

A G E N D A

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

February 4, 2025

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 Regular Meeting held on January 7, 2025.
7. Review the December 2024 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. 2024 Annual Financial Audit Presentation by Mike Zizzi with Leaf & Cole, LLP
9. Operations Report. Johnze
10. Review Joint Powers Insurance Authority Liability, Property and Workers Compensation Low Loss "President's Special Recognition Awards" for the 2020 to 2023 policy periods. Sanders
11. Consider Resolution 2025-02 approving the Application to San Diego LAFCO for the Annexation of Water Service for APN's 379-040-66 & 67-00. Sanders
12. Approve Notice of Exemption of the California Environmental Quality Act (CEQA) for the Annexation of APN's 379-040-66 (10780 Oak Creek Dr.) & 379-040-67 (10784 Oak Creek Dr. Sanders

13. Approve Demands of the Treasurer for January 2025.
14. CWA Report
15. Director's Reports and/or Ad Hoc Sub-Committees Reports.
16. General Managers' Report.
17. Adjourn; Next Regular Meeting Date March 4, 2025.

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 31, 2025, 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.

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).

Brett Sanders, General Manager / Board Secretary

**MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON January 7, 2024**

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:	Frank Hilliker Pete Jenkins Steve Johnson Eileen Neumeister Steve Robak
Secretary:	Brett Sanders

- 1) Call to Order by Board President Hilliker.
- 2) Prayer/Invocation – Board President Hilliker introduced Richard Churchman to provide the prayer for the night’s meeting.
- 3) Pledge of Allegiance – The pledge was led by Director Jenkins
- 4) Approval of Agenda. Motion by Director Robak to accept the agenda as submitted.

Motion: Robak	Second: Jenkins		
Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 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) The Board shall elect Officers to Serve a Two-Year Term per Administrative Code 15.1-3 and Adopt Resolution 25-01 Appointing the President, Vice President and Secretary. General Manager Sanders started the nomination procedure and as per the format, requested nominations for Board President. Director Hilliker nominated Director Neumeister to be Board President for the two-year term as described. There were no other nominations and the vote was unanimous to approve Director Neumeister as Board President. Director Neumeister then presided over the nomination of Vice President and Director Hilliker nominated Director Johnson to fill the position. No other nominations were made and the vote was unanimous to appoint Director Johnson as Board Vice President. A Motion was made by Director Hilliker to approve Resolution 25-01 approving Director Neumeister as Board President and Director Johnson as Board Vice President and General Manager Sanders to serve as the Board Secretary.

- 7) Approve Minutes of a Regular Meeting held on December 3, 2024. Motion by Director Hilliker to approve minutes as presented.

Motion: Hilliker

Second: Robak

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 8) Review the November 2024 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.

- 9) Operations Report. Operations Superintendent Johnze provided a summary of the following items.

- a. Currently in the process of hiring two part-time meter readers.
- b. Operations generated work order clean up. Review and complete as necessary.
- c. Yard prep for Solar Installation. Turnkey on site for solar installation. District crews traced out and located electric and signal conduits in the construction area.
- d. SCADA troubleshooting and tuning up. Continuing to work on signal sending issues.
- e. AWP Pipeline Crossings and Inspections. Orion now working on Channel Road. Very difficult sandy conditions making working near our 12" main very difficult. Next area is Riverside Dr.

District Emergency Repairs

0 Mainbreak 1 Service Leak Emerald Grove, 0 Fire Hydrants

- 10) Consider Revisions to the Board Meeting Calendar for 2025. General Manager Sanders presented a modification to the calendar for the May 6 meeting to be moved to April 29. Motion by Director Hilliker to approve the Board Meeting Calendar as presented.

Motion: Hilliker

Second: Johnson

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 11) Consider Amending 8.1-11(C) (2) Post-Retirement Health Insurance Benefits. General Manager Sanders provided a summary of the retiree program and requested that the 2024 premium increase be considered in the amount of \$180.00 to raise the annual reimbursement cap to \$5,012.00. Proposed that the Board consider potential automatic cap escalators to manage the program and future cost increases. Motion by Director Hilliker to accept the premium reimbursement cap of \$5,200 and for the General Manager to come back to the Board to present plan increase options.

Motion: Hilliker

Second: Johnson

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

12) Approve Demands of the Treasurer for December 2024. Motion by Director Johnson to approve the demands as presented.

Motion: Johnson Second: Jenkins

Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

13) CWA Report – CWA Representative Hilliker reported that only a special meeting in closed session was held in December with nothing to report.

14) Director’s Report and Ad Hoc Sub-Committees Reports. No reports.

15) Manager’s Quarterly Report. The General Manager reported.

