



**BOARD OF COMMISSIONERS
MEETING AGENDA**

Rowland Water District
3021 S. Fullerton Road
Rowland Heights, CA 91748

<https://us06web.zoom.us/j/82779566126?pwd=kmzUPdaZ3y1z5AjBRwYPaWZlEdr04R.1>

Meeting ID: 827 7956 6126 Passcode: 921144

**Thursday, December 11, 2025
8:00 A.M.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at <https://puentebasin.com/board-packets/> or during regular business hours at the Walnut Valley Water District office, located at 271 S. Brea Canyon Road, Walnut, California.

- | | | |
|----|--|-------------|
| 1. | Call to Order | Chair Woo |
| 2. | Flag Salute | Chair Woo |
| 3. | Roll Call | Ms. Fleming |
| | Commissioner Lewis _____ Chairman Woo _____
Vice-Chair Lima _____ Commissioner Lee _____ | |
| 4. | Public Comment
The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting. | Chair Woo |
| 5. | 2024-25 Audited Financial Statements – Prepared by Nigro & Nigro, PC
(1) Discussion (2) Action Taken | Ms. Malner |
| 6. | Approval of Minutes for October 2, 2025
(1) Discussion (2) Action Taken | Chair Woo |
| 7. | PBWA's Proposed 2026 Meeting Schedule and Approval of Resolution No 12-25-038
(1) Discussion (2) Action Taken | Mr. Macias |

PUENTE BASIN WATER AGENCY
Presentation to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

NIGRO
& NIGRO^{PC}



SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation expense.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

Puente Besin Water Agency
Dashboard – Audited Financial Statements
June 30, 2025 vs 2024

Revenues & Expenses	2025	2024	Variance
Operating Revenues:			
Water sales to TVMWD	\$ 12,986,398	\$ 12,539,526	\$ 446,872
Water sales to Project	1,219,883	1,015,535	204,348
Member agency assessments	316,742	330,505	(13,763)
Water leases	123,125	123,125	-
Other water service charges	47,380	79,000	(31,620)
Non-Operating Revenues:			
Investment earnings	14,010	13,922	88
Total Revenues	14,707,538	14,101,613	605,925
Operating Expenses:			
Water supply TVMWD	12,984,338	12,537,466	446,872
Water supply Project	1,893,514	1,497,818	395,696
Professional services	255,560	320,738	(65,178)
Other operating	105,985	90,827	15,158
Operating Expenses Before Depr.	15,239,397	14,446,849	792,548
Depreciation expense	429,285	429,285	-
Total Operating Expenses	15,668,682	14,876,134	792,548
Non-Operating Expenses:			
Interest expense	61,462	63,046	(1,584)
Capital Contributions			
Contributed capital	1,046,314	2,103,627	(1,057,313)
Change in Revenues & Expenses	\$ 23,708	\$ 1,266,060	\$ (1,242,352)
Capital Outlay:			
Capital Asset Additions	\$ (499,114)	\$ (1,560,527)	\$ 1,061,413
Depreciation Expense	429,285	429,285	-
Change in Capital Expense	\$ (69,829)	\$ (1,131,242)	\$ 1,061,413
Debt Service:			
Principal Paid	(57,076)	-	(57,076)
Change in Debt Service	\$ (57,076)	\$ -	\$ (57,076)
Cash & Investments	\$ 568,648	\$ 460,682	\$ 107,966
Quick Summary:			
Change in Revenues & Expenses	\$ 23,708		
Change in Capital Expense	(69,829)		
Debt Service – Principal Payments	(57,076)		
Change in Accounts Receivable	234,025		
Change in Inventory - Water in Storage	251,692		
Change in Accounts Payable	(274,504)		
Change in Cash & Investments	\$ 108,016	Approximately	\$ 50
Investment Earnings to Portfolio	2.72%		

PUENTE BASIN WATER AGENCY
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

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

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Board of Directors
Puente Basin Water Agency
Walnut, California

We are pleased to present this report related to our audit of the financial statements of the Puente Basin Water Agency (Agency) as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Agency's financial reporting process.

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. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Agency.

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro & Nigro, PC'. The signature is written in a cursive, flowing style.

