



**Administration and Finance Committee
Meeting and Special Meeting of the Board
of Directors**

**Tuesday, November 04, 2025
4:30 P.M.**

Committee Members:

Jennifer Santana, Chair
Charles Treviño, Vice-Chair

*The Administration and Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Administration and Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. To preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administration and Finance Committee will not vote on matters before the Committee.

Communications

1. Call to Order
2. Public Comment

Discussion/Action

3. Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. *(Staff memorandum and draft ACFR enclosed.)*
4. Additional Discretionary Payment for Upper District's Unfunded Accrued Liability with CalPERS and Contribution to the California Employers' Pension Prefunding Trust Fund *(Staff memorandum enclosed.)*
5. Purchase of Untreated Water for Cyclic Storage *(Staff memorandum enclosed.)*

Oral Reports

6. Quarterly Investment Report – September 30, 2025
7. Policy Manual Update

Other Matters

- 8.

Adjournment

Next Meeting: Tuesday, December 02, 2025 at 4:30 p.m.

American Disabilities Act Compliance (Government Code Section 54954.2(a))

To request special assistance to participate in this meeting, please contact the District office at (626) 443-2297.



MEMORANDUM

ITEM 3. ACTION

DATE: November 4, 2025

TO: Administration and Finance Committee and the Board of Directors

FROM: General Manager

SUBJECT: Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025

Recommendation

Staff recommends that the Board of Directors receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Background

Upper Water's independent auditors, Rogers, Anderson, Malody & Scott, LLP (RAMS), have completed their audit of the financial statements for the fiscal year ended June 30, 2025. As in prior years, RAMS expressed an unmodified or clean opinion on the financial statements.

Staff will also be submitting, for the 15th consecutive year, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025 to the Government Finance Officers Association of the United States and Canada (GFOA) to participate in the Certificate of Achievement for Excellence in Financial Reporting program.

Attachment

DRAFT

Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

(With comparative data for prior year)

Prepared by:
Finance and Administration Department

248 E. Foothill Blvd., Suite 200
Monrovia, California 91016

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Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report For the fiscal year ended June 30, 2025 (With comparative data for prior year)

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
GFOA Certificate of Achievement	xv
Organizational Chart	xvi
FINANCIAL SECTION:	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	13
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date	40
Schedule of Pension Plan Contributions	41
Schedule of Changes in the Net OPEB Liability and Related Ratios	42
Schedule of OPEB Plan Contributions	43
STATISTICAL SECTION (UNAUDITED):	
Statistical Section - Table of Contents	44
Changes in Net Position	45
Net Position by Component	46
Operating Revenues by Major Source	47
Operating Expenses by Activity	48
Imported Water Deliveries	49
Imported Water Rates and Charges	50
Water Rates per Acre Foot	51
Treated Water Sales by Customer	52
Demographics and Economic Statistics - Los Angeles County	53
Ten Largest Employers in Los Angeles County	54
Operating and Capital Indicators - General	55

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Introductory Section

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October 24, 2025

To the Honorable Board of Director, Member Agencies, and Citizens
of the San Gabriel Valley

Introduction

The Upper San Gabriel Valley Municipal Water District (Upper Water) staff is pleased to present the Upper Water's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report is prepared in accordance with the guidelines set forth by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, this effort provides reasonable, rather than absolute, assurance that the financial statements contain no material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

The MD&A complements this letter of transmittal and should be read in conjunction with it.

District Profile

History

Upper Water, formed by voters in the San Gabriel Valley on December 8, 1959 to help solve water problems in the rapidly developing San Gabriel Valley, was incorporated on January 7, 1960. On March 12, 1963, residents of the District voted to annex to the Metropolitan Water District of Southern California (MWD), to provide supplemental water, first from the Colorado River and later the State Water Project, to replenish local groundwater supplies.

Upper Water played a vital role in determining water rights within the Main San Gabriel Basin by acting as plaintiff in the 1973 court case of the Upper San Gabriel Valley Municipal Water District, Plaintiff, v. City of Alhambra, et al, Defendants. This case brought about the creation of the Main San Gabriel Basin Watermaster (Watermaster), ordered by the court to administer and enforce provisions of the Judgment.

Upper Water's service area covers approximately 144 square miles and includes all or parts of 18 cities and portions of unincorporated Los Angeles County with more than 950,000 residents. Upper Water partners with many public and private entities to provide a sustainable, high quality water supply to residents and businesses within the greater San Gabriel Valley. Consistent with its motto of "Where Solutions Flow," Upper Water is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.

Vision

Upper Water aims to support a high quality of life in the greater San Gabriel Valley by providing valued water services.

Mission

Upper Water's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Core Values

Upper Water team, consisting of Board and staff, will embody the following core values in conducting the business of the district:

- Diversity – Our team will maintain an inclusive culture that is characterized by civility, respect, and consideration of all viewpoints and reflects the community we serve.
- Collaborative – Our team is collaborative, supporting each other's efforts, loyal to one another, and cares for each other both personally and professionally.
- Innovative – Our team will encourage and value the introduction of new ideas and methods.
- Integrity – Our team will consistently adhere to high moral and ethical principles.
- Professionalism – Our team will professionally, respectfully, and responsively serve the needs of its customers.
- Transparency – Our team will interact with all in a fair, open and honest manner.

Service Area

Five elected Directors, each serving a 4-year term, govern and represent a designated geographic area within the Upper Water's boundaries. Additionally, as a member agency of the Metropolitan Water District of Southern California (MWD), Upper Water appoints one representative to the MWD Board of Directors. Upper Water also has representation on the San Gabriel Basin Water Quality Authority (WQA) and Main San Gabriel Basin Watermaster (Watermaster) boards.

Most of the water imported into the Upper Water service area is used to replenish the Main San Gabriel Groundwater Basin (the Basin). A small percentage is purchased by city water departments and private water utilities for direct sale to customers.



Upper Water Board of Directors



Division 1 – Director Anthony R. Fellow, Ph.D.
Representing all of Arcadia, Bradbury, Monrovia,
and portions of El Monte and Temple City



Division 2 – Director Charles M. Treviño
Representing all of Rosemead, San Gabriel, South Pasadena,
and a portion Temple City



Division 3 – Director Ed Chavez
Representing all of City of Industry, La Puente, South El
Monte, and the communities of Spy Glass Hill, Hacienda
Heights, Valinda and Avocado Heights



Division 4 – Director Katarina Garcia
Representing all of Covina, West Covina and portions of
Azusa and Glendora



Division 5 – Director Jennifer Santana
Representing all of Baldwin Park, Duarte, Irwindale and a
portion of El Monte

Local Economy¹

Across California and its key regions, the outlook points to slower but still positive economic growth through 2026. While inflation has moderated and personal income gains remain steady, headwinds from trade policy shifts, natural disasters, and structural cost pressures will test the resilience of local economies. Over the medium term, infrastructure investment, climate adaptation, and technology-driven productivity gains will be critical to sustaining California's economic momentum.

California's economy performed strongly in 2024, with real gross state product (GSP) growth reaching 3.6 percent, surpassing the national rate of 2.8 percent. Over the next two years, the state's economic expansion is expected to align more closely with national trends. Nonfarm payroll employment increased by 224,600 jobs in 2024. However, job growth is projected to slow in 2025 and 2026 as the broader economy moderates. Real personal income rose 4.0 percent in 2024, consistent with the state's robust GDP growth. While slower gains are expected over the next two years, growth should remain solid at 2.2 percent in 2025 and 2.1 percent in 2026.

Los Angeles County's economy grew at a faster pace in 2024, with real gross county product (GCP) expanding 3.4 percent, up sharply from 1.0 percent in 2023. The County's economic growth is expected to moderate, mirroring state and national trends, with projected real GCP growth of 2.1 percent in 2025 and 1.3 percent in 2026. The County added 41,900 non-farm payroll jobs in 2024, a 0.9 percent increase from the previous year. However, job creation is expected to decelerate, with projected growth rates of 0.7 percent in 2025 and 0.2 percent in 2026. Real personal income grew 3.8 percent in 2024, outpacing the national average of 2.9 percent and only slightly below the State's 4.0 percent. Growth is expected to ease to 3.1 percent in 2025 and 2.0 percent in 2026, remaining at healthy levels. Persistent wildfire risk and the growing importance of climate resilience remain key long-term economic and planning concerns.

Before the Eaton Fire, the San Gabriel Valley (SGV) economy was performing well across multiple fronts. Employment was rising steadily, inflation pressures were easing, particularly for energy, and housing prices were increasing at a pace consistent with the national average. Capital investment was beginning to return to commercial real estate following recent interest rate shocks, and the local office sector was outperforming much of the greater Los Angeles region. However, economic indicators suggest economic growth will slow significantly, driven by reduced construction activity and broader headwinds such as fiscal tightening and rising tariffs. The sweeping tariff measures implemented by the federal government in early 2025 on imports from Canada, Mexico, China and EU imports were met with retaliatory tariffs from Canada, Mexico, and China. Assuming these policies remain in place, the cumulative impact is projected to reduce U.S. GDP by 0.5 - 1.0 percent over the next two to three years. Given SGV's employment composition of above-average shares in wholesale trade, health care, education, and leisure and hospitality, with transportation and warehousing near the national average, the region is moderately exposed to tariff-related effects. Projected impact is about 0.2 percent decline in employment or approximately 1,100 jobs lost directly attributable to tariffs. Additional headwinds may arise from federal workforce reductions and heightened immigration enforcement.

The 2025 Eaton Fire, which swept through Eaton Canyon and into Altadena, delivered a severe regional shock, reshaping priorities across industries and governments. The combined effects of tariffs and the fire are projected to result in a loss of roughly 6,500 nonfarm jobs in the San Gabriel Valley, with manufacturing most affected, losing 2,900 jobs or 5.8 percent of the sector's workforce. Construction will face near-term contraction due to higher input costs (from steel, aluminum, and lumber tariffs) and labor constraints. As rebuilding efforts intensify in subsequent years, construction and infrastructure repair are expected to see notable employment gains in 2026. Overall nonfarm employment growth is also expected to recover beginning in 2027 as the drag from tariffs subsides and rebuilding efforts accelerate.

¹Sources: San Gabriel Valley Economic Partnership's 2025 Economic Forecast; Los Angeles County Economic Development Corporation's 2025 Economic Forecast

Major Initiatives

Consistent with its mission, Upper Water strives to assist local retail water providers in managing their water supply safely and cost-effectively by improving water quality and increasing supply reliability. This is a challenging goal because factors such as climate, water quality legislation, regulations, government policy, economics, population, and market demand change affect Upper Water's planning and operations. Upper Water's primary function has been to provide supplemental water to its retail water providers, sourced from the State Water Project, the Colorado River, and recycled water.

Imported Water Deliveries

Upper Water continues to champion policies supporting sustainable groundwater management and fair treatment of San Gabriel Valley ratepayers and taxpayers.

The 10-year cyclic storage agreement executed in March 2022 by Upper Water, MWD and Watermaster provides much needed flexibility in moving water into the Main San Gabriel Basin (Basin) by allowing MWD to deliver and store up to 200,000 acre-feet of water in advance of demand for water by Watermaster and Upper Water.

Between calendar years 2017 and 2019, MWD deliveries to its cyclic account, including transfers from San Gabriel Valley Municipal Water District's cyclic account, totaled about 160,630 acre-feet. Because of shutdowns, scheduled maintenance work at the Santa Fe Dam, percolation and flow issues, MWD was only able to deliver 29,525 acre-feet of this order to its cyclic account in 2023. In December 2023, Watermaster and Upper Water purchased all the remaining water in MWD's cyclic account totaling 53,630 acre-feet. MWD restarted water deliveries to its cyclic storage account in June 2024 and has about 117,000 acre-feet of cyclic water stored by the end of fiscal year 2024/25.

As of June 2025, combined untreated imported water in cyclic storage accounts (Upper Water, producers/Watermaster and MWD) represent about 21 feet of groundwater elevation at the Baldwin Park Key Well.

Upper Water has been pre-purchasing untreated water for storage since 2015. As of June 30, 2025, the District has about 3,200 acre-feet of water in its storage account. Upper Water may consider future "preemptive" imported water deliveries while MWD has supplies available and can accommodate deliveries. These future decisions may be economically viable utilizing District reserves and continue the vision of a "wet water"-based management solutions.

The limitations on the USG-3 flows, including erosion at maximum capacity of 400 CFS, needed maintenance at the County/MWD crossing, and the percolation capacity of the spreading grounds, prompted the creation of a task force which has been meeting periodically to discuss improvements and find solutions to these limitations. The task force includes representatives from Upper Water, MWD, Los Angeles County Department of Public Works and Stetson Engineers Inc. Several alternatives have been identified for consideration including cost sharing and funding options under each alternative to minimize direct capital cost to Upper Water.

MWD relaunched its Reverse Cyclic Program (RCP) in 2024, this time including treated water, as an additional revenue generating strategy. This program allowed member agencies to purchase imported water during calendar year 2024 for deferred delivery in future years at MWD's discretion, but no later than five full calendar years from the date of purchase. Upper Water purchased 6,000 acre-feet of RCP water in December 2024 - 3,000 acre-feet for its own account and 3,000 acre-feet on behalf of Watermaster.

Upper Water submitted a Quagga Mussel Control Plan for approval by the Department of Fish and Wildlife and the Los Angeles Flood Control District as part of Upper Water's efforts to get Colorado River water (CRW) into the basin. The plan, which includes provisions for control and containment,

post-delivery eradication, testing and monitoring, identified four sections of the San Gabriel River. Control methods and monitoring strategies have been developed for each section. This effort can potentially save up to 50 thousand acre-feet of SWP supplies annually. Upper Water intends to annually review and update the Quagga Mussel Control Plan.

In October 2024, Golden Mussels were first detected near the Port of Stockton in the Sacramento-San Joaquin Delta and were later detected at Check 24 of the California Aqueduct. Upper Water subsequently initiated coordination efforts with TVMWD, SGVMWD, Watermaster and MWD to develop a Golden Mussel Control Plan.

Fiscal year 2023/24 was the third and final year of the three-year purchase agreement between Upper Water and Watermaster. Executed in December 2021, the agreement aims to address the variability of untreated water sales and the growing gap between MWD's readiness-to-serve (RTS) charge and the standby charge revenue MWD collects on behalf of Upper Water. It also supported the overall management and sustainability of the basin by increasing Watermaster and the producers' purchasing power during years when there is excess demand for replenishment water. Under the agreement, Watermaster committed to purchase a set amount of water each fiscal year sufficient to meet the District's required debt coverage ratio in exchange for a right to purchase untreated water in excess of the annual commitment at cost. Total surcharge waived by Upper Water for Watermaster's purchases above the annual commitment totaled \$5.14 million.

Authorized by the Board of Directors in October 2024, the General Manager negotiated a new letter agreement with Watermaster regarding water purchases for fiscal years 2024/25 and 2025/26 that would provide Upper Water a stable, alternative source of fixed revenue to cover its operating needs and enable Watermaster to provide its share of the RTS charge. Under the agreement, Upper Water agreed to use reserves to cover the net RTS cost of \$1.65 million for fiscal year 2024/25 and waive the per acre-foot surcharge on Watermaster's RDA water purchases for fiscal year 2025/26. In return, Watermaster agreed to pay the gross RTS for fiscal year 2025/26 allocable to its untreated water purchases as well as deliveries through USG-5.

Urban Water Management Plan

Every five years, Upper Water prepares and adopts an Urban Water Management Plan (UWMP) as required under the California Water Code. UWMPs are prepared by California's urban water suppliers to ensure adequate water supplies are available to meet existing and future water demands. Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves more than 3,000 or more connections (either directly or indirectly) is required to assess the reliability of its water sources over a 20-year planning horizon considering normal, dry, and multiple dry years. Upper Water's most recent UWMP was adopted on June 10, 2020.

Integrated Resources Plan

In 2013, the Board of Directors approved Upper Water's Integrated Resources Plan (IRP). The plan identified specific strategies and a preferred resource mix to overcome water supply challenges through 2035. In 2016, an update was provided to the Board regarding changed conditions from the previously adopted IRP. Upper Water's IRP update for 2021 was temporarily placed on hold to allow MWD to complete its process. MWD adopted an updated IRP needs assessment in 2022 which has since been expanded into a broader Climate Adaptation Master Plan for Water (CAMP4W). Working with Stetson Engineers Inc. (Stetson), Upper Water resumed work in 2024 to update its IRP to address significant changes in potential water resource programs and supply availability.

Upper Water continues to work with all stakeholders in developing and implementing innovative conservation, recycling, groundwater recharge and storm water capture projects to improve long-term water supply reliability.

Recycled Water Program

Recycled water is a key element of Upper Water's overall strategy of supplementing local water supplies. Recycled water is being used throughout California to irrigate golf courses, parks, freeway landscaping and crops. It is also being used to replenish groundwater basins, to serve as a barrier to seawater intrusion, and by industry for cooling processes and other purposes. Recycled water directly offsets the need to import increasingly expensive water that is pumped from the sensitive Bay-Delta ecosystem.

Upper Water's success in proactively advancing water recycling is largely attributable to the support of its partners. The United States Bureau of Reclamation (USBR), State Water Resources Control Board, Metropolitan Water District, Sanitation Districts of Los Angeles County, Watermaster, local retail water providers and many others contributed to the successful development of recycled water in the San Gabriel Valley.

Direct Reuse

The Direct Reuse Program includes the phased construction of a recycled water distribution system used to provide water for irrigation purposes. Over \$51 million has been invested to construct a direct reuse recycled water distribution system consisting of more than 24 miles of distribution pipeline. The major components of the direct reuse system are summarized below. All components of the system are in service.

