186	1,014	15%
01-07-5355-000	Memberships/Subscriptions	-	\$ 273	(273)	0%
Gen'l and Admin Expenses		\$ 17,025	\$ 5,053	\$ 11,972	30%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 414,000	26,071	94%
\$ 17,800	600	97%
\$ 54,000	(4,060)	108%
\$ -	-	0%
\$ 76,000	(4,867)	107%
\$ 43,400	(1,386)	103%
\$ 40,000	2,614	94%
\$ 100,000	(7,155)	108%
\$ 3,000	(437)	117%
\$ 3,000	-	100%
\$ 1,200	-	100%
\$ 26,000	494	98%
\$ 778,400	\$ 11,873	98%
Gen'l and Admin Expenses		
1,800	-	100%
2,000	1,000	67%
11,025	-	100%
1,200	-	100%
468	(468)	0%
\$ 16,493	\$ 532	97%

Crescenta Valley Water District Water Budget Variance Report Actuals as of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Operation Expense					
01-07-5350-000	Misc- Administration	-	\$ 1,402	(1,402)	0%
01-07-5380-000	Tools and Eq Maintenance	5,000	\$ -	5,000	0%
01-07-5390-100	Nitrate Plant	70,000	\$ 5,458	64,542	8%
01-07-5390-200	Nitrate Plant - Aronite	50,000	\$ 6,281		
01-07-5445-000	Telemetry & Signal System	101,650	\$ 58,224	43,426	57%
01-07-5460-000	Water Treatment Expense	130,000	\$ 108,550	21,450	84%
Operation Expense		\$ 356,650	\$ 179,915	\$ 156,960	50%
Water System Expense					
01-07-5400-000	Water Usage Cost Exp Well 16	\$ 68,000	\$ 42,914	\$ 25,086	63%
01-07-5401-000	Purchased Water FMWD	3,530,000	\$ 1,557,760	1,972,240	44%
01-07-5402-000	Power Purchased - Pumping	910,000	\$ 620,042	289,958	68%
Water System Expense		\$ 4,508,000	\$ 2,220,716	\$ 2,287,284	49%
Distribution System Expense					
01-07-5423-700	Pipeline - Valve	34,000	\$ -	34,000	0%
01-07-5424-100	Reservoir Maintenance	130,000	\$ 86,623	43,377	67%
01-07-5424-200	Reservoir Landscape	30,500	\$ 20,095	10,405	66%
01-07-5432-100	Well Site - Maintenance	60,000	\$ 13,596	46,404	23%
01-07-5432-200	Well Site - Landscape	12,560	\$ 1,305	11,255	10%
01-07-5433-000	Booster Pumps - Maintenance	66,000	\$ 75,159	(9,159)	114%
01-07-5434-000	Emergency Power Generators	52,500	\$ 4,696	47,804	9%
Distribution System Expense		\$ 385,560	\$ 201,474	\$ 184,086	52%
Operations - Water					
Totals		\$ 6,057,508	\$ 3,109,382	\$ 2,928,352	51%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
-	-	0%
4,000	1,000	80%
50,000	20,000	71%
40,000		
101,650	-	100%
145,000	(15,000)	112%
\$ 373,636	\$ 7,064	105%
\$ 58,000	\$ 10,000	85%
3,100,000	430,000	88%
850,000	60,000	93%
\$ 4,008,000	\$ 500,000	89%
-	\$ 34,000	0%
110,000	\$ 20,000	85%
35,000	(4,500)	115%
60,000	-	100%
15,000	\$ (2,440)	119%
76,000	(10,000)	115%
20,000	\$ 32,500	38%
\$ 316,000	\$ 69,560	82%
\$ 5,492,529	\$ 589,029	91%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-03-5000-000	Engineering Labor	\$ 142,036	\$ 241,487	\$ (99,451)	170%
01-03-5000-010	Engineering Labor OT	7,500	\$ 13,156	(5,656)	175%
01-03-5045-000	Automobile Allowance	2,100	\$ 2,400	(300)	114%
01-03-5047-000	Phone Allowance	605	\$ -	605	0%
01-03-5050-000	Employer Portion of PERS	52,602	\$ 24,654	27,948	47%
01-03-5060-000	Taxes-Payroll	35,767	\$ 29,126	6,641	81%
01-03-5070-000	Sick Leave/Vacation	36,927	\$ 39,095	(2,169)	106%
01-03-5080-000	Health Dental Vision	52,958	\$ 45,887	7,071	87%
01-03-5082-000	Life and Disability Insurance	1,963	\$ 1,255	708	64%
01-03-5083-000	Self Insurance	1,800	\$ -	1,800	0%
01-03-5084-000	Wellness Program	900	\$ 590	310	66%
01-03-5085-000	Workers' Compensation Ins	3,903	\$ 4,136	(233)	106%
Compensation and Benefits		\$ 339,061	\$ 401,787	\$ (62,726)	118%
Gen'l and Admin Expenses					
01-03-5130-000	Administrative Consultants	\$ 321,200	\$ 59,921	\$ 261,279	19%
01-03-5135-000	Interns	12,900	\$ -	12,900	0%
01-03-5180-000	Office Supplies & Misc Exp	1,313	\$ 44	1,268	3%
01-03-5180-100	Misc Expense - COVID-19	225	\$ -	225	0%
01-03-5260-000	Engineering Expense	-	\$ 1,441	(1,441)	0%
01-03-5300-000	Training	4,500	\$ 2,585	1,915	57%
01-03-5310-000	Certifications-Educ	2,000	\$ (1,234)	3,234	-62%
01-03-5311-000	Tuition Reimbursement	2,000	\$ -	2,000	0%
01-03-5320-000	Conferences & Seminars	10,000	\$ 2,729	7,271	27%
01-03-5350-000	Misc- Administration	1,100	\$ 653	448	59%
01-03-5355-000	Memberships/Subscriptions	1,400	\$ 23,549	(22,149)	1682%
Gen'l and Admin Expenses		\$ 356,638	\$ 89,689	\$ 266,949	25%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 340,000	\$ (197,964)	239%
21,000	(13,500)	280%
3,600	(1,500)	171%
605	-	100%
50,000	2,602	95%
35,000	767	98%
54,000	(17,073)	146%
57,000	(4,042)	108%
2,100	(137)	107%
3,600	(1,800)	200%
1,080	(180)	120%
4,000	(97)	102%
\$ 571,985	\$ (232,924)	169%
Gen'l and Admin Expenses		
\$ 270,000	\$ 51,200	84%
6,000	6,900	47%
1,000	313	76%
300	(75)	133%
1,600	(1,600)	0%
2,500	2,000	56%
-	2,000	0%
-	2,000	0%
5,000	5,000	50%
250	850	23%
4,500	(3,100)	321%
\$ 291,150	\$ 65,488	82%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Operation Expense					
01-03-5370-000	Permit & Assessment Fees	\$ 2,516	\$ 2,912	\$ (396)	116%
Operation Expense		\$ 2,516	\$ 2,912	\$ (396)	116%
Distribution System Expense					
01-03-5410-000	Backflow Expense	\$ 750	\$ -	\$ 750	0%
01-03-5423-200	Pipelines - Paving	-	-	-	0%
01-03-5423-400	Pipelines - Leak Detect/Repair	33,000	14,660	18,340	44%
01-03-5424-100	Reservoir Maintenance	-	-	-	0%
01-03-5425-100	Meter Maintenance	-	-	-	0%
01-03-5425-200	Meters - Paving	200,000	115,600	84,400	58%
01-03-5425-700	D-Job Meters/Hydrants	200,000	46,667	153,333	23%
01-03-5431-000	Land Lease Well 16	17,160	14,012	3,148	82%
01-03-5432-300	Well Site - Lease Payment	300	-	300	0%
01-03-5433-000	Booster Pumps - Maintenance	-	-	-	0%
Distribution System Expense		\$ 451,210	\$ 190,938	\$ 260,272	42%
Engineering - Water					
Totals		\$ 1,149,424	\$ 685,326	\$ 464,099	60%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 5,000	\$ (2,484)	199%
\$ 5,000	\$ (2,484)	199%
\$ 750	\$ -	100%
-	-	0%
33,000	-	100%
-	-	0%
-	-	0%
200,000	-	100%
200,000	-	100%
17,000	160	99%
300	-	100%
-	-	0%
\$ 451,050	\$ 160	100%
\$ 1,319,185	\$ (169,761)	115%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