Murrieta, California
December 11, 2025

Required Communications

PUENTE BASIN WATER AGENCY

Required Communications

For the Fiscal Year Ended June 30, 2025

Generally accepted auditing standards (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.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2025. Our audit of the 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	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

PUENTE BASIN WATER AGENCY

Required Communications

For the Fiscal Year Ended June 30, 2025

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"> 1. Management's Discussion and Analysis <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

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

PUENTE BASIN WATER AGENCY

Required Communications

For the Fiscal Year Ended June 30, 2025

Disclosure of Audit Adjustments and Reclassifications

As part of our external audit engagement, we operate under the presumption that the Agency's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the Agency's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Board of Directors with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the Agency's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

Summary of Adjusting Journal Entries

PUENTE BASIN WATER AGENCY
Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2025

None Noted

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

NIGRO & NIGRO^{PC}

PUENTE BASIN WATER AGENCY

For the Fiscal Year Ended June 30, 2025

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Puente Basin Water Agency
Walnut, California

Opinion

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

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

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Prior-Year Comparative Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated October 15, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Murrieta, California
October 15, 2025

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

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

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the Agency's net position increased 0.05%, or \$23,708 from the prior year's net position of \$45,865,381 to \$45,889,089, as a result of the year's operations.
- In fiscal year 2025, operating revenues increased 4.30%, or \$605,837 from \$14,087,691 to \$14,693,529, from the prior year, primarily due to increases in sale of water to member agencies.
- In fiscal year 2025, operating expenses before depreciation expense increased by 5.49% or \$792,548 from \$14,446,849 to \$15,239,397, from the prior year, primarily due to increases in water supply expenses.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2025, the total of these pass-through costs were reflected in both the revenues amounting to \$12,986,398 and expenses amounting to \$12,984,338 of the Agency.
- Operating expenses including depreciation for the year totaled \$15,668,682 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs of \$2,805 were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,344 acre-feet of water. The costs related to the production of water totaled \$1,887,179 for the year. These costs included the use of stored water in the amount of \$798,892, that was purchased and paid for in prior years.
- In 2025, the Agency recorded an additional \$499,114 in construction costs related to the Pomona Basin project which is currently being constructed. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2025, the ending balance of the Pomona Basin project totaled \$10,975,385.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2025, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,452,258.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

REQUIRED FINANCIAL STATEMENTS

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

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

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the Agency in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Condensed Balance Sheets

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$45,889,090 as of June 30, 2025.

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

In 2025, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds related to capital facilities of WVWD with an additional \$2,526,792 recorded as bond premium. In accordance with the installment purchase agreement, WVWD is obligated to pay the interest and principal payments related to the bonds and the premium. To account for the debt and installment purchase agreement, a liability and corresponding asset was recorded. As of June 30, 2025, the balance of the installment purchase receivable and related liability was \$32,687,331. The Series 2024A Water Revenue Bonds are reported in the fiscal year ending June 30, 2025 financial statements of WVWD.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

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

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

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

Total Revenues

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

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Total Revenues (continued)

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

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

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

Total Expenses

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

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

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Capital Assets

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

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

Debt Administration

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

PUENTE BASIN WATER AGENCY

Management's Discussion and Analysis (Unaudited)

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

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

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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

PUENTE BASIN WATER AGENCY

Balance Sheets

June 30, 2025 (With Comparative Amounts as of June 30, 2024)

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

PUENTE BASIN WATER AGENCY

Statements of Revenues, Expenses and Changes in Net Position

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

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

PUENTE BASIN WATER AGENCY

Statements of Cash Flows

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

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

PUENTE BASIN WATER AGENCY

Statements of Cash Flows (continued)

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

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

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

B. Basis of Presentation, Basis of Accounting

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs (including depreciation) of providing water to its member agencies on a continuing basis be financed or recovered primarily through user charges.

