

## A G E N D A

### REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT

**January 6, 2026**

Meeting Place: Lakeside Water District; 10375 Vine Street  
Lakeside CA 92040; 5:30 p.m.

**Assistance for those with disabilities:** If you have a disability and need accommodation to participate in the meeting, please call Brett Sanders, General Manager, at (619) 443-3805 for assistance so the necessary arrangements can be made.

1. Call to Order
2. Prayer/Invocation
3. Pledge of Allegiance
4. Approval of the Agenda
5. Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2)
6. Approve Minutes of a Special Meeting held on December 9, 2025.
7. Review the November 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. 2025 Annual Financial Audit Presentation by Mike Zizzi with Leaf & Cole, LLP
9. Operations Report. Johnze
10. Consider Notice of Exemption from the California Environmental Quality Act (CEQA) for the Yerba Valley Annexation Private Customer Lines Project. Sanders
11. Consider Notice of Exemption from the California Environmental Quality act (CEQA) for the Yerba Valley Annexation Pipeline Project. Sanders
12. Review Administrative Code Section 2.13-6(C) Fire Sprinkler Lateral Bimonthly Billing and Temporary Fire Hydrant Meter Monthly Billing Cost. Sanders
13. Approve Demands of the Treasurer for December 2025.
14. CWA Report

15. Director's Reports and/or Ad Hoc Sub-Committees Reports.
16. General Managers' Report.
17. Closed Session – Closed to the Public:  

Personnel Exception per Government Code Section 54967; Public Employment; Employee Review – General Manager
18. Adjourn; Next Regular Meeting to be held on February 3, 2026.

#### **PUBLIC COMMENT PROCEDURES**

Members of the public will be allowed to address the Board on any agenda item prior to the Board's decision on the item. They will also be allowed to comment on matters not on the posted agenda, which are under the subject matter jurisdiction of the district. No action may be taken by the board except to set the matter presented for the next regular board meeting if proposed by the board. State your name, topic and provide the secretary with a request to speak form, so you can be properly included in the comment period. Comments are limited to 3 minutes and the board is not required to comment on the topic.

#### **CERTIFICATE OF POSTING**

I certify that on January 2, 2026, I posted a copy of the meeting agenda and any public records relating to items on the agenda and that they are available for public inspection at the time the record is distributed to all, or a majority of all members of the board. Such records shall be available at the district office located at 10375 Vine Street, Lakeside, California, or on the district's website at [LakesideWater.org](http://LakesideWater.org).

Agendas are posted at least 72 hours in advance of a regular meeting, or 24 hours in advance of a special meeting of the Board of Directors, near their regular meeting place, and as per Government Code Section 54954.2(a)(1) and 54956(a).

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Brett Sanders, General Manager / Board Secretary

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE  
LAKESIDE WATER DISTRICT  
HELD ON December 9, 2025**

At the time and place provided by law for the holding of a Regular Meeting of the Board of Directors of the Lakeside Water District; to-wit at the meeting place of said Board at 10375 Vine Street, Lakeside, California, at 5:30 p.m. the Board duly convened, the following members present.

Directors:	Arrived at 5:50	Frank Hilliker Pete Jenkins Steve Johnson Eileen Neumeister Steve Robak
Secretary:		Brett Sanders

- 1) Call to Order by Board President Neumeister
- 2) Prayer/Invocation – Bill Bockner provided the prayer for the night's meeting.
- 3) Pledge of Allegiance was led by Board President Neumeister
- 4) Approval of Agenda. Motion by Director Johnson to accept the agenda as submitted.

Motion: Johnson	Second: Robak	
Vote:	Ayes 4 Noes 0 Abstain 0 Absent 1	Hilliker, Jenkins, Johnson, Neumeister, Robak Jenkins

- 5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). No Comments
- 6) Approve Minutes of a Regular Meeting held on November 4, 2025. Motion by Director Robak to approve the minutes as presented.

Motion: Robak	Second: Johnson	
Vote:	Ayes 4 Noes 0 Abstain 0 Absent 1	Hilliker, Johnson, Neumeister, Robak Jenkins

- 7) Review the October 2025 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.
- 8) Operations Report. Superintendent Johnze reported that:
  - River Street City of SD Project; Material Submittals for installation submitted.
  - Well Meter calibrations. Worked with Pump Check to verify meter accuracy for wells. Annual Water Audit requires this information.



Abstain	0
Absent	0

- 13) CWA Report – CWA Representative Hilliker reported that Board approved the PSAWR Agriculture Water Rate to assist San Diego County farmers. San Diego County is home to more farms than any other county in the country.
- 14) Director's Report and Ad Hoc Sub-Committees Reports. No comments
- 15) Manager's Quarterly Report. The General Manager reported.
  - 1) Investment Opportunities;
    - a. Current investment yield projection is 3.06 percent.
    - b. Allowable investments per District policy
    - c. Limitations of risk and amounts of investments.
    - d. Currently crypto currency investments are not allowed for Calif. State agencies.
  - 2) Yerba Valley Annexation and USDA Funding Update:
    - a. USDA out for Gov. shutdown
    - b. Our engineer is completing our response to the PER review.
    - c. Working on final revised construction drawings.
    - d. CEQA Determination for the January meeting.

Current Capital Outlays are at 7% out our \$789,000 budget.

News Articles/Editorials Enclosed;  
Water Infrastructure Investments States Will Need

- 16) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting scheduled for January 6, 2025.

Attest:

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Brett Sanders, Board Secretary  
Lakeside Water District

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Eileen Neumeister  
Board President

**Lakeside Water District**  
**Statement of Revenues and Expenses**  
**July through November 2025**

	Nov 25	Jul - Nov 25	Budget	% of Budget
<b>Operating Revenue</b>				
<b>Water Sales</b>				
4000 · Water Sales on Account	\$ 837,326	\$ 4,437,788	\$ 9,602,575	46%
4010 · System meter charge	\$ 112,258	\$ 564,333	\$ 1,458,965	39%
4020 · CWA/IAC	\$ 37,615	\$ 191,780	\$ 457,906	42%
4040 · Penalties / other	\$ 11,629	\$ 68,466	\$ 130,000	53%
<b>Total Water Sales</b>	<b>\$ 998,828</b>	<b>\$ 5,262,367</b>	<b>\$ 11,649,446</b>	<b>45%</b>
4100 · Capacity Fees LWD	\$ -	\$ 37,380	\$ 57,030	66%
4101 · SDCWA Capacity & Treatment	\$ -	\$ 35,327	\$ 85,186	41%
4200 · Meter Services	\$ -	\$ 10,451	\$ 35,000	30%
4210 · Engineering & Inspection Fees	\$ -	\$ 14,916	\$ 7,500	199%
4220 · Fire Hydrants	\$ -	\$ -	\$ 30,000	0%
4230 · Tapping	\$ -	\$ 15,000	\$ 15,000	100%
4300 · Miscellaneous Income	\$ 30	\$ 55,562	\$ 20,000	278%
4310 · Water Letters	\$ 200	\$ 975	\$ 250	390%
4400 · Rent - Land Lease	\$ 11,599	\$ 122,607	\$ 291,770	42%
4600 · Interest Income	\$ 43,901	\$ 156,522	\$ 315,000	50%
4700 · Taxes Revenue	\$ 82,199	\$ 113,842	\$ 740,000	15%
<b>Total Income</b>	<b>\$ 1,136,757</b>	<b>\$ 5,824,949</b>	<b>\$ 13,246,182</b>	<b>44%</b>
<b>Expense</b>				
<b>Administrative and General</b>				
7000 · General Manager/Secretary	\$ 18,833	\$ 94,165	\$ 234,000	40%
7001 · Incentive Compensation	\$ -	\$ 7,000	\$ 7,000	100%
7020 · Director's Fees	\$ 625	\$ 3,000	\$ 10,750	28%
7100 · General Insurance	\$ -	\$ 79,904	\$ 66,575	120%
7200 · Annual Audit	\$ -	\$ 33,055	\$ 31,000	107%
7210 · Attorney Fees	\$ 1,131	\$ 7,084	\$ 30,000	24%
7230 · Consultants	\$ 488	\$ 18,992	\$ 8,000	237%
7300 · Elections/Registrar	\$ -	\$ -	\$ 2,000	0%
7320 · Lafco Operating Costs	\$ -	\$ 3,994	\$ 5,634	71%
7401 · Administrative Expense	\$ 511	\$ 981	\$ 7,000	14%
7450 · Public Info/Public Relat	\$ 1,973	\$ 13,497	\$ 11,350	119%
7500 · State Health Dept./ SWRCB	\$ 881	\$ 881	\$ 49,064	2%
7800 · Bad Debt Expense	\$ -	\$ -	\$ 2,000	0%
7900 · Water Dev./Conservation Program	\$ -	\$ -	\$ 9,500	0%
<b>Total Administrative and General</b>	<b>\$ 24,442</b>	<b>\$ 262,553</b>	<b>\$ 473,873</b>	<b>55%</b>

	Nov 25	Jul - Nov 25	Budget	% of Budget
<b>Operations and Maintenance</b>				
5000 · Water Purchases	\$ 569,005	\$ 3,594,071	\$ 7,994,040	45%
5075 · Padre Dam Deliver Charge	\$ -	\$ -	\$ 2,600	0%
5080 · Water Treatment & Testing	\$ 1,407	\$ 10,115	\$ 24,000	42%
5090 · Infrastructure Access Charge	\$ 37,420	\$ 187,100	\$ 443,760	42%
5091 · SDCWA Capacity & Treatment Fees	\$ -	\$ 7,851	\$ 111,353	7%
5100 · Electric Power	\$ 18,059	\$ 124,841	\$ 327,000	38%
5200 · Water Treatment -Maint/Supplie	\$ 5,649	\$ 31,806	\$ 80,000	40%
5627 · County - Road Improvements	\$ -	\$ -	\$ 15,000	0%
5628 · Telemetry Repair	\$ 657	\$ 11,986	\$ 15,000	80%
6000 · Wages, Field	\$ 64,738	\$ 328,816	\$ 866,513	38%
6100 · Distribution - Maint/Supplies	\$ 7,114	\$ 106,371	\$ 130,000	82%
6102 · Dist. Pump & Maint	\$ -	\$ 2,648	\$ 60,000	4%
6110 · Emergency Repairs & Service	\$ -	\$ -	\$ 45,000	0%
6200 · Trucks-Fuel,Maintenance,Repair	\$ 4,827	\$ 27,030	\$ 70,000	39%
6400 · Outside Labor	\$ 875	\$ 5,290	\$ 42,000	13%
6410 · Engineering	\$ 80	\$ 3,052	\$ 20,000	15%
7010 · Wages, Office	\$ 28,088	\$ 141,413	\$ 340,000	42%
7030 · Payroll Taxes	\$ 7,422	\$ 41,188	\$ 102,508	40%
7040 · Group Insurance	\$ 31,996	\$ 156,648	\$ 326,740	48%
7050 · CalPers Retirement	\$ 14,039	\$ 129,852	\$ 253,503	51%
7070 · Unemployment Insurance	\$ -	\$ -	\$ 5,000	0%
7400 · Office Expense	\$ 12,049	\$ 75,899	\$ 157,714	48%
7440 · Dues & Subscriptions	\$ 249	\$ 23,374	\$ 32,000	73%
7920 · Miscellaneous Expense	\$ 678	\$ 2,260	\$ 6,000	38%
<b>Total Operations and Maintenance</b>	<b>\$ 804,352</b>	<b>\$ 5,011,611</b>	<b>\$ 11,469,731</b>	<b>44%</b>
<b>Total Expense</b>	<b>\$ 828,794</b>	<b>\$ 5,274,164</b>	<b>\$ 11,943,604</b>	<b>44%</b>
<b>Net Ordinary Income</b>	<b>\$ 307,963</b>	<b>\$ 550,785</b>	<b>\$ 1,302,578</b>	<b>42%</b>
<b>Capital Requirements</b>				
1510 · Buildings & Land Improvements	\$ -	\$ -	\$ 4,000	0%
1520 · O & M Equipment	\$ -	\$ -	\$ 10,000	0%
1530 · Office Furniture & Equipment	\$ -	\$ -	\$ 15,000	0%
1547 · CIP Design/Engineering	\$ -	\$ -	\$ 5,000	0%
1550 · Pumping Plant & Distribution	\$ -	\$ 49,308	\$ 30,000	164%
1551 · New Service/Meters	\$ -	\$ 2,004	\$ 10,000	20%
1580 · SCADA Telemetry Upgrade	\$ -	\$ -	\$ 30,000	0%
1581 · Yerba Valley Annexation Pipeline	\$ -	\$ 10,486	\$ 450,000	2%
1582 · Operations, Engineering & Security Blc	\$ 3,322	\$ 53,322	\$ 195,000	27%
1583 · Julian Ave. Multiple Pipe Replacement	\$ -	\$ 8,625	\$ 20,000	43%
1584 · Rocosco Rd. Pipe Replacement Enginee	\$ -	\$ 810	\$ 20,000	4%
<b>Total Capital Expense</b>	<b>\$ 3,322</b>	<b>\$ 124,555</b>	<b>\$ 789,000</b>	<b>16%</b>