1) State Water Resources control Board and Department of Water Resources Reporting. Recent reports turned in include:

- Urban Water Use Objective Report – DWR Report
- Validated Water Loss Audit
- Annual Assessment and Shortage Report is due by July 1 each year.
- Urban Water Management Plan is due in

2) Solar Installation Update – Turnkey is on site and prepping for the install. They plan to be complete within two months.

17) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting to be held on February 4, 2025 at 5:30 p.m.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

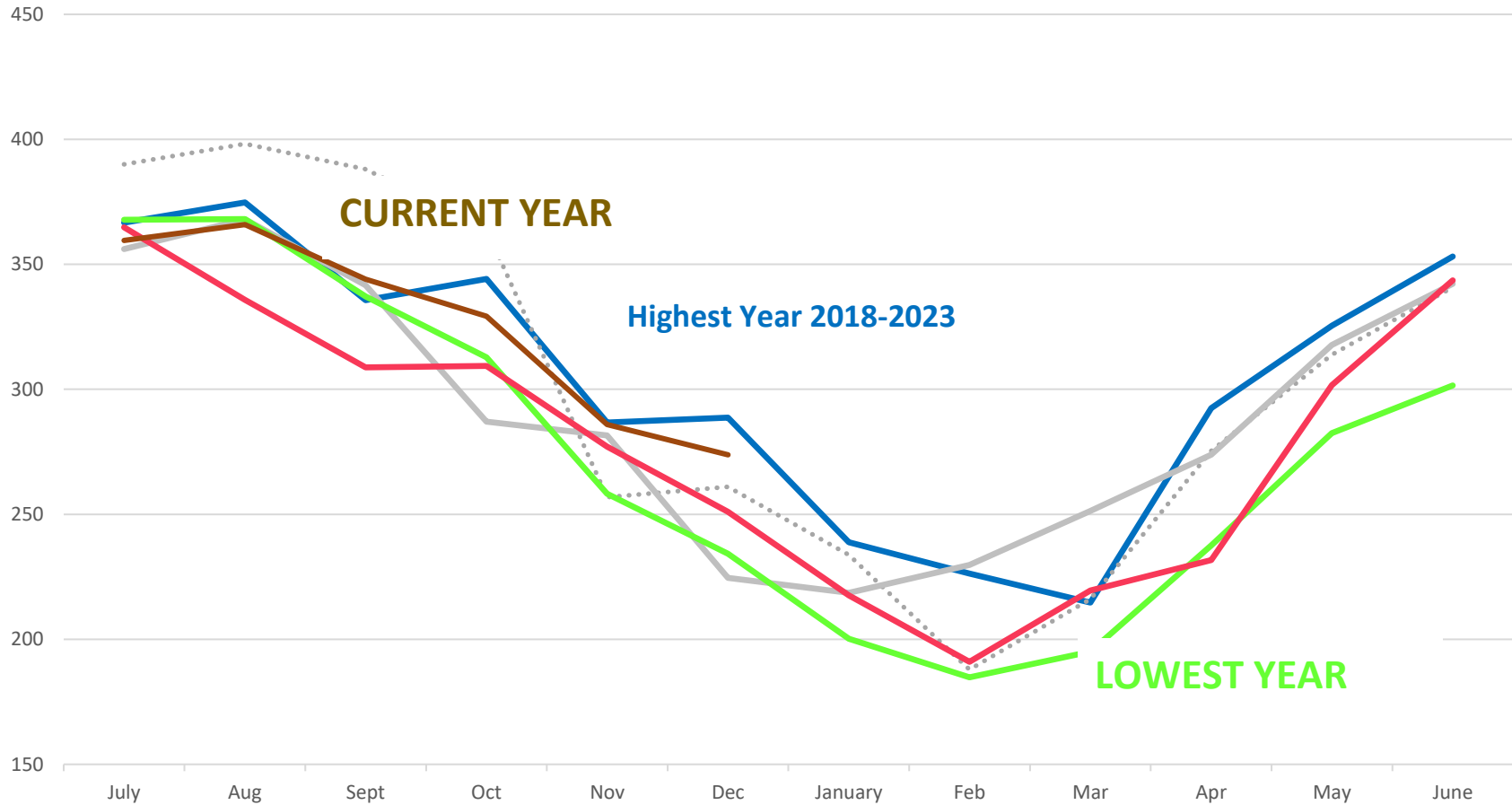
Eileen Neumeister
Board President

Lakeside Water District
Statement of Revenues and Expenses
July through December 2024