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

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

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

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

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

3. Account Receivables and Allowance for Doubtful Accounts

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

4. Prepaid expenses

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

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

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

5. Water in Storage Inventory

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

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

6. Capital Assets

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

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

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

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

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

8. Unearned Revenue

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

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

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

9. Net Position

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

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

10. Water Sales and Services

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

11. Capital Contribution

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

12. Budgetary Policies

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

D. Use of Estimates

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

E. Reclassifications

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

PUENTE BASIN WATER AGENCY
Notes to Financial Statements
June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

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

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

Cash and investments consisted of the following:

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

Demand Deposits with Financial Institutions

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

Custodial Credit Risk – Deposits

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

Local Agency Investment Fund (LAIF)

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

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

PUENTE BASIN WATER AGENCY*Notes to Financial Statements**June 30, 2025***NOTE 2 – CASH AND INVESTMENTS (continued)****Local Agency Investment Fund (LAIF) (continued)**

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

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

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

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Disclosures Relating to Interest Rate Risk

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

Disclosures Relating to Credit Risk

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

Concentration of Credit Risk

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental issuer as stipulated by the California Government Code. As of June 30, 2025, and 2024, the Agency's deposit portfolio with government sponsored agency, LAIF, is 50% and 59% respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represents 5% or more of the Agency's total investment.

Fair Value Measurements

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

NOTE 3 – INSTALLMENT PURCHASE RECEIVABLE

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

PUENTE BASIN WATER AGENCY
Notes to Financial Statements
June 30, 2025

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

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

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

NOTE 5 – BOND PAYABLE

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

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

On June 1, 2024, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of Walnut Valley Water District (WVWD), a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$2,526,793, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning December 1, 2025 with an interest only payment due on June 1, 2025, interest rates will range from 5% to 4%. The Bonds are scheduled to mature on June 1, 2054. The rate covenants of the Bonds require that net revenues of WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

PUENTE BASIN WATER AGENCY
Notes to Financial Statements
June 30, 2025

NOTE 5 – BOND PAYABLE (continued)

Future annual bond payments are as follows:

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

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

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

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

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

Fiscal Year	Principal	Interest	Total
2026	\$ 63,001	\$ 59,986	\$ 122,987
2027	69,273	57,404	126,677
2028	75,909	54,568	130,477
2029	82,930	51,462	134,392
2030	90,353	48,071	138,424
2031-2035	578,613	178,343	756,956
2036-2038	555,180	46,004	601,184
Total	1,515,259	<u>\$ 495,838</u>	<u>\$ 2,011,097</u>
Current	<u>(63,001)</u>		
Long-term	<u>\$ 1,452,258</u>		

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

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

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

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

The District's lease is summarized as follows:

Old Baldy Well Facility

On March 1, 2018, the District entered into a 30 year lease for use of the Old Baldy Well facility. An initial right-to-use lease liability was recorded in the amount of \$1,841,213. The District made semi-annually fixed lease payments of \$61,494 during the 2025 fiscal year end. Payments are adjusted every July 1 for the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area published by the Bureau of Labor Statistics for the preceding year, through July 31, 2038, at an annual interest rate of 3%. The lease has an implied interest rate of 4.0%. The District is amortizing the right-to-use leased asset of \$1,841,213 at \$7,365 per month.

NOTE 7 – NET POSITION

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

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

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 8 – RISK MANAGEMENT POOL

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

Further information about the Insurance Authority is as follows:

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

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

General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to the following deductibles per occurrence; \$2,500 deductible for buildings, fixed equipment, and personal property; \$1,000 deductible for mobile equipment and \$500 for vehicles. Scheduled vehicles and mobile equipment are covered on an actual cash basis at the time of loss.

Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.

PUENTE BASIN WATER AGENCY

Notes to Financial Statements

June 30, 2025

NOTE 8 – RISK MANAGEMENT POOL (Continued)

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Commission's insurance coverage during the years ending June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

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

Litigation

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

Construction Commitments

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

NOTE 10 – SUBSEQUENT EVENTS

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

Other Independent Auditors' Reports



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

Board of Directors
Puente Basin Water Agency
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Puente Basin Water Agency (Agency), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Murrieta, California
October 15, 2025

**MINUTES OF MEETING
OF THE BOARD OF COMMISSIONERS OF
PUENTE BASIN WATER AGENCY**

**October 2, 2025
At the Offices of the
Rowland Water District**

COMMISSIONERS PRESENT:

Theresa Lee, Commissioner
Robert Lewis, Commissioner
Tony Lima, Vice Chair

STAFF PRESENT:

Jared Macias, Administrative Officer
Myra Malner, Treasurer
Jim Ciampa, Legal Counsel
Carmen Fleming, Secretary

ABSENT:

Henry Woo, Chair

Staff, guests, and others in attendance: Gabby Palomares, Tom Coleman, Dusty Moio, and Robert Leamy, Rowland Water District; Tom Monk, Walnut Valley Water District.