3rd Quarter Actuals					
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-04-5000-300	Administrative Service - Labor	\$ 103,643	\$ 57,644	\$ 45,999	56%
01-04-5045-000	Automobile Allowance	1,800	\$ 900	900	50%
01-04-5050-000	Employer Portion of PERS	15,880	\$ 2,818	13,062	18%
01-04-5060-000	Taxes-Payroll	7,288	\$ 7,583	(295)	104%
01-04-5070-000	Sick Leave/Vacation	14,439	\$ 3,795	10,644	26%
01-04-5080-000	Health Dental Vision	14,733	\$ 15,955	(1,222)	108%
01-04-5082-000	Life and Disability Insurance	594	\$ 467	127	79%
01-04-5083-000	Self Insurance	1,800	\$ 1,711	89	95%
01-04-5084-000	Wellness Program	180	\$ 136	44	75%
01-04-5085-000	Workers' Compensation Ins	960	\$ 797	163	83%
Compensation and Benefits		\$ 161,317	\$ 91,807	\$ 69,510	57%
Gen'l and Admin Expenses					
01-04-5130-000	Administrative Consultants	\$ 50,000	\$ 40,890	\$ 9,110	82%
01-04-5135-000	Interns	45,000	\$ -	45,000	0%
01-04-5180-000	Office Supplies & Misc Expense	1,000	\$ -	1,000	0%
01-04-5270-000	Water Conservation Expense	55,000	\$ 1,671	53,329	3%
01-04-5270-400	Water Conservation Rebates	5,000	\$ -	5,000	0%
01-04-5270-600	Community Outreach	70,000	\$ 9,894	60,106	14%
01-04-5320-000	Conferences & Seminars	5,000	\$ 1,377	3,623	28%
01-04-5355-000	Memberships/Subscriptions	2,000	\$ -	2,000	0%
Gen'l and Admin Expenses		\$ 233,000	\$ 53,832	\$ 179,168	23%
Operation Expense					
01-04-5450-100	Lab & Sampling Expense	\$ 160,000	\$ 176,721	\$ (16,721)	110%
01-04-5450-200	Non-Lab & Sampling	15,000	\$ -	15,000	0%
Operation Expense		\$ 175,000	\$ 176,721	\$ (1,721)	101%
Regulatory - Water					
Totals		\$ 569,317	\$ 322,359	\$ 246,958	57%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 80,000	\$ 23,643	77%
1,800	-	100%
7,500	8,380	47%
9,000	(1,712)	123%
3,900	10,539	27%
18,000	(3,267)	122%
568	26	96%
3,600	(1,800)	200%
320	(140)	178%
760	200	79%
\$ 125,448	\$ 35,869	78%
Gen'l and Admin Expenses		
\$ 45,000	\$ 5,000	90%
7,500	37,500	17%
500	500	50%
10,000	45,000	18%
-	5,000	0%
50,000	20,000	71%
2,000	3,000	40%
130	1,870	7%
\$ 115,130	\$ 117,870	49%
Operation Expense		
\$ 260,000	\$ (100,000)	163%
2,000	13,000	13%
\$ 262,000	\$ (87,000)	150%
Regulatory - Water		
\$ 502,578	\$ 66,739	88%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses					
01-05-5130-000	Administrative Consultants	\$ 106,185	\$ 23,643	\$ 82,542	22%
01-05-5190-000	Computers and Network	11,153	\$ 7,728	3,425	69%
01-05-5195-000	Computer Software	175,780	\$ 183,289	(7,509)	104%
01-05-5225-000	Enterprise Voice Com	60,075	\$ 28,486	31,589	47%
01-05-5226-000	Wireless Voice & Data	-	\$ -	-	0%
01-05-5227-000	Data Communications - Fiber	-	\$ -	-	0%
Gen'l and Admin Expenses		\$ 353,193	\$ 243,147	\$ 110,046	69%
Operation Expense					
01-05-5445-100	Telemetry & Signal System	\$ -	\$ -	\$ -	0%
01-05-5445-200	SCADA Hardware	-	\$ -	-	0%
01-05-5445-300	SCADA Software	-	\$ 14,185	(14,185)	0%
01-05-5445-400	SCADA Phone Lines	-	\$ -	-	0%
Operation Expense		\$ -	\$ 14,185	\$ (14,185)	0%
Technology - Water					
Totals		\$ 353,193	\$ 257,332	\$ 95,861	73%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
70,000	\$ 36,185	66%
15,000	(3,847)	134%
200,000	(24,220)	114%
38,000	22,075	63%
-	-	0%
-	-	0%
\$ 323,000	\$ 30,193	91%
-	-	0%
-	-	0%
20,000	(20,000)	0%
-	-	0%
20,000	\$ (20,000)	0%
\$ 343,000	\$ 10,193	97%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
01-06-5000-200	Officer Salaries	\$ 118,476	\$ 81,710	\$ 36,766	69%
01-06-5000-300	Administrative Service - Labor	372,264	\$ 260,927	111,337	70%
01-06-5000-310	Administrative Service - OT	14,000	\$ 8,808	5,192	63%
01-06-5045-000	Automobile Allowance	5,025	\$ 3,100	1,925	62%
01-06-5047-000	Phone Allowance	907	\$ 692	216	76%
01-06-5050-000	Employer Portion of PERS	244,670	\$ 150,676	93,994	62%
01-06-5060-000	Taxes-Payroll	37,311	\$ 24,922	12,389	67%
01-06-5070-000	Sick Leave/Vacation	71,836	\$ 65,542	6,294	91%
01-06-5080-000	Health Dental Vision	76,117	\$ 61,085	15,032	80%
01-06-5080-100	Retiree Health Care Expense	144,792	\$ -	144,792	0%
01-06-5082-000	Life and Disability Insurance	2,361	\$ 2,151	210	91%
01-06-5083-000	Self Insurance	5,400	\$ 3,918	1,482	73%
01-06-5084-000	Wellness Program	2,460	\$ 813	1,647	33%
01-06-5085-000	Workers' Compensation Ins	4,774	\$ 6,272	(1,498)	131%
Compensation and Benefits		\$ 1,100,394	\$ 670,615	\$ 429,779	61%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 110,000	\$ 8,476	93%
380,000	(7,736)	102%
14,000	-	100%
5,000	25	100%
1,400	(493)	154%
250,000	(5,330)	102%
30,000	7,311	80%
72,000	(164)	100%
60,000	16,117	79%
144,792	-	100%
2,750	(389)	116%
5,000	400	93%
2,580	(120)	105%
7,500	(2,726)	157%
\$ 1,085,022	\$ 15,372	99%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses					
01-06-5090-000	GL, Property, Fidelity Ins	\$ 100,000	\$ 78,115	\$ 21,885	78%
01-06-5100-000	Accounting	26,250	-	26,250	0%
01-06-5125-000	Legal	125,000	\$ 162,609	(37,609)	130%
01-06-5130-000	Administrative Consultants	94,875	\$ 64,309	30,566	68%
01-06-5140-000	Election Expense	-	\$ -	-	0%
01-06-5150-000	Building Maintenance	12,150	\$ 9,503	2,647	78%
01-06-5170-000	Landscaping Expense	15,750	\$ 6,573	9,177	42%
01-06-5180-000	Office Supplies & Misc Expense	6,930	\$ 2,917	4,013	42%
01-06-5180-100	Misc Expense - COVID-19	750	\$ 1,177	(427)	157%
01-06-5200-000	Utilities	21,600	\$ 20,256	1,344	94%
01-06-5230-000	Printing Postage Stationery	49,500	\$ 40,108	9,392	81%
01-06-5250-000	Water System Fees	65,000	\$ 63,580	1,420	98%
01-06-5300-000	Training	4,500	\$ 1,642	2,858	36%
01-06-5310-000	Certifications-Educ	-	\$ -	-	0%
01-06-5311-000	Tuition Reimbursement	450	\$ -	450	0%
01-06-5320-000	Conferences & Seminars	9,156	\$ 5,932	3,224	65%
01-06-5350-000	Misc Administration	15,000	\$ 23,928	(8,928)	160%
01-06-5355-000	Memberships/Subscriptions	20,000	\$ 26	19,974	0%
01-06-5365-000	Bank Charges	42,000	\$ 36,032	5,968	86%
Gen'l and Admin Expenses		\$ 608,911	\$ 516,708	\$ 92,203	85%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 105,000	\$ (5,000)	105%
26,000	250	99%
200,000	(75,000)	160%
86,000	8,875	91%
-	-	
10,000	2,150	82%
9,000	6,750	57%
4,000	2,930	58%
2,000	(1,250)	267%
27,000	(5,400)	125%
54,000	(4,500)	109%
65,000	-	100%
3,000	1,500	67%
-	-	0%
-	450	0%
6,000	3,156	66%
24,000	(9,000)	160%
-	20,000	0%
50,000	(8,000)	119%
\$ 671,000	\$ (62,089)	110%

**Crescenta Valley Water District
Water Budget Variance Report
Actuals as of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Non-Operating Expense					
01-06-5910-000	Interest Expense - Notes	\$ 29,000	\$ 244,490	\$ (215,490)	843%
01-06-5920-100	Rental Expenses - PA House	1,500	\$ 1,631	(131)	109%
01-06-5920-200	Rental Expenses - Sycamore	1,500	\$ -	1,500	0%
01-06-5920-300	Rental Expenses - Mills	1,500	\$ 71	1,429	5%
Non-Operating Expense		\$ 33,500	\$ 246,193	\$ 2,798	735%
Operation Expense					
01-06-5145-000	Taxes-Property	\$ 16,500	\$ 12,031	\$ 4,469	73%
Operation Expense		\$ 16,500	\$ 12,031	\$ 4,469	73%
Administration - Water					
Totals		\$ 1,759,305	\$ 1,445,546	\$ 529,249	82%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 40,000	\$ (11,000)	138%
2,000	(500)	133%
1,500	-	100%
1,500	-	100%
\$ 45,000	\$ (11,500)	134%
\$ 16,057	\$ 443	97%
\$ 16,057	\$ 443	97%
\$ 1,817,079	\$ (57,774)	103%

SUMMARY

Crescenta Valley Water District Wastewater Budget Variance Report Summary - As of March 31, 2024 (75% of Year)

Q3

9 Month Actuals (75%)					
Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Revenue					
	Wastewater - User Charges	\$ 3,734,795	\$ 2,829,520	\$ 905,275	76%
	Interest Income Wastewater	1,000	1,260	(260)	126%
	Other Income Wastewater	26,800	26,199	2,877	98%
	Construction Revenue	24,000	28,141	(4,141)	117%
Revenue		\$ 3,786,595	\$ 2,885,120	\$ 903,751	76%
Expenses					
	Labor & Benefits	1,520,305	834,190	686,115	55%
	City of LA Sewer Services	1,850,000	183,222	1,666,778	10%
	Operating Cost	942,118	550,113	392,005	58%
Expenses		\$ 4,312,423	\$ 1,567,525	\$ 2,744,898	36%
	Infrastructure	-	-	-	0%
	Capital Outlays & Equip	160,000	37,220	122,780	23%
	OPEB	-		-	0%
Total CIP & OPEB		160,000	37,220	122,780	23%
Net Revenue minus Expenses		(685,828)	1,280,375		

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 3,800,000	\$ (65,205)	102%
1,400	(400)	140%
26,800	-	100%
39,000	(15,000)	163%
\$ 3,867,200	\$ (80,605)	102%
1,326,978	193,327	87%
1,500,000	350,000	81%
809,738	132,380	86%
\$ 3,636,716	\$ 675,707	84%
-	-	0%
160,000	-	100%
-	-	
\$ 160,000	\$ -	100%
70,484		

Crescenta Valley Water District
Wastewater Budget Variance Report
Revenue - As of March 31, 2024 (75% of Year)

3rd Quarter Actuals				
	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Sewage Disposal Sales	\$ 3,734,795	\$ 2,829,520	\$ 905,275	76%
Property Owner Assessments	20,000	\$ 28,141	(8,141)	141%
Sewer Permits	4,000	\$ -	4,000	0%
Other Income	5,000	\$ 16	4,984	0%
Interest Earned - Sewer	1,000	\$ 1,260	(260)	126%
Unrealized Gain/Loss on Invest	-	\$ -	-	0%
Fair Value Adjustment	-	\$ -	-	0%
Gain/Loss Sale of Investments	-	\$ -	-	0%
Rental Income - PA House	4,100	\$ 3,643	457	89%
Rental Income - Sycamore House	6,800	\$ 9,364	(2,564)	138%
Rental Income - Mills House	10,900	\$ 13,176	(2,276)	121%
	\$ 3,786,595	\$ 2,885,120	\$ 903,751	76%

Management Estimate		
Projected Year- End Expense	Projected Remaining Budget	% of Total Budget
\$ 3,800,000	\$ (65,205)	102%
\$ 35,000	(15,000)	175%
\$ 4,000	-	100%
\$ 5,000	-	100%
\$ 1,400	(400)	140%
\$ -	-	0%
\$ -	-	0%
\$ -	-	0%
\$ 4,100	-	100%
\$ 6,800	-	100%
\$ 10,900	-	100%
\$ 3,867,200	\$ (80,605)	102%

Crescenta Valley Water District
Wastewater Budget Variance Report
Expense - As of March 31, 2024 (75% of Year)

3rd Quarter Actuals					
Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
5000-100	Director Fees	\$ 12,000	\$ 6,875	\$ 5,125	57%
5000-200	Officer Salaries	118,476	66,455	52,021	56%
5000-300	Administrative Service - Labor	281,587	136,143	145,444	48%
5000-310	Administrative Service - OT	14,000	8,065	5,935	58%
5000-350	Engineering Labor	147,345	80,496	66,849	55%
5000-360	Engineering Labor OT	2,500	4,385	(1,885)	175%
5000-400	Maintenance Labor	211,211	105,308	105,903	50%
5000-410	Maintenance Labor OT	21,121	13,217	7,904	63%
5000-800	Standby Pay	13,250	7,481	5,769	56%
5045-000	Automobile Allowance	8,925	5,950	2,975	67%
5047-000	Phone Allowance	1,008	714	294	71%
5050-000	Employer Portion of PERS	248,726	143,331	105,395	58%
5060-000	Taxes - Payroll	64,301	47,703	16,598	74%
5070-000	Sick Leave/Vacation	62,924	49,118	13,806	78%
5080-000	Health Dental Vision	170,214	126,369	43,845	74%
5080-100	Retiree Health Care Expense	96,528	-	96,528	0%
5082-000	Life and Disability Insurance	5,273	3,759	1,514	71%
5083-000	Self Insurance	7,200	1,649	5,551	23%
5084-000	Wellness Program	3,560	771	2,789	22%
5085-000	Workers' Compensation Ins	30,154	26,401	3,753	88%
Compensation and Benefits		\$ 1,520,305	\$ 834,190	\$ 686,115	55%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 12,000	\$ -	100%
100,000	18,476	84%
205,000	76,587	73%
12,000	2,000	86%
110,000	37,345	75%
6,000	(3,500)	240%
150,000	61,211	71%
18,000	3,121	85%
12,000	1,250	91%
10,000	(1,075)	112%
1,300	(292)	129%
229,000	19,726	92%
72,000	(7,699)	112%
72,300	(9,376)	115%
171,000	(786)	100%
96,528	-	100%
5,800	(527)	110%
7,800	(600)	108%
3,520	40	99%
32,730	(2,576)	109%
\$ 1,326,978	\$ 193,327	87%

Crescenta Valley Water District
Wastewater Budget Variance Report
Expense - As of March 31, 2024 (75% of Year)

Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses					
5090-000	GL, Property, Fidelity Ins	100,000	60,233	39,767	60%
5100-000	Accounting	8,750	-	8,750	0%
5125-000	Legal	50,000	40,575	9,425	81%
5130-000	Administrative Consultants	259,420	214,206	45,214	83%
5135-000	Interns	4,300	-	4,300	0%
5150-000	Building Maintenance	10,550	6,242	4,308	59%
5170-000	Landscaping Expense	7,250	2,243	5,007	31%
5180-000	Office Supplies & Misc Expense	4,998	2,159	2,839	43%
5190-000	Computers and Network	3,717	2,576	1,141	69%
5195-000	Computer Software	58,593	44,390	14,203	76%
5200-000	Utilities	9,950	6,161	3,789	62%
5225-000	Enterprise Voice Communication	20,025	9,759	10,266	49%
5226-000	Wireless Voice & Data	-	-	-	0%
5227-000	Data Communications - Fiber	-	-	-	0%
5230-000	Printing Postage Stationery	16,500	10,758	5,742	65%
5260-000	Engineering Expense	-	507	(507)	0%
5300-000	Training	9,250	921	8,329	10%
5320-000	Conferences & Seminars	\$ 15,302	\$ 5,352	\$ 9,950	35%
5350-000	Misc Administration	7,350	5,970	1,380	81%
5355-000	Memberships/Subscriptions	9,800	7,021	2,779	72%
5365-000	Bank Charges	42,000	20,920	21,080	50%
Gen'l and Admin Expenses		\$ 637,755	\$ 439,993	\$ 197,762	69%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
100,000	-	100%
8,750	-	100%
70,000	(20,000)	140%
243,000	16,420	94%
-	4,300	0%
8,875	1,675	84%
5,000	2,250	69%
4,900	98	98%
5,000	(1,283)	135%
53,000	5,593	90%
10,750	(800)	108%
17,000	3,025	85%
-	-	0%
-	-	0%
18,000	(1,500)	109%
500	(500)	0%
5,250	4,000	57%
\$ 12,250	\$ 3,052	80%
3,500	3,850	48%
8,400	1,400	86%
35,000	7,000	83%
\$ 609,175	\$ 28,580	96%

Crescenta Valley Water District
Wastewater Budget Variance Report
Expense - As of March 31, 2024 (75% of Year)

Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Non-Operating Expense					
5920-100	Rental Expenses - PA House	\$ 500	\$ -	\$ 500	0%
5920-200	Rental Expenses - Sycamore	500	-	500	0%
5920-300	Rental Expense - Mills	500	24	476	5%
Non-Operating Expense		\$ 1,500	\$ 24	\$ 1,476	2%
Operations Expense					
5145-000	Taxes-Property	\$ 5,500	\$ 3,119	\$ 2,381	57%
5310-000	Operator Certifications-Educ	6,250	471	5,779	8%
5330-000	Safety & Security	9,250	4,216	5,034	46%
5340-000	Uniforms	5,500	1,961	3,539	36%
5360-000	Emergency Operations/Repairs	5,750	4,828	922	84%
5380-000	Tools and Eq Maintenance	28,838	9,015	19,823	31%
5402-000	Power Purchased - Lift Stn	-	3,704	(3,704)	0%
5445-100	Telemetry & Signal System	-	-	-	0%
5445-200	SCADA Hardware	-	-	-	0%
5445-300	SCADA Software	-	-	-	0%
5445-400	SCADA Phone Lines	-	-	-	0%
Operations Expense		\$ 61,088	\$ 27,314	\$ 33,774	45%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 450	\$ 50	90%
450	50	90%
2,300	(1,800)	460%
\$ 3,200	\$ 100	213%
\$ 5,500	\$ -	100%
4,000	2,250	64%
9,250	-	100%
4,500	1,000	82%
-	5,750	0%
28,838	-	100%
4,950	(4,950)	0%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
\$ 57,038	\$ 4,050	93%

Crescenta Valley Water District
Wastewater Budget Variance Report
Expense - As of March 31, 2024 (75% of Year)

Description		Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Wastewater System Expense					
5434-000	Emergency Power Generators	\$ -	\$ 166	\$ (166)	0%
5700-000	Wastewater System Expense	1,850,000	183,222	1,666,778	10%
Wastewater System Expense		\$ 1,850,000	\$ 183,388	\$ 1,666,612	10%
Collection System Expense					
5423-000	Pipelines - Maintenance	\$ -	\$ -	\$ -	0%
5423-100	Pipelines - Maintenance	150,000	38,695	111,305	26%
5440-100	Auto/Truck Maintenance	14,500	11,094	3,406	77%
5440-200	Auto/Truck Maintenance-Gas	11,000	8,607	2,393	78%
5440-300	Auto/Truck Maintenance-Diesel	7,275	6,310	965	87%
5621-000	Sewer Flow Monitoring Expense	19,000	15,327	3,673	81%
5624-000	Sewer Camera Van Inspection	5,000	2,517	2,483	50%
5625-000	Sewer Interceptor Maintenance	10,000	-	10,000	0%
5628-000	Sewer Lift Station Maintenance	25,000	66	24,934	0%
Collection System Expense		\$ 241,775	\$ 82,616	\$ 159,159	34%
Wastewater Totals					
Totals		\$ 4,312,423	\$ 1,567,525	\$ 2,744,898	36%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 200	\$ (200)	0%
1,500,000	350,000	81%
\$ 1,500,200	\$ 349,800	81%
\$ -	\$ -	0%
60,000	90,000	40%
25,375	(10,875)	175%
11,000	-	100%
9,750	(2,475)	134%
18,000	1,000	95%
4,000	1,000	80%
5,000	5,000	50%
7,000	18,000	28%
\$ 140,125	\$ 101,650	58%
\$ 3,636,716	\$ 124,175	84%

**Crescenta Valley Water District
Wastewater Budget Variance Report
Board - As of March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
02-01-5000-100	Director Fees	\$ 12,000	\$ 6,875	\$ 5,125	57%
02-01-5060-000	Taxes - Payroll	974	588	386	1
02-01-5085-000	Workers' Compensation Ins	204	72	132	0
Compensation and Benefits		\$ 13,178	\$ 7,535	\$ 5,643	57%
Gen'l and Admin Expenses					
02-01-5320-000	Conferences & Seminars	\$ 1,875	\$ 741	\$ 1,134	40%
02-01-5350-000	Misc Administration	-	-	-	0%
Gen'l and Admin Expenses		\$ 1,875	\$ 741	\$ 1,134	40%
Board - Wastewater					
Totals		15,053.00	8,276.00	6,777.00	55%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 12,000	\$ -	100%
1,000	(26)	103%
130	74	64%
\$ 13,130	\$ 48	100%
\$ 1,875	\$ -	100%
-	-	0%
\$ 1,875	\$ -	100%
15,005	48	100%

**Crescenta Valley Water District
Wastewater Budget Variance Report
Operations - March 31, 2024 (75% of Year)**

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
02-02-5000-300	Administrative Service - Labor	\$ 30,823	\$ 22,203	\$ 8,620	72%
02-02-5000-310	Administrative Service - OT	-	-	-	0%
02-02-5000-400	Maintenance Labor	211,211	\$ 105,308	105,903	50%
02-02-5000-410	Maintenance Labor OT	21,121	\$ 13,217	7,904	63%
02-02-5000-800	Standby Pay	13,250	\$ 7,481	5,769	56%
02-02-5047-000	Phone Allowance	-	-	-	0%
02-02-5050-000	Employer Portion of PERS	39,959	\$ 14,989	24,970	38%
02-02-5060-000	Taxes-Payroll	23,181	\$ 15,843	7,338	68%
02-02-5070-000	Sick Leave/Vacation	21,857	\$ 16,240	5,617	74%
02-02-5080-000	Health Dental Vision	74,343	\$ 54,526	19,817	73%
02-02-5082-000	Life and Disability Insurance	1,994	\$ 1,410	584	71%
02-02-5083-000	Self Insurance	1,200	\$ 90	1,110	8%
02-02-5084-000	Wellness Program	1,200	\$ 588	612	49%
02-02-5085-000	Workers' Compensation Ins	23,526	\$ 19,852	3,674	84%
Compensation and Benefits		\$ 463,665	\$ 271,747	\$ 191,918	59%
Gen'l and Admin Expenses					
02-02-5180-000	Office Supplies & Misc Expense	\$ 1,750	\$ 461	\$ 1,289	26%
02-02-5180-100	Misc Expense - COVID-19	-	-	-	0%
02-02-5320-000	Conferences & Seminars	3,750	\$ 1,782	1,968	48%
02-02-5355-000	Memberships/Subscriptions	650	\$ 27	623	4%
Gen'l and Admin Expenses		\$ 6,150	\$ 2,270	\$ 3,880	37%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 30,000	\$ 823	97%
-	-	0%
150,000	61,211	71%
18,000	3,121	85%
12,000	1,250	91%
-	-	0%
25,000	14,959	63%
22,000	1,181	95%
22,000	(143)	101%
73,000	1,343	98%
2,000	(6)	100%
1,200	-	100%
1,200	-	100%
25,000	(1,474)	106%
\$ 381,400	\$ 82,265	82%
\$ 1,050	\$ 700	60%
	\$ -	0%
3,750	-	100%
650	-	100%
\$ 5,450	\$ 700	89%

**Crescenta Valley Water District
Wastewater Budget Variance Report
Operations - March 31, 2024 (75% of Year)**

GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Operation Expense					
02-02-5150-000	Building Maintenance-Plant	\$ 6,500	\$ 3,948	\$ 2,552	61%
02-02-5170-000	Landscaping Expense-Plant	2,000	\$ 866	1,134	43%
02-02-5200-000	Utilities-Plant	2,750	\$ 1,064	1,686	39%
02-02-5300-000	Training-Plant	3,250	\$ 59	3,191	2%
02-02-5310-000	Operator Certifications-Educ	4,250	\$ 60	4,190	1%
02-02-5311-000	Tuition Reimbursement	625	\$ -	625	0%
02-02-5330-000	Safety & Security	9,250	\$ 4,216	5,034	46%
02-02-5350-000	Misc Administration	1,250	\$ 4,796	(3,546)	384%
02-02-5340-000	Uniforms	5,500	\$ 1,961	3,539	36%
02-02-5360-000	Emergency Operations/Repairs	5,750	\$ 4,828	922	84%
02-02-5380-000	Tools and Eq Maintenance	28,838	\$ 9,015	19,823	31%
02-02-5402-000	Power Purchased - Lift Stn	-	\$ 3,704	(3,704)	0%
02-02-5441-000	Inventory Shrinkage/Overage	-	\$ -	-	0%
02-02-5445-100	Telemetry & Signal System	-	\$ -	-	0%
Operation Expense		\$ 69,963	\$ 34,517	\$ 35,446	49%
Collection System Expense					
02-02-5423-100	Pipelines - Maintenance	150,000	\$ 38,695	111,305	26%
02-02-5440-100	Auto/Truck Maintenance	14,500	\$ 11,094	3,406	77%
02-02-5440-200	Auto/Truck Maintenance-Gas	11,000	\$ 8,607	2,393	78%
02-02-5440-300	Auto/Truck Maintenance-Diesel	7,275	\$ 6,310	965	87%
02-02-5621-000	Sewer Flow Monitoring Expense	-	\$ 960	(960)	0%
02-02-5624-000	Sewer Camera Van Inspection	5,000	\$ 2,517	2,483	50%
02-02-5625-000	Sewer Interceptor Maintenance	10,000	\$ -	10,000	0%
02-02-5628-000	Sewer Lift Station Maintenance	25,000	\$ 66	24,934	0%
Collection System Expense		\$ 222,775	\$ 68,249	\$ 154,526	31%
Wastewater System Expense					
02-02-5434-000	Emergency Power Generators	\$ -	\$ 166	\$ (166)	0%
02-02-5700-000	Wastewater System Expense	1,850,000	\$ 183,222	1,666,778	10%
Wastewater System Expense		\$ 1,850,000	\$ 183,388	\$ 1,666,612	10%
Operations - Wastewater					
Totals		\$ 2,612,553	\$ 560,171	\$ 2,052,382	21%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 4,875	\$ 1,625	75%
2,000	-	100%
2,750	-	100%
3,250	-	100%
3,600	650	85%
225	400	36%
9,250	-	100%
1,250	-	100%
4,500	1,000	82%
5,750	-	100%
28,838	-	100%
4,950	(4,950)	0%
	-	0%
	-	0%
\$ 71,238	\$ (1,275)	102%
\$ 60,000	90,000	40%
25,375	(10,875)	175%
11,000	-	100%
9,750	(2,475)	134%
-	-	0%
4,000	1,000	80%
5,000	5,000	50%
7,000	18,000	28%
\$ 122,125	\$ 100,650	55%
\$ 200	\$ (200)	0%
1,500,000	350,000	81%
\$ 1,500,200	\$ 349,800	81%
\$ 2,080,413	\$ 532,140	80%