Whittier Narrows – The Upper Water's Whittier Narrows Water Recycling Project supplies the 2,500-acre Whittier Narrows Recreation Area with about 400 million gallons of recycled water each year. The recycled water provides irrigation for a large public park, soccer, baseball, and softball fields as well as the 18-hole Whittier Narrows Golf Course.

South El Monte High School – In 2007, Upper Water converted South El Monte High School to recycled water for irrigating campus green areas and athletic fields. Recycled water used at the high school conserves nearly 17 million gallons of drinking water each year, enough to supply about 100 households.

Rosemead Extension – The San Gabriel Valley Water Recycling Project Phase IIA – Rosemead Extension consists of recycled water pipelines extending north and west from the Whittier Narrows Recreation Area to supply approximately 98 million gallons of recycled water per year to Southern California Edison corporate headquarters, Panda Express corporate headquarters, Walmart and several nurseries, schools, and businesses.

City of Industry – In 2010, the Upper Water's City of Industry Water Recycling Project began providing recycled water for irrigation purposes by extending an existing recycled water pipeline, stretching from the City of Industry through Hacienda Heights, to West Covina. The project supplies more than 260 million gallons of recycled water per year for irrigation to a landfill, golf course, baseball complex, schools, parks, medians, and green belts in the San Gabriel Valley.

South El Monte and El Monte Extension – In 2014, Upper Water assisted the San Gabriel Valley Water Company in obtaining \$1.28 million in Proposition 84 grant funds to expand the Whittier Narrows Recycled Water system to serve an additional 95 acre-feet per year of recycled water in South El Monte and El Monte. The San Gabriel Valley Water Company provided approximately \$2.13 million to complete the facilities needed and began delivering recycled water in 2019.

La Puente Valley County Water District Recycled Water System – In 2014, Upper Water assisted the La Puente Valley County Water District in obtaining \$428,000 in Proposition 84 grant funds to construct a recycled water system to serve 60 acre-feet per year of recycled

water in La Puente and the City of Industry. The La Puente Valley County Water District will provide \$1.57 million to complete the facilities needed. The construction award was approved in December 2019. The pipeline construction is complete and recycled water delivery began in October 2023.

Storm Water

Stormwater is often considered a nuisance because it mobilizes pollutants such as motor oil and trash. In most cases, stormwater flows directly to water bodies through sewer systems, contributing a major source of pollution to rivers, lakes, and the ocean. Stormwater discharges in California are regulated through National Pollutant Discharge Elimination System (NPDES) permits. However, stormwater may also act as a resource and recharged to groundwater when properly managed.

Stormwater capture facilities in the Upper San Gabriel River watershed have substantial capacity to capture precipitation that falls within the upper watershed. Facilities owned and operated by the Los Angeles County Flood Control District capture runoff in three reservoirs in San Gabriel Canyon and use the captured water to replenish the groundwater basin. These facilities capture over 95% of all rainfall in the upper watershed.

The Los Angeles Water Board regulates discharges from medium and large municipal separate storm sewer systems (MS4s) through the Los Angeles County, Long Beach, and Ventura County MS4 Permits. These permits are issued under the NPDES Program. Upper Water assisted the San Gabriel Valley Council of Governments in developing strategies toward reaching MS4 stormwater permit compliance.

Water Use Efficiency

The effects of climate change are still being seen throughout California and while the groundwater levels in the San Gabriel Valley have benefitted from two years of record water deliveries from USG-3, the need for water use efficiency remains. Upper Water continues to maintain a proactive and innovative conservation outreach program for our residents in the San Gabriel Valley. For FY 2024/25, Upper Water continued to implement residential and commercial water use efficiency programs. Upper Water's approach is in keeping with the State's long-term framework for conservation and drought planning titled, "Making Conservation a California Way of Life", which outlines implementation of EO-B-37-16. The regulation was near completion at the end of FY 2023/24 and is expected to bring big changes to the water use expectations for both indoor and outdoor usage within the region regardless of drought conditions.

In addition, AB 1572 has become a key focus for Upper Water and its producers, as the legislation prohibits the use of potable water on non-functional turf at commercial, industrial, institutional (CII), and public agency sites. Upper Water is working closely with producers to support outreach and education efforts so these new requirements can be effectively communicated and implemented before enforcement begins in January 2027.

Water Conservation and Education

Water conservation is a vital and cost-effective method of preserving our water supply and is a critical aspect of an effective, sustainable water supply program. Throughout California and the San Gabriel Valley, cities, water companies, utilities, and water districts are deeply involved in conservation and public education efforts that promote water use efficiency. Informing residents, businesses, and our youth about water use efficiency remains a top priority of Upper Water's public education program.

Residential Programs

Residential Rebate Program – Through MWD's SoCal Water Smart Regional Residential Rebate Program, Upper Water's residents are offered rebates for retrofitting several types of high water-use fixtures/equipment. Rebate items include the following: high-efficiency clothes washers (HECW), premium high efficiency toilets (PHET), weather-based irrigation controllers (WBIC), rotating sprinkler nozzles, soil moisture sensor systems (SMSS), hose bib irrigation controllers (HBIC), rain barrels, cisterns, and turf removal. Rebates were paid for 84,104 residential devices during the fiscal year that will produce approximately 552 acre feet (179,919,412 gallons) of lifetime water savings.

WaterSmart Home Kit Program – Through MWD's Member Agency Program funding, Upper Water innovated and implemented the WaterSmart Home Kit Program for disadvantaged communities within the District's service area. The program was designed to replace the WaterSmart Home Direct Install program. Each kit includes a variety of indoor and outdoor water-saving devices such as faucet aerators, showerheads, toilet flappers, and sprinkler nozzles that can be easily installed at home without a contractor. In FY 2024/2025, over 350 kits were distributed at community events and landscaping workshops, and were also delivered directly to residents who registered online.

In FY 2024/25, Upper Water was awarded a \$100,000 grant through the U.S. Bureau of Reclamation's WaterSmart funding to expand the program to all residents within the service area. The grant requires cost sharing which will be achieved through MWD funding and allows for the disadvantaged community restriction to be lifted. Since 2023, almost 800 kits have been distributed to residents.

Plant Voucher Program - In FY 2024/25, Upper Water received \$100,000 from the U.S. Bureau of Reclamation's WaterSmart Small-Scale Water Efficiency Project Grant to encourage residents to replace their outdoor lawns with water-efficient landscapes. An additional \$100,000 was provided through MWD's Member Agency Administered (MAA) Program, bringing total funding to \$200,000. Through this program, residents can redeem plant vouchers at Garden View Nursery to purchase waterwise plants. To date, 540 vouchers totaling \$135,100 have been redeemed.

Commercial, Industrial, and Institutional (CII) Program

CII Rebate Program – Through MWD's SoCal Water Smart Commercial Rebate Program, Southern California businesses are eligible for rebates to help encourage water use efficiency. This program offers rebates on a wide variety of water-saving technologies including premium high-efficiency toilets (PHETs) and zero water urinals (ZWU), ultra-low water urinals (ULWU), WBICs, rotating nozzles, large rotary nozzles, in-stem flow regulators, irrigation master valves and flow sensors, pH-cooling tower controllers (pH-CTC), cooling tower conductivity controllers (CTCC), dry vacuum pumps, connectionless food steamers, ice-making machines, and turf removal. Rebates were paid for 14,926 CII devices during FY 2024/25 that will produce approximately 196 acre feet (63,814,959 gallons) of lifetime water savings.

Education and Community Outreach Programs

Watershed Restoration Program – This program is a cooperative partnership between Upper Water and the U.S. Forest Service that incorporates volunteers into efforts to protect and maintain the local watershed. Program activities typically include collection of native seeds, planting saplings, and trash removal. During FY 2024/25, the volunteer events were held in October and November 2024 as well as March and April 2025. A total of 210 volunteers participated and over 830 trees were planted last fiscal year.

K-7th Grade Sustainable Watershed Education Program – The partnership with the Discovery Science Center provides free water education programs for K–7th grade students in Upper Water’s service area. The curriculum combines interactive assemblies for K–5th graders, hands-on workshops for 6th and 7th graders, and optional virtual sessions, covering topics such as water use efficiency, watershed protection, and groundwater awareness. Students engage in science-based activities that connect classroom learning to real-world water issues. Over 3,000 students participated in the program in FY24/25.

Water Efficiency Workshops – Upper Water continued to offer both virtual and in-person workshops, which were attended by over 220 participants. The District reintroduced the popular firescaping workshop this spring in response to ongoing wildfire concerns. Workshops will continue through the next fiscal year with Metropolitan Water District’s new consultant, Green Media Creations, while Green Gardens Group (G3) will continue providing additional workshops. Upper Water also plans to partner with UC Master Gardeners to offer further educational programs for the public.

Water Engineering 4 Good – Previously called “Solar Cup” and sponsored by MWD, Water Engineering 4 Good (WE4G) is an online STEAM competition for middle school through high school students. Through this program, teams will learn from water industry professionals about the current drought and create innovative engineering solutions to conserve water at home, in industry, agriculture, or in treatment and distribution. The teams will build a small-scale physical model out of recycled/upcycled materials and an animated CAD model of their engineering solution. The teams will also create a video journal and social media posts to document their progress and develop a multimedia presentation of their engineering solution that will be presented to and judged by a panel of water industry experts. Richard Garvey Intermediate School in Rosemead, Team 2, was selected as the WE4G contest winner this past fiscal year for their project designing a showerhead with a built-in water usage meter.

Water Awareness Art Contest – Upper Water’s art contest inspires students to think about how important water is to all life and encourages youth to express the value of water through their artwork. The contest has 4 categories: K-2, 3-5, 6-8 and 9-12th grade. There were 105 submissions and winners will be determined by the end of 2025 for the 2026 Art Contest calendar .

Water Education Grant Program – The Upper Water’s Water Education Grant Program (WEGP) offers teachers an opportunity to apply for grants of up to \$1,000 for proposed school projects that are related to water. A total of 20 applications amounting to \$15,787 were awarded during the 2024/25 school year.

Water Conservation Booths – Upper Water maintains an aggressive grassroots outreach campaign to educate the residents of the San Gabriel Valley. Informational booths on water conservation are hosted by Upper Water at city sponsored events such as summer concerts, community, and environmental fairs. Upper Water participated in 45 outreach booths during FY 2024/25.

Waterfest – Upper Water hosts an annual conservation event in partnership with the Los Angeles County Department of Parks and Recreation. This educational event for residents, families and children features interactive educational booths, environmental displays, informative presentations, free water-saving materials, raffles and more. In FY 2024/25, Waterfest moved to the spring for better weather conditions and to coincide with Water Awareness Month. The event was a major success with over 50 exhibitors and approximately 1,000 residents who participated in the one-day festival.

Conserve-a-palooza – Conserve-a-palooza is a virtual outreach program that uses social media to engage and educate residents on water conservation. For FY 2024/25, Upper Water held Conserve-a-palooza in the fall over a six-week period. Residents within Upper Water's service area had the opportunity to participate by answering weekly conservation trivia. Randomly selected participants received water-use efficiency devices as giveaways ranging from high-efficiency toilets to native plant vouchers.

News Splash Newsletter – Upper Water continues to inform residents, stakeholders and community leaders through its monthly e-newsletter called "News Splash". Each monthly edition includes water related news, information on Upper Water's conservation and educational programs, water smart workshops, and water saving resources. The newsletter is sent out on the first of every month to almost 11,000 subscribers.

Upper Water's Website – This past year, Upper Water completed a brand refresh to better reflect our mission, engage the community, and provide clear, accessible information. The updated website features a streamlined design that meets all accessibility and public access guidelines for special districts. The site continues to provide valuable educational resources and water conservation materials for residents, teachers, and parents. Through this rebranding, Upper Water emphasizes its commitment to water resilience, sustainable practices, and community engagement, reinforcing our role as trusted stewards of safe, reliable water for the communities we serve.

Upper Water's Water 101 Tours – Upper Water remains actively engaged with the region's local elected officials and offers educational programs on key water policies and issues that affect the San Gabriel Valley. This year, Upper Water held a Hoover Dam/Colorado River Aqueduct inspection trip and a State Water Project inspection trip with Metropolitan Water District of Southern California. Upper Water also hosted a Water 101 seminar for Assemblywoman Blanca Rubio's Young Legislators Program with Valley County Water District. In May 2025, Upper Water hosted a regional water tour for a delegation of state legislators and staff in partnership with Three Valleys MWD (TVMWD), San Gabriel Valley MWD (SGVMWD), San Gabriel Valley Water Quality Authority and Main San Gabriel Basin Watermaster (Watermaster).

Water Smart Video Series – Upper Water continued with an aggressive messaging campaign on local water quality and safety in FY 2024/25. Various informational videos were created on the San Gabriel Valley's local water supply, water quality, gardening and landscaping, and best practices for water conservation. The videos were shared through social media as well as through commercial ads on specific Spectrum channels throughout the region.

Finance and Administration

Upper Water remains committed to the effective and efficient management of its financial resources through sound fiscal management. Over the years, the Board of Directors supported staff in creating efficiencies and implementing cost containment measures within the District.

Cash and Investment Management

Upper Water maintains a comprehensive cash and investment program governed by the California Government Code. These regulations are embedded within the District's Investment Policy, which outlines authorized investment types and associated restrictions. Consistent with the government code, Upper Water annually reviews and adopts an investment policy aimed at safeguarding principal investments, minimizing credit and market risks, ensuring sufficient liquidity to meet anticipated operating needs for six months, and achieving a competitive portfolio yield. During the fiscal year ended June 30, 2025, available funds were invested in compliance with this policy.

California Employers' Retiree Benefit Trust Fund

In 2014, Upper Water began prefunding its other post-employment benefit (OPEB) liability through the California Employers' Retiree Benefit Trust (CERBT). As of the latest valuation with measurement date of June 30, 2023, Upper Water's OPEB is essentially fully funded at 96%, having total trust assets of \$2.35 million and total OPEB liability of \$2.45 million. As of June 30, 2025, assets held in trust total \$2.66 million.

The CERBT trust fund was initially established to take advantage of higher discount rate assumptions which translate to lower annual required contributions and unfunded liability over time as well as getting access to higher yielding investments. Since the trust assets have grown and now sufficiently cover the OPEB liability, the trust fund can also now be used as an important budgeting tool.

California Employers' Pension Prefunding Trust Fund

In June 2022, the Board authorized an additional discretionary payment of \$1 million to CalPERS to reduce Upper Water's unfunded accrued liability related to pension. Estimated interest savings from this prepayment total \$1.03 million using CalPERS' 6.80% discount rate. In June 2024, Upper Water made another additional discretionary payment of \$1 million towards the District's unfunded accrued pension liability. Estimated interest savings from this additional payment total \$0.76 million.

The Board also authorized participation in the California Employers' Pension Prefunding Trust Program (CEPPT) with an initial trust funding of \$0.50 million in 2022 and an additional plan contribution in FY 2023/24 amounting to \$1 million. As of June 30, 2025, assets held in trust for prefunding pension liability total \$1.71 million. Similar to the CERBT, the CEPPT plan is a Section 115 trust fund that can be used to build a rainy-day contingency reserves for pension costs and provide greater budgetary flexibility in the future.

Relevant Financial Policies

Internal Control Structure

Management is responsible for establishing and maintaining an internal control structure that ensures that assets are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

Annually, the Board of Directors adopts an investment policy consistent with the requirements of the California Government Code. In order of priority, three fundamental criteria are followed by the Upper Water in the investment program:

- (a) *Safety of Principal* - Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered into after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio.
- (b) *Liquidity* - Investments shall be made so that the maturity date is compatible with cash flow needs and safety of principal.
- (c) *Return on Investment* - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

During fiscal year 2024/25, all funds were invested in accordance with Upper Water's investment policy.

Designated Reserve Policy

Upper Water's adopted Designated Reserve Fund Policy sets prudent levels of reserve funds to provide financial resources not only during emergencies or planned capital projects but also for scheduled and unscheduled expenses such as operation and maintenance, debt service and stabilization of rates. The Reserve Fund Policy establishes the following six designated reserves, each with its own recommended minimum, target, and maximum levels: 1) Emergency Reserve; 2) Operating Reserve; 3) Pay-go Capital Improvement and Replacement Reserve; 4) Capital Reserve; 5) Revenue Stabilization Reserve; and 6) Water Banking Reserve.

Budget Process and Controls

Budgets are often used as a performance tool for measuring accountability of public agencies to their stakeholders. Though not legally required to do so, Upper Water annually adopts a budget not only as a management tool for planning and control purposes but also to demonstrate its commitment to fiscal responsibility and transparency. Upper Water also uses the budget as a communication tool showing how the District intends to allocate its resources in support of its mission, goals and objectives.

Developing and monitoring the budget is an ongoing process. Upper Water conducts a series of budget workshops to encourage stakeholder participation and input prior to adoption of the final budget. Monthly financial statements showing budget-to-actual comparison and analysis are presented to management and the Board of Directors to facilitate review and assessment throughout the fiscal year.

Water Rates

Pursuant to Water Code Section 71614 et seq., Upper Water establishes water rates and charges through a resolution by the Board of Directors. Prior to adoption of the water rates and charges, workshops are held to solicit input from all stakeholders.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Upper Water for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 14th consecutive year Upper Water has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. Upper Water believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement

program requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished by the combined efforts of Upper Water staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the Upper Water. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Upper Water's fiscal policies.