**Lakeside Water District**  
**Investment Report**  
As of November 30, 2025

**Nov 30, 25**

**Current Assets**

<b>Checking/Savings</b>		<b>Nov 30, 25</b>
1020 · UBS Cash Fund	3,302.76	
1030 · King Cash Fund	42,582.85	
1050 · Multi-Bank Securities, Inc.	256,299.75	
1070 · Investment - LAIF	1,032.05	
<b>Total Checking/Savings</b>	<b>303,217.41</b>	
<b>Other Current Assets</b>		
<b>Investments</b>		
1321.69 · BkUnited 0.55% 1/22/26 58979	242,000.00	
1321.70 · Mrgn Stanley BK 4.45% 6/6/29	115,000.00	
1321.71 · First Gty Bk Hamm 4.35% 11/6/28	199,900.00	
1321.73 · FHLB 4.09% 11/25/30	245,005.25	
1351.33 · FHLB 0.875% 3/10/26	245,000.00	
1351.34 · Greenstate 0.7% 3/12/26 60269	249,000.00	
1351.38 · Toyota 0.95% 7/22/26 57542	140,000.00	
1351.39 · Synchrony 0.9% 8/20/26 27314	119,000.00	
1351.40 · FHLN 0.9% 8/26/26	640,000.00	
1351.41 · ConnectOneBk 0.8% 9/24/26 57919	136,000.00	
1351.42 · PentagonFed 0.9% 9/29/26 227	249,000.00	
1351.43 · FHLN 1.1% 10/13/26	350,000.00	
1351.44 · FHLN 1.375% 11/16/26	270,000.00	
1351.45 · FHLB 1.65% 12/30/26	270,000.00	
1351.46 · FHLN 2.5% 3/29/27	270,000.00	
1351.47 · FHLN 3.75% 5/26/27 no call 12mo	1,000,000.00	
1351.48 · StBk India 3.3% 6/1/27 33682	100,000.00	
1351.49 · TSRY 2.375% 5/15/27	346,489.66	
1351.51 · Morgan S Privt Bk 3.7% 9/26/29	245,000.00	
1351.52 · Morgan S Bk 3.7% 9/26/29	105,000.00	
1351.53 · Fed Agric Mtg 4.64% 12/23/27	399,672.00	
1351.54 · Cross Riv Bk Teaneck 4% 1/3/28	245,000.00	
1351.55 · AMEX NATL BK 4.15% 3/26/30	244,000.00	
1351.56 · EAGLEBK BETH 4.05% 4/17/28	249,000.00	
1351.57 · MILESTONE BANK 3.95% 4/28/28	245,000.00	
1351.58 · FNBA 3.85% 4/30/29	249,000.00	
1351.59 · Medallion BK 4.050% 5/19/28	249,000.00	
1351.60 · UBS BK USA 4.10% 5/22/28	249,000.00	
1351.61 · USF FCU 4.00% 7/30/30	249,000.00	
1351.62 · Valley Nat'l Bk 3.95% 07/31/28	245,000.00	
1351.63 · Connexus 3.75% 9/18/28	249,306.99	
1351.64 · Royal BK CDA 4.10% 9/30/30	500,000.00	
1351.65 · Gold Sachs BK USA 3.70% 10/7/30	245,000.00	

	<u>Nov 30, 25</u>
1351.66 · Gulf Coast B&T 3.65% 11/25/30	245,000.00
1351.67 · Texas EXC Bank 3.75% 11/26/29	249,000.00
1383.26 · FNMA 0.64% 12/30/25	270,000.00
1383.27 · FHLB 2.5% 2/25/27	670,000.00
1383.28 · BealBk 2.05% 3/3/27 57833	247,000.00
1383.29 · FHLB 2.5% 3/30/27	200,000.00
1383.30 · FHLB 3.25% 4/21/27	255,000.00
1383.31 · FHLB 3% 4/29/27 no call 24mo	250,000.00
1383.32 · FHLB 3.375% 5/28/27 no call 24mo	255,000.00
1383.33 · AllyBk 3% 6/9/26 57803	139,000.00
1383.34 · SALLMA 4.3% 07/27/29	244,000.00
1383.35 · UBS 4.2% 07/24/29	248,000.00
1383.36 · FNMA 4.375% 8/6/29	179,184.50
1383.37 · Valley Natl 4.15% 1/27/28	244,000.00
1383.39 · BMW Bank of NA 3.95% 4/25/28	245,000.00
1383.40 · FHLB 4.125% 10/5/29	204,692.50
1383.41 · FHLB 4.375% 6/24/2030	185,878.75
1383.42 · Farmer MAC 4.26% 7/16/30	496,980.00
1383.44 · FNMA 4.00% 8/20/30	899,550.00
<b>Total Investments</b>	<b>14,881,659.65</b>
<b>Total Current Assets</b>	<b>15,184,877.06</b>

#### Investment Changes in November 2025

Purchased 1321.73	<b>FHLB 4.09% 11/25/30</b>	245,005.25
Purchased 1351.66	<b>Gulf Coast B&amp;T 3.65% 11/25/30</b>	245,000.00
Purchased 1351.67	<b>Texas EXC Bank 3.75% 11/26/29</b>	249,000.00
Matured 1351.32	<b>FMCC .625% 11/24/25</b>	500,000.00

## Investments by Maturity

November 2025

<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
King Fidelity Treasury MM	FZFXX		4.11%	\$ 973	\$ 39.99	
FNMA	3135G06Q1	12/30/2025	0.57%	\$ 270,000	\$ 1,541.70	
Maturity in 2025	\$ 270,973	2%				0.58%
Bank United	066519QC6	1/22/2026	0.55%	\$ 242,000	\$ 1,331.00	
FHLB	3130ALLS1	3/10/2026	0.88%	\$ 245,000	\$ 2,143.75	
Greenstate	39573LAY4	3/12/2026	0.70%	\$ 249,000	\$ 1,743.00	
Ally Bank	02007GSU8	6/9/2026	3.00%	\$ 139,000	\$ 4,170.00	
Toyota Fin	89235MLD1	7/22/2026	0.95%	\$ 140,000	\$ 1,330.00	
Synchrony	87165GD74	8/20/2026	0.90%	\$ 119,000	\$ 1,071.00	
FHLB	3130ANJT8	8/26/2026	0.90%	\$ 640,000	\$ 5,760.00	
ConnectOneBk	20786ADL6	9/24/2026	0.80%	\$ 136,000	\$ 1,088.00	
PentagonFed	70962LAS1	9/29/2026	0.90%	\$ 249,000	\$ 2,241.00	
FHLN	3130APB87	10/13/2026	1.10%	\$ 350,000	\$ 3,850.00	
FHLN	3130APLP8	11/16/2026	1.38%	\$ 270,000	\$ 3,712.50	
FHLB	3130AQBE2	12/30/2026	1.65%	\$ 270,000	\$ 4,455.00	
Maturity in 2026	\$ 3,049,000	20%				1.08%
FHLB	3130AQYG2	2/25/2027	2.50%	\$ 670,000	\$ 16,750.00	
Beal Bk	07371CK81	3/3/2027	2.05%	\$ 247,000	\$ 5,063.50	
FHLB	3130ARDY4	3/29/2027	2.50%	\$ 270,000	\$ 6,750.00	
FHLB	3130ARCL3	3/30/2027	2.50%	\$ 200,000	\$ 5,000.00	
FHLB	3130ARKD2	4/21/2027	3.25%	\$ 255,000	\$ 8,287.50	
FHLB	3130ARMS7	4/29/2027	3.00%	\$ 250,000	\$ 7,500.00	
US Treasury	912828X88	5/15/2027	3.54%	\$ 346,490	\$ 12,265.75	
FHLB	3130ARMS7	5/26/2027	3.75%	\$ 1,000,000	\$ 37,500.00	
FHLB	3130ARYQ8	5/28/2027	3.37%	\$ 255,000	\$ 8,593.50	
State Bank India N	856285N64	6/1/2027	3.30%	\$ 100,000	\$ 3,300.00	
Fed Agric Mtg		12/23/2027	4.64%	\$ 399,672	\$ 18,544.78	
Maturity in 2027	\$ 3,993,162	27%				3.24%
Cross Riv BK Teaneck	227563LU5	1/3/2028	4.00%	\$ 245,000	\$ 9,800.00	
Valley National Bk	919853PX4	1/28/2028	4.15%	\$ 244,000	\$ 10,126.00	
EAGLEBANK Bethesda	27002Y-HN-9	4/17/2028	4.05%	\$ 249,000	\$ 10,084.50	
BMW Bank NA	05612LEQ1	4/25/2028	3.95%	\$ 245,000	\$ 9,677.50	
Milestone BK SALT	59934M-DC-9	4/28/2028	3.95%	\$ 245,000	\$ 9,677.50	
Medallion BK Salt	58404D-XT-3	5/19/2028	4.05%	\$ 249,000	\$ 10,084.50	
UBS BK USA	90355G-WG-7	5/22/2028	4.10%	\$ 249,000	\$ 10,209.00	
Valley Nat'l Bk	919853QZ7	7/31/2028	3.95%	\$ 245,000	\$ 9,677.50	
Connexus	20825WES5	9/18/2028	3.75%	\$ 249,307	\$ 9,349.01	
1st Gty Bk Hammond	320437AT3	11/6/2028	4.35%	\$ 199,900	\$ 8,695.65	
Maturity in 2028	\$ 2,420,207	16%				4.02%

## Investments by Maturity

November 2025

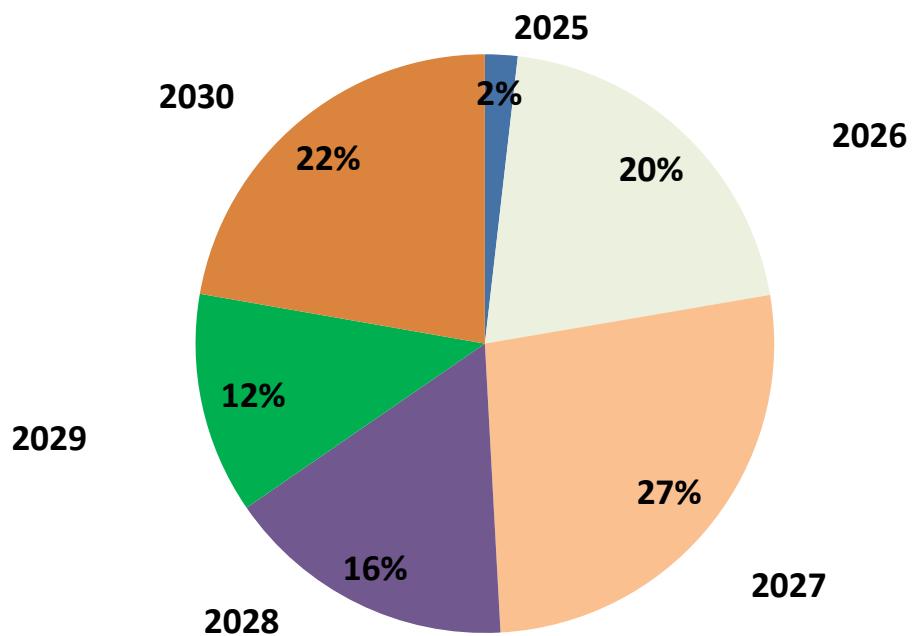
<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
FNBA	32110Y-T7-0	4/30/2029	3.85%	\$ 249,000	\$ 9,586.50	
Mrgn Stanley BK	61776CPV3	6/6/2029	4.45%	\$ 115,000	\$ 5,117.50	
UBS	90355GPU4	7/24/2029	4.20%	\$ 248,000	\$ 10,416.00	
SALLMA	795451DM2	7/24/2029	4.30%	\$ 244,000	\$ 10,492.00	
FNMA	3135GAU25	8/6/2029	4.38%	\$ 179,185	\$ 7,839.32	
Morgan S Privt Bk	61768UPSO	9/26/2029	3.70%	\$ 245,000	\$ 9,065.00	
Morgan S Bk	61776CBR7	9/26/2029	3.70%	\$ 105,000	\$ 3,885.00	
FHLB	3130B34U4	10/5/2029	4.13%	\$ 204,693	\$ 8,443.57	
Texas EXC Bank	88241TXB1	11/26/2029	3.75%	\$ 249,000	\$ 9,337.50	
Maturity in 2029				\$ 1,838,877	12%	4.03%
American Express Nat'l Bk	02589AGX4	3/26/2030	4.15%	\$ 244,000	\$ 10,126.00	
FHLB	3130B6T22	6/24/2030	4.38%	\$ 185,879	\$ 8,132.20	
Farmer MAC	31424WK43	7/16/2030	4.26%	\$ 496,980	\$ 21,171.35	
USF FCU	90353ECE1	7/30/2030	4.00%	\$ 249,000	\$ 9,960.00	
Fedl Natl MTG Assn	3136GANN5	8/20/2030	4.00%	\$ 899,550	\$ 35,982.00	
Royal BK CDA	RY6190844	9/30/2030	4.10%	\$ 500,000	\$ 20,500.00	
Gold SachsBK USA	38151PAH4	10/7/2030	3.70%	\$ 245,000	\$ 9,065.00	
Gulf Coast B&T	402194GS7	11/25/2030	3.65%	\$ 245,000	\$ 8,942.50	
FHLB	3130B8LT7	11/25/2030	4.09%	\$ 245,005	\$ 10,020.71	
Maturity in 2030				\$ 3,310,414	22%	4.04%
Total					<u>Investments</u> \$ 14,882,633	<u>Annual Interest</u> \$ 469,495
						<u>Avg</u> 3.15%