Crescenta Valley Water District
Wastewater Budget Variance Report
Engineering - As of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
02-03-5000-000	Engineering Labor	\$ 147,345	\$ 80,496	\$ 66,849	55%
02-03-5000-010	Engineering Labor OT	2,500	\$ 4,385	(1,885)	175%
02-03-5045-000	Automobile Allowance	2,100	\$ 2,400	(300)	114%
02-03-5047-000	Phone Allowance	403	\$ -	403	0%
02-03-5050-000	Employer Portion of PERS	35,068	\$ 16,436	18,632	47%
02-03-5060-000	Taxes-Payroll	12,083	\$ 9,709	2,374	80%
02-03-5070-000	Sick Leave/Vacation	12,309	\$ 11,407	902	93%
02-03-5080-000	Health Dental Vision	35,305	\$ 30,613	4,692	87%
02-03-5082-000	Life and Disability Insurance	1,309	\$ 837	472	64%
02-03-5083-000	Self Insurance	1,200	\$ -	1,200	0%
02-03-5084-000	Wellness Program	600	\$ 131	469	22%
02-03-5085-000	Workers' Compensation Ins	2,602	\$ 2,757	(155)	106%
Compensation and Benefits		\$ 252,824	\$ 159,171	\$ 93,653	63%
Gen'l and Admin Expenses					
02-03-5130-000	Administrative Consultants	\$ 190,400	\$ 184,631	\$ 5,769	97%
02-03-5135-000	Interns	4,300	\$ -	4,300	0%
02-03-5180-000	Office Supplies & Misc Expense	438	\$ 15	423	3%
02-03-5180-100	Misc Expense - COVID-19	75	\$ -	75	0%
02-03-5260-000	Engineering Expense	-	\$ 507	(507)	0%
02-03-5300-000	Training	4,500	\$ 862	3,638	19%
02-03-5310-000	Operator Certifications-Educ	2,000	\$ 411	1,589	21%
02-03-5320-000	Conferences & Seminars	6,000	\$ 895	5,105	15%
02-03-5311-000	Tuition Reimbursement	2,000	\$ -	2,000	0%
02-03-5355-000	Memberships/Subscriptions	1,400	\$ 6,985	(5,585)	499%
02-03-5350-000	Misc Administration	1,100	\$ 218	882	20%
Gen'l and Admin Expenses		\$ 212,213	\$ 194,524	\$ 17,689	92%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 110,000	\$ 37,345	75%
6,000	(3,500)	240%
3,200	(1,100)	152%
-	403	0%
35,000	68	100%
13,000	(917)	108%
14,000	(1,691)	114%
40,000	(4,695)	113%
1,300	9	99%
1,200	-	100%
600	-	100%
4,000	(1,398)	154%
\$ 228,300	\$ 24,524	90%
Gen'l and Admin Expenses		
\$ 185,000	\$ 5,400	97%
-	4,300	0%
350	88	80%
-	75	0%
500	(500)	0%
500	4,000	11%
400	1,600	20%
3,000	3,000	50%
-	2,000	0%
7,000	(5,600)	500%
250	850	23%
\$ 197,000	\$ 15,213	93%

Crescenta Valley Water District
Wastewater Budget Variance Report
Engineering - As of March 31, 2024 (75% of Year)

GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Collection System Expense					
02-03-5621-000	Sewer Flow Monitoring Expense	\$ 19,000	\$ 14,367	\$ 4,633	76%
02-03-5410-000	Backflow Expense	\$ -	\$ -	\$ -	0%
Collection System Expense		\$ 19,000	\$ 14,367	\$ 4,633	76%
Engineering - Wastewater					
Totals		\$ 484,037	\$ 368,062	\$ 115,975	76%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
18,000	\$ 1,000	95%
-	\$ -	0%
\$ 18,000	\$ 1,000	95%
Engineering - Wastewater		
\$ 443,300	\$ 40,737	92%

Crescenta Valley Water District
Wastewater Budget Variance Report
Regulatory - As of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
02-04-5000-300	Administrative Service - Labor	\$ 34,547	\$ 20,091	\$ 14,456	58%
02-04-5045-000	Automobile Allowance	1,800	\$ 900	900	50%
02-04-5050-000	Employer Portion of PERS	10,586	\$ 1,879	8,707	18%
02-04-5060-000	Taxes-Payroll	4,536	\$ 2,528	2,008	56%
02-04-5070-000	Sick Leave/Vacation	4,813	\$ 964	3,849	20%
02-04-5080-000	Health Dental Vision	9,822	\$ 10,644	(822)	108%
02-04-5082-000	Life and Disability Insurance	396	\$ 312	84	79%
02-04-5083-000	Self Insurance	1,200	\$ 1,000	200	83%
02-04-5084-000	Wellness Program	120	\$ 45	75	38%
02-04-5085-000	Workers' Compensation Ins	640	\$ 532	108	83%
Compensation and Benefits		\$ 68,460	\$ 38,895	\$ 29,565	57%
Gen'l and Admin Expenses					
02-04-5130-000	Administrative Consultants	\$ 27,500	\$ 5,330	\$ 22,170	19%
02-04-5135-000	Interns	\$ -	\$ -	\$ -	0%
02-04-5180-000	Office Supplies & Misc Expense	500	\$ -	500	0%
02-04-5320-000	Conferences & Seminars	625	\$ 405	220	65%
02-04-5355-000	Memberships/Subscriptions	750	\$ -	750	0%
Gen'l and Admin Expenses		\$ 29,375	\$ 5,330	\$ 22,670	18%
Regulatory - Wastewater					
Totals		\$ 97,835	\$ 44,225	\$ 52,235	45%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 25,000	\$ 9,547	72%
1,800	-	100%
5,000	5,586	47%
3,000	1,536	66%
1,300	3,513	27%
13,000	(3,178)	132%
500	(104)	126%
1,800	(600)	150%
120	-	100%
600	40	94%
\$ 52,120	\$ 16,340	76%
\$ 20,000	\$ 7,500	73%
\$ -	\$ -	0%
\$ 500	\$ -	100%
\$ 625	\$ -	100%
\$ 750	\$ -	100%
\$ 21,875	\$ 7,500	74%
\$ 73,995	\$ 23,840	76%

Crescenta Valley Water District
Wastewater Budget Variance Report
Technology - As of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses					
02-05-5130-000	Administrative Consultants	\$ 35,395	\$ 7,881	\$ 27,514	22%
02-05-5180-000	Office Supplies & Misc Expense	-	-	-	0%
02-05-5190-000	Computers and Network	3,717	\$ 2,576	1,141	69%
02-05-5195-000	Computer Software	58,593	\$ 44,390	14,203	76%
02-05-5225-000	Enterprise Voice Com	20,025	\$ 9,759	10,266	49%
02-05-5226-000	Wireless Voice & Data	-	-	-	0%
02-05-5227-000	Data Communications - Fiber	-	-	-	0%
Gen'l and Admin Expenses		\$ 117,730	\$ 64,606	\$ 53,124	55%
Operation Expense					
02-05-5445-100	Telemetry & Signal System	\$ -	\$ -	\$ -	0%
02-05-5445-200	SCADA Hardware	-	\$ -	-	0%
02-05-5445-300	SCADA Software	-	\$ -	-	0%
02-05-5445-400	SCADA Phone Lines	-	\$ -	-	0%
Operation Expense		\$ -	\$ -	\$ -	0%
Technology - Wastewater					
Total Expense		\$ 117,730	\$ 64,606	\$ 53,124	55%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 16,000	\$ 19,395	45%
-	-	0%
5,000	(1,283)	135%
53,000	5,593	90%
17,000	3,025	85%
-	-	0%
-	-	0%
\$ 91,000	\$ 26,730	77%
\$ -	\$ -	0%
-	-	0%
-	-	0%
-	-	0%
\$ -	\$ -	0%
\$ 91,000	\$ 26,730	77%

Crescenta Valley Water District
Wastewater Budget Variance Report
Administration - As of March 31, 2024 (75% of Year)

		3rd Quarter Actuals			
GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Compensation and Benefits					
02-06-5000-200	Officer Salaries	\$ 118,476	\$ 66,455	\$ 52,021	56%
02-06-5000-300	Administrative Service - Labor	216,217	\$ 93,849	122,368	43%
02-06-5000-310	Administrative Service - OT	14,000	\$ 8,065	5,935	58%
02-06-5045-000	Automobile Allowance	5,025	\$ 2,650	2,375	53%
02-06-5047-000	Phone Allowance	605	\$ 714	(109)	118%
02-06-5050-000	Employer Portion of PERS	163,113	\$ 110,027	53,086	67%
02-06-5060-000	Taxes-Payroll	23,527	\$ 19,035	4,492	81%
02-06-5070-000	Sick Leave/Vacation	23,945	\$ 20,507	3,438	86%
02-06-5080-000	Health Dental Vision	50,744	\$ 30,586	20,158	60%
02-06-5080-100	Retiree Health Care Expense	96,528	\$ -	96,528	0%
02-06-5082-000	Life and Disability Insurance	1,574	\$ 1,200	374	76%
02-06-5083-000	Self Insurance	3,600	\$ 559	3,041	16%
02-06-5084-000	Wellness Program	1,640	\$ 7	1,633	0%
02-06-5085-000	Workers' Compensation Ins	3,182	\$ 3,188	(6)	100%
Compensation and Benefits		\$ 722,178	\$ 356,842	\$ 365,336	49%

Management Estimate		
Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 100,000	\$ 18,476	84%
150,000	66,217	69%
12,000	2,000	86%
5,000	25	100%
1,300	(695)	215%
164,000	(887)	101%
33,000	(9,473)	140%
35,000	(11,055)	146%
45,000	5,744	89%
96,528	-	100%
2,000	(426)	127%
3,600	-	100%
1,600	40	98%
3,000	182	94%
\$ 652,028	\$ 70,150	90%

Crescenta Valley Water District
Wastewater Budget Variance Report
Administration - As of March 31, 2024 (75% of Year)

GL#	Description	Annual Budget	3rd Quarter Actual	Remaining Annual Budget	% of Total Budget
Gen'l and Admin Expenses					
02-06-5090-000	GL, Property, Fidelity Ins	\$ 100,000	\$ 60,233	\$ 39,767	60%
02-06-5100-000	Accounting	8,750	\$ -	8,750	0%
02-06-5125-000	Legal	50,000	\$ 40,575	9,425	81%
02-06-5130-000	Administrative Consultants	6,125	\$ 16,364	(10,239)	267%
02-06-5150-000	Building Maintenance	4,050	\$ 2,294	1,756	57%
02-06-5170-000	Landscaping Expense	5,250	\$ 1,377	3,873	26%
02-06-5180-000	Office Supplies & Misc Expense	2,310	\$ 1,683	627	73%
02-06-5180-100	Misc Expense - COVID-19	250	\$ 392	(142)	157%
02-06-5200-000	Utilities	7,200	\$ 5,097	2,103	71%
02-06-5230-000	Printing Postage Stationery	16,500	\$ 10,758	5,742	65%
02-06-5300-000	Training	1,500	\$ -	1,500	0%
02-06-5310-000	Certifications-Educ	-	\$ -	-	0%
02-06-5311-000	Tuition Reimbursement	150	\$ -	150	0%
02-06-5320-000	Conferences & Seminars	3,052	\$ 1,529	1,523	50%
02-06-5350-000	Misc Administration	5,000	\$ 956	4,044	19%
02-06-5355-000	Memberships/Subscriptions	7,000	\$ 9	6,991	0%
02-06-5365-000	Bank Charges	42,000	\$ 20,920	21,080	50%
Gen'l and Admin Expenses		\$ 259,137	\$ 162,187	\$ 96,950	63%
Non-Operating Expense					
02-06-5920-100	Rental Expenses - PA House	\$ 500	\$ -	\$ 500	0%
02-06-5920-200	Rental Expenses - Sycamore	500	\$ -	500	0%
02-06-5920-300	Rental Expenses - Mills	500	\$ 24	476	5%
Non-Operating Expense		\$ 1,500	\$ 24	\$ 1,476	2%
Operation Expense					
02-06-5145-000	Taxes-Property	\$ 5,500	\$ 3,119	\$ 2,381	57%
Operation Expense		\$ 5,500	\$ 3,119	\$ 2,381	57%
Administration - Wastewater					
Total Expense		\$ 988,315	\$ 522,172	\$ 466,143	53%