Respectfully submitted,



Thomas A. Love
General Manager



Evelyn M. Rodriguez
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Upper San Gabriel Valley Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

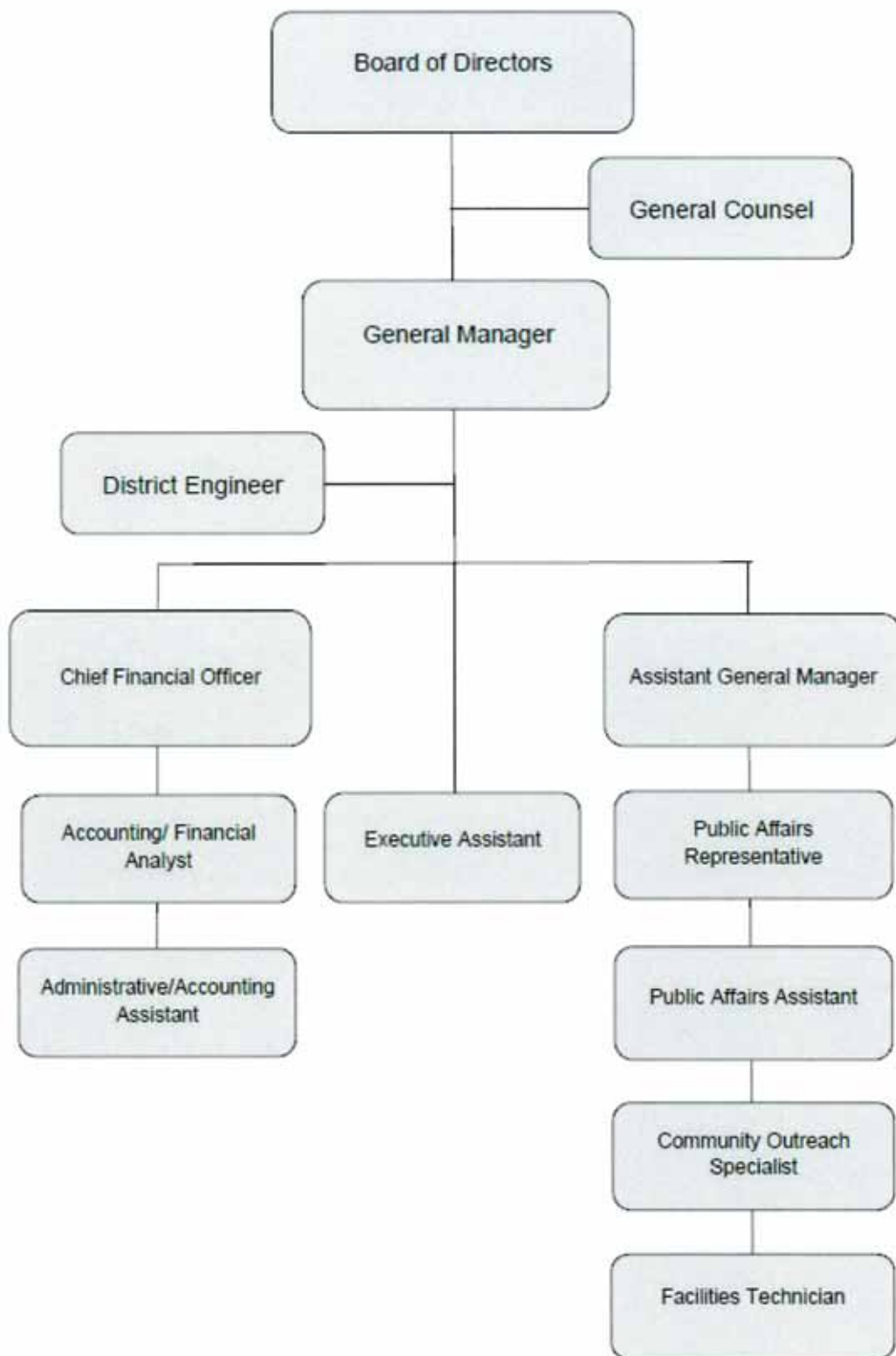
June 30, 2024

Christopher P. Morrell

Executive Director/CEO

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Organizational Chart



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Financial Section

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Independent Auditor's Report

Honorable Board of Directors
Upper San Gabriel Valley Municipal Water District
Monrovia, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Upper San Gabriel Valley Municipal Water District (the entity), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the entity'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 entity, as of June 30, 2025, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of entity 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 described in Note 1 to the financial statements during the year ended June 30, 2025, the entity adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the entity's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibility 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 entity'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 entity'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 entity'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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **November XX, 2025**, on our consideration of entity'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 entity'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 entity's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November XX, 2025

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance and activities of the Upper San Gabriel Valley Municipal Water District (Upper Water) for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes which follow this section.

Required Financial Statements

Upper Water is a wholesale water utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, Upper Water's basic financial statements include the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statement of net position presents information on all Upper Water's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Upper Water is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how Upper Water's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on an accrual basis.

The statement of cash flows is related to the other financial statements by the way it links changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources to the effect on cash and cash equivalents over the course of the fiscal year.

The notes to the financial statements provide useful information regarding Upper Water's significant accounting policies, and they explain significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Highlights

- During fiscal year 2024/25, the producers and Watermaster made combined imported water purchases of about 33,000 acre feet from Upper Water, a decrease of 31,600 acre feet or 49% less compared to the prior fiscal year. This decreased water revenue by \$25.06 million.
- Capital expenditures during FY 2024/25 mostly consist of costs associated with the upgrade of Upper Water's audio visual and computer systems.
- In December 2024, Watermaster and Upper District made a combined prepayment to MWD of \$7.54 million for 6,000 acre-feet of treated water available through MWD's Reverse Cyclic Program (RCP).
- In June 2024, Upper Water made an additional discretionary payment of \$1 million to CalPERS to reduce Upper Water's unfunded accrued liability related to pension.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

More information on the financial statement variances is covered in the next sections.

Financial Analysis of Upper Water

The statements of net position and the statements of revenues, expenses and changes in net position report provide an indication of Upper Water's financial health. It provides a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of Upper Water.

The following tables summarize Upper Water's financial condition and the changes in its net position for the past two years.

Statements of Net Position

	Consolidated Statements of Net Position		Change	
	As of June 30			
	2025	2024	Dollar	Percentage
	(in thousands)	(in thousands)	(in thousands)	
Assets				
Current assets	\$ 30,216	\$ 26,163	\$ 4,053	15.49%
Lease receivable	61	84	(23)	-27.38%
Capital assets, net	53,767	54,905	(1,138)	-2.07%
Total assets	84,044	81,152	2,892	3.56%
Deferred outflows of resources	1,732	2,808	(1,076)	-38.32%
Liabilities				
Current liabilities	6,104	2,914	3,190	109.47%
Noncurrent liabilities	6,119	8,041	(1,922)	-23.90%
Total liabilities	12,223	10,955	1,268	11.57%
Deferred inflows of resources	1,478	1,538	(60)	-3.90%
Net position				
Net investment in capital assets	48,467	48,922	(455)	-0.93%
Restricted	1,712	1,563	149	9.53%
Unrestricted	21,895	20,983	912	4.35%
Total net position	\$ 72,074	\$ 71,468	\$ 606	0.85%

As shown above, Upper Water's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$72.07 million and \$71.47 million as of June 30, 2025 and 2024, respectively, or an increase in net position of \$0.61 million.

Assets

As of June 30, 2025 and 2024, Upper Water's cyclic storage account has about 8,300 and 8,500 acre feet of water, respectively, amounting to \$6.57 million and \$6.68 million, also respectively. These are reported as part of current assets in Upper Water's statements of net position. The increase in current assets of \$4.05 million from FY 2023/24 to FY 2024/25 consists mostly of the prepayment for 6,000 acre feet of treated water under MWD's RCP amounting to \$7.54 million with Upper Water funding half of the amount and Watermaster funding the remaining half.

The decrease in capital assets during fiscal year 2023/24 is mainly due to the annual provision for depreciation.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

Liabilities

Upper Water's current liabilities as of June 30, 2025 increased by \$3.19 million from the prior fiscal year. This increase is mainly attributable to the unearned revenue associated with the prepayment received from Watermaster for 3,000 acre feet of treated water purchased through MWD's RCP.

Upper Water continued paying down its State Revolving Fund (SRF) loan, reducing amount owed to CSWRCB by \$0.68 million and \$0.67 million for fiscal years ended June 30, 2025 and 2024, respectively. Net pension liability decreased by \$1.22 million mainly due to the additional discretionary payment made by the District to CalPERS.

Net Position

A substantial portion of Upper Water's net position consists of net investment in capital assets. Capital assets are used by Upper Water to provide services to its customers and are, therefore, not available for spending. The decrease in net investment in capital assets of about \$0.46 million during fiscal year 2024/25 is due to the annual provision for depreciation offset by principal payments made to the SRF loan related to Upper Water's capital assets for water recycling.

Statements of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position provide information on the nature and sources of these changes. For the fiscal years ended June 30, 2025 and 2024, Upper Water's net position increased by \$0.61 million and \$1.29 million, respectively, as shown by the table below.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the year ended June 30		Change	
	2025 (in thousands)	2024 (in thousands)	Dollar (in thousands)	Percentage
Operating revenue				
Water revenue	\$ 37,379	\$ 62,017	\$ (24,638)	-39.73%
Water conservation	247	377	(130)	-34.48%
Other operating revenue	106	104	2	1.92%
Total operating revenue	37,732	62,498	(24,766)	-39.63%
Total operating expenses	43,241	67,331	(24,090)	-35.78%
Operating loss	(5,508)	(4,832)	(676)	13.99%
Standby charges	4,077	4,055	22	0.54%
Investment earnings, taxes, other	1,885	1,955	(70)	-3.58%
Net nonoperating revenues	5,962	6,010	(48)	-0.80%
Income before contributions	454	1,178	(724)	-61.46%
Capital contributions	127	109	18	16.51%
Change in net position	581	1,287	\$ (706)	-54.86%
Net position, beginning of year	71,467	70,271		
Net position, end of year	\$ 72,048	\$ 71,558		

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

Operating Revenue

Upper Water's sold 31,600 acre feet less imported water during FY 2024/25, reducing water revenue by \$25.06 million. Snow and rainfall levels reached above average during the prior fiscal year and groundwater storage increased to near average levels due to stormwater capture and imported water deliveries.

Nonoperating Revenue/Expenses and Capital Contributions

Nonoperating revenue, generally consisting of standby charges, investment earnings and taxes, has remained relatively stable over the years. In fiscal year 2024/25, Upper Water's standby charge rate was set at \$10 per acre per year or \$10 per parcel less than one acre per year. This charge, generating about \$2.10 million, provides funding for the recycled and water conservation programs. MWD levies a separate standby charge, set at \$9.27 per acre or portion thereof per year, on behalf of Upper Water. This charge generated \$1.98 million during fiscal year 2024/25 and partially offset MWD's RTS charge.

Operating Expenses

Upper Water purchases imported water from MWD and sets its rates based on MWD's prevailing rates plus a per-acre-foot surcharge. During fiscal year 2024/25, Upper Water sold 31,600 acre feet less imported water and, consequently, purchased significantly less water compared to the previous year. MWD also levies a readiness-to-serve (RTS) charge on its member agencies to recover a portion of MWD's costs for ensuring a reliable water supply, including capital infrastructure for emergency and drought water storage, and imported water system conveyance capacity. Upper District's share of the RTS charge increased by \$0.93 million from FY 2023/24 to FY 2024/25.

Capital Asset Administration

As of June 30, 2025, and 2024, Upper Water's investments in capital assets, net of accumulated depreciation, amounted to \$53.77 million and \$54.91 million, respectively. The following is a summary of capital assets:

	As of June 30		Change	
	2025	2024	Dollar	Percentage
	(in thousands)	(in thousands)	(in thousands)	
Intangible utility plant	\$ 657	\$ 657	\$ -	0.00%
Construction in progress	8,576	8,576	-	0.00%
Water recycling	52,105	52,105	-	0.00%
Building and improvements	7,569	7,569	-	0.00%
Furniture and equipment	291	204	87	42.65%
Other	45	21	24	114.29%
Subtotal	69,243	69,132	111	0.16%
Less accumulated depreciation	(15,477)	(14,227)	(1,250)	8.79%
Net capital assets	\$ 53,766	\$ 54,905	\$ (1,139)	-2.07%

For more information regarding Upper Water's capital assets, please refer to Note 4 of the Notes to Financial Statements.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

Long-term Debt

Construction activities for the City of Industry Project were partially funded by an SRF loan from the California State Water Resources Control Board (CSWRCB) which, as of June 30, 2025, and 2024, had a balance of \$5.30 million and \$5.98 million, respectively. Detailed information on Upper Water's long-term debt is presented under Note 7 in the Notes to Financial Statements.

Water Rates and Other Charges

On May 22, 2024, the Board of Directors approved the adoption of a water standby or availability of service charge at \$10 per acre of land or \$10 for each parcel of land less than an acre within Upper Water's service area for fiscal year 2024/25. This charge generated about \$2.10 million in revenue.

In October 2024, the Board of Directors adopted the water rates and charges for the different classes of water effective January 1, 2025. Upper Water's water rates for the last ten fiscal years are presented in the statistical section of this report.

Conditions Affecting Current Financial Position

Fiscal year 2023/24 was the third and last year of a three-year purchase agreement entered into by Upper Water and Watermaster to address the variability of untreated water sales and the growing gap between MWD's RTS charge and the standby charge revenue MWD collects on behalf of Upper Water.

In April 2025, Upper Water and Watermaster executed a new letter agreement regarding water purchases for fiscal years 2024/25 and 2025/26. Under the agreement, Upper Water agreed to use reserves to cover the net RTS cost of \$1.65 million for fiscal year 2024/25 and waive the per acre-foot surcharge on Watermaster's RDA water purchases for fiscal year 2025/26. In return, Watermaster agreed to pay the gross RTS for fiscal year 2025/26 allocable to its untreated water purchases as well as deliveries through USG-5.

Requests for Information

This financial report is designed to provide Upper Water's funding sources, customers, stakeholders and other interested parties with an overview of Upper Water's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Upper Water's Chief Financial Officer at 248 E. Foothill Blvd., Suite 200, Monrovia, California 91016.

Basic Financial Statements

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Upper San Gabriel Valley Municipal Water District

Statement of Net Position

June 30, 2025

(With summarized comparative data for prior year)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,358,952	\$ 9,693,179
Investments	6,106,252	5,804,135
Receivables:		
Water sales	1,226,506	1,347,516
Leases (Note 5)	23,761	23,032
Other	640,330	1,022,204
Prepurchased water	6,568,622	6,678,272
Prepaid expenses	7,579,027	31,577
Restricted:		
Restricted cash and investments - Section 115 trust - pension	1,712,391	1,563,025
Total current assets	30,215,841	26,162,940
Noncurrent assets:		
Leases receivable (Note 5)	60,575	84,336
Capital assets, not being depreciated (Note 4)	9,233,369	9,233,369
Capital assets, net of depreciation (Note 4)	44,533,640	45,671,790
Total noncurrent assets	53,827,584	54,989,495
Total assets	84,043,425	81,152,435
Deferred outflows of resources		
Pension related (Note 8)	1,324,550	2,390,993
OPEB related (Note 10)	406,982	416,899
Total deferred outflows of resources	1,731,532	2,807,892
Liabilities		
Current liabilities:		
Accounts payable:		
Metropolitan Water District	615,519	583,500
Other	778,990	919,354
Accrued liabilities	117,437	606,325
Unearned revenue	3,805,716	33,666
Due to State Water Resources Control Board, current portion	695,564	683,231
Compensated absences, current portion (Note 6)	90,783	88,365
Total current liabilities	6,104,009	2,914,441
Noncurrent liabilities:		
Net pension liability (Note 8)	1,341,370	2,557,698
Net OPEB liability (Note 10)	75,168	94,129
Due to State Water Resources Control Board, net of current portion	4,604,574	5,300,137
Compensated absences, net of current portion (Note 6)	97,938	89,024
Total noncurrent liabilities	6,119,050	8,040,988
Total liabilities	12,223,059	10,955,429
Deferred inflows of resources		
Lease related (Note 5)	81,088	104,821
Pension related (Note 8)	805,252	724,964
OPEB related (Note 10)	591,644	708,235
Total deferred inflows of resources	1,477,984	1,538,020
Net position		
Net investment in capital assets	48,466,871	48,921,791
Section 115 Trust - pension	1,712,391	1,563,025
Unrestricted	21,894,652	20,982,062
Total net position	\$ 72,073,914	\$ 71,466,878

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Revenues, Expenses and Changes in Net Position For the fiscal year ended June 30, 2025 (With summarized comparative data for prior year)

	2025	2024
Operating revenues		
Water revenue	\$ 37,378,542	\$ 62,016,720
Water conservation	246,970	376,729
Other revenues	106,286	103,789
Total operating revenues	37,731,798	62,497,238
Operating expenses		
Sources of supply	32,458,650	56,579,227
Water quality and supply program	5,238,308	4,341,712
Water recycling	994,082	904,491
Conservation	1,666,622	1,677,661
Depreciation	1,250,190	1,243,998
General and administrative	1,633,319	2,584,371
Total operating expenses	43,241,171	67,331,460
Operating loss	(5,509,373)	(4,834,222)
Nonoperating revenues (expenses)		
Standby charges	4,077,722	4,055,273
Investment earnings	933,230	1,033,807
Lease revenue	27,077	-
Taxes	951,341	921,344
Total nonoperating revenues (expenses)	5,989,370	6,010,424
Income before contributions	479,997	1,176,202
Capital contributions	127,039	108,944
Change in net position	607,036	1,285,146
Net position		
Beginning of year, previously reported	71,466,878	70,270,841
Change in accounting principle	-	(89,109)
Beginning of year, restated	71,466,878	70,181,732
End of year	\$ 72,073,914	\$ 71,466,878