## Investments by Maturity

November 2025

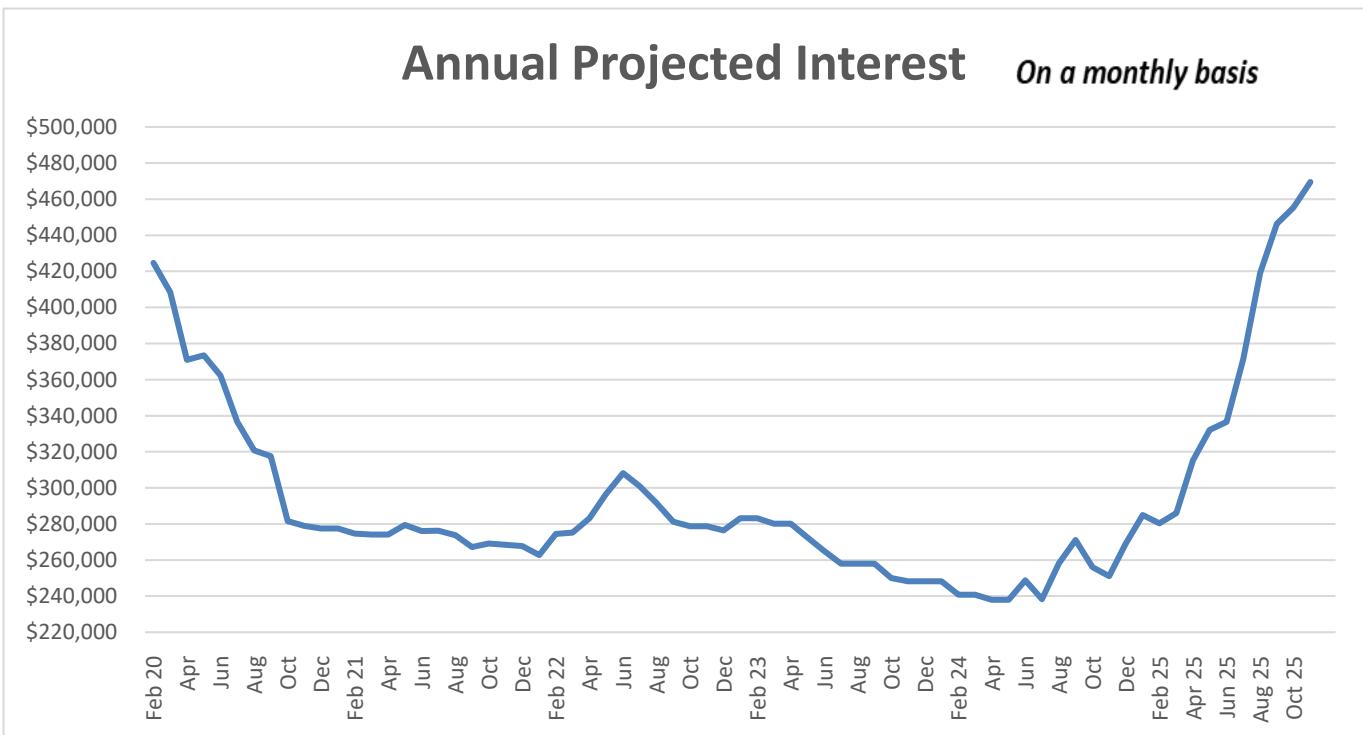
<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
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## Investments by Maturity Year

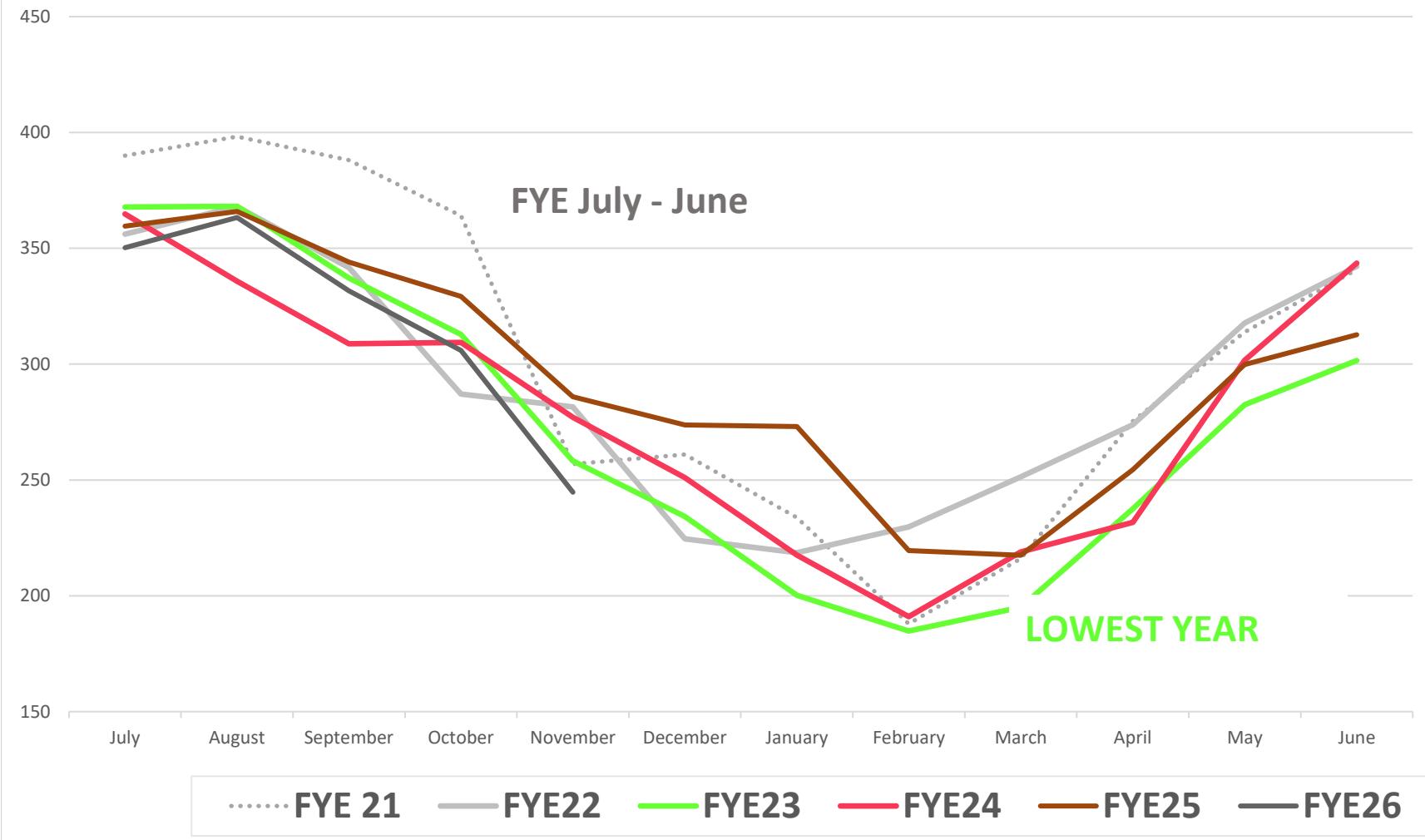


## Annual Projected Interest

*On a monthly basis*



# Water Demand





Leaf & Cole, LLP

*Certified Public Accountants*

*A Partnership of Professional Corporations*

To the Board of Directors

Lakeside Water District

10375 Vine Street

Lakeside, California 92040

We have audited the financial statements of Lakeside Water District (the “District”) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 20, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s financial statements were:

- Management’s estimate of the useful lives assigned to capital assets are based upon the intended use of the assets as well as management’s experience with similar assets.
- Management’s estimate that no long-lived assets have been impaired is based upon their assessment of currently known facts which could have an affect on the value of long-lived assets.
- Management’s estimates of the net OPEB obligation (Assets) is based upon the Alternative Measurement method.
- Management’s estimate of the net pension liability is based upon the actuarial study performed by CalPERS.

Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Cash and Investments (Note 2)
- Noncurrent Liabilities (Note 4)
- Defined Benefit Pension Plan (Note 5)
- Post Employment Benefits (Note 6)
- Commitments and Contingencies (Note 7)

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management.

#### ***Disagreements With Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreement arose during the course of our audit.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December \_\_\_\_, 2025.

#### ***Management Consultations With Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

***Other Matters***

We applied certain limited procedures to the Required Supplementary Information (RSI) which are required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

***Restriction on Use***

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

San Diego, California  
December \_\_, 2025

DRAFT

Client: LAKESIDE WATER DISTR  
 Report: Adjusting Journal Entries

Account	Description	Debit	Credit	Net Income Effect
<b>AJE 01</b>				
	To record the current year GASB 68 adjustments based on the actuarial report from Nyhart			
1996	deferred change- deferred change	45,876.00	0.00	
1997	deferred changes- deferred changes	0.00	18,360.00	
1998	deferred diff- deferred diff	16,304.00	0.00	
1999	Deferred Outflows- Deferred Outflows	19,052.00	0.00	
2500	Net Pension Liability - Field- Liability Field	42,940.00	0.00	
2997	deferred dif pro vs act- vs act	0.00	54,404.00	
2998	deferred diff - deferred diff .	0.00	411,784.00	
6051	Pension Expense	360,376.00	0.00	
<b>Total</b>		<b>484,548.00</b>	<b>484,548.00</b>	<b>(360,376.00)</b>
<b>AJE 02</b>				
	To adjust OPEB expense to reflect the changes in the net OPEB asset			
1246	CERBT - OPEB- CERBT OPEB	15,780.00	0.00	
7080	OPEB Office	0.00	8,873.53	
6080	OPEB Field	0.00	6,906.47	
<b>Total</b>		<b>15,780.00</b>	<b>15,780.00</b>	<b>15,780.00</b>
<b>AJE 03</b>				
	To adjust CWA delivery charge to actual.			
5000	Water Purchases- Water Purchases	5,720.50	0.00	
5010	CWA Delivery Charge- Delivery Charge	0.00	5,720.50	
<b>Total</b>		<b>5,720.50</b>	<b>5,720.50</b>	<b>0.00</b>
<b>AJE 04</b>				
	To record lease receivable, deferred inflows, rental and interest income under GASB 87.			
2999	Derferred Inflows- Derferred Inflows	247,837.00	0.00	
4400	Rent - Land Lease- Land Lease	27,374.66	0.00	
1238	Lease Receivable- Lease Receivable	0.00	235,496.10	
4601	Interest Earnings Leases	0.00	39,715.56	
<b>Total</b>		<b>275,211.66</b>	<b>275,211.66</b>	<b>12,340.90</b>
<b>AJE 05</b>				
	To reclassify meter services fees for Betsy Roman - 11909 Rocoso Road			
4220	Fire Hydrants- Fire Hydrants	6,718.00	0.00	
4200	Meter Services- Meter Services	0.00	6,718.00	
<b>Total</b>		<b>6,718.00</b>	<b>6,718.00</b>	<b>0.00</b>
<b>AJE 06</b>				
	To reclassify misposting for billings for irrigation water from capacity fees to water standard.			
4951	High Meadow Ranch- Meadow Ranch	13,400.64	0.00	
4004	Water Standard- Water Standard	0.00	13,400.64	
<b>Total</b>		<b>13,400.64</b>	<b>13,400.64</b>	<b>0.00</b>
<b>GRAND TOTAL</b>				
		<b>801,378.80</b>	<b>801,378.80</b>	<b>(332,255.10)</b>

**LAKESIDE WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

DRAFT

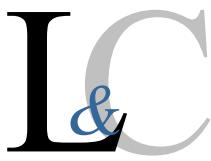


**Leaf & Cole, LLP**  
*Certified Public Accountants*

**LAKESIDE WATER DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

### Independent Auditor's Report

To the Board of Directors  
Lakeside Water District  
10375 Vine Street  
Lakeside, California 92040

#### Opinion

We have audited the accompanying financial statements of Lakeside Water District, as of and for the years June 30, 2025 and 2024, and the related notes to the financial statements which collectively comprise Lakeside Water District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lakeside Water District, as of June 30, 2025 and 2024, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Lakeside Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Lakeside Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeside Water District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 36 to 41 as identified in the accompanying 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

San Diego, California  
December   , 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of the Lakeside Water District (“District”) provides an overview of the District’s financial activities for the years ended June 30, 2025 and 2024. Please read it in conjunction with the District’s financial statements which begin on page 8.

### **Financial Statements**

This discussion and analysis provides an introduction and a brief description of the District’s financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District operates as a public utility and maintains its accounting records in accordance with generally accepted accounting principles for a proprietary fund as prescribed by the Government Accounting Standards Board (GASB). The financial statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The District’s financial statements include five components:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to the Financial Statements
- Other Information

The statements of net position include all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Net position may be displayed in three categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The statements of net position provide the basis for computing rate of return, evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statements of revenues, expenses and changes in net position present information which shows how the District’s net position changed during the year. The financial statements, except for the cash flow statements are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The statements of revenues, expenses, and changes in net position measure the success of the District’s operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The statements of cash flows provide information regarding the District’s cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

This statement differs from the statements of revenues, expenses and changes in net position, because the statement accounts only for transactions that result in cash receipts or cash disbursements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Financial Statements (Continued)**

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

In addition to the financial statements and accompanying notes, the financial statements also present certain required supplementary information, which follows the notes to the financial statements. This other information includes retirement and OPEB funding schedules.