The meeting was called to order at 8:06 a.m. with Vice Chair Lima presiding.

Item 4: Public Comment

- ◆ No public comments were received.

Item 5: Approval of Minutes for August 7, 2025

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lee, and unanimously carried (3-0) to approve the minutes of the Commission meeting held on August 7, 2025.

Vice Chair Lima indicated that the motion was approved by a 3-0 vote

Item 6: Review of Financial Statements: Fourth Quarter FY 24-25

- Ms. Malner reviewed the Fourth Quarter Fiscal Year 2024-25 financials.

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lee, and unanimously carried (3-0), to receive, approve and file the financials for the Fourth Quarter Fiscal Year 2024-25.

Vice Chair Lima indicated that the motion was approved by a 3-0 vote

Item 7: PBWA Legislative Activities

A. SB 72 and CA Water for All Campaign Update

- ◆ Mr. Macias provided the Commission with an update on SB 72, which was signed into law on October 1, 2025, by Governor Newsom.

Item 8: Regional Water Supply Reliability Program

A. Puente Basin Groundwater Management Plan

- i. Consider Award of Third Amendment to Professional Consultant Services Agreement with West Yost for Phase 2 – Part 3 of the Puente Basin Groundwater Management Plan

- ♦ Mr. Macias reported on the Third Amendment with West Yost for Phase 2, Part 3, noting the potential addition of a well to support both the RWD and WVWD systems. He also reported that the team is reviewing options to maximize the existing system capacity developed in previous phases as part of the proposed amendment.

Upon consideration thereof, it was moved by Commissioner Lee, seconded by Commissioner Lewis, and unanimously carried (3-0), to authorize the Administrative Officer to execute the Third Amendment with West Yost for Phase 2, Part 3.

Vice Chair Lima indicated that the motion was approved by a 3-0 vote

B. California Domestic Water Company

- ♦ Mr. Coleman reported that the Cal Domestic project is expected to begin operating with a single pump soon.

C. Central Basin

- ♦ Mr. Coleman reported ongoing discussions with Pico Water District and the City of Whittier on intertie designs and a potential partnership.

D. Pomona Basin Regional Groundwater Project

- ♦ Mr. Macias stated that a draft plan is expected by the holidays, based on a treatment approach for blending water sources. Three Valleys will operate the wells, and the permit will be issued through Walnut Valley Water District.

E. Covina Valley Partner Project

- ♦ The Commission discussed strategies to increase sales and identified a potential lot that could be combined to support this goal. They also considered pursuing a design concept for a future grant and agreed to provide updates at upcoming meetings.

Item 9: Attorney's Report

- ♦ General Counsel Ciampa provided a brief report on the Puente Basin Water Master application to amend the judgement and a brief legislative report.

Item 10: Commission Comments

No report on this item

Item 11: Items for Future Discussion/Review

No report on this item

Item 12: Public Comment on Closed Session

Closed Session was not held.

Item 13: Closed Session (Not Held)

Item 14: Adjournment at 8:56 a.m.

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Vice Chair Lima, and unanimously carried (3-0) to adjourn the meeting at 8:56 a.m. The next Commission meeting is to be held December 11, 2025, at Rowland Water District.

RESOLUTION NO. 12-25-038

**A RESOLUTION OF THE PUENTE BASIN WATER AGENCY ESTABLISHING
CALENDAR YEAR 2026 MEETING SCHEDULE**

WHEREAS, the Board of Commissioners of the Puente Basin Water Agency (the “Commission”) is required to set an annual meeting calendar to establish dates and times to assist the Commissioners and staff with advance planning and scheduling of business; and

WHEREAS, in accordance with California Government Code Section 54954, the following calendar is established, notwithstanding the possible scheduling of additional meetings or meetings on alternative dates, as required upon proper notice under the Brown Act, and by proper motion and vote of the Commission,

NOW, THEREFORE, the Board of Commissioners of the Puente Basin Water Agency hereby adopts the following resolutions:

SECTION 1: The Commission establishes the following meeting schedule and meeting locations for the Calendar Year of 2026:

Date	Time	Location
February 5, 2026*	8:00 a.m.	Rowland Water District
April 2, 2026**	8:00 a.m.	Walnut Valley Water District
June 4, 2026	8:00 a.m.	Rowland Water District
August 6, 2026	8:00 a.m.	Walnut Valley Water District
October 1, 2026	8:00 a.m.	Rowland Water District
December 10, 2026	8:00 a.m.	Walnut Valley Water District

* The annual meeting to designate Commission Officers, leadership, and staff positions.

** The annual budget meeting shall be held no later than the third week of April

SECTION 2: With proper notice during the year, meetings may be cancelled, rescheduled, or added as necessary pursuant to California law by motion duly approved by a majority of the Commissioners.

SECTION 3: The Secretary of the Commission shall certify the adoption of this resolution.

PASSED AND ADOPTED by the Commission of the Puente Basin Water Agency this 11th day of December 2025, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Chairman

ATTEST:

Secretary

		9/30/2025	TOTAL	Budget
	Ordinary Income/Expense			
1	Income			
2	Administrative Assessment	\$ 66,686	\$ 66,686	\$ 418,900
3	Water Sales - Project	130,244	130,244	3,336,200
4	Water Sales - TVMWD	1,293,021	1,293,021	5,791,900
5	Project Maintenance Reserve	222	222	12,000
6	Used of Stored/Leased Water	26,329	26,329	1,427,300
7	Total Income	1,516,502	1,516,502	10,986,300
8	Expense			
9	Source of Supply			
10	Purchased Water - TVMWD	4,709,837	4,709,837	14,766,000
11	Purchased Water - CDWC	20,988	20,988	1,086,700
12	Stored Water Used	26,329	26,329	1,427,300
13	Assessments - MSGBWM	8,924	8,924	483,400
14	Purchased Water - Old Baldy	-	-	365,600
15	Purchased Water - Durward	-	-	471,500
16	Total Source of Supply	4,766,079	4,766,079	18,600,500
17	Fixed Charges			
18	TVMWD Equivalent Small Meters	24,409	24,409	101,900
19	TVMWD Water Use Charge	22,124	22,124	91,800
20	TVMWD Connected Capacity	23,497	23,497	98,100
21	MWD Capacity Reservation Charge	123,438	123,438	475,400
22	TVMWD RTS Charge	-	-	275,000
22	Total Fixed Charges	193,468	193,468	1,042,200
23	Other Costs			
24	Energy - Pumping and Treatment	27,141	27,141	352,100
25	Materials & Supplies - Chemical	3,165	3,165	116,000
26	Materials & Supplies - Others	4,377	4,377	20,000
27	Other Costs (RWD Labor etc.)	4,364	4,364	315,300
28	Baldy Lease Agreement	61,284	61,284	125,600
29	Permits & Fees	2,060	2,060	2,200
30	Total Other Costs	102,391	102,391	931,200
31	Administrative & General			
32	Legal	2,100	2,100	20,000
33	Engineering	-	-	5,000
34	Professional Services- Other	36,428	36,428	304,200
35	Insurance - Property & Liability	11,117	11,117	6,500
36	Accounting	-	-	8,400
37	Administrative Expenses - Other	17,041	17,041	74,800
38	Total Administrative & General	66,686	66,686	418,900
39	Total Expense	5,128,625	5,128,625	20,992,800
40	Other Income/Expense			
41	Stored Water Transfer/Purchase	-	-	-
42	Leased Water Income	123,125	123,125	125,500
43	LAIF Interest	3,107	3,107	2,000
44	Grant Revenue	-	-	-
45	Other Income	-	-	-
46	Stored Water Expense	-	-	-
47	Net Other Income	126,232	126,232	127,500
48	Net Income (Loss) Before Transfers	(3,485,891)	(3,485,891)	(9,879,000)
49	Transfer In: Maint. Reserve Funds Used	-	-	-
50	Transfer Out: Maint. Reserve Funds Collected	(222)	(222)	(12,000)
51	Net Income (Loss) After Transfers	\$ (3,486,113)	\$ (3,486,113)	\$ (9,891,000)