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Cash Flows

For the fiscal year ended June 30, 2025

(With summarized comparative data for prior year)

	2025	2024
Cash flows from operating activities		
Cash received from customers	\$ 42,006,031	\$ 52,540,894
Cash payments to suppliers for goods and services	(49,537,126)	(57,319,949)
Cash payments for employees for services	(672,788)	(3,024,968)
Net cash provided by (used for) operating activities	(8,203,883)	(7,804,023)
Cash flows from noncapital financing activities		
Cash received from property taxes	951,341	921,344
Cash received from non operating programs	27,077	-
Cash received from standby charges	4,077,722	4,055,273
Net cash provided by (used for) noncapital financing activities	5,056,140	4,976,617
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(112,040)	(131,641)
Repayment of project finance agreements	(683,230)	(671,116)
Capital contributions	127,039	108,944
Net cash provided by (used for) capital and related financing activities	(668,231)	(693,813)
Cash flows from investing activities		
Cash received from sale and maturity of investments	2,974,962	2,380,000
Acquisition of investments	(3,177,048)	(3,659,044)
Investment earnings (losses)	833,199	2,066,565
Net cash provided by (used for) investing activities	631,113	787,521
Net change in cash and cash equivalents	(3,184,861)	(2,733,698)
Cash and cash equivalents		
Beginning of year	11,256,204	13,989,902
End of year	\$ 8,071,343	\$ 11,256,204
Reconciliation of cash equivalents and restricted cash and investments:		
Cash and investments	\$ 6,358,952	\$ 9,693,179
Restricted cash and investments - Section 115 trust - pension	1,712,391	1,563,025
Total cash equivalents and restricted cash and investments	\$ 8,071,343	\$ 11,256,204

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Cash Flows

For the fiscal year ended June 30, 2025

(With summarized comparative data for prior year), (concluded)

	2025	2024
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (5,509,373)	\$ (4,834,222)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,250,190	1,243,998
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	525,916	(1,157,506)
Prepurchased water	109,650	6,247,457
Prepaid expenses	(7,547,450)	27,590
Deferred outflows of resources	1,076,360	(614,642)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	(597,233)	344,629
Unearned revenue	3,772,050	(8,775,105)
Compensated absences	11,332	4,552
Deferred inflows of resources	(60,036)	19,997
Net pension liability	(18,961)	(519,841)
Net OPEB liability	(1,216,328)	209,070
Net cash provided by (used for) operating activities	\$ (8,203,883)	\$ (7,804,023)
Schedule of non-cash operating, noncapital and capital related financing and investing activities		
Fair value adjustment	\$ 75,436	\$ 168,097

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the entity

Upper San Gabriel Valley Municipal Water District (Upper Water), which comprises an area of approximately 144 square miles, was incorporated on January 7, 1960 under the provisions of the Municipal Water District Law of 1911, as amended, (now cited as "The Municipal Water District Law of 1911", Division 20, California Water Code) as a result of a special election held on December 8, 1959. On March 12, 1963, the voters of Upper Water elected to join the Metropolitan Water District of Southern California. On November 2, 1965, the citizens of West Covina voted to join Upper Water.

Adjudication proceedings, which established the legal determination of water rights of individual pumpers in the area in relation to the safe yield of the total water basin, were completed on December 29, 1972. The decree established a Watermaster, the Main San Gabriel Basin Watermaster, who took over the function of levying and collecting the assessments that had previously been levied and collected by Upper Water through its reimbursement contract and replenishment funds.

Upper Water's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Basis of accounting and measurement focus

Upper Water is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP) and the Uniform Systems of Accounts for Water Utility Districts as prescribed by the Controller of the State of California. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they were levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Prior year summarized information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Net position

Sometimes Upper Water will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position is categorized as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of resources that do not meet the definition of "restricted" or "net investment in capital assets."

Upper Water distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an entity's ongoing operations. Upper Water defines operating revenues as those realized by Upper Water in exchange for providing its primary services for water sales and water programs including conservation and recycled water. Nonoperating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources.

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Upper Water's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment benefits other than pensions (OPEB)

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 Upper Water's OPEB 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, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk management

Upper Water is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. It 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 the 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.

On June 30, 2025, Upper Water participated in the self-insurance program of the Insurance Authority as follows:

Property Loss – The Insurance Authority has pooled self-insurance up to \$10,000,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000, with deductibles ranging from \$2,500 to \$50,000.

General, Auto and Public Officials Errors and Omissions Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 and has purchased excess insurance coverage up to \$55,000,000.

Cyber Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence subject to a \$5,000,000 aggregate limit.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Crime – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence, with \$1,000 deductible.

Workers' Compensation – The Insurance Authority has pooled self-insurance up to \$2,000,000 each for workers' compensation and employers' liability. The Insurance authority purchases excess coverage up to the statutory limit of \$4,000,000.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents have been defined as deposits and highly liquid investments with maturity of 90 days or less at the date of purchase.

Investments

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). 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.

Capital assets and depreciation

Capital assets are recorded at cost. If applicable, donated assets are stated at acquisition value on the date donated. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Upper Water uses differing capitalization thresholds for the classes of assets based on materiality. Upper Water's policy is to review for capitalization those expenditures greater than \$500 that have a useful life of more than one year. Estimated service lives for Upper Water's classes of assets are as follows:

Distribution system	50 years
Building	50 years
Building improvements	10 - 15 years
Furniture and equipment	2 - 10 years

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned revenue

Unearned revenue is water revenue paid by customers, as well as rental revenue paid by a lessee in the current period but is yet to be earned by Upper Water.

Compensated absences

Upper Water's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for Upper Water's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken, cashed out, or upon termination of employment. Normally, an employee cannot accrue more than thirty days of vacation each year.

Active full-time employees accrue one day of sick leave per month up to a maximum of 120 accrued sick days. Sick leave is payable when an employee is unable to work because of illness or injury of employee, an immediate family member, spouse or registered domestic partner, or one other designated person. Upon retirement, an employee will be paid for 50% of unused sick leave.

Overhead absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

Contributions for capital acquisitions/construction

Contributions for capital acquisitions/construction represent cash and capital asset additions contributed to Upper Water by federal, state, and local granting agencies.

Budgetary policies

Upper Water 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.

Allowance for doubtful accounts

Upper Water recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. As of June 30, 2025, all receivables were deemed collectible.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes

The County bills and collects property taxes on behalf of numerous special districts and incorporated cities, including Upper Water. The Upper Water's current year tax collection is received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Pre-purchased water

Pre-purchased water consists of imported water purchased from the Metropolitan Water District and not immediately sold to client agencies. It is valued based upon purchase cost and consumed on a first in, first out basis.

Implementation of new accounting pronouncements

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard provides a unified approach for recognizing and measuring all types of compensated absences, such as vacation and sick leave. The related disclosures required by this standard are included in Note 6.

The District adopted the Governmental Accounting Standards Board (GASB) Statement No 102, *Certain Risk Disclosures*. This statement requires governments to evaluate whether any events related to significant concentrations or constraints have occurred, are occurring or likely to occur within 12 months of issuing the financial statements. As part of this evaluation, the District reviewed potential risks and did not identify any events or conditions that meet this criteria for disclosure under GASB Statement No. 102.

NOTE 2: CASH AND INVESTMENTS

Cash and investments are presented in the accompanying financial statements as follows:

Cash and cash equivalents	\$ 6,358,952
Investments	<u>7,818,643</u>
Total cash and investments	<u>\$ 14,177,595</u>

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2025 consist of the following:

Imprest cash on hand	\$	500
Deposits with financial institutions		889,198
Cash with investment broker		4,676
Total cash		894,374
Local Agency Investment Fund ⁽¹⁾		5,464,578
Money market mutual funds		1,279,015
U.S. Agency funds		1,543,990
U.S. Treasury securities		2,972,870
U.S. Corporate funds		154,611
Supranational		155,766
Total unrestricted investments		11,570,830
Investment in Section 115 trust - pension		1,712,391
Total investments		13,283,221
Total cash and investments	\$	14,177,595

⁽¹⁾ Upper Water is a voluntary participant in the Local Agency Investment Fund (LAIF), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to \$75 million. As of June 30, 2024, the total fair value of LAIF, including accrued interest was approximately \$178 billion. Upper Water's proportionate share of that value is \$8.83 million as of June 30, 2024. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more. As regards to credit rating, LAIF is unrated as of June 30, 2024.

Investment policy

The Upper Water's investment policy outlines the guidelines required to be used in effectively managing Upper Water's available cash in accordance with the California Government Code. To address interest rate risk, the Upper Water's existing policy limits the maturity of investments to five years, with the exception of special trust funds which shall not be subject to this limitation. To mitigate credit risks associated with its investments, the Upper Water's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect the Upper Water's cash flow.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Upper Water's investments in LAIF have a weighted average maturity of 248 days, generally consistent with its cash flow and liquidity needs. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

Information about the sensitivity of the fair values of the Upper Water's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Upper Water's investments by maturity.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Maturities of investments as of June 30, 2025, were as follows:

Investment Type (including LAIF)	Total	Remaining maturing (in months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
Local Agency Investment Fund	\$ 5,464,578	\$ 5,464,578	\$ -	\$ -
Money market mutual funds	1,279,015	1,279,015	-	-
U.S. Agency funds	1,543,990	659,610	731,431	152,949
U.S. Treasury securities	2,972,870	1,300,846	1,519,821	152,203
U.S. Corporate funds	154,611	154,611	-	-
Supranational	155,766	100,357	55,409	-
Total	\$ 11,570,830	\$ 8,959,017	\$ 2,306,661	\$ 305,152

Concentration of credit risk

A concentration of credit risk is the risk of loss attributable to the magnitude of the Upper Water's investment in a single issuer. The Upper Water's investment policy 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, 2025, there were no investments in any one issuer (other than U.S. Treasury securities, agency funds, corporate funds, and external investment pools) that represent 5% or more of total Upper Water investments.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk

Custodial credit risk is the risk that the Upper Water will not be able to (a) recover deposits if the depositor financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's (agency) deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Deposits are exposed to custodial credit risk if they are uninsured and are either:

- a. Uncollateralized;
- b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name.

As of June 30, 2025, Upper Water's deposits (bank balances) exceeded the maximum deposit insurance amount by \$670,335, which is collateralized as described above.

Investments

The California Government Code authorizes Upper Water to invest in obligations of the United States Treasury, agencies, and instrumentalities; prime commercial paper; bankers' acceptances; repurchase and reverse repurchase agreements; financial futures or financial option contracts; negotiable certificates of deposit; obligations of the State of California; and obligations of local agencies within California.

Investments are exposed to custodial credit risk if they are uninsured, unregistered and held by either:

- a. Counterparty;
- b. The counterparty's trust department or agent but not in the government's name.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Upper Water's investment policy limits eligible investments to large institutions. As of June 30, 2025, Upper Water had the majority of its investments in LAIF.

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 actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2025, were as follows:

Investment Type (including LAIF)	Total	Minimum legal rating	Standard & Poor's Rating as of year end
Local Agency Investment Fund	\$ 5,464,578	N/A	Unrated
U.S. Treasury securities	2,972,870	N/A	Unrated
Money market mutual funds	1,279,015	A	AAA
U.S. Agency funds	1,543,990	N/A	AA+
U.S. Corporate funds	154,611	N/A	A+
Supranational	155,766	AA	AAA
Total	<u>\$ 11,570,830</u>		

NOTE 3: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Upper Water categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, while Level 3 inputs are significant unobservable inputs;

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 3: FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive market; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 inputs are unobservable inputs for an asset or liability.

The following table represent the Upper Water's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Investment by fair value level	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
U.S. Agency funds	\$ 1,543,990	\$ -	\$ 1,543,990	\$ -
U.S. Treasury securities	2,972,870	-	2,972,870	-
U.S. Corporate funds	154,611	-	154,611	-
Supranational	155,766	-	155,766	-
	4,827,237	\$ -	\$ 4,827,237	\$ -
Investments not subject to fair value measurements:				
LAIF	5,464,578			
Money market mutual funds	1,279,015			
Total investments	\$ 11,570,830			

Upper Water's investments in LAIF as of June 30, 2025 are reported at the Upper Water's pro-rata share of the amortized cost provided by LAIF for the entire portfolio.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 4: CAPITAL ASSETS

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

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets, not being depreciated					
Intangible utility plant	\$ 656,874	\$ -	\$ -	\$ -	\$ 656,874
Construction in progress	8,576,495	-	-	-	8,576,495
Total capital assets, not being depreciated	9,233,369	-	-	-	9,233,369
Capital assets, being depreciated:					
Buildings and improvements	7,569,411	-	-	-	7,569,411
Water recycling	52,105,171	-	-	-	52,105,171
Furniture and equipment	203,564	87,868	-	-	291,432
Other	20,964	24,172	-	-	45,136
Total capital assets, being depreciated	59,899,110	112,040	-	-	60,011,150
Less accumulated depreciation for:					
Buildings and improvements	(239,447)	(159,097)	-	-	(398,544)
Water recycling	(13,795,494)	(1,072,636)	-	-	(14,868,130)
Furniture and equipment	(171,415)	(16,644)	-	-	(188,059)
Other	(20,964)	(1,813)	-	-	(22,777)
Total accumulated depreciation	(14,227,320)	(1,250,190)	-	-	(15,477,510)
Total capital assets being depreciated, net	45,671,790	(1,138,150)	-	-	44,533,640
Total capital assets, net	\$ 54,905,159	\$ (1,138,150)	\$ -	\$ -	\$ 53,767,009

Depreciation expense for the year ended June 30, 2025 totaled \$1,250,190.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 5: LEASE RECEIVABLE

On February 10, 2022, Upper Water entered into a 5-year lease as lessor for the use of an office space. The agreement, which was amended on November 30, 2022 to have a commencement date of December 1, 2022, allows for additional one-year term extensions. A lease receivable in the amount of \$142,398 was initially recorded. As of June 30, 2025, the value of this receivable is \$84,336. The lease has an interest rate of 3.12% and requires the lessee to make fixed monthly payments of \$2,166. Upper Water recognized lease revenue of \$27,077 during the fiscal year. The lessee's future payment requirements are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 23,761	\$ 2,227	\$ 25,988
2027	24,514	1,474	25,988
2028	25,290	698	25,988
2029	10,771	56	10,827
	<u>\$ 84,336</u>	<u>\$ 4,455</u>	<u>\$ 88,791</u>

Lease activity for the year ended June 30, 2025, is summarized as follows:

<u>Deferred Inflow of Resources</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>
Office Lease	<u>\$ 104,821</u>	<u>\$ -</u>	<u>\$ 23,733</u>	<u>\$ 81,088</u>
 <u>Lease Receivable</u>	 <u>July 1, 2024</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>June 30, 2025</u>
Office Lease	<u>\$ 107,368</u>	<u>\$ -</u>	<u>\$ 23,032</u>	<u>\$ 84,336</u>

NOTE 6: COMPENSATED ABSENCES

Changes in compensated absences for the year ended June 30, 2025 were as follows:

Balance at beginning of year	\$ 177,389
Net addition	<u>11,332</u>
Balance at end of year	188,721
Less current portion	<u>90,783</u>
Long-term portion	<u>\$ 97,938</u>

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 7: AGREEMENTS WITH STATE WATER RESOURCES CONTROL BOARD

Project finance agreements (direct borrowing)

In December 2009, Upper Water entered into four (4) project finance agreements with the California State Water Resources Control Board (CSWRCB) for a total amount of \$17.02 million for the purpose of financing the planning, design, acquisition, construction, and installation of the Water Recycling Pipeline and Pump Station Project Phase IIB. Principal payments range from \$75,541 to \$527,409 varying by loan. These project funds shall be repaid in annual installments commencing on the date that is one year after completion of construction and payable up to 21 years at zero interest rate. In addition, the Upper Water has pledged all net revenues for repayment of the debt. As of June 30, 2025, Upper Water has drawn down a total of \$13,171,937 under this agreement. Construction activities funded by the CSWRCB loans were completed as of June 30, 2013.

Balance at the beginning of year	\$ 5,983,368
Principal payments	(683,230)
Balance at end of year	5,300,138
Less short-term portion	(695,564)
Long-term portion	<u>\$ 4,604,574</u>

Amounts due under the agreements, which include imputed interest, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 695,564	\$ 95,669	\$ 791,233
2027	708,119	83,113	791,232
2028	720,901	70,331	791,232
2029	733,914	57,318	791,232
2030	747,162	44,070	791,232
2031-2033	1,694,478	50,310	1,744,788
Total	<u>\$ 5,300,138</u>	<u>\$ 400,811</u>	<u>\$ 5,700,949</u>

Upper Water repaid \$791,232 during the year ended June 30, 2025, of which \$683,230 is related to principal payments and \$108,002 is related to imputed interest, excluding accrued interest.

In the event of a termination, Upper Water has agreed, upon demand, to immediately repay to the State Water Board an amount equal to installment payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Upper Water to the date of full repayment by the Upper Water.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN

General information about the Pension Plan

Plan description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors a cost sharing multiple employer defined benefit pension plan. Benefit provisions under the Plan are established by State statute and District 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, at www.calpers.ca.gov.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and, death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 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.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect as of June 30, 2025 are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates (reporting period)	17.62%	8.63%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2025 were \$351,515.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial methods and assumptions used to determine Total Pension Liability

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost Method
Asset Valuation Method:	Fair Value of Assets
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as follows:

Asset Class	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%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.0%	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021-22 Asset Liability Management Study

Change of assumptions

There were no assumption changes for the June 30, 2024 measurement date.