### **Financial Highlights**

- The District's net position increased by \$562,748 to \$38,906,353 for the year ended June 30, 2025.
- The District's operating revenues totaled \$10,822,535 for the year ended June 30, 2025, an increase of \$1,526,263 from the year ended June 30, 2024.
- The District's operating expenses totaled \$12,247,965 for the year ended June 30, 2025, an increase of \$381,646 from the prior year. The majority of the increase is attributed to source of supply expenses associated with the delivery charges for the purchase of water from the San Diego County Water Authority and a decrease in water treatment expenses due to the completion of the rehabilitation of Wells #7 and 8 in the prior year.
- The District's investment income increased from \$763,119 in the prior year to \$812,634 in the current year as the District recognized more unrealized gains than in the prior year and higher interest rates in the current portfolio.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Financial Analysis of the District**

#### **Net Position**

The following is a summary of the District's statements of net position at June 30:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Assets:</b>			
Current and other assets	\$ 19,676,601	\$ 18,591,557	\$ 1,085,044
Capital assets, net	<u>22,861,144</u>	<u>23,215,376</u>	<u>(354,232)</u>
Total Assets	<u>42,537,745</u>	<u>41,806,933</u>	<u>730,812</u>
 <b>Deferred Outflows of Resources</b>	 <u>736,113</u>	 <u>1,462,184</u>	 <u>(726,071)</u>
 <b>Liabilities:</b>			
Current liabilities	1,672,351	1,590,297	82,054
Noncurrent liabilities	<u>1,177,898</u>	<u>1,247,367</u>	<u>(69,469)</u>
Total Liabilities	<u>2,850,249</u>	<u>2,837,664</u>	<u>12,585</u>
 <b>Deferred Inflows of Resources</b>	 <u>1,517,256</u>	 <u>2,087,848</u>	 <u>(570,592)</u>
 <b>Net Position:</b>			
Investment in capital assets	22,861,144	23,215,376	(354,232)
Unrestricted	<u>16,045,209</u>	<u>15,128,229</u>	<u>916,980</u>
Total Net Position	<u>\$ 38,906,353</u>	<u>\$ 38,343,605</u>	<u>\$ 562,748</u>

Net position increased by \$562,748 from fiscal year 2024 to 2025. Investment in capital assets decreased \$354,232 in fiscal year 2025 resulting from depreciation expense exceeding the net fixed asset and construction in progress additions.

Unrestricted net position increased \$916,980 as a result of the decrease in water treatment expenses due to the completion of the rehabilitation of Wells #7 and 8 in June 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the District (Continued)

#### Revenues, Expenses and Changes in Net Position

The following is a summary of the District's revenues, expenses and changes in net position for the years ended June 30:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Revenues:</b>			
Operating revenues	\$ 10,822,535	\$ 9,296,272	\$ 1,526,263
Nonoperating revenues	1,910,213	1,737,222	172,991
Capital contributions	77,965	111,167	(33,202)
<b>Total Revenues</b>	<b><u>12,810,713</u></b>	<b><u>11,144,661</u></b>	<b><u>1,666,052</u></b>
<b>Expenses:</b>			
Depreciation expense	737,128	739,677	(2,549)
Other operating expenses	11,510,837	11,126,642	384,195
<b>Total Expenses</b>	<b><u>12,247,965</u></b>	<b><u>11,866,319</u></b>	<b><u>381,646</u></b>
Change in Net Position	562,748	(721,658)	1,284,406
Net Position at Beginning of Year	<u>38,343,605</u>	<u>39,065,263</u>	<u>(721,658)</u>
<b>Net Position at End of Year</b>	<b><u>\$ 38,906,353</u></b>	<b><u>\$ 38,343,605</u></b>	<b><u>\$ 562,748</u></b>

A closer examination of the source of changes in net position reveals that the District's operating revenues increased by \$1,526,263 in fiscal year 2025 as a result of higher revenues from greater water sales. Nonoperating revenues increased by \$172,991 in fiscal year 2025 due to the recovery of previously recognized unrealized losses and a reduction in annexation costs. Operating expenses, exclusive of depreciation, increased \$384,195 in fiscal year 2025 due to the significant increase in source of supply costs resulting from an increase in the San Diego County Water Authority delivery charges for water purchases.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Assets

Capital assets consist of the following at June 30:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<u>Capital Assets Not Being Depreciated:</u>			
Land	\$ 1,440,905	\$ 1,440,905	\$ -
Construction in progress	<u>592,772</u>	<u>268,237</u>	<u>324,535</u>
Total Capital Assets Not Being Depreciated	<u><u>2,033,677</u></u>	<u><u>1,709,142</u></u>	<u><u>324,535</u></u>
<u>Capital Assets Being Depreciated:</u>			
Pumping plant and distributions	\$ 35,305,569	\$ 35,272,709	\$ 32,860
Building and land improvements	679,439	665,260	14,179
Water development and treatment plant	2,109,904	2,109,904	-
Equipment	603,348	603,348	-
Autos and trucks	394,153	394,153	-
Office equipment	<u>203,237</u>	<u>203,237</u>	<u>-</u>
Total Capital Assets Being Depreciated	<u><u>39,295,650</u></u>	<u><u>39,248,611</u></u>	<u><u>47,039</u></u>
Less: Accumulated Depreciation	<u>(18,468,183)</u>	<u>(17,742,377)</u>	<u>(725,806)</u>
Net Capital Assets Being Depreciated	<u><u>20,827,467</u></u>	<u><u>21,506,234</u></u>	<u><u>(678,767)</u></u>
Net Capital Assets	<u><u>\$ 22,861,144</u></u>	<u><u>\$ 23,215,376</u></u>	<u><u>\$ (354,232)</u></u>

Capital assets, net of accumulated depreciation, decreased \$354,232 for the year ended June 30, 2025. Capital asset additions include the various water laterals, a chain link fence and gate and meter change outs.

### Economic Factors and Future Rates and Budgets

Imported water expenses continue to rise. Water purchase costs increased 12.9% during the year ended June 30, 2025 and are projected to increase 11% for fiscal year 2026. The cost per acre foot for the fiscal year 2025 was \$2,458 and is expected to increase to \$2,731 in fiscal year 2026.

To minimize the impact of the rising cost of imported water, the District has utilized local well production for approximately 6% to 10% of its needs. Well production increased by 90% in the fiscal year 2024-25 due to increased production after the well rehabilitation was completed.

Well water is produced at an estimated cost of \$746 per acre foot. Well production for fiscal year 2025-26 is estimated to save the District \$449,000 based on estimated well production of 342 acre-feet.

### Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have any questions about this report or need additional financial information, contact the Lakeside Water District's office at 10375 Vine Street, Lakeside, California, 92040, (619) 443-3805.

**LAKESIDE WATER DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2025 AND 2024**

**ASSETS**

	<u>2025</u>	<u>2024</u>
<b>Current Assets:</b> (Notes 1 and 2)		
Cash and cash equivalents	\$ 2,164,754	\$ 1,656,966
Investments	13,946,750	13,313,076
Accounts receivable, net	1,755,745	1,601,352
Taxes receivable	12,204	10,788
Accrued interest receivable	64,204	44,943
Inventory	161,074	176,437
Prepaid expenses	42,559	38,968
Total Current Assets	<u>18,147,290</u>	<u>16,842,530</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b> (Notes 1 and 3)		
Nondepreciable capital assets	2,033,677	1,709,142
Depreciable, capital assets, net	<u>20,827,467</u>	<u>21,506,234</u>
Total Capital Assets	<u>22,861,144</u>	<u>23,215,376</u>
<b>Other Noncurrent Assets:</b> (Notes 1 and 6)		
Lease receivable	1,212,963	1,448,459
Net OPEB asset	<u>316,348</u>	<u>300,568</u>
Total Other Noncurrent Assets	<u>1,529,311</u>	<u>1,749,027</u>
Total Noncurrent Assets	<u>24,390,455</u>	<u>24,964,403</u>
<b>TOTAL ASSETS</b>	<u>\$ 42,537,745</u>	<u>\$ 41,806,933</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b> (Notes 1 and 5)		
Deferred outflows related to pension contributions	171,158	152,106
Deferred outflows related to pensions	<u>564,955</u>	<u>1,310,078</u>
Total Deferred Outflows of Resources	<u>736,113</u>	<u>1,462,184</u>

(Continued)

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

**LAKESIDE WATER DISTRICT**  
**STATEMENTS OF NET POSITION (CONTINUED)**  
**JUNE 30, 2025 AND 2024**

**LIABILITIES**

	<u>2025</u>	<u>2024</u>
<b>Current Liabilities:</b> (Notes 1 and 4)		
Accounts payable	\$ 1,522,839	\$ 1,467,142
Accrued payroll	-	12,592
Prepaid rent	15,398	-
Compensated absences	134,114	110,563
Total Current Liabilities	<u>1,672,351</u>	<u>1,590,297</u>
<b>Noncurrent Liabilities:</b> (Notes 1 and 5)		
Customer deposits	660,761	680,636
Compensated absences, net of current portion	62,359	69,013
Net pension liability	454,778	497,718
Total Noncurrent Liabilities	<u>1,177,898</u>	<u>1,247,367</u>
Total Liabilities	<u>2,850,249</u>	<u>2,837,664</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b> (Notes 1 and 5)		
Deferred inflows related to pensions	446,134	768,889
Deferred inflows related to leases	1,071,122	1,318,959
Total Deferred Inflows of Resources	<u>1,517,256</u>	<u>2,087,848</u>
<b>Commitments and Contingencies:</b> (Notes 5, 6, 7 and 9)		
<b>NET POSITION (Note 9):</b>		
Investment in capital assets	22,861,144	23,215,376
Unrestricted	16,045,209	15,128,229
Total Net Position	<u>\$ 38,906,353</u>	<u>\$ 38,343,605</u>

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

**LAKESIDE WATER DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Operating Revenues:</u></b>		
Water sales	\$ 10,283,452	\$ 8,744,944
Infrastructure access fees	448,191	433,639
Installation and service fees	81,696	100,552
Other operating revenues	9,196	17,137
Total Operating Revenues	<u>10,822,535</u>	<u>9,296,272</u>
<b><u>Operating Expenses:</u></b>		
Source of supply	7,822,220	6,928,139
Transmission and distribution	1,850,290	2,010,149
General and administrative	1,110,726	1,035,635
Depreciation	737,128	739,677
Pumping	393,916	414,001
Customer accounts	219,984	172,328
Water treatment	113,701	566,390
Total Operating Expenses	<u>12,247,965</u>	<u>11,866,319</u>
Operating Loss	<u>(1,425,430)</u>	<u>(2,570,047)</u>
<b><u>Nonoperating Revenues:</u></b>		
Taxes and assessments	816,519	730,572
Investment income	812,634	763,119
Rent income	256,998	260,224
Annexation fees (costs)	24,062	(16,693)
Total Nonoperating Revenues	<u>1,910,213</u>	<u>1,737,222</u>
Income (Loss) Before Capital Contributions	484,783	(832,825)
Capital Contributions	<u>77,965</u>	<u>111,167</u>
Change in Net Position	562,748	(721,658)
Net Position at Beginning of Year	<u>38,343,605</u>	<u>39,065,263</u>
<b>NET POSITION AT END OF YEAR</b>	<b><u>\$ 38,906,353</u></b>	<b><u>\$ 38,343,605</u></b>

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

**LAKESIDE WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Cash Flow From Operating Activities:</u></b>		
Cash received from customers	\$ 10,639,071	\$ 9,107,507
Cash payments to suppliers for goods and services	(9,249,692)	(8,619,036)
Cash payments to employees for services	(1,844,775)	(1,750,066)
Other operating cash receipts	33,258	444
Net Cash Used in Operating Activities	<u>(422,138)</u>	<u>(1,261,151)</u>
<b><u>Cash Flow From Noncapital Financing Activities:</u></b>		
Receipts from taxes, and assessments	815,103	730,755
Net Cash Provided by Noncapital Financing Activities	<u>815,103</u>	<u>730,755</u>
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>		
Acquisition and construction of capital assets	(382,896)	(420,460)
Proceeds from disposal of capital assets	-	1,500
Capital contributions	77,965	111,167
Proceeds from lease revenues	260,055	217,837
Net Cash Used in Capital and Related Financing Activities	<u>(44,876)</u>	<u>(89,956)</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Proceeds from sale and maturities of investments	2,809,000	3,622,462
Purchase of investments	(2,966,362)	(2,196,787)
Investment income	317,061	303,290
Net Cash Provided by Investing Activities	<u>159,699</u>	<u>1,728,965</u>
Net Increase in Cash and Cash Equivalents	507,788	1,108,613
Cash and Cash Equivalents at Beginning of Year	<u>1,656,966</u>	<u>548,353</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<b><u>\$ 2,164,754</u></b>	<b><u>\$ 1,656,966</u></b>

(Continued)

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

**LAKESIDE WATER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Reconciliation of Operating Loss to Net Cash</u></b>		
<b><u>Used in Operating Activities:</u></b>		
Operating loss	\$ (1,425,430)	\$ (2,570,047)
<b><u>Adjustments to reconcile operating loss to net cash used in operating activities:</u></b>		
Depreciation	737,128	739,677
<b><u>(Increase) Decrease in:</u></b>		
Accounts receivable, net	(154,393)	(227,046)
Inventory	15,363	33,323
Prepaid expenses	(3,591)	(29,954)
Net OPEB asset	(15,780)	(44,174)
Deferred outflows related to pension contributions	(19,052)	(16,432)
Deferred outflows related to pensions	422,368	491,539
<b><u>(Decrease) Increase in:</u></b>		
Accounts payable	55,697	135,741
Accrued payroll	(12,592)	12,592
Customer deposits	(19,875)	55,418
Compensated absences	16,897	(29,076)
Net pension liability	(42,940)	203,981
Annexation fees	24,062	(16,693)
Net Cash Used in Operating Activities	<u>\$ (422,138)</u>	<u>\$ (1,261,151)</u>
<b><u>Supplemental Disclosures of Cash Flow Information:</u></b>		
Net unrealized gain on investments	<u>\$ 476,312</u>	<u>\$ 366,077</u>

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

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies:**

**Organization**

Lakeside Water District (the “District”) was established in 1924 pursuant to the irrigation section of the California Water Code for the purpose of supplying water services to properties in the District. Effective November 16, 2006, the Riverview Water District was merged with the District.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Cod. Sec. 2100 “Defining the Financial Reporting Entity”. The District is the primary government unit. Component units are those entities, which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit’s board, or because the component unit will provide a financial benefit or impose a financial burden on the District. The District has no component units.