PBWA Maintenance Reserve		9/30/2025	Year to Date	Budget
52	Beginning Balance	\$ 173,623	\$ 173,623	\$ 166,901
53	Transfers In	222	222	12,000
54	Transfers Out	-	-	-
55	Ending Balance September 30, 2024	\$ 173,845	\$ 173,845	\$ 178,901

Capital Projects		9/30/2025	Year to Date	Life to Date
56	Revenues			
57	Member Assessment - RWD	\$ -	\$ -	\$ 3,451,311
58	Member Assessment - WVWD	-	-	\$ 3,451,311
59	Grant Proceeds Use	-	-	\$ 1,872,700
60	Total Revenues	-	-	\$ 8,775,322
61	Expenses			
62	Pomona Basin	-	-	\$ 10,975,385
63	Total Expenses	\$ -	-	\$ 10,975,385

PBWA Stored Water		9/30/2025	Year to Date
64	Stored Water (\$\$):		
65	Beginning Balance	\$ 14,666,928	\$ 14,666,928
66	Add: Transferred Water	-	-
67	Less: Water Produced	(26,329)	(26,329)
68	Ending Balance	\$ 14,640,599	\$ 14,640,599
69	Stored Water (AF):		
70	Beginning Balance	22,551	22,551
71	Add: Transferred Water	-	-
72	Less: Water Produced	(44)	(44)
73	Ending Balance	22,506	22,506

**PUENTE BASIN WATER AGENCY
STATEMENT OF CASH FLOWS
FY 2025-26**

		BEGINNING BALANCE JULY 1, 2025		\$ 568,308.16
<u>Deposits:</u>				
		Rowland	1,685,513.07	
		WVWD	3,261,337.52	
		Bellflower	4,100.00	
		Pico Water District	2,400.00	
		Montebello Land & Water Company	58,125.00	
		South Montebello Irrigation District	65,000.00	
		DWR	277,398.75	
		LAIF-Interest	3,107.02	
		Subtotal Deposits		5,356,981.36
		Total Deposits		5,925,289.52
<u>Disbursements:</u>				
<u>Date</u>	<u>Check #</u>	<u>Payee</u>		
08/20/25		TVMWD	(1,196,493.73)	
09/22/25		TVMWD	(2,070,229.93)	
07/23/25	EFT	TVMWD	(1,173,687.53)	
07/01/25	2305	City of La Verne	(61,284.33)	
07/01/25	2306	Reeb Government Relations, LLC	(6,000.00)	
07/01/25	2307	Water Replenishment District of Southern	(241.25)	
07/31/25	2315	City of La Verne	(53.55)	
07/31/25	2316	ACWA/JPIA	(100.00)	
07/31/25	2317	City of La Verne	(51.00)	
07/31/25	2318	Lagerlof, LLP	(1,275.00)	
07/31/25	2319	Reeb Government Relations, LLC	(6,500.00)	
07/31/25	2320	Rowland Water District	(69,355.78)	
07/31/25	2321	Walnut Valley Water District	(3,186.71)	
07/31/25	2322	West Yost & Associates, Inc.	(5,592.50)	
08/27/25	2323	ACWA/JPIA	(11,017.42)	
08/27/25	2324	Lagerlof, LLP	(75.00)	
08/27/25	2325	Nigro & Nigro, PC	(3,000.00)	
08/27/25	2326	Reeb Government Relations, LLC	(6,500.00)	
08/27/25	2327	Rowland Water District	(27,083.57)	
08/27/25	2328	San Gabriel Valley Watermaster	(270,232.44)	
09/24/25	2329	City of La Verne	(51.00)	
09/24/25	2330	Lagerlof, LLP	(1,350.00)	
09/24/25	2331	Reeb Government Relations, LLC	(6,500.00)	
09/24/25	2332	Rowland Water District	(3,277.93)	
09/24/25	2333	West Yost & Associates, Inc.	(4,311.75)	
		Total Disbursements		(4,927,450.42)
		ENDING BALANCE SEPTEMBER 30, 2025		\$ 997,839.10
		LAIF		\$ 286,696.94
		Checking		\$ 711,142.16
		Total Cash Balance		\$ 997,839.10