Discount rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Subsequent events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement period.

	Plan Total	Plan Fiduciary	Plan Net Pension
Balance at: 6/30/2023 (VD)	\$ 13,711,299	\$ 11,153,601	\$ 2,557,698
Balance at: 6/30/2024 (MD)	14,771,782	13,430,412	1,341,370
Net change during 2023-24	\$ 1,060,483	\$ 2,276,811	\$ (1,216,328)

(VD) Valuation Date, (MD) Measurement Date

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The District's proportionate share of the net pension liability for the Plan (miscellaneous) as of the June 30, 2023 and 2024 measurement dates was as follows:

Proportion share of NPL - MD June 30, 2023	0.05115%
Proportion share of NPL - MD June 30, 2024	0.02773%
Change - Increase (Decrease)	(0.02342%)

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the proportionate share of the Net Pension Liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan's Net Pension Liability	\$ 3,334,680	\$ 1,341,370	\$ (299,418)

Amortization of deferred outflows and deferred inflows of resources

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses.

The amortization period differs depending on the source of the gain or loss:

All other amounts	Straight-line amortization over the average expected remaining services lives (EARSLS) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period
-------------------	--

Pension expense and deferred outflows and deferred inflows of resources related to pensions

As of the start of the measurement period (July 1, 2023), the District's net pension liability was \$2,557,698. For the measurement period ending June 30, 2024 (the measurement date), the District incurred a pension expense of \$281,917.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of June 30, 2025, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 34,475	\$ -
Difference between expected and actual experience	115,974	4,525
Difference between projected and actual investment earnings	77,221	-
Difference between employer's contribution and proportionate share of contributions	733,011	50,370
Change in employer's proportion	12,354	750,357
Pension contributions made subsequent to measurement date	351,515	-
Totals	\$ 1,324,550	\$ 805,252

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred outflows/(inflows) of resources, net
2026	\$ (14,932)
2027	183,413
2028	25,765
2029	(26,463)
2030	-
Thereafter	-

Payable to the pension plan

As of June 30, 2025, the District reported a payable of \$16,469 for the outstanding amount of contributions to the pension plan required for the year then ended.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 9: DEFERRED COMPENSATION AGREEMENT

Upper Water offers its employees a deferred compensation plan (DC Plan) created in accordance with Internal Revenue Code Section 457. The DC Plan, available to all of the Upper Water employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the DC Plan are held in trust, not controlled by the District and are not subject to the creditors of the Upper Water. Accordingly, the assets and liabilities of the DC Plan are not reflected in these financial statements in accordance with GASB 84.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General information about the OPEB Plan

Plan description

Upper Water provides postretirement medical benefits to employees who retire directly from Upper Water under a single employer defined benefit postemployment benefits plan. In March 2014, the Board of Directors authorized the prefunding of OPEB through an irrevocable trust, the California Employer's Retiree Benefit Trust (CERBT). The CalPERS Board of Administration has sole and exclusive control and power over the administration and investment of the CERBT. The plan itself does not issue a separate set of financial statements. The CERBT plan does issue a separate set of financial statements that can be obtained from the CalPERS website.

Upper Water's postemployment healthcare benefits provided to certain qualified employees, directors and their dependents based on resolutions by the Board of Directors are as follows:

- A Health & Accident and Major Medical Payments Insurance Policy, as selected and approved by the Board.
- A combined maximum of up to \$12,000 per calendar year, depending on date of hire and applicable plan, for retirees and their dependents for medical costs not covered by the insurance policy above and for eligible costs of dental, vision and/or hearing.

These benefits are provided to each retired employee, hired full-time before July 1, 2021, who has served the Upper Water for more than ten years before terminating employment at age 55 years or older and each retired director who served in office after January 1, 1981, was elected to the board prior to January 1, 1995, has served not less than twelve years or three full terms of office and has attained the age of 50 years.

Officers and full-time employees who began service with the Upper Water, on or after July 1, 2021, and has served the Upper Water continuously for a period of ten (10) years or more and has reached the normal retirement age set by CalPERS while employed full-time with Upper Water, but has not yet attained the age of 65 years or eligibility for Medicare (Medicare Age) shall receive the same or equivalent medical benefits to that offered to active employees of the same tier.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Employees covered by benefit terms

As of June 30, 2023 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	Count
Active employees	10
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefit payments	-
Total	17

Contributions and funding policy

The Plan and its contribution requirements are established and may be amended by the Board of Directors. In March 2014, the Board of Directors authorized the execution of the prefunding agreement with the CERBT and fully funding the annual required contributions (contractually determined) for OPEB.

During fiscal year ended June 30, 2025, Upper Water paid \$256,782 in retiree insurance premiums and health reimbursements. As the measurement date of June 30, 2024, the Trust account balance was \$2,478,213. The Trust assets are dedicated to providing benefits to retirees and are legally protected from the creditors of the Upper Water and the plan members. The Trust assets are not reported in the Upper Water's financial statements.

Net OPEB Liability

Upper Water's net OPEB liability was measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures.

Actuarial assumptions

This valuation assumes that the Upper Water will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 28 years. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability for the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Actuarial cost method	Entry age actuarial cost method
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary Increases	2.75% per year
Investment Rate of Return	6.75% per year of net expenses; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare cost trend rates	4.00% per year
Mortality rates	Based on 2021 CalPERS mortality for miscellaneous and schools employees

The valuation used historic 28-year real rates of return for each class along with the assumed long-term inflation assumption to set the discount rate. It offsets the expected investment return by investment expenses of 50 basis points. Following is the assumed asset allocation and assumed rate of return for each asset class:

Asset Class	Percentage of Portfolio	Assumed Growth Return
All equities	49%	7.13%
All fixed income	23%	4.25%
Real estate investment trusts	20%	7.25%
All commodities	3%	7.13%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.75%. This assumes that contributions would be sufficient to fully fund the obligation over a period not to exceed 28 years. The rate is based on the real rate of return expected for plan assets plus long-term inflation assumption.

Change in assumptions

There were no assumption changes since the prior measurement date.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Change in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$2,447,335	\$ 2,353,206	\$ 94,129
Changes for the year:			
Service cost	72,480	-	72,480
Interest on the Total OPEB Liability	163,264	-	163,264
Investment gains and losses	-	258,466	(258,466)
Benefit payments	(132,692)	(132,692)	-
Administrative expenses	-	(767)	767
Experience gains/losses	2,994	-	2,994
Net Changes	106,046	125,007	(18,961)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	\$2,553,381	\$ 2,478,213	\$ 75,168

Sensitivity of the net OPEB liability to changes in the discount rate

The net OPEB liability of the Upper Water, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) follows:

	Discount rate 1% Lower	Valuation Discount Rate	Discount rate 1% Higher
Net OPEB Liability	\$ 364,743	\$ 75,168	\$ (165,495)
	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$ (220,095)	\$ 75,168	\$ 437,135

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB expense and deferred inflows and outflows of resources related to OPEB

For the year ended June 30, 2025, Upper Water recognized OPEB income of \$481 with details as follows:

	Total
Service cost	\$ 72,480
Interest cost on Total OPEB Liability	163,264
Expected return in assets	(154,337)
Administration expense	767
Recognition of experience (gain)/loss deferrals	(140,442)
Recognition of assumption change deferrals	10,313
Recognition of investment (gain)/loss deferrals	47,474
Total OPEB Expense (Income)	<u>\$ (481)</u>

As of June 30, 2025, Upper Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contributions subsequent to measurement date	\$ 256,782	\$ -
Changes in assumptions	44,421	87
Experience gains/losses	26,864	591,557
Investment gains/losses	78,915	-
Total	<u>\$ 406,982</u>	<u>\$ 591,644</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2026	\$ (90,055)
2027	(51,573)
2028	(124,204)
2029	(109,956)
2030	(67,304)
Thereafter	1,648

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 11: COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

Grant awards

Upper Water has received funds for specific purposes that are subject to review and audit by the grantors. Although such audits could generate expenditure disallowances under terms of the grants or contracts, management believes that any required reimbursements will not be material.

Litigation

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the Upper Water's financial position.

Construction activities

Upper Water has a variety of agreements with private contractors relating to the construction of water recycling projects. Upper Water has no commitments from open construction contracts as of June 30, 2025.

Concentrations

The major source of water supply in Upper Water's service area is groundwater pumped from the Main Basin by its producers. Water demand in excess of local supplies are met by imported water sources.

For the fiscal year ended June 30, 2025, approximately 93% of Upper Water's total water supply was purchased from MWD. Because of this reliance, any interruption in the availability of imported water from MWD whether due to hydrologic conditions, regulatory restrictions affecting State Water Project or Colorado River water deliveries, infrastructure limitations, or changes in MWD pricing policies could have a material impact on Upper Water's operations and the cost of water delivered to its customers.

Upper Water continually monitors conditions affecting imported water availability and cost and evaluates opportunities to enhance local water supply reliability. These efforts include recycled water and conservation programs, and participation in regional water reliability projects.

NOTE 12: PRIOR PERIOD RESTATEMENT

In fiscal year 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for compensated absences, including expanded categories beyond traditional vacation and sick leave, when certain criteria are met. The statement requires that a liability be recognized for leave when (1) the leave is attributable to services already rendered, (2) rights to leave accumulate, and (3) it is probable that the leave will be used for time off or otherwise paid or settled.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

The implementation of GASB 101 resulted in the recognition of an additional liability of \$89,109 and a corresponding adjustment to beginning net position/fund balance.

Beginning net position, as previously reported	\$ 71,555,987
Restatement due to change in accounting principle	<u>(89,109)</u>
Beginning net position, as restated	<u>\$ 71,466,878</u>

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Required Supplementary Information

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Upper San Gabriel Valley Municipal Water District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years

Measurement date	Employer's proportion of the collective net pension liability (asset)	Employer's proportionate share of the collective net pension liability ¹	Covered payroll	Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.022304%	\$ 1,528,941	\$ 1,188,341	128.66%	79.89%
June 30, 2016	0.023155%	2,003,628	1,191,276	168.19%	75.87%
June 30, 2017	0.023753%	2,355,668	943,618	249.64%	75.44%
June 30, 2018	0.024108%	2,323,090	1,127,628	206.02%	75.50%
June 30, 2019	0.024778%	2,539,000	1,310,022	193.81%	74.39%
June 30, 2020	0.025300%	2,752,218	1,423,225	193.38%	74.39%
June 30, 2021	0.024779%	1,583,206	1,361,709	116.27%	86.16%
June 30, 2022	0.024920%	2,348,628	1,179,439	199.13%	80.97%
June 30, 2023	0.026145%	2,557,698	1,191,332	214.69%	81.35%
June 30, 2024	0.026701%	1,341,370	1,371,111	97.83%	90.92%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Upper San Gabriel Valley Municipal Water District

Required Supplementary Information Schedule of Pension Plan Contributions Last 10 Years

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 228,626	\$ (228,626)	\$ -	\$ 1,191,276	19.19%
June 30, 2017	203,040	(203,040)	-	943,618	21.52%
June 30, 2018	217,448	(217,448)	-	1,127,628	19.28%
June 30, 2019	270,063	(270,063)	-	1,310,122	20.61%
June 30, 2020	313,575	(313,575)	-	1,423,225	22.03%
June 30, 2021	332,348	(332,348)	-	1,361,709	24.41%
June 30, 2022	1,322,497	(322,497)	1,000,000	1,179,439	112.13%
June 30, 2023	357,339	(357,339)	-	1,191,332	29.99%
June 30, 2024	1,300,977	(300,977)	1,000,000	1,371,111	94.88%
June 30, 2025	351,515	(351,515)	-	1,449,177	24.26%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

Upper San Gabriel Valley Municipal Water District

Required Supplementary Information Schedule of Changes in the Net OPEB Liability and Related Ratios Last 10 Years*

Measurement date	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service cost	\$ 52,554	\$ 53,999	\$ 55,484	\$ 77,388	\$ 79,516	\$ 86,658	\$ 89,041	\$ 72,480
Interest on the Total OPEB Liability	171,159	177,712	183,972	171,028	184,605	176,090	187,316	163,264
Actual and expected experience difference	-	-	-	-	(222,423)	-	-	-
Experience gains/losses	-	-	(307,813)	-	85,749	34,994	(504,795)	-
Changes in assumptions	-	-	-	-	(38,244)	-	(125)	-
Expected less actual benefit payments	-	-	-	4,851	(78,249)	-	1,681	2,994
Benefit payments	(120,998)	(142,099)	(143,959)	(115,900)	(10,954)	(120,992)	(110,941)	(132,692)
Net change in Total OPEB Liability	102,715	89,612	(212,316)	137,367	10,954	176,750	(337,823)	106,046
Total OPEB Liability - beginning	2,480,076	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158	2,447,335
Total OPEB Liability - ending (a)	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158	2,447,335	2,553,381
Plan Fiduciary Net Position								
Contribution - employer	433,842	261,275	247,902	226,843	1,078,249	209,650	155,240	-
Net investment income	43,890	46,053	58,540	33,812	304,496	(321,928)	148,029	154,337
Investment gains and losses	-	1,650	(9,766)	-	-	-	(9,680)	104,129
Benefit payments	(120,998)	(142,099)	(104,446)	(115,900)	(78,249)	(120,992)	(110,941)	(132,692)
Administrative expense	(232)	(1,112)	(164)	(468)	(422)	(609)	(630)	(767)
Net change in Plan Fiduciary Net Position	356,502	165,767	192,056	144,287	1,304,074	(233,879)	182,018	125,007
Plan Fiduciary Net Position - beginning	242,371	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206
Plan Fiduciary Net Position - ending (b)	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206	2,478,213
Net OPEB Liability - ending (a) - (b)	\$ 1,983,918	\$ 1,907,763	\$ 1,503,381	\$ 1,496,461	\$ 203,341	\$ 613,970	\$ 94,129	\$ 75,168
Plan fiduciary net position as a percentage of the total OPEB liability	23.19%	28.61%	38.89%	42.39%	92.20%	77.96%	96.15%	97.06%
Covered-employee payroll ¹	\$ 1,107,374	\$ 1,294,561	\$ 1,366,231	\$ 1,449,600	\$ 1,077,504	\$ 1,465,990	\$ 1,356,363	\$ 1,356,363
Net OPEB liability as a percentage of covered-employee payroll ¹	179.16%	147.37%	110.04%	103.23%	18.87%	41.88%	6.94%	5.54%

¹ Contributions to the OPEB plan are not based on a measure of pay

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Upper San Gabriel Valley Municipal Water District

Required Supplementary Information Schedule of OPEB Plan Contributions Last 10 Years*

Fiscal year	Contractually determined contribution	Contributions in relation to the contractually determined contribution	Contribution deficiency (excess)	Covered- employee payroll ¹	Contributions as a percentage of employee covered payroll
June 30, 2018	\$ 120,856	\$ (240,032)	\$ (119,176)	\$ 1,294,561	18.54%
June 30, 2019	104,446	(247,902)	(143,456)	1,366,231	18.14%
June 30, 2020	226,843	(226,843)	-	1,449,600	15.65%
June 30, 2021	230,663	(1,078,249)	(847,586)	1,077,504	100.07%
June 30, 2022	107,828	(209,650)	(101,822)	1,465,990	14.30%
June 30, 2023	155,391	(155,240)	151	1,356,363	11.45%
June 30, 2024	83,082	(131,628)	(48,546)	1,396,210	9.43%
June 30, 2025	83,340	(256,782)	(173,442)	1,396,210	18.39%

¹ Contributions to the OPEB plan are not based on a measure of pay.

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2025 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age actuarial cost method
Amortization methodology	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits as of the beginning of the Measurement Period. In determining the EARSL, all active, retired, and inactive (vested) members are counted, with the latter two groups having 0 remaining service years
Asset valuation method	Fair value of assets
Inflation	2.50%
Payroll growth	2.75% per year
Investment rate of return	6.75% per year of net expenses
Healthcare trend	4.0% per year
Retirement age	Hired 2013 and later: 2021 CalPERS 2.0%@62 rates for Miscellaneous Employees; Hired 2012 and earlier: 2021 CalPERS 2.7%@55 rates for Miscellaneous Employees
Mortality	2021 CalPERS Mortality for Miscellaneous and Schools Employees

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Statistical Section
(Unaudited)**

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Upper San Gabriel Valley Municipal Water District

Statistical Section

This part of the Upper Water's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Upper Water's overall financial health.