**Significant Accounting Policies**

A summary of the District’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Method of Accounting**

The District utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly, the statements of net position and the statements of revenues, expenses and changes in net position have been prepared using the economic resources measurement focus and the accrual basis of accounting.

Water lines may be constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These lines are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized as pumping plant and distribution. Additional capital contributions come in the form of facilities fees collected when a customer connects to the District’s system.

The District has not elected to apply the option allowed in GASB Cod. Sec. P80.103, “Proprietary Fund Accounting and Financial Reporting” and as a consequence will continue to apply GASB statements and interpretations.

**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, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The District recognizes revenues from water sales, infrastructure access fees, installation and service fees, and other operating revenues when they are earned. Operating activities generally result from providing services and producing and delivering goods. As such, the District considers fees received from water sales, infrastructure access fees, and installation and service fees to be operating revenues. Taxes and assessments are recognized as revenues based upon amounts reported to the District by the County of San Diego. Rent income is recorded when due from the occupant, generally upon the first day of each month.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Investments**

Investments are stated at their fair value which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

**Allowance for Doubtful Accounts**

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts receivable totaled \$3,216 and \$74,557 at June 30, 2025 and 2024, respectively.

**Taxes and Assessments**

Property taxes and assessments are billed by the County of San Diego to property owners. The District's property tax calendar for the fiscal year ended June 30, 2025, was as follows:

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

The County collects the taxes from the property owners and remits the funds to the District periodically during the year. The District has an arrangement with the County whereby the County remits taxes which are delinquent as of each June 30 to the District in exchange for the right to retain the delinquent taxes, penalties, and interest when these amounts are subsequently collected.

**Inventory**

Inventory consists primarily of materials used in the construction and maintenance of capital assets and is valued at the lower of cost or market using the first-in, first-out (FIFO) method.

**Leases**

The District is a lessor for leases detailed in Note 7. The District recognizes a lease receivable and a deferred inflow of resources.

At the commencement of the lease, the District initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the lease term.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Leases (Continued)**

Key estimates and judgments include how the District determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The District used the 3% annual increase in the lease as the discount rate.
- The lease term includes the noncancelable period of the lease as well as any extensions available to the lessee. The District expects that the lessee will exercise those options, fully. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**Capital Assets**

Capital assets purchased or acquired with a cost exceeding \$4,000 and an estimated useful life more than one year are reported at historical cost. Donated capital assets, donated works of art, and similar items, and capital assets received in service concession agreements are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Pumping plant and distribution	10 - 60 years
Building and land improvements	10 - 50 years
Water development and treatment plant	25 - 40 years
Equipment	5 - 10 years
Autos and trucks	5 - 10 years
Office equipment	3 - 10 years

Depreciation totaled \$737,128 and \$739,677 for the years ended June 30, 2025 and 2024, respectively.

**Compensated Absences**

Accumulated and unpaid compensated absences totaling \$196,473 and \$179,576 are accrued when incurred and included in current and noncurrent liabilities at June 30, 2025 and 2024, respectively.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability, differences between actual and expected contributions, and the net difference between projected and actual earnings on pension plan investments, adjustments due to differences in proportions, differences between expected and actual experience, and changes in assumptions.

In addition to liabilities, the statements of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that qualify for reporting in this category:

- Deferred inflows related to pensions resulting from adjustments due to the differences in proportions, and differences between actual and the proportionate share of contributions.
- Deferred inflows related to leases representing the net present value of revenues to be received in the future related to cell site and land leases.

**Risk Management**

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

At June 30, 2025, the District participated in the self-insurance programs of the Authority as follows:

Property Loss - Insured up to \$500 million per occurrence (total insurable value \$1,908,896 with \$1,000 deductible for buildings, personal property, fixed equipment and mobile equipment and \$500 for licensed vehicles. The Authority is self-insured up to \$10 million and excess insurance coverage has been purchased.

General and Auto Liability - Insured up to \$55 million per occurrence; the Authority is self-insured up to \$5 million and excess insurance coverage has been purchased. The general and auto liability program has no deductible.

Public Officials' Liability - Insured up to \$55 million per occurrence; the Authority is self-insured up to \$5 million and excess insurance coverage has been purchased.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Risk Management (Continued)**

Fidelity Bond - Insured up to \$100,000 per occurrence with a \$1,000 deductible.

Workers' Compensation - Insured up to the statutory limits; the Authority is self-insured up to \$2 million and excess insurance coverage has been purchased. Employer's liability is insured up to \$4 million; the Authority is self-insured up to \$2 million and excess insurance coverage has been purchased.

The District pays annual premiums for this coverage. They are subject to retrospective adjustments based on claims experienced. The nature and amounts of the adjustments cannot be estimated and are charged to expense as invoiced. The District's insurance expense was \$57,566 and \$49,672 for the years ended June 30, 2025 and 2024. There were no instances in the past three years where a settlement exceeded the District's coverage.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position 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. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website under Forms and Publications.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

**Postemployment Benefits (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 Other Postemployment Benefit Programs of the Retiree Health Plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by the District using the alternative measurement method. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. The District has assets designated for OPEB that are invested in California Employer's Retiree Benefit Trust (CERBT) Strategy 2 which are reported at fair value as reported to the district by CERBT.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Postemployment Benefits (OPEB) (Continued)**

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

**Fair Value Measurements**

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The District's statements of net position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in the California Local Agency Investment Fund (LAIF) are considered Level 2 assets and are reported at the fair value of the underlying assets as provided by LAIF.
- U.S. Agency Securities are considered Level 2 assets and are reported at the fair value reported by the counter-party.
- U.S. Treasury Securities are considered Level 2 assets and are reported at the fair value reported by the counter-party.
- Certificates of Deposit are considered Level 2 assets and are reported at the fair value reported by the counter-party.

**Economic Dependency**

The District purchases approximately 90% of its water from the San Diego County Water Authority. Interruption of this source would impact the District negatively.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the District considers all investment instruments purchased with a maturity of three months or less to be cash equivalents. Negotiable certificates of deposit that may be redeemed without significant penalty are considered cash and cash equivalents regardless of the maturity.

**Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December \_\_\_, 2025, the date the financial statements were available to be issued.

**Note 2 - Cash and Investments:**

**Investment Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District rather than the general provision of the California Government Code or the District's investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Quality Requirements</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances *	180 days	40%	None
Commercial Paper *	270 days	25%	A1
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements *	1 year	None	None
Reverse Repurchase Agreements *	92 days	20%	None
Medium-Term Notes *	5 years	30%	A Rating
Mutual Funds	N/A	20%	Multiple
Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities *	5 years	20%	AA Rating
Time Deposits	5 years	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None

\* Requires consent of the Board of Directors before investing District funds.

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Cash and Investments:**

**Investment Authorized by the California Government Code and the District's Investment Policy (Continued)**

The District's investment policy is more restrictive than the California Government Code. The District limits the percentage of its portfolio that can be invested in bankers acceptances, commercial paper, mutual funds, and money market mutual funds.

Cash and investments held by the District were comprised of the following at June 30:

	Maturity in Years		2025 Total	2024 Total
	One Year or Less	1 - 5 Years		
Cash on hand	\$ 69,311	\$ -	\$ 69,311	\$ 67,333
Deposits with financial institutions	2,094,411	-	2,094,411	1,588,647
California Local Agency Investment Fund (LAIF)	1,032	-	1,032	986
Certificates of Deposits	1,264,989	4,380,050	5,645,039	5,783,078
U.S. Agency Securities	2,843,136	5,117,269	7,960,405	7,200,288
U.S. Treasury	-	341,306	341,306	329,710
<b>Total Cash and Investments</b>	<b><u>\$ 6,272,879</u></b>	<b><u>\$ 9,838,625</u></b>	<b><u>\$ 16,111,504</u></b>	<b><u>\$ 14,970,042</u></b>
Financial Statement Classification:				
Cash and cash equivalents			\$ 2,164,754	\$ 1,656,966
Investments			<u>13,946,750</u>	<u>13,313,076</u>
Total Cash and Investments			<b><u>\$ 16,111,504</u></b>	<b><u>\$ 14,970,042</u></b>

**Disclosures Relating to Interest Rate Risk**

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of the District's investments by maturity at June 30, 2025.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 2 - Cash and Investments: (Continued)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of the year for each investment type.

	<u>Rating as of Year End</u> <u>Standard &amp; Poor's</u>
California Local Agency Investment Fund (LAIF)	Not Rated
Certificates of Deposits	Not Rated
U.S. Agency Securities	AA+
U.S. Treasury	AA+

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude to the District's investment in a single issue.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than certificates of deposit, U.S. Treasury Securities and external investment pools) that represent 5% or more of total District's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Home Loan Banks	U.S. Agency Security	\$ 4,879,692
Federal National Mortgage Association - Fannie Mae	U.S. Agency Security	2,209,000
Federal Home Loan Mortgage Corporation - Freddie Mac	U.S. Agency Security	960,000
Total		<u><u>\$ 8,048,692</u></u>

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 2 - Cash and Investments: (Continued)**

**Custodial Credit Risk**

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

At June 30, 2025, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. The District's U.S. Agency Securities were held by the same broker dealer (counter party) that was used by the District to purchase the securities.

**Investment in State Investment Pool**

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

The statements of cash flows have been prepared by considering all investment instruments purchased with a maturity of three months or less to be cash equivalents. Following is a detail at June 30:

	<u>2025</u>	<u>2024</u>
Deposits with financial institutions	\$ 2,094,411	\$ 1,588,647
California Local Agency Investment Fund (LAIF)	1,032	986
Cash on hand	69,311	67,333
<b>Total</b>	<b>\$ 2,164,754</b>	<b>\$ 1,656,966</b>

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 3 - Capital Assets:**

Capital assets consist of the following at June 30:

	2025			
	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2025</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,440,905	\$ -	\$ -	\$ 1,440,905
Construction in progress	<u>268,237</u>	<u>324,535</u>	<u>-</u>	<u>592,772</u>
Total Capital Assets Not Being Depreciated	<u><u>1,709,142</u></u>	<u><u>324,535</u></u>	<u><u>-</u></u>	<u><u>2,033,677</u></u>
<b>Capital Assets Being Depreciated:</b>				
Pumping plant and distribution	\$ 35,272,709	\$ 44,182	\$ (11,322)	\$ 35,305,569
Building and land improvements	665,260	14,179	-	679,439
Water development and treatment plant	2,109,904	-	-	2,109,904
Equipment	603,348	-	-	603,348
Autos and trucks	394,153	-	-	394,153
Office equipment	203,237	-	-	203,237
Total Capital Assets Being Depreciated	<u>39,248,611</u>	<u>58,361</u>	<u>(11,322)</u>	<u>39,295,650</u>
Less: Accumulated depreciation	<u>(17,742,377)</u>	<u>(737,128)</u>	<u>11,322</u>	<u>(18,468,183)</u>
Net Capital Assets Being Depreciated	<u><u>21,506,234</u></u>	<u><u>(678,767)</u></u>	<u><u>-</u></u>	<u><u>20,827,467</u></u>
<b>Net Capital Assets</b>	<b><u>\$ 23,215,376</u></b>	<b><u>\$ (354,232)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 22,861,144</u></b>
	2024			
	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,440,905	\$ -	\$ -	\$ 1,440,905
Construction in progress	<u>262,535</u>	<u>308,961</u>	<u>(303,259)</u>	<u>268,237</u>
Total Capital Assets Not Being Depreciated	<u><u>1,703,440</u></u>	<u><u>308,961</u></u>	<u><u>(303,259)</u></u>	<u><u>1,709,142</u></u>
<b>Capital Assets Being Depreciated:</b>				
Pumping plant and distribution	\$ 34,900,010	\$ 378,919	\$ (6,220)	\$ 35,272,709
Building and land improvements	654,289	10,971	-	665,260
Water development and treatment plant	2,109,904	-	-	2,109,904
Equipment	595,895	7,453	-	603,348
Autos and trucks	394,153	-	-	394,153
Office equipment	207,497	15,915	(20,175)	203,237
Total Capital Assets Being Depreciated	<u>38,861,748</u>	<u>413,258</u>	<u>(26,395)</u>	<u>39,248,611</u>
Less: Accumulated depreciation	<u>(17,029,095)</u>	<u>(739,677)</u>	<u>26,395</u>	<u>(17,742,377)</u>
Net Capital Assets Being Depreciated	<u><u>21,832,653</u></u>	<u><u>(326,419)</u></u>	<u><u>-</u></u>	<u><u>21,506,234</u></u>
<b>Net Capital Assets</b>	<b><u>\$ 23,536,093</u></b>	<b><u>\$ (17,458)</u></b>	<b><u>\$ (303,259)</u></b>	<b><u>\$ 23,215,376</u></b>