Projected Year-End Expense	Projected Remaining Budget	% of Total Budget
\$ 100,000	\$ -	100%
8,750	-	100%
70,000	(20,000)	140%
22,000	(15,875)	359%
4,000	50	99%
3,000	2,250	57%
3,000	(690)	130%
700	(450)	280%
8,000	(800)	111%
18,000	(1,500)	109%
1,500	-	100%
-	-	0%
-	150	0%
3,000	52	98%
2,000	3,000	40%
-	7,000	0%
35,000	7,000	83%
\$ 278,950	\$ (19,813)	108%
\$ 450	\$ 50	90%
450	50	90%
450	50	90%
\$ 1,350	\$ 150	90%
\$ 5,500	\$ -	100%
\$ 5,500	\$ -	100%
\$ 937,828	\$ 50,487	95%

CRESCENTA VALLEY WATER DISTRICT

BOARD OF DIRECTORS - STAFF REPORT

Action Item No. 3
April 23, 2024

To: Honorable President and Members of the Board of Directors
From: CVWD PFAS Task Force
Subject: PFAS Update

ACTION ITEM:

Discussion and possible motion regarding the District's short and longer-term objectives and alternatives as they relate to remediation and messaging related to PFAS.

BACKGROUND:

Per- and polyfluoroalkyl substances (PFAS) are a group of more than 12,000 human-made substances that are not naturally occurring and are resistant to heat, water, and oil. These chemicals have been used and produced extensively in the United States for both commercial and industrial purposes, as well as for emergency fire response. Due to their unique chemistry, PFAS have been widely used as surface coatings and protectant formulations in consumer goods such as carpet and home textiles; clothing; food packaging; and non-stick cookware. PFAS substances have also been used as a surfactant in chrome plating, firefighting foam, and other industrial applications. In typical conditions, PFAS are resistant to degradation and do not break down in the environment. These substances can accumulate within the human body and are toxic at relatively low concentrations.

The District began Unregulated Contaminant Monitoring Rule 5 (UCMR 5) testing in February 2023. In April 2023, the District collected samples that showed results above the State's "notification level" for nearly half of the District's wells and above the State's "response level" for Well 8. At that time, the District mailed notification letters to the Board or Council members of all other agencies where the District serves water, including the District's Board, within the 30-day time frame to do so. Also in response, staff determined an initial remediation path in conjunction with the State's Department of Drinking Water (DDW). The plan approved by DDW was to treat by blending groundwater from wells with imported water, providing a monthly report to DDW summarizing a daily "mass balance" calculation at the "point of use" along with quarterly and annual water quality reporting.

There have been a sequence of events since then, including formation of an ad hoc committee to focus on PFAS, and they are as follow –

1. Sampling/Testing – Multiple samples have been collected for each of the District's wells, and the data shows an impact "plume" of PFAS for the wells along the Verdugo Wash.
2. Opt-In for Settlements – The District opted in for two class-action settlements related to two companies – 3M and DuPont – in March 2024 (*a third settlement has since been identified*).
3. Ad Hoc Committee – The Ad Hoc Committee met in March 2024 and April 2024.
4. Regulations Finalized – In April 2024, the US Environmental Protection Agency (EPA) has finalized the maximum contaminant level (MCL) regulation at 4.0 parts per trillion (ppt) with enforcement in several years.
5. Grant Funding – In April 2024, an announcement is made that the Bipartisan Infrastructure Law will allocate \$1 billion of grant funding for initial testing and treatment, with a focus on disadvantaged communities.
6. Annual CCR – The District's Annual Consumer Confidence Report (CCR) is due by July 1, 2024 or by early June 2024 if notification requirements to customers are to be met through the CCR.

DISCUSSION:

The District has a number of short and longer-term considerations regarding sources of contamination, pursuit of funding/reimbursement sources, cost analyses for potential treatment, and various messaging to customers. Staff is conducting diligence through conferences, conversations with DDW, and interviews and tours with other agencies. The considerations are as follow –

1. Analysis to determine upstream contamination sources – The District will conduct analysis to determine potential upstream contamination sources, if any, to potentially pursue for damages. *(longer term)*
 - Environmental consultant – The District may engage an environmental consultant, in conjunction with other publicly available resources such as maps and archives, to identify and triangulate potential contaminants.
2. Pursue funding sources –
 - Monitor settlements – The District has opted in to two settlements – with a combined estimated expected payout ranging from \$500K - \$1.5 million – with a third settlement recently identified. Staff and counsel will determine which sampling, evaluation, and treatment costs can be documented and recovered. *(short to medium term)*
 - Environmental law firm – The District may engage a legal specialist to assist with the claims settlement process.
 - Grant funding – The District will pursue other funding sources such as grants to mitigate known and potential cost impacts. Staff has recently engaged with Kennedy Jenks to facilitate identifying and processing grant applications. *(short term)*
 -
3. Determine mitigation options *(short to long term)* –
 - Do not treat:
 - Continue blending
 - Drill new well outside the assumed affected area
 - Shut off affected wells and switch to new water
 - Treat:
 - Environmental consultant – The District may engage an environmental consultant to assist in determining treatment method – e.g. granular-activated carbon (GAC), ion exchange, reverse osmosis etc. – along with various “media” considerations
 - Determine best business model for building a treatment facility – e.g. “design-build” model
 - Build a new PFAS treatment facility
4. Message to customers *(short to medium term)* –
 - Short term messaging – Provide the community an update on the District’s water supply within the next 1-2 weeks
 - Medium-term messaging
 - Include messaging in the Annual CCR
 - Develop built-out messaging over the next 2-3 months as the District develops a more focused plan

This item is a placeholder for discussion to share discussion from the AD Hoc PFAS Committee and staff's current efforts and to receive guidance from the Board. Staff will also share rationales for various alternatives, including a matrix evaluating options.

RECOMMENDATION

Discuss the District's short and longer-term objectives and alternatives as they relate to remediation and messaging related to PFAS.

Prepared by:



CVWD PFAS Task Force

Attachment(s): Ad Hoc Committee presentation on April 4, 2024

g:\management\board meeting staff reports\2024\04-23-24 board memo - PFAS Update.docx

PFAS AD HOC COMMITTEE MEETING



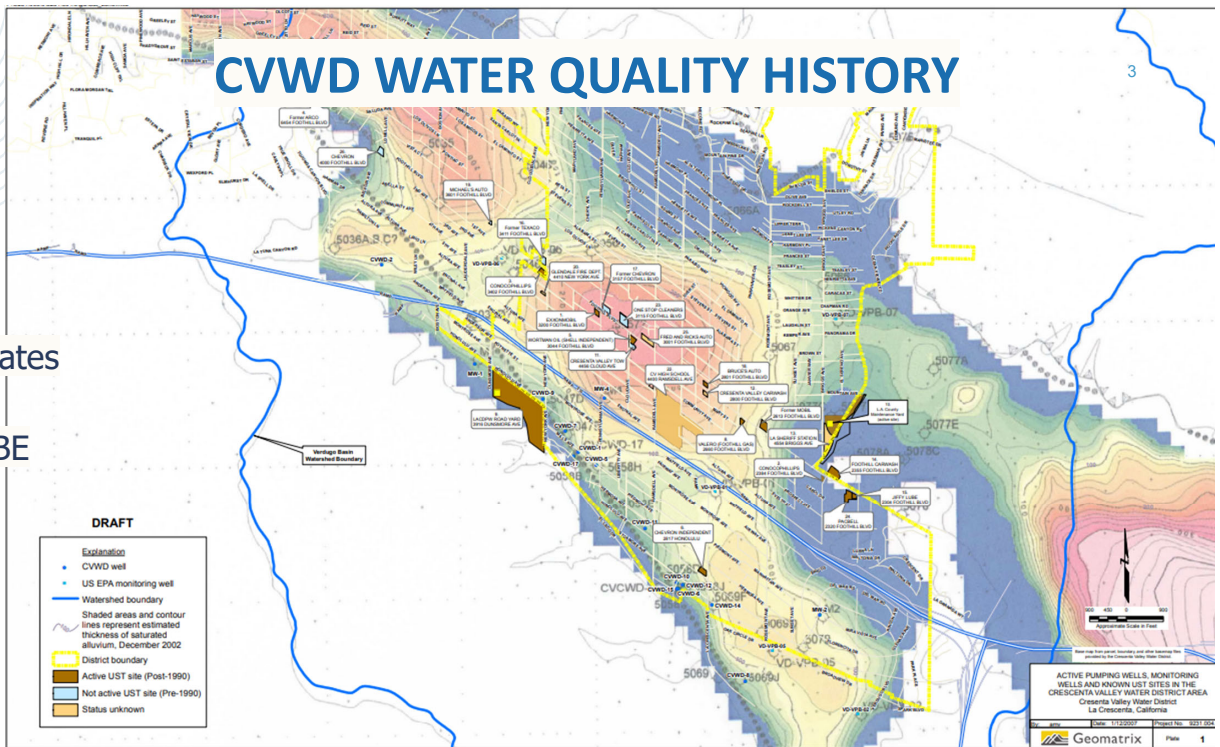
April 4, 2024

AGENDA

- CVWD Water Quality History
- PFAS situation report
- Benefit Cost Analysis of Options
- Next Steps

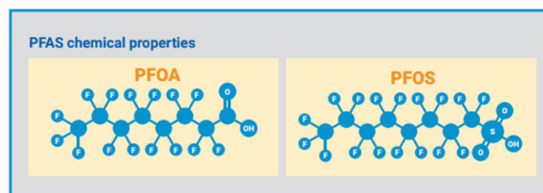


- Nitrates
- MTBE



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Today, their use has led to a serious challenge for public water suppliers. PFAS are mobile, persistent and may have adverse health effects at very low concentrations.



PFAS KEY DATES

- CVWD began sampling April 2023 with results in May 2023. Notifications were sent to downstream agencies and LCF.
- CVWD opt-ed into the settlement March 2024.
- CVWD will be submitting PFAS notification as part of its CCR, which will be mailed to customers by July 1, 2024.
- US EPA is moving forward on an MCL of 4 ug/L for PFOA and PFOS along with a hazard index for other PFOx compounds, with finalized regulations as soon as this month and enforcement in ~3 years (discussion of 5 years).