Table of Contents

	<u>Page</u>
Financial Trends	
These schedules contain information to help the reader understand how the Upper Water's financial performance and financial condition have changed over time.	44
Revenue Capacity	
These schedules contain information to help the reader assess the Upper Water's most significant own-source revenue, water sales.	46
Demographic Information	
This schedule offers demographic indicators to help the reader understand the environment within which the Upper Water's financial activities take place.	52
Operating Information	
This schedule contains service and infrastructure data to help the reader understand how the information in the Upper Water's financial report relates to the service the Upper Water provides.	54

Upper San Gabriel Valley Municipal Water District

Changes in Net Position Last Ten Fiscal Years (Unaudited) (In Thousands)

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Changes in net position:										
Operating revenues	\$ 20,800	\$ 38,154	\$ 22,671	\$ 38,384	\$ 33,388	\$ 55,854	\$ 48,840	\$ 46,295	\$ 62,497	\$ 37,732
Operating expenses	(23,770)	(39,557)	(26,900)	(39,515)	(36,290)	(56,057)	(49,888)	(49,569)	(66,087)	(41,991)
Depreciation and amortization	(1,121)	(1,100)	(1,090)	(1,111)	(1,102)	(1,107)	(1,102)	(1,179)	(1,244)	(1,250)
Operating income (loss)	(4,091)	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)	(2,150)	(4,453)	(4,834)	(5,509)
Nonoperating revenues (expenses)										
Standby charges	3,541	3,576	3,541	3,648	4,047	4,244	4,192	4,065	4,055	4,078
Investment earnings	91	48	132	422	353	55	(258)	376	1,034	933
Taxes and other income	441	546	586	613	724	709	733	755	921	978
Gain on sale of capital assets	-	-	-	-	-	-	-	(7)	-	-
Net nonoperating revenues (expenses)	3,905	4,199	4,288	4,683	5,124	5,008	4,667	5,189	6,010	5,989
Net income (loss) before capital contributions	(186)	1,696	(1,031)	2,441	1,120	3,698	2,517	736	1,176	480
Contributions for capital acquisition/construction	208	685	1,329	186	121	249	155	325	109	127
Changes in net position	\$ 22	\$ 2,381	\$ 298	\$ 2,627	\$ 1,241	\$ 3,947	\$ 2,672	\$ 1,061	\$ 1,285	\$ 607

Source: Finance and Administration Department

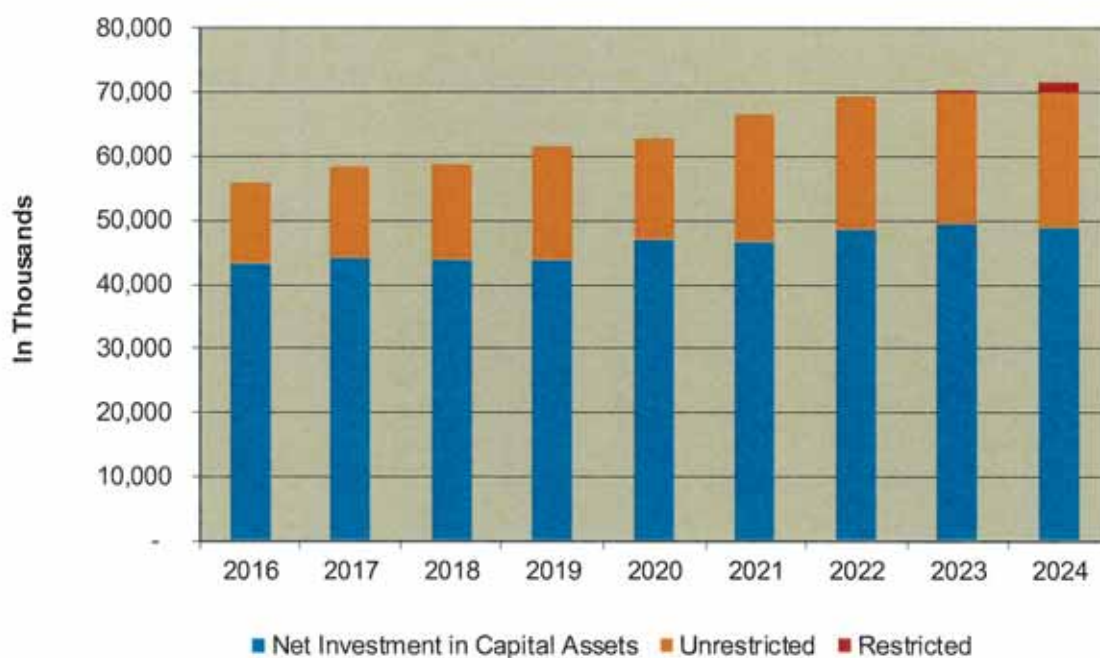
Upper San Gabriel Valley Municipal Water District

Net Position by Component

Last Ten Fiscal Years (Unaudited)

(In Thousands)

June 30	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2016	43,278	-	12,587	55,865
2017	44,009	-	14,237	58,246
2018	43,847	-	14,872	58,719
2019	43,768	-	17,578	61,346
2020	46,885	-	15,706	62,591
2021	46,707	-	19,831	66,538
2022	48,485	-	20,725	69,210
2023	49,471	525	20,275	70,271
2024	48,922	1,563	20,982	71,467
2025	48,467	1,712	21,895	72,074

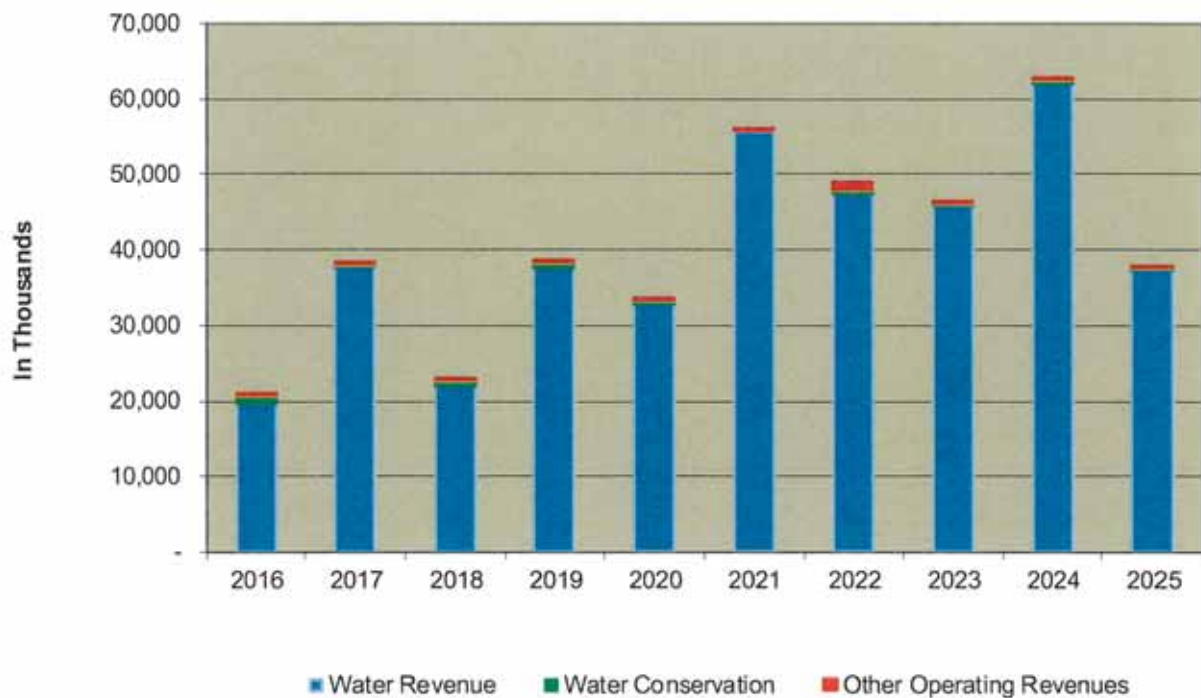


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Operating Revenues by Major Source Last Ten Fiscal Years (Unaudited) (In Thousands)

Fiscal Year Ended June 30	Water Revenue	Water Conservation	Other Operating Revenues	Total Operating Revenues
2016	19,670	996	134	20,800
2017	37,646	430	78	38,154
2018	21,880	713	77	22,670
2019	37,459	837	88	38,384
2020	32,810	372	206	33,388
2021	55,708	31	115	55,854
2022	47,256	507	1,077	48,840
2023	45,892	313	90	46,295
2024	62,016	377	104	62,497
2025	37,379	247	106	37,732

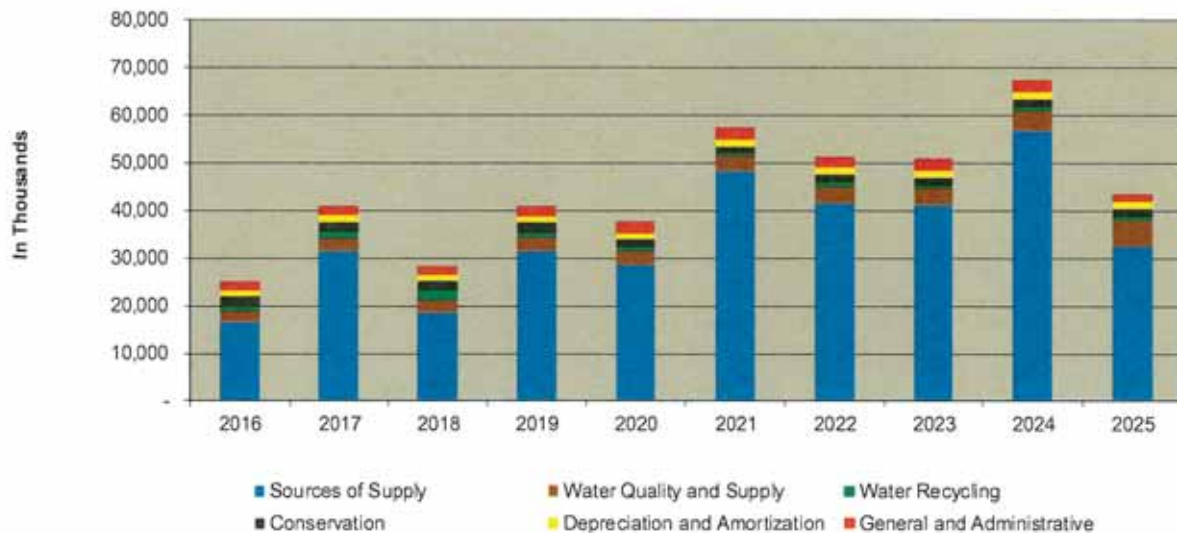


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Operating Expenses by Activity Last Ten Fiscal Years (Unaudited) (In Thousands)

Fiscal Year Ended June 30	Sources of Supply	Water Quality and Supply	Water Recycling	Conservation	Depreciation and Amortization	General and Administrative	Total Operating Expenses
2016	16,345	2,342	1,066	2,127	1,121	1,890	24,891
2017	31,502	2,441	1,650	2,020	1,100	1,944	40,657
2018	18,590	2,569	2,008	2,049	1,090	1,684	27,990
2019	31,458	2,782	883	2,335	1,111	2,057	40,626
2020	28,321	2,962	939	1,695	1,102	2,373	37,392
2021	48,111	3,217	895	1,265	1,107	2,569	57,164
2022	41,557	3,443	828	1,803	1,102	2,257	50,990
2023	41,001	3,507	936	1,487	1,179	2,638	50,748
2024	56,579	4,342	904	1,678	1,244	2,584	67,331
2025	32,459	5,238	994	1,667	1,250	1,633	43,241

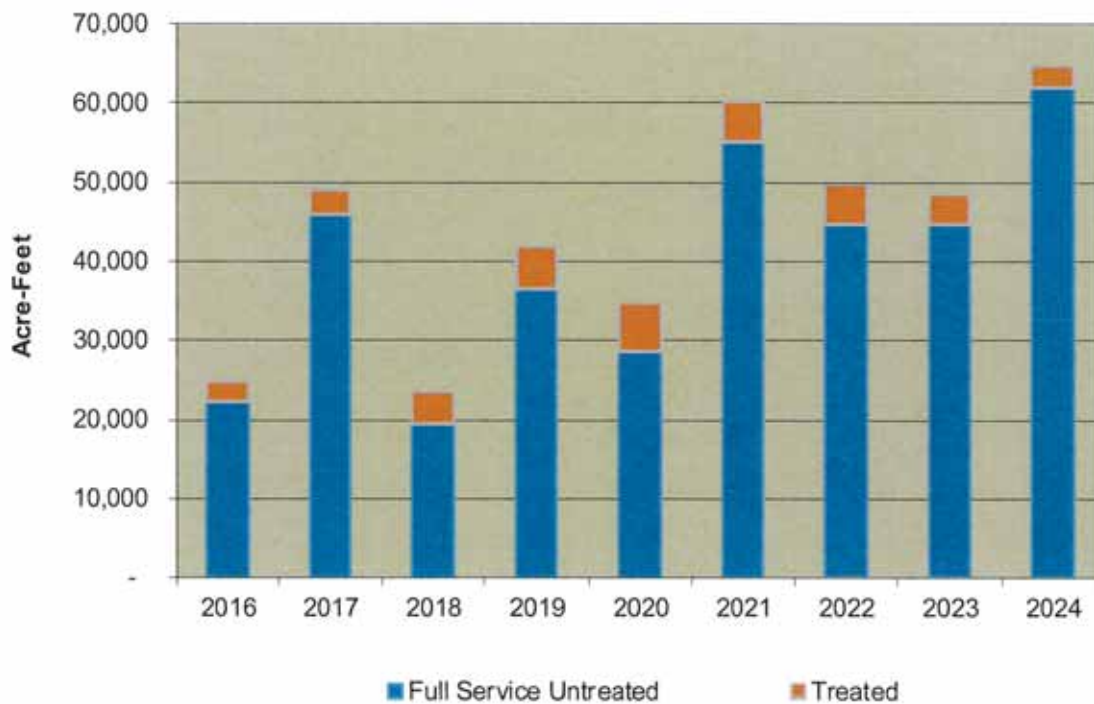


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Deliveries Last Ten Fiscal Years (Unaudited) (In Acre Feet)

Fiscal Year Ended June 30	Treated	Full Service Untreated	Total
2016	2,495	22,254	24,749
2017	3,197	45,813	49,010
2018	4,204	19,273	23,477
2019	5,420	36,421	41,841
2020	6,026	28,616	34,642
2021	5,146	54,895	60,041
2022	5,069	44,582	49,651
2023	3,734	44,614	48,348
2024	2,784	61,851	64,635
2025	3,374	29,616	32,990



Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Rates and Charges

Fiscal years ended June 30, 2024 and 2023 (Unaudited)

	Rate per Acre-Foot		
	MWD	Upper District Surcharge	Total
Fiscal Year Ended June 30, 2025			
<i>July 1, 2024 to December 31, 2024</i>			
Full Service Treated Tier 1	\$ 1,256	\$ 103	\$ 1,359
Full Service Treated Tier 2	1,455	103	1,558
Full Service Untreated Tier 1	903	103	1,006
Full Service Untreated Tier 2	1,102	103	1,205
<i>January 1, 2025 to June 30, 2025</i>			
Full Service Treated	\$ 1,395	\$ 103	\$ 1,498
Full Service Untreated	912	103	1,015
Fiscal Year Ended June 30, 2024			
<i>July 1, 2023 to December 31, 2023</i>			
Full Service Treated Tier 1	\$ 1,209	\$ 103	\$ 1,312
Full Service Treated Tier 2	1,418	103	1,521
Full Service Untreated Tier 1	855	103	958
Full Service Untreated Tier 2	1,064	103	1,167
<i>January 1, 2024 to June 30, 2024</i>			
Full Service Treated Tier 1	\$ 1,256	\$ 103	\$ 1,359
Full Service Treated Tier 2	1,455	103	1,558
Full Service Untreated Tier 1	903	103	1,006
Full Service Untreated Tier 2	1,102	103	1,205

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Water Rates per Acre Foot Last Ten Fiscal Years (Unaudited)

<u>As of June 30</u>	<u>Full Service Treated Tier 1</u>	<u>Full Service Treated Tier 2</u>	<u>Full Service Untreated Tier 1</u>	<u>Full Service Untreated Tier 2</u>
2016	1,045	1,179	697	831
2017	1,082	1,176	769	863
2018	1,118	1,204	798	884
2019	1,153	1,239	834	920
2020	1,181	1,268	858	945
2021	1,207	1,249	880	922
2022	1,246	1,288	902	944
2023	1,312	1,521	958	1,167
2024	1,359	1,558	1,006	1,205
2025	1,498	n/a	1,015	n/a

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Treated Water Sales by Customer Last Ten Fiscal Years (Unaudited) (In Acre Feet)

Fiscal Year Ended June 30	Golden State Water Company	City of South Pasadena	Suburban Water Systems	Watermaster / City of Alhambra	City of Arcadia	City of Monrovia	City of Azusa	Valley County Water District	Total
2016	2	2	4	2,487	-	-	-	-	2,495
2017	22	4	294	2,877	-	-	-	-	3,197
2018	21	1,134	62	2,987	-	-	-	-	4,204
2019	125	1,577	773	2,944	1	-	-	-	5,420
2020	16	173	2,848	2,983	6	-	-	-	6,026
2021	30	246	1,884	2,986	-	-	-	-	5,146
2022	298	342	1,428	2,992	-	-	9	-	5,069
2023	4	160	802	2,768	-	-	-	-	3,734
2024	80	-	171	2,531	-	2	-	-	2,784
2025	27	3	520	2,824	-	-	-	-	3,374

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Demographics and Economic Statistics – Los Angeles County Last Ten Calendar Years (Unaudited)

Fiscal Year	Population (In Millions)	Real GDP Growth	Unemployment Rate
2016	10.2	2.4%	5.3%
2017	10.2	3.5%	4.8%
2018	10.1	3.4%	4.8%
2019	10.2	3.6%	4.5%
2020	10.0	-4.9%	12.3%
2021	10.0 (e)	6.1%	9.0%
2022	9.8 (e)	2.4%	5.0%
2023	9.8 (e)	1.0%	5.0%
2024	9.8 (e)	3.4%	5.7%
2025	9.8 (e)	2.1% (f)	5.5% (f)

Notes:

Upper Water believes that trends shown by these data are indicative of conditions within its service area.