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 4 - Noncurrent Liabilities:**

Noncurrent liabilities consist of the following at June 30:

	2025				
	<u>Balance at</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
Customer deposits	\$ 680,636	\$ 107,492	\$ (127,367)	\$ 660,761	\$ -
Compensated absences	179,576	151,011	(134,114)	196,473	134,114
Net pension liability	<u>497,718</u>	<u>400,883</u>	<u>(443,823)</u>	<u>454,778</u>	<u>-</u>
	<u><u>\$ 1,357,930</u></u>	<u><u>\$ 659,386</u></u>	<u><u>\$ (705,304)</u></u>	<u><u>\$ 1,312,012</u></u>	<u><u>\$ 134,114</u></u>

	2024				
	<u>Balance at</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Customer deposits	\$ 625,218	\$ 158,935	\$ (103,517)	\$ 680,636	\$ -
Compensated absences	208,652	81,487	(110,563)	179,576	110,563
Net pension liability	<u>293,737</u>	<u>653,386</u>	<u>(449,405)</u>	<u>497,718</u>	<u>-</u>
	<u><u>\$ 1,127,607</u></u>	<u><u>\$ 893,808</u></u>	<u><u>\$ (663,485)</u></u>	<u><u>\$ 1,357,930</u></u>	<u><u>\$ 110,563</u></u>

**Note 5 - Defined Benefit Pension Plan:**

**General Information About the Pension Plan**

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of the Lakeside Water District, (All Plans) a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The Plan consists of the Miscellaneous Plan and the PEPRA Plan.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**General Information About the Pension Plan (Continued)**

**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. Miscellaneous plan members with 5 years of service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with 5 years of service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees Retirement law per contract. The Plan's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	<u>Miscellaneous</u> Prior to <u>January 1, 2013</u>	<u>PEPRA</u> On or After <u>January 1, 2013</u>
Benefit formula	3.0% @ 60	1.5% @ 65
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 3.0% %	0.63% to 2.5%
Required employee contribution rates	8.0%	4.5%
Required employer contribution rates	16.51%	5.51%

In addition to the contribution rates above, the District was not required to make any additional payments for the Miscellaneous Plan and for the PEPRA Plan towards its unfunded actuarial liability. The miscellaneous plan is closed to new members that are not already CalPERS eligible participants.

**Contribution Description** – 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 the CalPERS annual actuarial process. The Plans 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.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The District reported the following net pension liability for its proportionate share of net position liability of the risk pool at June 30:

	<u>Proportionate Share of Net Pension Liability 2025</u>	<u>Proportionate Share of Net Pension Liability 2024</u>
Miscellaneous Risk Pool	\$ <u>454,778</u>	\$ <u>497,718</u>

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions  
(Continued)**

The District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The District's proportionate share of the net pension liability as of June 30, 2023, the valuation date, was calculated as follows:

- In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to the miscellaneous risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans as of the valuation date, June 30, 2023.
- Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans by the net pension liability of the risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2024, the measurement date, was calculated as follows:

- The risk pool's total pension liability was computed at the measurement date, June 30, 2024, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for the risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for the risk pool at June 30, 2024, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.
- The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2024, was calculated by applying the District's proportionate share percentage as of the valuation date (described above) to the total pension liability and fiduciary net position as of June 30, 2024, to obtain the total pension liability and fiduciary net position as of June 30, 2024. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The District's proportionate share percentage of the net pension liability as of June 30, 2023 and June 30, 2024, was as follows:

	<u>Miscellaneous Risk Pool</u>
Proportion at measurement date - June 30, 2023	.009954%
Proportion at measurement date - June 30, 2024	.009403%
Change - Increase (Decrease)	<u>(.000551)%</u>

The District recognized pension expense of \$531,534 and \$831,894 for the Plan for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 171,158	\$ -
Differences between actual contributions made and proportionate share of contributions	-	(446,134)
Adjustment due to difference in proportions	489,299	-
Net difference between projected and actual earnings on pension plan investments	26,181	-
Changes in assumptions	11,689	-
Differences between expected and actual experience	37,786	-
<b>Total</b>	<u>736,113</u>	<u>(446,134)</u>

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 152,106	\$ -
Differences between actual contributions made and proportionate share of contributions	397,360	(431,710)
Adjustment due to difference in proportions	780,602	(337,179)
Net difference between projected and actual earnings on pension plan investments	80,585	-
Changes in assumptions	30,049	-
Differences between expected and actual experience	21,482	-
<b>Total</b>	<u>1,462,184</u>	<u>(768,889)</u>

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The \$171,158 and \$152,106 reported as deferred outflows related to pension contributions will be recognized as a reduction in the net pension liability in the year ended June 30, 2026 and 2025, respectively.

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
Ended June 30	
2026	\$ 155,924
2027	(10,522)
2028	(17,609)
2029	(8,972)
Total	<u><u>\$ 118,821</u></u>

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date  
Measurement Date  
Actuarial Cost Method

June 30, 2023  
June 30, 2024  
Entry Age Normal

Actuarial Assumptions:

Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Age and Length of Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all funds
Post-Retirement Benefit Increases	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies 2.75% thereafter.

**Miscellaneous**

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed that none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2024 based on June 30, 2023 Valuations*, that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11 - 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one-quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. Those geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> <sup>1, 2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.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%)

(1) An expected price inflation of 2.3% used for this period.

(2) Figures are based on 2021 Asset Liability Management study.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 5 - Defined Benefit Pension Plan: (Continued)**

**Sensitivity of the District's 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 risk pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Lakeside Water District's proportionate share of the Miscellaneous Risk Pool's net pension liability (asset)	<u>\$ (2,085,166)</u>	<u>\$ (454,778)</u>	<u>\$ 887,271</u>

**Note 6 - Other Postemployment Benefits:**

**General Information About the OPEB Plan**

**Plan Description** - The District's defined benefit OPEB Plan (the "Retiree Health Plan") is a single-employer defined benefit healthcare plan. Benefit provisions are established through negotiations between the District and the bargaining units representing the employees. The Retiree Health Plan does not issue a publicly available financial report.

**Benefits Provided** - The plan provides limited full coverage until age 65, and then provides lifetime annual limited payments to supplement government Medicare coverage for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members.

**Employees Covered** - As of the June 30, 2024 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	9
Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
	<u>10</u>

**Contributions** - The District has and continues to prefund its OPEB liability. The District has joined the California Employers' Retiree Benefit Trust (CERBT), an OPEB trust administrator and affiliate program of CALPERS, for the purpose of prefunding obligations for past services. At June 30, 2024, the Plan's fiduciary net assets exceeded the total OPEB liability. Thus, no contributions were made during the measurement period.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 6 - Other Postemployment Benefits: (Continued)**

**Net OPEB Liability (Asset)**

The District's net OPEB liability (asset) was measured as of June 30, 2025 and the total OPEB liability was determined as of the same date, based on the alternative measurement method and the following assumptions:

Actuarial Cost Method	Projected Unit Credit and Level Dollar
Discount Rate	5.50%
Inflation	4.00%
Salary Increases	3.30%
Investment Rate of Return	5.50%

**Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

**Retirement Age for Active Employees**

Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 60, or at the first subsequent year in which the member would qualify for benefits.

**Marital Status**

Marital status of members at the calculation date was assumed to continue throughout retirement.

**Mortality**

Life expectancies were based on mortality tables from the National Center for Health Statistics. The United States Life Tables for Males and for Females were used.

**Turnover**

Non-group-specific age-based turnover data was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

**Healthcare Cost Trend Rate**

The expected rate of increase in healthcare insurance premiums was based on internal projections. A rate of 4.00% was used.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 6 - Other Postemployment Benefits: (Continued)**

**Methods and Assumptions (Continued)**

**Health Insurance Premiums**

For the year ended June 30, 2025, health insurance premiums were limited to \$5,200 as a basis for calculating the present value of total benefits to be paid after employees reach the age of 65.

**Inflation Rate**

The expected long-term inflation assumption of 4.00% was based on recent experience.

**Payroll Growth Rate**

The expected long-term payroll growth rate was assumed to equal 3.30%.

Based on the historical and expected returns of the District's investment portfolio, a discount rate of 5.50% was used. In addition, a simplified version of the entry age actuarial cost method was used.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	34%
Fixed Income	41%
TIPS	5%
Commodities	3%
REITS	17%
Total	100%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.5 percent. The projection of cash flows used to determine the discount rate assumed that the District will continue to prefund its OPEB liability. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return of OPEB plan investments was applied to all periods of projected benefit payments to determine any OPEB liability.

**LAKESIDE WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 6 - Other Postemployment Benefits: Continued**

**Changes in the OPEB Liability (Asset)**

The changes in the net OPEB liability (asset) for the OPEB Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2024	\$ 315,012	\$ 615,580	\$ (300,568)	
Changes recognized for the measurement period:				
Service cost	49,140	-	49,140	
Net investment income	-	71,821	(71,821)	
Benefit payments	(2,602)	(2,602)	-	
Administrative expense	-	(6,901)	6,901	
Net Changes	46,538	62,318	(15,780)	
Balance at June 30, 2025	<u>\$ 361,550</u>	<u>\$ 677,898</u>		<u>\$ (316,348)</u>

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate**

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

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability (Asset)	<u>\$ (273,082)</u>	<u>\$ (316,348)</u>	<u>\$ (355,309)</u>

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB asset of the District, as well as what the District's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (3.00%)	Current Healthcare Cost Trend Rates (4.00%)	1% Increase (5.00%)
Net OPEB Liability (Asset)	<u>\$ (355,373)</u>	<u>\$ (316,348)</u>	<u>\$ (294,438)</u>

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 6 - Other Postemployment Benefits: (Continued)**

**OPEB Plan Fiduciary Net Position**

The California Public Employees' Retirement System's California Employers' Retirement Benefit Trust (CERBT) issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, Post Office Box 942703, Sacramento, California 94429-2703.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

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

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

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

Net difference between projected and actual earnings on OPEB plan investments

5 Years

All other amounts

Expected Average Remaining Service Lifetime (EARSL) (3.8 Years at June 30, 2024)

For the period from July 1, 2024 to June 30, 2025, the District recognized OPEB expense (benefit) of \$(15,780). As of June 30, 2025, the District reported no deferred outflows or deferred inflows of resources related to OPEB.

**Note 7 - Commitments and Contingencies:**

**Contracts**

The District has entered into various contracts for the purchase of material and construction of water facilities. The amounts contracted are based on the contractor's estimated cost of construction. At June 30, 2025 and 2024, the total unpaid amount on these contracts is approximately \$-0- and \$262,964, respectively.

**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 Lakeside Water District's financial position.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 7 - Commitments and Contingencies: (Continued)**

**Leasing Activity**

The District has entered into multiple leases for cell sites as well as multiple ground leases with terms ranging from month-to-month with one lease having options through February 2050. The lessees are required to make monthly payments ranging from \$1,391 to \$12,145 with discount rates of 3%. The leases include multiple extensions in five year increments. The lease receivable totaled \$1,200,640 and \$1,448,459 at June 30, 2025 and 2024, respectively. Deferred inflows related to leases totaled \$1,071,154 and \$1,318,959 at June 30, 2025 and 2024, respectively. The District recognized lease revenue of \$244,813 and \$260,224 for the years ended June 30, 2025 and 2024, respectively.

**Note 8 - New Governmental Accounting Standards:**

**GASB No. 102**

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102 “Certain Risk Disclosures.” This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources; and defines a constraint as a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Under this standard, if a government determines that the criteria for disclosure have been met for a concentration or constraint; it should disclose information in the notes to the financial statements in sufficient detail to enable users to understand the nature and circumstances disclosed and the vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

**GASB No. 103**

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103 “Financial Reporting Model Improvements.” In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss)* and *noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund’s current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund’s current or future pricing policies, and (3) all other transfers. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

**LAKESIDE WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**Note 8 - New Governmental Accounting Standards: (Continued)**

**GASB No. 104**

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104 “Disclosure of Certain Capital Assets.” This Statement requires certain types of capital assets to be disclosed separately in the capital assets note, including Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**DRAFT**

**LAKESIDE WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024**

**SCHEDULES OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN YEARS**

	Measurement Date June 30, 2024	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020
Proportion of the Net Pension Liability	0.009403%	0.009954%	0.006277%	(0.082023)%	0.055811%
Proportionate Share of the Net Pension Liability	\$ 454,778	\$ 497,718	\$ 293,737	\$ (1,557,447)	\$ 2,354,153
Covered Payroll	\$ 1,127,255	\$ 1,075,394	\$ 958,149	\$ 943,605	\$ 912,690
Proportionate Share of the Net Pension Liability as Percentage of Covered - Employee Payroll	40.34%	46.28%	30.66%	(165,05)%	257.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.24%	95.60%	97.32%	114.80%	76.81%
	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015
Proportion of the Net Pension Liability	0.057055%	0.055341%	0.053970%	0.053200%	0.0500009%
Proportionate Share of the Net Pension Liability	\$ 2,284,761	\$ 2,085,656	\$ 2,131,146	\$ 1,820,794	\$ 1,371,972
Covered Payroll	\$ 884,211	\$ 826,999	\$ 781,134	\$ 753,349	\$ 702,446
Proportionate Share of the Net Pension Liability as Percentage of Covered - Employee Payroll	258.40%	252.20%	272.83%	241.69%	195.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.08%	76.99%	75.35%	76.23%	81.33%

**Notes to Schedule:**

**Change in Benefit Terms** - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date.

**Changes in Assumptions** - The discount rate was changed from 7.15% as of the June 30, 2021 measurement date to 6.90% as of the June 30, 2022 measurement date.