INVESTIGATION INTO SOURCES

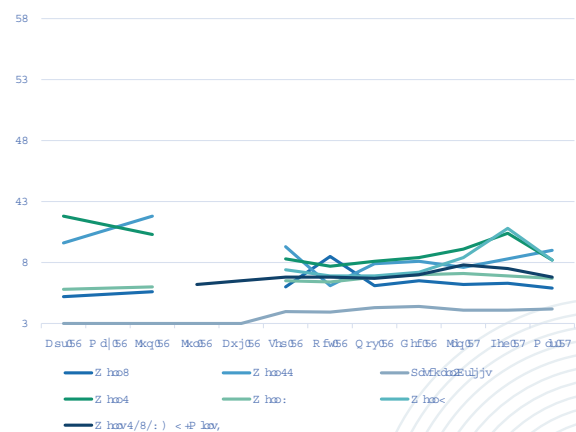
- Well 8



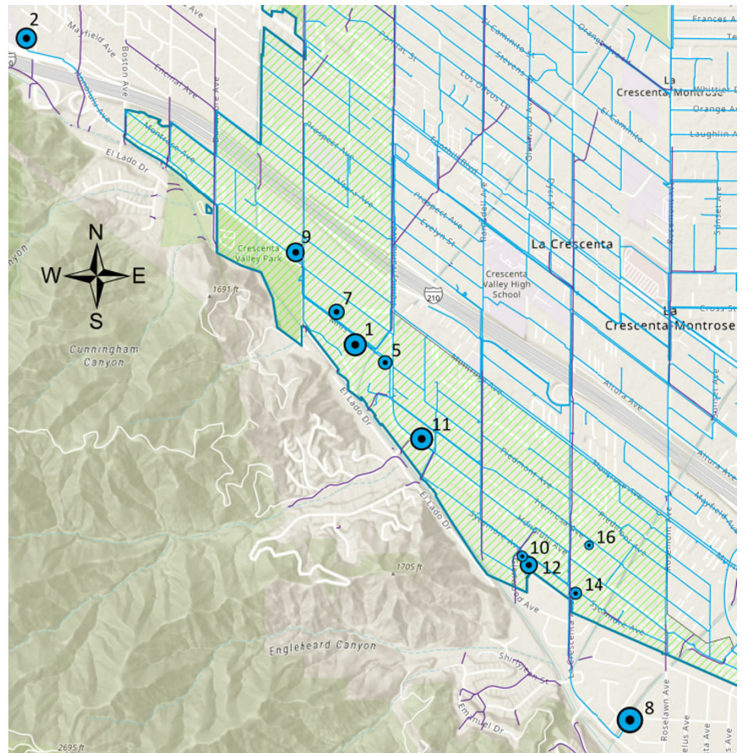
7

- # INVESTIGATION INTO SOURCES
- 
- An aerial photograph of a residential neighborhood. A red star is placed on a street, and the word "Wounded" is written in red above it. The image shows a dense residential area with many houses and trees. A road runs diagonally across the middle of the image, and another road runs horizontally across the bottom. A body of water is visible in the top left corner.

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[illegible]

The size of each circle is proportional to the average level of PFOA

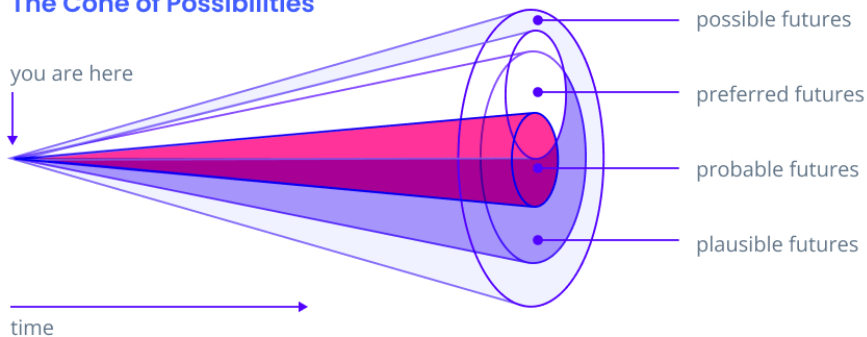


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DEVELOPING A “NO REGRETS” PATH FORWARD

The Cone of Possibilities



PFAS KNOWN UNKNOWNNS

- Ultimate settlement pay out amount.
- Amount of grant moneys available after the federal election.
- Hydrologic change will impact future concentrations.

PFAS MITIGATION OPTIONS

1. Continue blending.
2. Drill new wells outside the assumed affected area.
3. Shut off affected wells and switch to new water.
4. Build a new PFAS treatment facility.

EVALUATION OF OPTIONS

	Continue Blending	Drill new wells	Shut off affected wells	Build a treatment facility
Capital cost	Low	Medium	Low	High
Treatment cost	Low	Low	High	Med - High
Pumping cost	Low	Low	Low	Low
Imported water cost	Med - High	TBD	High	Low
Legal Risk	High	Medium	Low	Low
Public perception risk	High	Med - High	Medium	Low
Future RW, stormwater supply risk	High	High	High	Low



ILLUSTRATIVE TREATMENT COST COMPARISONS

- ▶ **Serrano Water District Well #5 and #9** (Completed Design) – This project consists of a 3,000 GPM IX System with a bag filter pre-treatment, 3,000 GPM Booster Pump Station and new chemical feed system for disinfection. Estimated Const. Cost - \$6.2M.
- ▶ **Kimberley Well 1A** (Completed Design) – Located on a very small site with a single well this facility is designed to produce 3,000 GPM using an IX System with a bag filter pre-treatment and new chemical feed system for disinfection. Estimated Const. Cost - \$3.7M.
- ▶ **Fullerton Main Plant** – The Fullerton Main Plant will treat six (6) onsite wells with a total capacity of 10,100 GPM. PFOS, PFOA and VOCs will be removed using 6 to 12 ft diameter, 40,000 lb. GAC vessels that will discharge into an existing forebay then pumped into the distribution system. The remaining wells will be treated with an IX system consisting of 8 vessels and bag filters for pre-treatment. Estimated Const. Cost - \$26.5M.
- ▶ **Yorba Linda Water District Headquarters Plant** (Completed Design) – This system will treat water from 10 wells with a total capacity of 17,400 GPM. An IX System consisting of 11 pairs of Lead/ Lag Vessels (22 vessels total), bag filter pre-treatment, Booster Pump Station, and new Onsite Generation System for chlorine disinfection. In order to get the system on the existing site an extensive analysis of the site improvements was completed. Estimated Const. Cost - \$32.5M.

Source: IRWD Engineering / Operations Committee

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STAFF RECOMMENDATION

1. Proactively communicate through the CCR and updates to the community.
2. Hire an engineering firm, reprioritize CIP as part of next year's budget
3. Field trip to Santa Clarita
4. Develop a design-build financing plan
5. Prepare to build a new PFAS treatment facility



NEWS FROM THE CVWD

By CV Weekly on March 28, 2024 · 0 Comments

Dear Community,

Crescenta Valley Water District's Board of Directors is deferring rate increases this year for both the water and wastewater utilities. The District recently conducted a public opinion survey and is delaying rate increases after considering concerns within the community about utility rates.

While future increases will be necessary to keep pace with growing costs, CVWD is committed to keeping costs as low as possible. We continue to pursue efficiencies such as evaluating in-house pipeline infrastructure replacement, completing in-house designs of smaller-scale construction jobs and shifting hiring from full-time to contract work, which allows us to accelerate initiatives and then ramp down without longer-term obligations.

Still, costs outside of our control continue to grow. Southern California's wholesale water agency, Metropolitan Water District, is considering multiple years of double-digit increases for the cost of water, including a 17% increase for the upcoming year. We are continuing to see high double-digit increases for multiple consecutive years from the City of Los Angeles for the cost of treating our wastewater collections. We are seeing neighboring agencies experiencing historic rate increases of 15% or more each year over the next five years, reflecting regional trends in infrastructure needs, regulatory compliance and resource availability.

The survey mentioned earlier also signaled that the community continues to be particularly interested in grants, pursuing stormwater capture, building partnerships and working with non-profits that benefit the community. Last month, we shared that we had been awarded two grants and are going after two more grants. Recently, we have committed to pursuing another grant, this time in partnership with Foothill Municipal Water. We continue to build a broad spectrum of partnerships from neighboring utilities and fellow first responders to non-profits like the Friends of the Rosemont Preserve (as part of the Arroyos & Foothills Conservancy). This is how we balance maximizing federal, state and local dollars while doing our part to be stewards of the community.

We also learned through the survey that there is a need for more awareness of water and wastewater services provided and we are committed to engaging with our customers. Join us on Wednesday, April 17 at 5:30 p.m. for our quarterly Office Hours at the La Crescenta Library (details in customers' bill insert and email inbox). These are opportunities to learn and share feedback and ideas with our dedicated staff and board members. Each quarter will feature a short presentation and this time we'll look at our approach to pipeline investments, from the need for them and the criteria for prioritizing projects to the successes and process improvements along the way.

To close, anybody who calls our area their home understands that this community has a special "ethos." Given this, it seems suitable to share a glimpse of our organization's inner workings. We recently refreshed our company values and they are captured by the acronym "S-E-R-V-E," reflecting how keenly we understand our commission as a public agency, chartered by the State of California, to provide essential services for life, health and emergency preparedness. Our purpose begins and ends with public servanthood. To quote a few excerpts from our values statement: "Water is essential to life and everything we do is built upon deep trust with the people we serve. Our level of stewardship is delivered from our daily care and effort ... Have humility and pride and carry yourself with professionalism ... Each of us is responsible for ourselves, each other and the community. Providing water is a public service. We are servants to our customers and each other ..."

Thank you for taking the time to read and for continuing the dialogue.

Respectfully,
James Lee, General Manager
CVWD



NEWS FROM THE CVWD <<< JAMES LEE, GENERAL MANAGER added by **CV Weekly**
on March 28, 2024

View all posts by CV Weekly →



Letting the Rain Run Through Our (Future) Drought Fingers

By CV Weekly on April 18, 2024 · 0 Comments



Patrick Atwater from the CVWD stands next to the Verdugo Wash as water rushes by on its way to the sea.

Photos by Mary O'KEEFE

With all of the recent rainfall, communities need to find ways to capture water to save it for non rainy days; however, that's easier said than done.

By Mary O'KEEFE

Capturing rainwater has been a hot topic recently, now that California actually has measurable rainfall to capture, but for the Crescenta Valley Water District (CVWD) grabbing the rainwater before it goes out to sea has been something it has been planning for years.

This project was started by Dave Gould, former director of engineering and operations for CVWD. Regulatory and Public Affairs Manager Patrick Atwater has taken up that mantle.

The Crescenta Valley County Park Stormwater Recharge Facility Study Project was completed in 2017.

"The Crescenta Valley County Park Stormwater Recharge Facility Study (Project) is a grant-funded project to evaluate the feasibility of capturing stormwater and infiltrating it into the ground to augment local groundwater supplies. The Project is consistent with CVWD's long-term goal of increasing the recharge of stormwater into the Verdugo Groundwater Basin (Basin), thereby increasing the amount of groundwater available to CVWD's groundwater production wells and City of Glendale's groundwater production wells in the Basin. Recharging more stormwater would give CVWD access to more lower-cost local groundwater and help reduce the amount of more expensive imported water that CVWD must purchase," according to the study.

On a recent rainy day, Atwater walked with CVW along the Verdugo Wash near CV Park.

"We would put a pipe here [near the dog park] and another one down the wash," Atwater said. "The water that would be captured would go into the groundwater."



Atwater details where collection pipes would be placed.

For many years the Crescenta Valley had a healthy supply of groundwater, which helped residents because CVWD had to purchase less water from Metropolitan Water, thereby keeping water charges low. The area used to be more water self-reliant but, as the drought continued, the groundwater supply was reduced.

As Atwater walked along the wash, water rushed past – a lot of water. It would seem natural, especially since earlier this month Gov. Gavin Newsom released the state's updated Water Plan, to boost the ability to capture and store water for when dry times return. Since the state is flush [no pun intended] with rainwater this capture plan would be welcomed by all ... except this is California where gold fever may have been historically dazzling; however, the real wealth is in water rights.

The water, Atwater explained, that flows down the Verdugo Wash through the La Crescenta and Glendale unincorporated areas of Los Angeles County belongs to Los Angeles.

"The [rainwater] goes down the wash to the LA River and then out to the ocean," Atwater explained.

"We've all seen water flowing down the streets when it rains," said CVWD Board President Sharon Raghavachary. "This project offers a common sense approach to recharge that water into the ground, saving both water for the future and also saving money for our community by avoiding expensive imported water."

CVWD General Manager James Lee concurs.

"This project offers an incredible opportunity to provide a long-term, low-cost solution to the District. Regional imported water prices continue to go up at historic rates. It's imperative that we don't let arcane water rights dating back centuries stand in the way of doing what is right for La Crescenta and the broader region," he said.

Capturing the water in the two areas along the wash would still allow rainwater to continue past those pipe points. There would still be water flowing into the LA River and to the sea; however, there would be some along the way diverted that would benefit the Crescenta Valley.