(e) Estimate

(f) Forecast

*Sources: Los Angeles County Economic Development Corporation's 2025 Economic Forecast
Census Bureau Data and the Los Angeles Almanac*

Upper San Gabriel Valley Municipal Water District

Ten Largest Employers in Los Angeles County June 30, 2025 (Unaudited)

<u>Employer</u>	<u>Number of Employees</u>
County of Los Angeles	104,100
Los Angeles Unified School District	97,200
University of California, Los Angeles	72,100
City of Los Angeles	70,700
Kaiser Permanente	47,400
Federal Government (except defense and state)	45,500
State of California (non-education)	35,200
University of Southern California	24,000
Northrop Grumman Corp.	18,700
Los Angeles County Metropolitan Authority	13,400
Walt Disney Co.	13,400

Source: Los Angeles Almanac (2024)

Upper San Gabriel Valley Municipal Water District

Operating and Capital Indicators - General Last Ten Fiscal Years (Unaudited)

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021 #	2022 #	2023	2024	2025
Service Area										
Approximate Service Area (in sq. miles)	144	144	144	144	144	144 #	144 #	144	144	144
Number of Member Agencies	26	26	26	26#	26	26 #	26 #	26	26	26
Number of Cities/Communities	18	18	18	18	18	18 #	18 #	18	18	18
Active Employees (FTE)	10.5	10.5	11.5	11.5	11.5	10.5 #	9.5 #	9.5	10	10
Imported Water System										
Number of Service Connections	9	9	9	9	9	9	9	9	9	9
Peak System Capacity (Imported)										
Cubic feet per second	323	323	323	323	323	323	323	323	323	323
Million gallons per day	208	208	208	208	208	208	208	208	208	208
Recycled Water System										
Number of Pump Stations	2	2	2	2	2	2	2	2	2	2
Number of Reservoirs	2	2	2	2	2	2	2	2	2	2
Number of Service Connections	83	83	83	89	83	83	84	81	81	81
Length of Pipeline (in miles)	22	22	22	22	22	22	22	22	22	22

Sources: Finance and Administration Department
Government Affairs and Community Outreach Department
Planning, Engineering and Resources Department
Metropolitan Water District of Southern California

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MEMORANDUM

ITEM 4. ACTION

DATE: November 4, 2025

TO: Administration and Finance Committee and the Board of Directors

FROM: General Manager

SUBJECT: Additional Discretionary Payment for Upper Water's Unfunded Accrued Liability with CalPERS and Contribution to the California Employers' Pension Prefunding Trust Fund

Recommendation

Staff recommends that the Board of Directors:

1. Authorize an additional discretionary payment of \$500 thousand to CalPERS to reduce Upper Water's unfunded accrued liability related to pension.
2. Authorize additional contribution to the California Employers' Pension Prefunding Trust Program (CEPPT) Program of \$500 thousand.

Background

Additional Discretionary Payment for CalPERS UAL

From 2022 to 2024, the Board of Directors authorized additional discretionary payments (ADP) to CalPERS totaling \$2 million. These additional payments increased Upper Water's funded ratio from 72% to 88% as of the most recent valuation report with measurement date June 30, 2024. Upper Water's unfunded accrued liability (UAL) for pension amount to \$1.83 million as of the last valuation.

Working with a CalPERS actuary, staff ran scenarios assuming an additional payment of \$500 thousand. Results showed that that this additional payment could potentially save the District about \$281 thousand in interest payments over 10 years using CalPERS' current discount rate of 6.8.

Additional Deposit to the CEPPT, a Section 115 Irrevocable Trust

In 2022, the Board authorized the establishment of a CEPPT trust fund, a self-funded, not-for-profit, Section 115 trust administered by CalPERS for pension contributions. From 2022 to 2024, the District deposited a total of \$1.50 million into the trust fund. The market value of Upper Water's CEPPT fund as of the quarter ended September 30, 2025 is \$1.78 million which translates to an annual yield of 9.74%. CEPPT funds can be accessed to stabilize rates and offset future contribution increases and act as a rainy-day fund during adverse budgetary or economic conditions.

Attachment

MEMORANDUM

ITEM 5. ACTION

DATE: November 4, 2025

TO: Administration and Finance Committee and the Board of Directors

FROM: General Manager

SUBJECT: Purchase of Untreated Water for Cyclic Storage

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to purchase up to 7,500 acre feet of untreated water for Upper District's cyclic storage account.

Background

Between 2014 and 2023, Upper Water purchased more than 16,000 acre feet of untreated water for cyclic storage. As of October 31st, Upper Water has sold about 13,000 acre feet of water at prices reflecting the cumulative annual increases in Metropolitan's untreated water rates, generating a favorable financial return. Since 2014, Metropolitan's untreated water rate has increased by approximately 54% or an average of 4.50% per year. Metropolitan's rate for untreated water will increase by 7.89% effective January 2026, providing good investment return on water pre-purchases.

As of October 31, 2025, Upper Water has sufficient reserve funds to purchase up to 7,500 acre feet of untreated water for cyclic storage. As of the same date, Metropolitan's cyclic storage account has 147,300 acre feet of water available for purchase.

Beyond the financial advantages, maintaining an active storage account provides operational benefits. Adequate storage participation supports Metropolitan's system flexibility and enhances the likelihood of future delivery opportunities during periods when State Water Project deliveries are favorable. This helps ensure Upper Water continues to have reliable access to imported water, while also maximizing the cost-effectiveness of its long-term supply planning.

Attachment



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Monrovia, CA, 91016

P: 626-443-2297

E: info@usgvmwd.org

Board of Directors

Anthony R. Fellow,
Ph.D. Division 1

Charles M. Treviño
Division 2

Ed Chavez
Division 3

Katarina Garcia
Division 4

Jennifer Santana
Division 5

DATE: October 31, 2025
TO: Board of Directors
FROM: District Treasurer Katarina Garcia
SUBJECT: Quarterly Report Regarding District Investments

The Board of Directors of the Upper San Gabriel Valley Municipal Water District (Upper Water) has adopted a policy regarding the investment of district funds. The policy established specific guidelines for district investment activity, delegated investment responsibility and authority to the General Manager and set forth requirements for the Treasurer of the Board to oversee all Upper Water investment transactions and make regular reports to the Board regarding district investments. This letter is the Treasurer's Report of Upper Water investment activity for the quarter ended September 30, 2025.

As of September 30, 2025, Upper Water had \$9,732,017.26 invested in the State of California's Local Agency Investment Fund (LAIF), which earned 4.34% during the quarter.

Upper Water investments managed by Chandler Asset Management has a total market value of \$5,713,834.90 as of September 30, 2025. Details are as follows:

<u>Security Type</u>	<u>Cost/Book Value</u>	<u>Market Value</u>
ABS	\$ 303,722.66	\$ 304,222.24
Agency	1,531,643.11	1,559,725.35
Agency CMBS	300,019.53	300,730.63
Money Market Fund	16,370.48	16,370.48
U.S. Corporate	907,696.50	915,455.92
U.S. Treasury	2,409,500.40	2,455,294.19
Supranational	154,743.70	157,936.68
Cash	4,099.41	4,099.41
Totals	\$ 5,627,795.79	\$ 5,713,834.90

To the best of my knowledge, as Treasurer of the Upper Water, this report is an accurate representation of district investments and these investments comply with Upper Water's investment policy and applicable statutes. Detailed information regarding all Upper Water investments is attached with this memorandum for your review.

//Attachments

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

October 31, 2025

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

UPPER SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
GENERAL MANAGER
248 E. FOOTHILL BLVD, SUITE 200
MONROVIA, CA 91016

[Tran Type Definitions](#)

Account Number: 90-19-021

September 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
9/8/2025	9/5/2025	RD	1782170	N/A	EVELYN RODRIGUEZ	5,300,000.00
9/9/2025	9/9/2025	RD	1782249	N/A	EVELYN RODRIGUEZ	700,000.00
9/29/2025	9/24/2025	RW	1782854	N/A	EVELYN RODRIGUEZ	-1,800,000.00

Account Summary

Total Deposit:	6,000,000.00	Beginning Balance:	5,532,017.26
Total Withdrawal:	-1,800,000.00	Ending Balance:	9,732,017.26



PMIA/LAIF Performance Report as of 10/22/25



Quarterly Performance Quarter Ended 9/30/25

LAIF Apportionment Rate ⁽²⁾ :	4.34
LAIF Earnings Ratio ⁽²⁾ :	0.00011893333163814
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.001929581
PMIA Daily ⁽¹⁾ :	4.19
PMIA Quarter to Date ⁽¹⁾ :	4.24
PMIA Average Life ⁽¹⁾ :	254

PMIA Average Monthly Effective Yields⁽¹⁾

September	4.212
August	4.251
July	4.258
June	4.269
May	4.272
April	4.281

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 9/30/25 \$161.7 billion

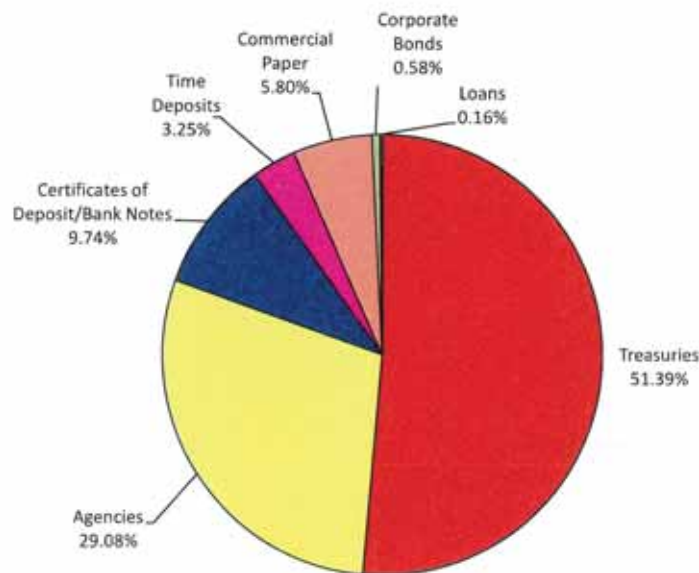


Chart does not include \$987,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



State of California

Pooled Money Investment Account

Market Valuation

9/30/2025

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Int
United States Treasury:				
Bills	\$ 39,599,745,147.02	\$ 39,973,471,901.90	\$ 39,985,802,450.00	NA
Notes	\$ 43,494,437,239.54	\$ 43,477,478,895.29	\$ 43,720,178,000.00	\$ 396,089,
Federal Agency:				
SBA	\$ 262,881,870.42	\$ 262,768,178.80	\$ 260,243,125.97	\$ 1,048,
MBS-REMICs	\$ 986,577.07	\$ 986,577.07	\$ 996,338.26	\$ 4,
Debentures	\$ 5,820,766,716.29	\$ 5,820,766,716.29	\$ 5,837,507,030.00	\$ 42,941,
Debentures FR	\$ -	\$ -	\$ -	\$
Debentures CL	\$ 3,150,000,000.00	\$ 3,150,000,000.00	\$ 3,162,895,050.00	\$ 39,916,
Discount Notes	\$ 34,045,057,208.42	\$ 34,430,751,569.55	\$ 34,435,696,650.00	NA
Supranational Debentures	\$ 3,735,297,997.63	\$ 3,734,838,622.61	\$ 3,752,739,630.00	\$ 27,482,
Supranational Debentures FR	\$ -	\$ -	\$ -	\$
CDs and YCDs FR	\$ -	\$ -	\$ -	\$
Bank Notes	\$ 200,000,000.00	\$ 200,000,000.00	\$ 199,956,589.25	\$ 1,148,
CDs and YCDs	\$ 15,550,000,000.00	\$ 15,550,000,000.00	\$ 15,553,645,102.15	\$ 198,281,
Commercial Paper	\$ 9,375,972,041.62	\$ 9,473,396,736.20	\$ 9,476,638,541.63	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$
Bonds	\$ 943,615,108.85	\$ 943,498,546.35	\$ 945,273,378.00	\$ 9,127,
Repurchase Agreements	\$ -	\$ -	\$ -	\$
Reverse Repurchase	\$ -	\$ -	\$ -	\$
Time Deposits	\$ 5,249,000,000.00	\$ 5,249,000,000.00	\$ 5,249,000,000.00	NA
PMIA & GF Loans	\$ 262,742,740.00	\$ 262,742,740.00	\$ 262,742,740.00	NA
TOTAL	\$ 161,690,502,646.86	\$ 162,529,700,484.06	\$ 162,843,314,625.26	\$ 716,041,

Fair Value Including Accrued Interest

\$ 163,559,355,755.38

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.001929581)
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its



PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars¹

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out	Total	Weight (%) of Total)
TREASURY	\$ 10,500	\$ 7,400	\$ 11,900	\$ 7,400	\$ 8,000	\$ 4,250	\$ -	\$ 2,900	\$ 5,700	\$ 15,600	\$ 7,400	\$ 1,750	\$ 1,050	\$ 83,850	51.31%
AGENCY ²	\$ 8,713	\$ 7,883	\$ 4,350	\$ 4,350	\$ 8,850	\$ 2,650	\$ 2,200	\$ 250	\$ 1,150	\$ 1,450	\$ 2,140	\$ 1,570	\$ 2,500	\$ 48,056	29.41%
CDs + BNs	\$ 4,850	\$ 2,400	\$ 2,100	\$ 950	\$ 2,000	\$ 1,150	\$ 1,200	\$ 200	\$ 800	\$ 100				\$ 15,750	9.64%
CP	\$ 3,300	\$ 1,550	\$ 1,500	\$ 900	\$ 1,350	\$ 400	\$ 450	\$ 100						\$ 9,550	5.84%
TDs	\$ 1,203	\$ 626	\$ 1,203	\$ 1,205	\$ 365	\$ 647								\$ 5,249	3.21%
CORP BND	\$ 32		\$ 25		\$ 15		\$ 105	\$ 25	\$ 139	\$ 159	\$ 223	\$ 150	\$ 75	\$ 948	0.58%
REPO														\$ -	0.00%
BAs														\$ -	0.00%
TOTAL	\$ 28,598	\$ 19,859	\$ 21,078	\$ 14,805	\$ 20,580	\$ 9,097	\$ 3,955	\$ 3,475	\$ 7,789	\$ 17,309	\$ 9,763	\$ 3,470	\$ 3,625	\$ 163,403	100.00%
Percent	17.50%	12.15%	12.90%	9.06%	12.59%	5.57%	2.42%	2.13%	4.77%	10.59%	5.97%	2.12%	2.22%		
Cumulative %	17.50%	29.65%	42.55%	51.61%	64.21%	69.78%	72.20%	74.32%	79.09%	89.68%	95.66%	97.78%	100.00%		

¹ Figures are rounded to the nearest million. Percentages may be off due to rounding. Totals do not include PMIA and General Fund loans.

² SBA Floating Rate Securities are represented at coupon change date. Mortgages are represented at current book value.



MONTHLY ACCOUNT STATEMENT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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

Custodian:

US Bank

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

PORTFOLIO SUMMARY



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Portfolio Characteristics

Average Modified Duration	1.47
Average Coupon	4.22%
Average Purchase YTM	4.22%
Average Market YTM	3.84%
Average Credit Quality*	AA+
Average Final Maturity	1.68
Average Life	1.51

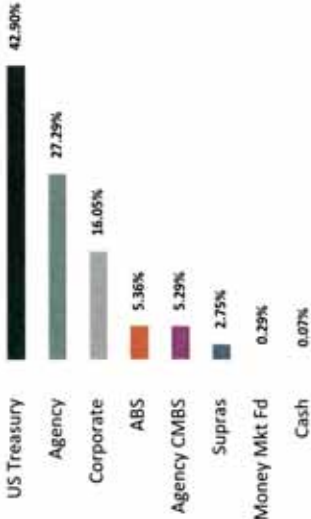
Account Summary

	End Values as of 08/31/2025	End Values as of 09/30/2025
Market Value	5,649,150.65	5,662,837.83
Accrued Interest	47,179.80	50,997.08
Total Market Value	5,696,330.45	5,713,834.91
Income Earned	16,648.44	23,261.18
Cont./WD	0.00	0.00
Par	5,624,278.90	5,629,469.89
Book Value	5,619,339.59	5,634,426.86
Cost Value	5,613,037.71	5,627,795.79

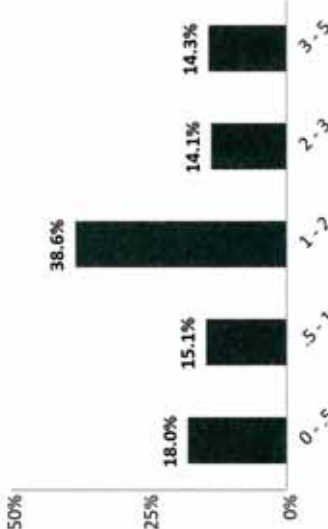
Top Issuers

United States	42.90%
Farm Credit System	21.11%
Federal Home Loan Banks	6.18%
FHLMC	5.29%
American Express Credit Master Trust	1.79%
Mercedes-Benz Auto Receivables Trust	1.79%
WF Card Issuance Trust	1.78%
Inter-American Development Bank	1.77%

Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (06/01/14)
Upper San Gabriel VMWD	0.32%	1.07%	3.67%	3.97%	5.21%	4.55%	2.07%	1.93%	1.78%
Benchmark Return	0.33%	1.13%	3.73%	4.04%	5.20%	4.50%	1.98%	1.82%	1.70%

*The average credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.
**Periods over 1 year are annualized.
Benchmark: ICE BofA 0-3 Year US Treasury Index