**Omitted Years** - GASB Statement No 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**LAKESIDE WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULES OF CONTRIBUTIONS TO THE PENSION PLAN  
LAST TEN YEARS**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Contractually Required Contribution (Actuarially Determined)	\$ 171,158	\$ 152,106	\$ 135,674	\$ 117,402	\$ 2,575,412
Contributions in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	<u>171,158</u> \$ -	<u>152,106</u> \$ -	<u>135,674</u> \$ -	<u>117,402</u> \$ -	<u>2,575,412</u> \$ -
Covered Payroll	<u>\$ 1,159,490</u>	<u>\$ 1,127,255</u>	<u>\$ 1,075,394</u>	<u>\$ 958,149</u>	<u>\$ 943,605</u>
Contributions as a Percentage of Covered-Employee Payroll	14.76%	13.49%	12.62%	12.25%	272.93%
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 364,009	\$ 211,912	\$ 175,264	\$ 159,865	\$ 142,970
Contributions in Relation to the Actuarially Determined Contribution Contribution Deficiency (Excess)	<u>364,009</u> \$ -	<u>211,912</u> \$ -	<u>175,264</u> \$ -	<u>159,865</u> \$ -	<u>142,970</u> \$ -
Covered Payroll	<u>\$ 912,690</u>	<u>\$ 884,211</u>	<u>\$ 826,999</u>	<u>\$ 781,134</u>	<u>\$ 753,349</u>
Contributions as a Percentage of Covered-Employee Payroll	39.88%	23.97%	21.19%	20.47%	18.98%

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Discount Rate	6.90%
Projected Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual production inflation growth of 0.25%

Omitted Years - GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**LAKESIDE WATER DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULES OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
LAST TEN YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability</b>										
Service cost	\$ 49,140	\$ 17,619	\$ 31,037	\$ 39,445	\$ 11,150	\$ (48,023)	\$ 47,912	\$ (53,514)	\$ N/A	\$ N/A
Interest	-	-	-	-	-	-	-	-	N/A	N/A
Change of benefit terms	-	-	-	-	-	-	-	-	N/A	N/A
Differences between expected and actual experience	-	-	-	-	-	-	-	-	N/A	N/A
Changes of assumptions	-	-	-	-	-	-	-	-	N/A	N/A
Benefit payments	(2,602)	(4,079)	(3,819)	(3,350)	(3,242)	(3,000)	(3,000)	(2,733)	N/A	N/A
<b>Net Change in Total OPEB Liability</b>	<b>46,538</b>	<b>13,540</b>	<b>27,218</b>	<b>36,095</b>	<b>7,908</b>	<b>(51,023)</b>	<b>44,912</b>	<b>(56,247)</b>	<b>N/A</b>	<b>N/A</b>
<b>Total OPEB Liability - Beginning</b>	<b>315,012</b>	<b>301,472</b>	<b>274,254</b>	<b>238,159</b>	<b>230,251</b>	<b>281,274</b>	<b>236,362</b>	<b>292,609</b>	<b>N/A</b>	<b>N/A</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 361,550</b>	<b>\$ 315,012</b>	<b>\$ 301,472</b>	<b>\$ 274,254</b>	<b>\$ 238,159</b>	<b>\$ 230,251</b>	<b>\$ 281,274</b>	<b>\$ 236,362</b>	<b>\$ N/A</b>	<b>\$ N/A</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ N/A	\$ N/A
Net investment income	71,821	74,142	(75,429)	106,185	27,927	33,911	28,358	31,237	N/A	N/A
Benefit payments	(2,602)	(4,079)	(3,819)	(3,350)	(3,242)	(3,000)	(3,000)	(2,733)	N/A	N/A
Administrative expense	(6,901)	(12,349)	(5,451)	(506)	(259)	(239)	(236)	(218)	N/A	N/A
<b>Net Change in Plan Fiduciary Net Position</b>	<b>62,318</b>	<b>57,714</b>	<b>(84,699)</b>	<b>102,329</b>	<b>24,426</b>	<b>30,672</b>	<b>25,122</b>	<b>28,286</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>615,580</b>	<b>557,866</b>	<b>642,565</b>	<b>540,236</b>	<b>515,810</b>	<b>485,138</b>	<b>460,016</b>	<b>431,730</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 677,898</b>	<b>\$ 615,580</b>	<b>\$ 557,866</b>	<b>\$ 642,565</b>	<b>\$ 540,236</b>	<b>\$ 515,810</b>	<b>\$ 485,138</b>	<b>\$ 460,016</b>	<b>\$ N/A</b>	<b>\$ N/A</b>
District's Net OPEB Liability (Asset) - Ending (a) - (b)	<b>\$ (316,348)</b>	<b>\$ (300,568)</b>	<b>\$ (256,394)</b>	<b>\$ (368,311)</b>	<b>\$ (302,077)</b>	<b>\$ (285,559)</b>	<b>\$ (203,864)</b>	<b>\$ (223,654)</b>	<b>\$ N/A</b>	<b>\$ N/A</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>										
	187.50%	195.41%	185.05%	234.30%	226.83%	224.02%	172.48%	194.62%	N/A	N/A
Covered-Employee Payroll	\$ 890,063	\$ 904,925	\$ 1,000,039	\$ 893,817	\$ 933,447	\$ 871,900	\$ 819,107	\$ 794,813	N/A	N/A
District's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(35.54)%	(33.21)%	(25.63)%	(41.20)%	(32.36)%	(32.75)%	(24.89)%	(28.14)%	N/A	N/A

(Continued)

**LAKESIDE WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULES OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
LAST TEN YEARS**

**Notes to Schedules:**

In place of an actuarial valuation the total OPEB liability has been measured using the Alternative Measurement Method as described in GASB Statement 75 for plans with fewer than 100 employees (active and inactive) being provided benefits through the OPEB plan as of the beginning of the measurement period.

The District has elected to use the GASB 75 "Lookback" method where assets and liabilities are measured as of the prior fiscal year end, but applied to the current fiscal year.

The GASB 75 Alternative Measurement Method rules require that net OPEB liability changes resulting from demographic experience and assumption changes be recognized immediately in OPEB expense.

Fiscal year 2018 was the first year of implementation. The District must eventually disclose a 10-year history of the schedule of changes in net OPEB liability and related ratios.

**DRAFT**

**LAKESIDE WATER DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULES OF CONTRIBUTIONS TO THE OPEB PLAN**  
**LAST TEN YEARS**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarial Determined Contribution (ADC)	\$ 9,528	\$ 9,930	\$ 8,188	\$ 8,578	\$ 8,409
Contributions in Relation to the Actuarially Determined Contribution	<u>9,528</u>	<u>9,930</u>	<u>8,188</u>	<u>8,578</u>	<u>8,409</u>
Contribution Deficiency (Excess)	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>
 Covered-Employee Payroll	 <u>\$ 890,063</u>	 <u>\$ 904,925</u>	 <u>\$ 1,000,039</u>	 <u>\$ 893,817</u>	 <u>\$ 933,447</u>
 Contributions as a Percentage of Covered - Employee Payroll	 1.07%	 .110%	 0.82%	 0.96%	 0.90%
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Actuarial Determined Contribution (ADC)	\$ 8,727	\$ 11,393	\$ 8,657	\$ N/A	\$ N/A
Contributions in Relation to the Actuarially Determined Contribution	<u>8,727</u>	<u>11,393</u>	<u>8,657</u>	<u>N/A</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>-\$</u>	<u>-\$</u>	<u>-\$</u>	<u>N/A</u>	<u>N/A</u>
 Covered-Employee Payroll	 <u>\$ 871,900</u>	 <u>\$ 819,107</u>	 <u>\$ 794,813</u>	 <u>N/A</u>	 <u>N/A</u>
 Contributions as a Percentage of Covered - Employee Payroll	 1.00%	 1.39%	 1.09%	 N/A	 N/A

**Notes to Schedules:**

The ADC developed for the years ending June 30, 2018 through 2025 was determined by the District using the Alternative Measurement Method. Expected contributions, relative to the ADC, for each fiscal year are shown above.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age
Amortization Method	Fixed cost
Amortization Period	Closed
Asset Valuation Method	Market Value
Inflation	4.00 percent
Investment Rate of Return	5.5% per annum. Assumes investing in California Employers' Retiree Benefit Trust asset allocation strategy 2.
Healthcare Cost Trend Rates	4.0%
Salary Increase	3.3%

**LAKESIDE WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**SCHEDULES OF CONTRIBUTIONS TO THE OPEB PLAN (CONTINUED)  
LAST TEN YEARS \***

**Notes to Schedules: (Continued)**

Retirement Age

Coverage is available for employees that retire with the District at age 60 or older and have 25 or more years of service with the District.

Mortality

Life expectancies were based on mortality tables from the National Center for Health Statistics. The United States Life Tables for males and for females were used.

\* Fiscal year 2018 was the first year of implementation. The District must eventually disclose a 10-year history of the contributing investment return, and payroll schedules.

**DRAFT**

OPERATIONS REPORT  
January 2026  
BOARD OF DIRECTORS MEETING

**General Operation:**

- *SCADA upgrades*
- *EOS Building updates*
- *Well #8 Rehabilitation start*
- *Facilities lighting maintenance.*

**Contractor/ Developer/ County Projects:**

- *River Run East update*

**District Emergencies Repairs:**

- *Main breaks 0*
- *Service leaks 1 and 1 dig in. Prospect and Beechtree, both Poly*
- *Fire hydrants 0*

**Notice of Exemption****Appendix E**

To: Office of Planning and Research  
 P.O. Box 3044, Room 113  
 Sacramento, CA 95812-3044  
 County Clerk  
 County of: San Diego

From: (Public Agency): Lakeside Water District  
10375 Vine Street  
Lakeside, CA 92040  
 (Address)

Project Title: Yerba Valley Annexation Private Customer Lines Project

Project Applicant: Lakeside Water District

Project Location - Specific:

Yerba Valley Rd, Yerba Valley Way, Genesis Way, Buena Vida Rd.

Project Location - City: Lakeside Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Install private water lines for 18 parcels within private utility easements as part of water service being available to this area. The parcels are on wells now with some properties having failed wells and having to truck in water. This project will provide a stable water supply for the 18 parcels.

Name of Public Agency Approving Project: Lakeside Water District

Name of Person or Agency Carrying Out Project: Lakeside Water District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: 15304 Minor Alterations to Land (f)
- Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

This project is for minor trenching and backfilling where the surface is restored within an existing common roadway of private dedicated access and utility rights.

Lead Agency  
 Contact Person: Brett Sanders Area Code/Telephone/Extension: 619-443-3805

If filed by applicant:

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Signed by Lead Agency      Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
 Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

**Notice of Exemption****Appendix E**

**To:** Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044  
County Clerk  
County of: San Diego

**From:** (Public Agency): Lakeside Water District  
10375 Vine Street  
Lakeside, CA 92040  
(Address)

Project Title: Yerba Valley Annexation Pipeline Project

Project Applicant: Lakeside Water District

Project Location - Specific:

Genesis Way and Muth Valley Road

Project Location - City: Lakeside Project Location - County: San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Install a 8" water line with 14 service connections and an additional four service connections off of an existing water district main to serve a total of 18 parcels. The parcels are on wells now with some properties having failed wells and having to truck in water. This project will provide a stable water supply for the 18 parcels.

Name of Public Agency Approving Project: Lakeside Water District

Name of Person or Agency Carrying Out Project: Lakeside Water District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: 15304 Minor Alterations to Land (f)
- Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

This project is for minor trenching and backfilling where the surface is restored within an existing common roadway of private dedicated access and utility rights. The Muth Valley Road portion with four water services is within a Public Road Right of Way.

Lead Agency  
Contact Person: Brett Sanders Area Code/Telephone/Extension: 619-443-3805

If filed by applicant:

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Signed by Lead Agency      Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

2. If it is found that the meter does not register more than 3% above true registration, the deposit will be retained by the District. If the meter is found to register more than 3% above true registration another meter will be installed by the District and the deposit returned to the consumer and an adjustment of charges made.