The City of Los Angeles Dept. of Water and Power is responsible for managing the City's water rights under the Los Angeles City Charter.

Section 673(a) of the City Charter states, "The City shall not sell, lease or otherwise dispose of the City's rights in the waters of the Los Angeles River, in whole or in part." Sections 673(c) and 677(b), however, allow the City "[t]o enter into contracts with any public agency for the exchange of water as long as the water exchanged is replaced in full to the City within a reasonable period set by the board."

"In other words, LADWP cannot allow Crescenta Valley Water District to use the City's water rights, but can exchange water with Crescenta Valley," according to an email response from LADWP to questions from CVW.

Although LADWP did state it was "always open" to discussing opportunities to collaborate and develop local water supplies, it was under the condition that they all comply with the City Charter water rights.

"I grew up in and love La Crescenta. This project is a no brainer for this community," said Atwater. "With increased variability in imported water from the Colorado River and State Water Project, this stormwater project is exactly what Southern California needs. It's time for us as a water community to work together collaboratively and do what's right for the public we all serve."

Next week CVW will look into the history of water in the local area and will, hopefully, have a response from Los Angeles Mayor Karen Bass, who has prioritized stormwater capture.



Letting the Rain Run Through Our (Future) Drought Fingers added by **CV Weekly** on April 18, 2024

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CRESCENTA VALLEY WATER DISTRICT

General Manager Report

GM Report

April 23, 2024

To: Honorable President and Members of the Board of Directors
From: James Lee, General Manager
Subject: General Manager Report

General Manager's Report Topics:

- State arrearages program
- Office Hours at the La Crescenta Library – 2nd installment
- In-house pipeline initiative – 1st project: Fiero Circle, April 29th
- Safety Lunch + solar eclipse viewing / Spring Fling

STAFFING

1 employee has a work anniversary in April: Arturo Montes – 6 years. As of April 18th, the District has gone 122 days without a lost time accident.

GENERAL MANAGER ACTIVITIES

Meetings:

Managers Meeting(s)	- April 1 st , April 8 th , April 14 th , April 21 st
Valley County Water District	- March 27 th
SCWD Stormwater Task Force	- March 28 th
Leadership Academy, 3 rd Session	- March 28 th
Glendale WP Commission	- April 1 st
State Water Resources Control Board	- April 2 nd
Crescenta Commons	- April 3 rd
Kinneloa Irrigation District	- April 3 rd
Ad Hoc PFAS Committee	- April 4 th
SoCal Water Grants Network	- April 5 th
United Water Conservation District	- April 5 th
Safety Lunch	- April 8 th
City of La Canada-Flintridge	- April 9 th
Foothill Managers	- April 10 th
Leadership Academy, 4 th Session	- April 11 th
Spring Fling	- April 12 th
Las Virgenes MWD	- April 15 th
Arroyos & Foothills Conservancy	- April 17 th
CA Data Collaborative Executive Committee	- April 17 th
Office Hours at the La Crescenta Library	- April 18 th
All-Hands Meeting	- April 18 th
Southern California Water Coalition	- April 19 th
AFSCME Local 1902	- April 22 nd

Submitted by:



James Lee
General Manager

Field Maintenance and Operations Report

March 2024

0

Water Main Repairs

9

Water Service
Repairs: 7 Replacements: 3

0

After Hours Leaks/Repairs

0'

Sewer Maintenance
Clean: 0' Inspect: 0' Reports: 0

- **Field Maintenance Projects**

- * D-23-99 – Install four 1" water services (2155 Glenada)
- * D-23-149 – Upgrade 2" water services (200 Foothill)
- * 12" Pumphline – Install 4' spool
- * Well #2 Aronite – Install 6" mixer
- * Canyon Crossing Survey

- **Operations Report**

- * PFAS study - continued
- * Well #2 – Nitrate blending plan, design & install 6" mixer, nitrate analyzers "Raw & Blend" flow testing
- * Control Valve Maintenance – Markridge Booster Station (Zone 8 to 7), Pennsylvania Station, Well 16 pressure control valve
- * Canyon Crossing survey

- **Electrical/Telemetry**

- * E-962 & E-939 – integration build with Apex – Final hardware has been installed

- **Wastewater**

- * Lift Station Visits: 4 (De-rag pumps, check valves)

Field Maintenance and Operations Report

March 2024

Days without a lost-time incident: 102

120+

Water Quality Samples w/ additional
PFAS monitoring samples

130

Valves

Replace: 0 Exercise: 130 Install: 0

1

Fire Hydrant Maintenance

Rebuild: 0 Replace: 1 Inspect: 0

0

Water Meter Replacement

¾": 0, 1": 0, 1.5": 0, 2": 0, 3": 0, 4": 0

- **Training/Cross Training**

- * GIS Navigation
 - Plant

- **Events**

- * None to report

- **New Certification**

- * None to report

- **Safety**

- * Boring Tool
 - Plant – Operation, safety & Maintenance



**Crescenta Valley Water District
Investment Portfolio Report
as of March 31, 2023**

Investment Type	Acct. No	Purchase Date	Face Value	Investment Cost	% of total	Market Value	Maturity Date	Earned to Date	Yield to Maturity
Wells Fargo Sweeps	5246		\$ 1,869,855	\$ 1,869,855	7.66%	\$ 1,869,855		\$ 42,205	5.18%
Subtotal			\$ 1,869,855	\$ 1,869,855	7.66%	\$ 1,869,855		\$ 42,205	
Local Area Investment Fund	90-19-007		\$ 1,713,673	\$ 1,713,673	7.02%	\$ 1,713,673		\$ 24,720	4.30%
Bank of the West	78622297	2/10/2024	\$ 713,376	\$ 713,376	2.92%	\$ 713,376	2/10/2024		5.00%
Subtotal			\$ 2,427,049	\$ 2,427,049	9.95%	\$ 2,427,049		\$ 24,720	
Chandler									
Cash	CCYUSD	---	\$ 1,308	\$ 1,308	0.01%	\$ 1,308	3/31/2024	\$ -	0.00%
First American Govt Oblig fund	31846V203	3/25/2024	\$ 52,665	\$ 52,665	0.22%	\$ 52,665	3/31/2024	\$ -	4.91%
US Treasury - US Treasury	91282CBV2	7/28/2021	\$ 150,000	\$ 150,246	0.62%	\$ 149,714	4/15/2024	\$ 260	5.02%
BNY Mellon Corp	06406RAS6	7/28/2021	\$ 100,000	\$ 100,169	0.41%	\$ 99,645	4/26/2024	\$ 215	5.62%
US Treasury - US Treasury	91282CCC3	7/16/2021	\$ 200,000	\$ 199,195	0.82%	\$ 198,777	5/15/2024	\$ 190	5.23%
The Toronto-Dominion Bank	89114QCA4	8/24/2021	\$ 100,000	\$ 105,646	0.43%	\$ 99,420	6/12/2024	\$ 802	5.58%
PACCAR Inc	69371RR81	6/6/2022	\$ 100,000	\$ 99,977	0.41%	\$ 99,516	6/13/2024	\$ 945	5.55%
US Treasury - US Treasury	91282CCG4	8/24/2021	\$ 200,000	\$ 199,109	0.82%	\$ 197,902	6/15/2024	\$ 148	5.35%
Salesforce, Inc.	79466LAG9	12/3/2021	\$ 115,000	\$ 113,782	0.47%	\$ 113,404	7/15/2024	\$ 152	5.50%
US Treasury - US Treasury	91282CCL3	7/16/2021	\$ 200,000	\$ 199,648	0.82%	\$ 197,170	7/15/2024	\$ 159	5.31%
U.S. Bancorp	91159HHX1	7/28/2021	\$ 100,000	\$ 105,365	0.43%	\$ 98,942	7/30/2024	\$ 407	5.61%
PACCAR Inc	69371RR40	8/3/2021	\$ 75,000	\$ 74,960	0.31%	\$ 73,662	8/9/2024	\$ 54	5.61%
Deere & Company	24422EVU0	12/3/2021	\$ 115,000	\$ 113,826	0.47%	\$ 112,649	9/10/2024	\$ 42	5.36%
Apple Inc.	037833DM9	8/24/2021	\$ 100,000	\$ 103,555	0.42%	\$ 98,435	9/11/2024	\$ 100	5.40%
FHLMC	3137BFXT3	8/19/2021	\$ 100,000	\$ 106,156	0.44%	\$ 98,181	12/25/2024	\$ 223	5.32%
US Treasury - US Treasury	912828Z52	8/24/2021	\$ 200,000	\$ 205,727	0.84%	\$ 193,938	1/31/2025	\$ 461	5.13%
Farm Credit System	3133ENPG9	2/10/2022	\$ 115,000	\$ 114,693	0.47%	\$ 111,744	2/14/2025	\$ 263	5.12%
GM Financial Automobile Leasing Trus	36265MAC9	2/15/2022	\$ 60,000	\$ 8,321	0.03%	\$ 8,300	3/20/2025	\$ 5	3.51%
Farm Credit System	3133ELVQ4	8/24/2021	\$ 200,000	\$ 202,640	0.83%	\$ 192,124	4/1/2025	\$ 950	5.04%
US Treasury - US Treasury	912828ZL7	8/25/2021	\$ 200,000	\$ 198,273	0.81%	\$ 190,359	4/30/2025	\$ 315	5.01%
Bank of Montreal	06367WB85	8/24/2021	\$ 100,000	\$ 103,354	0.42%	\$ 96,301	5/1/2025	\$ 771	5.41%
US Treasury - US Treasury Department of The Trea	912828ZT0	8/26/2021	\$ 200,000	\$ 197,125	0.81%	\$ 189,422	5/31/2025	\$ 168	4.97%
JPMorgan Chase & Co.	46647PCK0	6/28/2021	\$ 100,000	\$ 100,126	0.41%	\$ 98,839	6/23/2025	\$ 264	6.11%
US Treasury - US Treasury	912828ZW3	7/16/2021	\$ 200,000	\$ 197,148	0.81%	\$ 188,813	6/30/2025	\$ 126	4.92%
Inter-American Development Bank	4581X0DN5	9/23/2021	\$ 200,000	\$ 199,154	0.82%	\$ 189,387	7/15/2025	\$ 264	4.92%
US Treasury - US Treasury	91282CAB7	6/28/2021	\$ 200,000	\$ 196,164	0.80%	\$ 188,156	7/31/2025	\$ 84	4.89%