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
COLLATERALIZED BANK DEPOSITS				
Max Maturity (Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	16.0	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1 if < 2 Years; AA- if > 2 Years)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (Years)	1	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	60.0	27.3	Compliant	
Max Maturity (Years)	5	2	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.3	Compliant	
Max % Issuer (MV)	20.0	0.3	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	1	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	2.8	Compliant	
Max % Issuer (MV)	10.0	1.8	Compliant	
Max Maturity (Years)	5	1	Compliant	

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	42.9	Compliant	
Max Maturity (Years)	5	4	Compliant	

RECONCILIATION SUMMARY



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Maturities / Calls	
Month to Date	(65,000.00)
Fiscal Year to Date	(290,000.00)

Principal Paydowns	
Month to Date	0.00
Fiscal Year to Date	0.00

Purchases	
Month to Date	1,691,893.87
Fiscal Year to Date	1,950,315.24

Sales	
Month to Date	(1,608,347.80)
Fiscal Year to Date	(1,609,686.32)

Interest Received	
Month to Date	27,223.28
Fiscal Year to Date	60,644.65

Purchased / Sold Interest	
Month to Date	(8,005.07)
Fiscal Year to Date	(8,005.07)

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	5,619,339.59	5,582,294.71
Maturities/Calls	(65,000.00)	(290,000.00)
Principal Paydowns	0.00	0.00
Purchases	1,691,893.87	1,950,315.24
Sales	(1,608,347.80)	(1,609,686.32)
Change in Cash, Payables, Receivables	(3,684.49)	496.67
Amortization/Accretion	225.69	1,006.56
Realized Gain (Loss)	0.00	0.00
Ending Book Value	5,634,426.86	5,634,426.86

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	5,649,150.65	5,609,752.19
Maturities/Calls	(65,000.00)	(290,000.00)
Principal Paydowns	0.00	0.00
Purchases	1,691,893.87	1,950,315.24
Sales	(1,608,347.80)	(1,609,686.32)
Change in Cash, Payables, Receivables	(3,684.49)	496.67
Amortization/Accretion	225.69	1,006.56
Change in Net Unrealized Gain (Loss)	(1,400.10)	953.48
Realized Gain (Loss)	0.00	0.00
Ending Market Value	5,662,837.83	5,662,837.83

HOLDINGS REPORT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
58768VAD7	MBALT 2025-A A3 4.61 04/16/2029	100,000.00	09/24/2025 3.87%	101,410.16 101,400.47	101.39 3.98%	101,394.38 204.89	1.79% (6.09)	NA/AAA AAA	3.54 2.05
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	100,000.00	09/24/2025 3.85%	101,449.22 101,436.01	101.40 3.87%	101,399.52 206.67	1.79% (36.49)	NA/AAA AAA	1.79 1.68
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	100,000.00	09/24/2025 3.88%	100,863.28 100,856.37	100.83 3.90%	100,826.12 190.67	1.78% (30.25)	Aaa/AAA NA	4.04 1.92
Total ABS		300,000.00	3.87%	303,722.66 303,692.85	101.21 3.92%	303,620.02 602.22	5.36% (72.83)		3.12 1.88
AGENCY									
3133EPC37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.875 11/13/2025	100,000.00	11/27/2023 4.93%	99,891.00 99,993.45	100.07 4.22%	100,067.33 1,868.75	1.77% 73.88	Aa1/AA+ AA+	0.12 0.12
3133EPL37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 12/08/2025	100,000.00	12/18/2023 4.50%	100,230.00 100,021.72	100.07 4.16%	100,074.73 1,451.74	1.77% 53.01	Aa1/AA+ AA+	0.19 0.18
3133EPW68	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.125 01/22/2026	100,000.00	01/24/2024 4.40%	99,490.00 99,920.84	100.04 3.97%	100,037.50 790.63	1.77% 116.67	Aa1/AA+ AA+	0.31 0.30
3133EN7J3	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 02/02/2026	69,000.00	02/15/2023 4.51%	67,798.71 68,862.33	99.95 3.99%	68,966.86 438.20	1.22% 104.53	Aa1/AA+ AA+	0.34 0.33
3133EPCF0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/02/2026	100,000.00	03/23/2023 3.97%	101,445.00 100,204.51	100.22 3.96%	100,216.81 362.50	1.77% 12.30	Aa1/AA+ AA+	0.42 0.41
3133EPFT7	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 04/13/2026	100,000.00	04/10/2023 3.99%	99,332.00 99,881.76	99.94 3.86%	99,941.09 1,750.00	1.76% 59.33	Aa1/AA+ AA+	0.53 0.51
3130AWLZ1	FEDERAL HOME LOAN BANKS 4.75 06/12/2026	90,000.00	07/19/2023 4.45%	90,720.00 90,172.85	100.69 3.73%	90,623.56 1,294.38	1.60% 450.70	Aa1/AA+ AA+	0.70 0.67
3133EPZY4	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.0 07/30/2026	100,000.00	10/30/2023 5.01%	99,970.00 99,990.97	101.04 3.72%	101,035.50 847.22	1.78% 1,044.53	Aa1/AA+ AA+	0.83 0.80
3133EPUW3	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026	95,000.00	10/23/2023 4.99%	94,392.00 94,804.72	100.94 3.69%	95,893.95 376.04	1.69% 1,089.23	Aa1/AA+ AA+	0.92 0.89
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	105,000.00	11/16/2023 4.69%	104,814.15 104,930.14	101.01 3.70%	106,061.35 1,807.60	1.87% 1,131.21	Aa1/AA+ AA+	1.13 1.07

HOLDINGS REPORT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	125,000.00	03/25/2024 4.45%	125,181.25 125,089.55	101.18 3.68%	126,469.02 78.13	2.23% 1,379.47	Aa1/AA+ AA+	1.48 1.43
3133ERFJ5	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	100,000.00	05/23/2024 4.80%	99,184.50 99,554.50	101.28 3.69%	101,278.39 1,637.50	1.79% 1,723.89	Aa1/AA+ AA+	1.64 1.54
3133ERMB4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	100,000.00	07/22/2024 4.34%	99,752.00 99,850.52	100.97 3.69%	100,965.45 802.78	1.78% 1,114.93	Aa1/AA+ AA+	1.81 1.72
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	100,000.00	08/22/2024 3.86%	100,383.00 100,239.46	100.54 3.69%	100,539.53 611.11	1.78% 300.06	Aa1/AA+ AA+	1.85 1.76
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	150,000.00	09/15/2023 4.51%	149,059.50 149,444.60	102.01 3.65%	153,018.46 419.27	2.70% 3,573.86	Aa1/AA+ AA+	2.94 2.73
Total Agency		1,534,000.00	4.49%	1,531,643.11 1,532,961.92	100.73 3.81%	1,545,189.51 14,535.84	27.29% 12,227.59		1.11 1.05
AGENCY CMBS									
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	100,000.00	09/24/2025 3.81%	100,011.72 100,011.69	99.99 3.83%	99,986.19 325.00	1.77% (25.50)	Aa1/AA+ AAA	2.57 2.32
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	100,000.00	09/24/2025 3.81%	99,902.34 99,902.55	99.80 3.86%	99,802.81 320.83	1.76% (99.74)	Aa1/AA+ AAA	2.65 2.40
3137FGZT5	FHMS K-079 A2 3.926 06/25/2028	100,000.00	09/24/2025 3.81%	100,105.47 100,105.25	99.97 3.87%	99,968.63 327.17	1.77% (136.62)	Aa1/AAA AA+	2.74 2.53
Total Agency CMBS		300,000.00	3.81%	300,019.53 300,019.50	99.92 3.85%	299,757.63 973.00	5.29% (261.87)		2.65 2.42
CASH									
CCYUSD	Receivable	4,099.41	--	4,099.41 4,099.41	1.00 0.00%	4,099.41 0.00	0.07% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		4,099.41		4,099.41 4,099.41	1.00 0.00%	4,099.41 0.00	0.07% 0.00		0.00 0.00
CORPORATE									
594918BJ2	MICROSOFT CORP 3.125 11/03/2025	65,000.00	01/24/2023 4.28%	63,051.30 64,936.46	99.90 4.25%	64,931.99 835.07	1.15% (4.47)	Aaa/AAA NA	0.09 0.09
00287YDR7	ABBVIE INC 4.8 03/15/2027	60,000.00	09/23/2025 3.89%	60,733.20 60,723.12	101.14 3.99%	60,681.29 128.00	1.07% (41.82)	A3/A- NA	1.45 1.32
025816CP2	AMERICAN EXPRESS CO 3.3 05/03/2027	60,000.00	09/23/2025 3.90%	59,444.40 59,451.04	98.97 3.98%	59,380.65 814.00	1.05% (70.38)	A2/A- A	1.59 1.51

HOLDINGS REPORT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	60,000.00	09/24/2025 3.87%	60,114.00 60,112.78	100.16 3.90%	60,093.48 940.00	1.06% (19.31)	A2/A+ A+	1.61 1.44
009158AY2	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027	60,000.00	09/23/2025 3.83%	58,123.20 58,145.17	96.81 3.90%	58,086.49 419.33	1.03% (58.68)	A2/A NA	1.62 1.56
756109BG8	REALTY INCOME CORP 3.95 08/15/2027	60,000.00	09/24/2025 3.97%	59,978.40 59,978.59	99.90 4.00%	59,939.94 302.83	1.06% (38.65)	A3/A- NA	1.87 1.78
63743HFT4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027	60,000.00	09/24/2025 3.90%	60,240.60 60,238.51	100.36 3.93%	60,214.04 103.00	1.06% (24.47)	A2/A- A	1.96 1.79
89236TKJ3	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027	60,000.00	09/23/2025 3.90%	60,740.40 60,733.26	101.15 3.93%	60,692.08 83.42	1.07% (41.18)	A1/A+ A+	1.97 1.87
532457CU0	ELI LILLY AND CO 4.55 02/12/2028	60,000.00	09/24/2025 3.81%	60,964.20 60,957.30	101.49 3.88%	60,894.38 371.58	1.08% (62.93)	Aa3/A+ NA	2.37 2.14
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	60,000.00	09/24/2025 3.87%	60,742.80 60,737.86	101.13 3.94%	60,676.24 997.33	1.07% (61.62)	Aa2/A+ AA-	2.62 2.27
06406RBN6	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029	60,000.00	09/23/2025 3.94%	60,799.80 60,793.29	101.12 4.40%	60,674.08 454.30	1.07% (119.21)	Aa3/A AA-	3.34 2.18
857477CN1	STATE STREET CORP 4.53 02/20/2029	60,000.00	09/23/2025 4.00%	60,717.60 60,711.89	101.07 4.37%	60,642.40 309.55	1.07% (69.48)	Aa3/A AA-	3.39 2.23
09290DAA9	BLACKROCK INC 4.7 03/14/2029	60,000.00	09/23/2025 3.87%	61,574.40 61,565.51	102.29 3.98%	61,373.21 133.17	1.08% (192.30)	Aa3/AA- NA	3.45 3.09
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	60,000.00	09/23/2025 4.09%	60,178.20 60,176.99	100.19 4.47%	60,116.04 476.34	1.06% (60.95)	A1/A AA-	3.81 2.61
06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	60,000.00	09/23/2025 4.08%	60,294.00 60,292.01	100.35 4.49%	60,207.63 484.05	1.06% (84.37)	A1/A- AA-	3.81 2.61
Total Corporate		905,000.00	3.95%	907,696.50 909,553.76	100.41 4.10%	908,603.95 6,851.97	16.05% (949.81)		2.32 1.89

MONEY MARKET FUND

31846V203	FIRST AMER:GVT OBLG Y	16,370.48	-- 3.73%	16,370.48 16,370.48	1.00 3.73%	16,370.48 0.00	0.29% 0.00	Aaa/ AAAm AAA	0.00 0.00
Total Money Market Fund		16,370.48	3.73%	16,370.48 16,370.48	1.00 3.73%	16,370.48 0.00	0.29% 0.00		0.00 0.00

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
SUPRANATIONAL									
4581X0EK0	INTER-AMERICAN DEVELOPMENT BANK 4.5 05/15/2026	100,000.00	06/27/2023 4.53%	99,923.00 99,983.33	100.34 3.94%	100,339.23 1,700.00	1.77% 355.90	Aaa/AAA NA	0.62 0.60
45950KDF4	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	55,000.00	11/29/2023 4.49%	54,820.70 54,925.66	100.71 3.80%	55,389.35 508.10	0.98% 463.69	Aaa/AAA NA	1.29 1.23
Total		155,000.00	4.52%	154,743.70	100.47	155,728.58	2.75%		0.86
Supranational				154,908.99	3.89%	2,208.10	819.59		0.83
US TREASURY									
91282CFP1	UNITED STATES TREASURY 4.25 10/15/2025	120,000.00	12/12/2022 4.15%	120,318.75 120,004.30	100.00 4.17%	120,000.04 2,354.92	2.12% (4.26)	Aa1/AA+ AA+	0.04 0.04
91282CGA3	UNITED STATES TREASURY 4.0 12/15/2025	120,000.00	12/15/2022 3.95%	120,150.00 120,010.27	100.00 3.94%	120,003.52 1,416.39	2.12% (6.76)	Aa1/AA+ AA+	0.21 0.20
91282CGE5	UNITED STATES TREASURY 3.875 01/15/2026	100,000.00	-- 4.33%	99,214.45 99,875.41	99.97 3.95%	99,969.73 821.33	1.77% 94.32	Aa1/AA+ AA+	0.29 0.28
91282CKB6	UNITED STATES TREASURY 4.625 02/28/2026	125,000.00	03/25/2024 4.63%	124,980.47 124,995.84	100.28 3.93%	125,345.70 495.08	2.21% 349.86	Aa1/AA+ AA+	0.41 0.41
91282CHB0	UNITED STATES TREASURY 3.625 05/15/2026	140,000.00	05/23/2023 3.98%	138,610.94 139,711.20	99.86 3.84%	139,808.05 1,916.92	2.47% 96.85	Aa1/AA+ AA+	0.62 0.60
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	100,000.00	08/24/2023 4.69%	99,144.53 99,749.50	100.52 3.76%	100,519.53 558.76	1.78% 770.03	Aa1/AA+ AA+	0.87 0.85
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	125,000.00	09/15/2023 4.72%	124,682.62 124,898.66	100.84 3.73%	126,043.95 255.52	2.23% 1,145.29	Aa1/AA+ AA+	0.96 0.93
91282CLS8	UNITED STATES TREASURY 4.125 10/31/2026	100,000.00	11/26/2024 4.29%	99,691.41 99,826.61	100.43 3.71%	100,429.69 1,726.22	1.77% 603.08	Aa1/AA+ AA+	1.08 1.03
91282CIP7	UNITED STATES TREASURY 4.375 12/15/2026	120,000.00	09/25/2024 3.53%	122,151.56 121,168.75	100.78 3.70%	120,937.50 1,549.18	2.14% (231.25)	Aa1/AA+ AA+	1.21 1.15
91282CIT9	UNITED STATES TREASURY 4.0 01/15/2027	125,000.00	01/31/2024 4.00%	124,985.35 124,993.61	100.38 3.70%	125,468.75 1,059.78	2.22% 475.14	Aa1/AA+ AA+	1.29 1.24
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	125,000.00	04/25/2024 4.86%	122,954.10 123,970.25	100.81 3.67%	126,015.63 234.81	2.23% 2,045.38	Aa1/AA+ AA+	1.45 1.40
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	125,000.00	04/25/2024 4.85%	123,793.95 124,375.84	101.23 3.67%	126,542.97 2,597.34	2.23% 2,167.13	Aa1/AA+ AA+	1.54 1.45
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	150,000.00	06/26/2024 4.51%	150,462.89 150,265.85	101.59 3.65%	152,384.77 2,047.13	2.69% 2,118.91	Aa1/AA+ AA+	1.71 1.61

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of September 30, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	100,000.00	07/22/2024 4.30%	100,218.75 100,131.21	101.25 3.64%	101,253.91 927.31	1.79% 1,122.70	Aa1/AA+ AA+	1.79 1.69
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	100,000.00	08/22/2024 3.82%	99,812.50 99,882.19	100.21 3.63%	100,207.03 478.94	1.77% 324.84	Aa1/AA+ AA+	1.87 1.79
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	120,000.00	09/25/2024 3.48%	119,653.13 119,771.53	99.54 3.62%	119,446.87 179.01	2.11% (324.65)	Aa1/AA+ AA+	1.96 1.87
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	100,000.00	10/23/2024 4.02%	99,593.75 99,721.69	100.49 3.62%	100,492.19 1,789.28	1.77% 770.50	Aa1/AA+ AA+	2.04 1.91
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	120,000.00	11/26/2024 4.23%	119,643.75 119,745.07	101.02 3.62%	121,223.44 1,869.70	2.14% 1,478.37	Aa1/AA+ AA+	2.13 1.99
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	150,000.00	12/19/2024 4.40%	148,154.30 148,445.57	101.61 3.70%	152,414.06 2,079.41	2.69% 3,968.50	Aa1/AA+ AA+	4.17 3.75
91282CG81	UNITED STATES TREASURY 3.875 12/31/2029	150,000.00	09/22/2025 3.66%	151,283.20 151,276.62	100.64 3.71%	150,960.94 1,468.92	2.67% (315.68)	Aa1/AA+ AA+	4.25 3.85
Total US Treasury		2,415,000.00	4.22%	2,409,500.40 2,412,819.95	100.60 3.75%	2,429,468.25 25,825.94	42.90% 16,648.29		1.57 1.46
Total Portfolio				5,627,795.79	100.24	5,662,837.83	100.00%		1.68
Total Market Value + Accrued		5,629,469.89	4.22%	5,634,426.86	3.84%	50,997.08	28,410.97		1.47
						5,713,834.91			