## **2.13-6 CHARGES FOR METER AND LATERAL INSTALLATIONS**

### **2.13-6(A) Related Procedures**

See Section 2.8 – Fire Sprinkler System Lateral

See Section 4.6 – Fire Protection Policy

### **2.13-6(B) Charges for Meter and Lateral**

All water service lateral and meter installations are installed by the District on a deposit basis. The deposit shall be based on an estimate of the projected cost. All deposits shall be paid prior the District performing the work. Any additional costs incurred to complete the work shall be billed to the owner, and any of the deposit funds remaining after the work is complete shall be returned to the owner.

### **2.13-6(C) Fire Sprinkler Lateral**

Bimonthly billings will be rendered for each fire sprinkler lateral.

- a. Fire Sprinkler lateral charge – bills are rendered bimonthly (each billing is \$45.05 per fire service detector meter).

### **2.13-6(D) Fire Hydrant Replacement Criteria**

By Estimate Only.

## **2.13-7 CAPACITY FEES**

Capacity fees have been established by the District and are as follows:

The Storage, Transmission and Pumping Fee shall apply to each  $\frac{3}{4}$ " meter connection (base meter equivalent): \$4,549

- 2.13-7 (A) Capacity fees for  $\frac{5}{8}$ " and larger than  $\frac{3}{4}$ " will be based proportionately upon American Water Works Association rated flows. The district reserves the right to refuse service if a meter is determined to be inappropriately sized.

**Lakeside Water District**  
**Disbursements List**  
**December 2025**

Num	Name	Account	Original Amount
17446	Hawk Materials	1582 · Oper, Eng. & Security Bldg.	50,000.00
17447	Pitchford, Kasey	7401 · Administrative Expense	185.40
17448	BALANAG, ERIC	4000 · Water Sales on Account	140.47
17449	CONDON JOHNSON	4000 · Water Sales on Account	165.91
17450	DIGGING DONE RIGHT	4000 · Water Sales on Account	826.02
17451	MATHEWSON, DAVID	4000 · Water Sales on Account	341.75
17452	TAYLOR, CELESTE	4000 · Water Sales on Account	31.73
17453	WEATHERSPOON, BRIAN MICHAEL	4000 · Water Sales on Account	113.77
17454	WINKELMAN, SETH	4000 · Water Sales on Account	39.55
17455	ZHANG, WEI	4000 · Water Sales on Account	173.36
17456	A & B Saw & Lawnmower Shop	6100 · Distribution - Maint/Supplies	244.11
17457	ACWA - Group Ins	7040 · Group Insurance	32,983.65
17458	Amp Electric & Lighting Services	6100 · Distribution - Maint/Supplies	1,410.00
17459	Barone, Inc.	6200 · Trucks-Fuel,Maintenance,Repair	675.84
17460	Boot World, Inc.	6100 · Distribution - Maint/Supplies	110.00
17461	Border Tire	6200 · Trucks-Fuel,Maintenance,Repair	38.78
17462	Cintas First Aid & Safety	6100 · Distribution - Maint/Supplies	306.84
17463	Enniss, Inc.	6100 · Distribution - Maint/Supplies	1,440.65
17464	Excel Telemessaging	7400 · Office Expense	287.73
17465	Freedom Automation	5628 · Telemetry Repair	5,190.00
17466	Harper & Assoc. Eng. , Inc.	1547 · CIP Design/Engineer	10,800.00
17467	HASA	5200 · Water Treatment -Maint/Supplie	1,288.38
17468	Helix Water District	5080 · Water Treatment & Testing	735.00
17469	Heritage Landscape Supply	6100 · Distribution - Maint/Supplies	171.38
17470	Home Depot Credit Services	Split	573.61
17471	Hydrocurrent Well Services	5200 · Water Treatment -Maint/Supplie	10,395.00
17472	Inland Pacific Resource Recovery, Inc.	6100 · Distribution - Maint/Supplies	960.00
17473	Jan-Pro	7400 · Office Expense	350.00
17474	Napa Auto Parts Inc	6200 · Trucks-Fuel,Maintenance,Repair	323.93
17475	Payton's Ace Hardware, Inc.	6100 · Distribution - Maint/Supplies	426.69
17476	Quadient - Postage	7400 · Office Expense	2,000.00
17477	Republic Services	6100 · Distribution - Maint/Supplies	903.12
17478	Rexel	6100 · Distribution - Maint/Supplies	78.72
17479	Snell & Wilmer	7210 · Attorney Fees	1,014.00
17480	SWRCB	7500 · State Health Dept./ SWRCB	45,553.12
17481	Target River	7400 · Office Expense	110.00
17482	Underground Service Alert	7440 · Dues & Subscriptions	102.00
17483	UniFirst Corp	6100 · Distribution - Maint/Supplies	512.01
17484	United Site Service, Inc.	6100 · Distribution - Maint/Supplies	105.71
17485	Wave.Band	7400 · Office Expense	946.26
17486	Weck Laboratories, Inc.	5080 · Water Treatment & Testing	660.00

17487	<b>San Diego County Water Authority</b>	5091 · SDCWA Capacity & Treatment F	3,925.00
17488	<b>San Diego County Water Authority</b>	5091 · SDCWA Capacity & Treatment F	3,925.00
17489	<b>San Diego County Water Authority</b>	5091 · SDCWA Capacity & Treatment F	19,626.00
17490	<b>Nucor Rebar Fabrication</b>	1582 · Oper, Eng. & Security Bldg.	2,350.00
17491	<b>Costco</b>	7920 · Miscellaneous Expense	455.00
17492	<b>Deborah Fetty-V</b>	voided check (printed incorrectly)	0.00
17493	<b>Deborah Fetty-V</b>	7920 · Miscellaneous Expense	57.08
17494	<b>STILTNER, JAMES &amp; REBECCA</b>	4000 · Water Sales on Account	1,287.00
17495	<b>Pitchford, Kasey</b>	7401 · Administrative Expense	185.37
17496	<b>A &amp; B Saw &amp; Lawnmower Shop</b>	6100 · Distribution - Maint/Supplies	26.45
17497	<b>Alpha Analytical Laboratories, Inc</b>	5080 · Water Treatment & Testing	508.00
17498	<b>Barone, Inc.</b>	6200 · Trucks-Fuel,Maintenance,Repair	1,890.34
17499	<b>Boot World, Inc.</b>	6100 · Distribution - Maint/Supplies	110.00
17500	<b>Border Tire</b>	6200 · Trucks-Fuel,Maintenance,Repair	70.47
17501	<b>CrisplImaging Inc.</b>	1583 · Julian Ave. Mult. Pipe Replace	45.24
17502	<b>East County Urgent Care</b>	6100 · Distribution - Maint/Supplies	260.00
17503	<b>Ferguson Waterworks</b>	6100 · Distribution - Maint/Supplies	317.41
17504	<b>Freedom Automation</b>	5628 · Telemetry Repair	17,265.00
17505	<b>HASA</b>	5200 · Water Treatment -Maint/Supplie	1,896.34
17506	<b>Lakeside Equipment</b>	6100 · Distribution - Maint/Supplies	335.91
17507	<b>Lakeside Petroleum, Inc.</b>	6200 · Trucks-Fuel,Maintenance,Repair	2,802.03
17508	<b>Napa Auto Parts Inc</b>	6200 · Trucks-Fuel,Maintenance,Repair	260.53
17509	<b>Northern Safety Co., Inc.</b>	6100 · Distribution - Maint/Supplies	149.31
17510	<b>SiteOne Landscape Supply</b>	6100 · Distribution - Maint/Supplies	21.54
17511	<b>UniFirst Corp</b>	6100 · Distribution - Maint/Supplies	475.62
17512	<b>West &amp; Associates Engineering, Inc.</b>	7230 · Consultants	3,500.00
17513	<b>WestAir</b>	6100 · Distribution - Maint/Supplies	259.36
17514	<b>White Cap Industries, Inc.</b>	6100 · Distribution - Maint/Supplies	1,418.00
17515	<b>Hawk Materials</b>	1582 · Oper, Eng. & Security Bldg.	40,000.00
17516	<b>**included in payroll</b>	Payroll Check	0.00
17517	<b>Standard Insurance</b>	7040 · Group Insurance	463.85
17518	<b>Variable Annuity Life Insurance</b>	2100 · Payroll Liabilities	4,733.94
eft	<b>First Bankcard - Visa</b>	First Bankcard	505.08
eft	<b>First Bankcard - Visa</b>	First Bankcard	4,553.31
eft	<b>US Bank-Register</b>	7400 · Office Expense	169.27
eft	<b>Bankcard CC Fee</b>	7400 · Office Expense	3,781.84
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	10.00
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	15.00
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	30.00
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	165.85
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	244.24
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	263.97
eft	<b>Paya ACH Fee</b>	7400 · Office Expense	869.55
eft	<b>San Diego County Water Authority</b>	5000 · Water Purchases	745,892.41
eft	<b>US Bank-NSF</b>	1200 · Accounts Receivable	82.98
eft	<b>InvoiceCloud Fee</b>	7400 · Office Expense	2,183.60
eft	<b>US Bank-NSF</b>	1200 · Accounts Receivable	265.87

eft	<b>US Bank-Fees</b>	7400 · Office Expense	796.23
eft	<b>US Bank-NSF</b>	1200 · Accounts Receivable	650.17
eft	<b>Verizon</b>	7400 · Office Expense	172.36
eft	<b>US Bank-NSF</b>	1200 · Accounts Receivable	500.00
eft	<b>US Bank-NSF</b>	1200 · Accounts Receivable	180.00
eft	<b>Cal Pers</b>	7050 · CalPers Retirement	12,544.16
eft	<b>Cal Pers</b>	2100 · Payroll Liabilities	6,842.66
eft	<b>SDGE</b>	5100 · Electric Power	16,303.01
eft	<b>SDGE</b>	5100 · Electric Power	0.97
eft	<b>SDGE</b>	5100 · Electric Power	1,171.96
eft	<b>SDGE</b>	5100 · Electric Power	426.69
eft	<b>SDGE</b>	5100 · Electric Power	103.28
eft	<b>SDGE</b>	5100 · Electric Power	52.74
eft	<b>Union Bank InstaTax State</b>	2100 · Payroll Liabilities	5,819.13
E-pay	<b>Union Bank InstaTax Federal</b>	2100 · Payroll Liabilities	29,106.24
payroll	<b>Payroll</b>	Split	80,821.77
			<b>1,195,858.62</b>

**General Managers  
Monthly Report**

**January 6, 2026**

**Board of Directors Meeting**

**1) New Year Issues for Board**

**2) Rates and Charges in Effect**

**News Articles/Editorials Enclosed:**

**California snowpack gets a boost from series of December Storms**

# California snowpack gets a boost from series of December downpours

Water stored as snow during the winter months feeds waterways in the summer and supplies cities and farms

*Guardian staff and agencies*

Tue 30 Dec 2025 18.53 EST

A series of December storms delivered a welcome boost to [California](#)'s snowpack, scientists said on Tuesday in a closely watched assessment of the state's [water](#) resources for the year ahead.

The snowpack survey recorded a snow depth of 24in (61cm), said Angelique Fabbiani-Leon, state hydrometeorologist at the [California](#) department of water resources' snow surveys and water supply forecasting unit. The survey was conducted at the Phillips station in the Sierra Nevada, a mountain range that covers the eastern part of the state.

The department also collects measurements with electronic instruments at other sites, and said that statewide the snowpack currently stands at 71% of average.

The measurement is the first of the season, and offers an important snapshot of the health of California's water supply. The snowpack acts as a critical saving bank for the year ahead – essentially a frozen reservoir that provides about a third of the water used annually in California as it melts each spring and flows into rivers and streams and replenishes groundwater.

A period of warm, dry weather was recently broken by a series of [heavy storms](#) – fueled by a powerful [atmospheric river](#) – that brought [record levels of rain](#) in places such as Los Angeles and large quantities of snow in mountainous areas.

Officials said that Monday's measurement offered a hopeful sign, but cautioned that it is too soon to know how that could affect water supplies in the coming year.

“The dry conditions and warmer temperatures in early December delayed our snow-building season, but the return of storm activity, especially in the last week, helped to build a solid base for this year's snowpack,” said Fabbiani-Leon. “While California is in a better position now, it is still early in the season and our state's water supply for this year will ultimately depend on a continued cadence of storms throughout winter and early spring.”

The water content of the snowpack at the Phillips station is at 50% of the average for this time of year and 21% of the average for 1 April, when the Sierra snowpack is typically at its peak, Fabbiani-Leon said.

Those levels are about half of what the state saw at this time last year, said David Rizzardo, the department's hydrology section manager.

“The trend we’re looking at right now is more rain than snow,” Rizzardo told reporters. “We’d like to see the snow accumulation pick up by April 1 so that we’re closer to average.”

The state has built a complex system of canals and dams to capture and store the water in reservoirs for the hot, dry months when it doesn’t rain or snow. Those reservoirs are measuring at 123% of average for this time of year, Rizzardo said.

The measurements are closely watched in California, which is home to 39 million people and grows much of the country’s fresh fruit and vegetables. The health of the snowpack helps determine whether California will face challenges providing water to farms and cities during the hot summer months.

The state has grappled in recent years with swings between extremes of wet and dry. About a year ago, officials recorded a water content of the snowpack at the Phillips station of 91% of the average. In 2025, the state’s snowpack was near average just ahead of the 1 April peak and the state’s reservoirs above their historic capacity after two wet winters, following a years-long drought that forced severe cuts in water use.