Investment Type	Acct. No	Purchase Date	Face Value	Investment Cost	% of total	Market Value	Maturity Date	Earned to Date	Yield to Maturity
US Treasury - US Treasury	912828K74	5/25/2022	\$ 150,000	\$ 146,918	0.60%	\$ 144,375	8/15/2025	\$ 379	4.85%
US Treasury - US Treasury	91282CAM3	6/28/2021	\$ 200,000	\$ 195,711	0.80%	\$ 186,898	9/30/2025	\$ 1	4.83%
International Bank for Recon and Dev	459058JL8	8/30/2021	\$ 200,000	\$ 198,550	0.81%	\$ 187,067	10/28/2025	\$ 425	4.81%
US Treasury - US Treasury Department of The Trea	91282CAT8	7/28/2021	\$ 200,000	\$ 197,023	0.81%	\$ 186,297	10/31/2025	\$ 210	4.80%
National Rural Utilities Cooperative	637432NG6	5/25/2022	\$ 110,000	\$ 110,037	0.45%	\$ 106,760	11/1/2025	\$ 1,490	5.21%
Honda Motor Co., Ltd.	43815EAC8	8/17/2021	\$ 55,000	\$ 20,711	0.08%	\$ 20,289	11/18/2025	\$ 3	5.93%
US Treasury - US Treasury	91282CAZ4	7/28/2021	\$ 200,000	\$ 197,945	0.81%	\$ 186,070	11/30/2025	\$ 252	4.77%
Honda Auto Receivables 2021 - 4 Owne	43815GAC3	11/16/2021	\$ 30,000	\$ 16,297	0.07%	\$ 15,903	1/21/2026	\$ 4	5.99%
Farm Credit System	3133EPW68	1/29/2024	\$ 180,000	\$ 179,149	0.73%	\$ 178,139	1/22/2026	\$ 1,423	4.73%
US Treasury - US Treasury	91282CBH3	8/5/2021	\$ 200,000	\$ 197,508	0.81%	\$ 184,914	1/31/2026	\$ 126	4.71%
State Street Corporation	857477BR3	2/2/2022	\$ 30,000	\$ 30,000	0.12%	\$ 28,997	2/6/2026	\$ 80	5.84%
Berkshire Hathaway Inc.	084670BS6	10/27/2021	\$ 110,000	\$ 118,328	0.48%	\$ 106,503	3/15/2026	\$ 153	4.85%
US Treasury - US Treasury	91282CBT7	7/30/2021	\$ 200,000	\$ 200,836	0.82%	\$ 185,313	3/31/2026	\$ 4	4.64%
Toyota Auto Receivables 2021-D Owner	89238JAC9	11/9/2021	\$ 25,000	\$ 13,971	0.06%	\$ 13,614	4/15/2026	\$ 4	6.15%
Royal Bank of Canada	78016EZQ3	7/16/2021	\$ 100,000	\$ 100,199	0.41%	\$ 92,427	4/27/2026	\$ 513	5.12%
Morgan Stanley	6174468Q5	7/27/2022	\$ 135,000	\$ 127,930	0.52%	\$ 130,241	4/28/2026	\$ 1,255	5.61%
Amazon.com, Inc.	023135BX3	7/22/2021	\$ 100,000	\$ 100,812	0.41%	\$ 92,343	5/12/2026	\$ 386	4.85%
UnitedHealth Group Incorporated	91324PEC2	7/28/2021	\$ 100,000	\$ 100,873	0.41%	\$ 92,495	5/15/2026	\$ 434	4.92%
Honda Auto Receivables 2022-1 Owner	43815BAC4	2/15/2022	\$ 45,000	\$ 35,705	0.15%	\$ 34,881	5/15/2026	\$ 30	6.04%
Toyota Motor Corporation	89236TJK2	6/28/2021	\$ 100,000	\$ 99,630	0.41%	\$ 92,043	6/18/2026	\$ 322	4.96%
Bank of America Corporation	06051GJD2	7/16/2021	\$ 100,000	\$ 100,163	0.41%	\$ 95,056	6/19/2026	\$ 374	5.58%
FHLMC	3134GXHY3	9/30/2022	\$ 120,000	\$ 105,450	0.43%	\$ 109,790	6/23/2026	\$ 245	4.82%
US Treasury - US Treasury	91282CCJ8	8/5/2021	\$ 200,000	\$ 201,625	0.83%	\$ 184,406	6/30/2026	\$ 442	4.56%
US Treasury - US Treasury	91282CCP4	8/24/2021	\$ 200,000	\$ 198,523	0.81%	\$ 182,781	7/31/2026	\$ 209	4.55%
John Deere Owner Trust 2022	47787JAC2	3/10/2022	\$ 35,000	\$ 24,297	0.10%	\$ 23,792	9/15/2026	\$ 25	5.74%
Toyota Auto Receivables 2022-B Owner	89238FAD5	4/7/2022	\$ 30,000	\$ 26,011	0.11%	\$ 25,579	9/15/2026	\$ 34	5.93%
GM Financial Consumer Automobile Rec	362554AC1	10/13/2021	\$ 20,000	\$ 11,684	0.05%	\$ 11,346	9/16/2026	\$ 3	6.58%
Walmart Inc.	931142ER0	---	\$ 100,000	\$ 89,937	0.37%	\$ 91,675	9/17/2026	\$ 41	4.67%
Target Corporation	87612EBM7	---	\$ 110,000	\$ 106,541	0.44%	\$ 102,248	1/15/2027	\$ 453	4.67%
Federal Home Loan Banks	3130AYPN0	1/29/2024	\$ 180,000	\$ 179,815	0.74%	\$ 178,512	1/15/2027	\$ 1,279	4.44%
The Procter & Gamble Company	742718FV6	1/27/2022	\$ 110,000	\$ 109,844	0.45%	\$ 102,294	2/1/2027	\$ 348	4.56%
John Deere Owner Trust 2022-B	47800AAC4	7/12/2022	\$ 35,000	\$ 34,997	0.14%	\$ 34,488	2/16/2027	\$ 58	5.73%
Toyota Auto Receivables 2022-C Owner	89231CAD9	8/8/2022	\$ 80,000	\$ 79,987	0.33%	\$ 78,647	4/15/2027	\$ 134	5.71%
Hyundai Auto Receivables Trust 2023-	448979AD6	4/4/2023	\$ 40,000	\$ 39,996	0.16%	\$ 39,639	4/15/2027	\$ 81	5.65%
Northern Trust Corporation	665859AW4	---	\$ 140,000	\$ 141,595	0.58%	\$ 136,393	5/10/2027	\$ 2,193	4.90%
John Deere Owner Trust 2022-C	47800BAC2	10/12/2022	\$ 60,000	\$ 59,995	0.25%	\$ 59,788	6/15/2027	\$ 136	5.67%
Mercedes-Benz Auto Receivables Trust	58768PAC8	11/15/2022	\$ 85,000	\$ 84,983	0.35%	\$ 84,910	8/16/2027	\$ 197	5.58%
US Treasury - US Treasury	9128283F5	12/22/2022	\$ 160,000	\$ 148,931	0.61%	\$ 148,825	11/15/2027	\$ 1,365	4.35%
Federal Home Loan Banks	3130ATUS4	12/27/2022	\$ 165,000	\$ 166,713	0.68%	\$ 164,112	12/10/2027	\$ 2,162	4.41%
GM Financial Consumer Automobile Rec	362583AD8	4/4/2023	\$ 30,000	\$ 29,999	0.12%	\$ 29,674	2/16/2028	\$ 56	5.50%

Investment Type	Acct. No	Purchase Date	Face Value	Investment Cost	% of total	Market Value	Maturity Date	Earned to Date	Yield to Maturity
Prologis, Inc.	74340XCG4	3/22/2024	\$ 105,000	\$ 105,362	0.43%	\$ 105,113	6/15/2028	\$ 1,507	4.84%
US Treasury - US Treasury	9128284V9	3/22/2024	\$ 200,000	\$ 189,000	0.77%	\$ 188,859	8/15/2028	\$ 727	4.28%
Duke Energy Corporation	26442CAX2	3/22/2024	\$ 110,000	\$ 106,456	0.44%	\$ 106,339	11/15/2028	\$ 1,641	4.76%
US Treasury - US Treasury	9128285M8	3/22/2024	\$ 200,000	\$ 190,688	0.78%	\$ 190,492	11/15/2028	\$ 2,370	4.27%
Federal Home Loan Banks	3130AXQK7	1/29/2024	\$ 180,000	\$ 185,459	0.76%	\$ 183,349	12/8/2028	\$ 3,515	4.31%
US Treasury - US Treasury	91282CJW2	3/22/2024	\$ 200,000	\$ 198,133	0.81%	\$ 197,938	1/31/2029	\$ 1,341	4.24%
Inter-American Development Bank	4581X0EN4	3/22/2024	\$ 200,000	\$ 198,528	0.81%	\$ 198,081	2/15/2029	\$ 1,398	4.34%
Cisco Systems, Inc.	17275RBR2	2/27/2024	\$ 100,000	\$ 100,052	0.41%	\$ 100,738	2/26/2029	\$ 472	4.68%
Subtotal			\$ 9,248,973	\$ 9,051,232	37.09%	\$ 8,759,209		\$ 37,666	

Stifel									
Cash	CASHCASH1		\$ 28,308	\$ 28,308	0.12%	\$ 28,308	3/31/2024	\$ -	2.81%
First Amern	31846V401		\$ 2,830,680	\$ 2,830,680	11.60%	\$ 2,830,680	3/31/2024	\$ -	4.79%
US Treasury - US Treasury	912797JQ1		\$ 542,715	\$ 538,352	2.21%	\$ 542,691	4/30/2024	\$ -	5.14%
US Treasury - US Treasury	912797HS9		\$ 263,787	\$ 261,682	1.07%	\$ 263,706	5/30/2024	\$ -	5.12%
US Treasury - US Treasury	912796Y45		\$ 610,698	\$ 605,979	2.48%	\$ 610,208	6/27/2024	\$ -	4.97%
US Treasury - US Treasury	912797JU2		\$ 605,876	\$ 601,217	2.46%	\$ 605,209	8/1/2024	\$ -	4.97%
US Treasury - US Treasury	91282CFG1		\$ 343,589	\$ 342,707	1.40%	\$ 343,081	8/31/2024	\$ 947	4.95%
US Treasury - US Treasury	91282CFN6		\$ 326,135	\$ 325,847	1.34%	\$ 325,362	9/30/2024	\$ -	4.79%
US Treasury - US Treasury	912828YM6		\$ 332,846	\$ 331,188	1.36%	\$ 331,743	10/31/2024	\$ 2,123	4.69%
US Treasury - US Treasury	9128283V0		\$ 425,952	\$ 424,652	1.74%	\$ 423,782	1/31/2025	\$ 1,784	4.50%
US Treasury - US Treasury	912828ZC7		\$ 428,025	\$ 425,835	1.74%	\$ 425,535	2/28/2025	\$ 418	4.44%
US Treasury - US Treasury	91282CGU9		\$ 422,902	\$ 422,557	1.73%	\$ 420,235	3/31/2025	\$ -	4.39%
US Treasury - US Treasury	9128284M9		\$ 424,442	\$ 423,496	1.74%	\$ 421,454	4/30/2025	\$ 5,174	4.33%
US Treasury - US Treasury	912828ZT0		\$ 423,836	\$ 421,171	1.73%	\$ 420,551	5/31/2025	\$ 370	4.28%
US Treasury - US Treasury	912828ZW3		\$ 287,538	\$ 285,750	1.17%	\$ 285,142	6/30/2025	\$ 189	4.22%
US Treasury - US Treasury	91282CAB7		\$ 289,540	\$ 287,752	1.18%	\$ 286,950	7/31/2025	\$ 126	4.19%
US Treasury - US Treasury	91282CAJ0		\$ 289,617	\$ 287,842	1.18%	\$ 286,947	8/31/2025	\$ 64	4.18%
US Treasury - US Treasury	91282CJB8		\$ 531,532	\$ 532,171	2.18%	\$ 526,374	9/30/2025	\$ -	4.14%
US Treasury - US Treasury	9128285J5		\$ 521,247	\$ 520,391	2.13%	\$ 515,694	10/31/2025	\$ 6,640	4.09%
US Treasury - US Treasury	91282CAZ4		\$ 217,442	\$ 216,202	0.89%	\$ 214,947	11/30/2025	\$ 289	4.05%
US Treasury - US Treasury	91282CJS1		\$ 227,843	\$ 227,922	0.93%	\$ 225,173	12/31/2025	\$ 2,412	4.03%
US Treasury - US Treasury	91282CBH3		\$ 467,321	\$ 464,683	1.90%	\$ 461,419	1/31/2026	\$ 308	4.00%
US Treasury - US Treasury	91282CBQ3		\$ 250,060	\$ 248,718	1.02%	\$ 246,839	2/28/2026	\$ 112	3.97%
Subtotal			\$ 11,091,931	\$ 11,055,101	45.30%	\$ 11,042,032			

Total Investments			\$ 24,637,808	\$ 24,403,237	100.00%	\$ 24,098,144		\$ 104,592	4.17%
						\$ (305,092)	Unrealized Gain/(Loss)		

Investment Type	Acct. No	Purchase Date	Face Value	Investment Cost	% of total	Market Value	Maturity Date	Earned to Date	Yield to Maturity
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I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code; are currently in conformity with the investment policy as stated in Resolution 783. As Treasurer of the Crescenta Valley Water District, I , Arturo Montes hereby certify that sufficient investment liquidity and anticipated revenues are available to meet one year of estimated expenditures for the Operations of Crescenta Valley Water District.



Arturo Montes, Secretary-Treasurer, CVWD

April 23,2024

Date