	Dec 24	Jul - Dec 24	Budget	% of Budget
Operating Revenue				
Water Sales				
4000 · Water Sales on Account	\$ 672,840.00	\$ 4,706,091.00	\$ 7,674,792.00	61%
4010 · System meter charge	\$ 90,180.00	\$ 539,906.00	\$ 1,168,943.00	46%
4020 · CWA/IAC	\$ 37,176.00	\$ 218,982.00	\$ 443,760.00	49%
4040 · Penalties / other	\$ 14,637.00	\$ 77,158.00	\$ -	0%
Total Water Sales	\$ 814,833.00	\$ 5,542,137.00	\$ 9,287,495.00	60%
4100 · Capacity Fees LWD	\$ 21,057.00	\$ 52,643.00	\$ 237,773.00	22%
4101 · SDCWA Capacity & Treatment	\$ 28,122.00	\$ 70,306.00	\$ 314,039.00	22%
4200 · Meter Services	\$ 1,323.00	\$ 18,894.00	\$ 35,000.00	54%
4210 · Engineering & Inspection Fees	\$ -	\$ 700.00	\$ 7,500.00	9%
4220 · Fire Hydrants	\$ -	\$ -	\$ 30,000.00	0%
4230 · Tapping	\$ -	\$ -	\$ 15,000.00	0%
4300 · Miscellaneous Income	\$ 136.00	\$ 2,999.00	\$ 20,000.00	15%
4310 · Water Letters	\$ 300.00	\$ 1,779.00	\$ 250.00	712%
4400 · Rent - Land Lease	\$ 36,532.00	\$ 153,152.00	\$ 279,976.00	55%
4600 · Interest Income	\$ 12,832.00	\$ 137,963.00	\$ 227,645.00	61%
4700 · Taxes Revenue	\$ 230,165.00	\$ 327,334.00	\$ 720,000.00	45%
4951 · High Meadow Ranch	\$ -	\$ 10,619.00	\$ 9,200.00	115%
Total Operating Revenue	\$ 1,145,300.00	\$ 6,318,526.00	\$ 11,183,878.00	56%
Expense				
Administrative and General				
7000 · General Manager/Secretary	\$ 18,787.00	\$ 117,059.00	\$ 233,446.00	50%
7001 · Incentive Compensation	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	50%
7020 · Director's Fees	\$ 500.00	\$ 4,250.00	\$ 10,750.00	40%
7100 · General Insurance	\$ -	\$ 64,598.00	\$ 66,575.00	97%
7200 · Annual Audit	\$ 1,375.00	\$ 30,600.00	\$ 29,000.00	106%
7210 · Attorney Fees	\$ 819.00	\$ 7,842.00	\$ 30,000.00	26%
7230 · Consultants	\$ 2,038.00	\$ 21,566.00	\$ 2,000.00	1,078%
7300 · Elections/Registrar	\$ -	\$ -	\$ 2,000.00	0%
7320 · Lafco Operating Costs	\$ -	\$ 5,607.00	\$ 5,634.00	100%
7401 · Administrative Expense	\$ -	\$ 545.00	\$ 7,000.00	8%
7450 · Public Info/Public Relat	\$ 830.00	\$ 1,584.00	\$ 11,350.00	14%
7500 · State Health Dept./ SWRCB	\$ 45,162.00	\$ 45,162.00	\$ 49,064.00	92%
7800 · Bad Debt Expense	\$ -	\$ -	\$ 2,000.00	0%
7900 · Water Dev./Conservation Program	\$ -	\$ -	\$ 9,500.00	0%
Total Administrative and General	\$ 72,011.00	\$ 301,313.00	\$ 463,319.00	65%

	Dec 24	Jul - Dec 24	Budget	% of Budget
Operations and Maintenance				
5000 · Water Purchases	\$ 537,241.00	\$ 3,784,294.00	\$ 6,762,714.00	56%
5075 · Padre Dam Deliver Charge	\$ -	\$ -	\$ 2,600.00	0%
5080 · Water Treatment & Testing	\$ 2,349.00	\$ 14,623.00	\$ 20,040.00	73%
5090 · Infrastructure Access Charge	\$ 36,458.00	\$ 218,748.00	\$ 443,760.00	49%
5091 · SDCWA Capacity & Treatment Fees	\$ 28,122.00	\$ 70,306.00	\$ 314,039.00	22%
5100 · Electric Power	\$ 33,256.00	\$ 265,011.00	\$ 395,566.00	67%
5200 · Water Treatment -Maint/Supplie	\$ 3,465.00	\$ 38,926.00	\$ 90,000.00	43%
5620 · Yerba Valley Annexation	\$ -	\$ 3,093.00	\$ 30,000.00	10%
5627 · County - Road Improvements	\$ -	\$ -	\$ 15,000.00	0%
5628 · Telemetry Repair	\$ 791.00	\$ 8,496.00	\$ 3,000.00	283%
6000 · Wages, Field	\$ 67,812.00	\$ 392,038.00	\$ 783,592.00	50%
6100 · Distribution - Maint/Supplies	\$ 14,098.00	\$ 83,988.00	\$ 130,000.00	65%
6102 · Dist. Pump & Maint	\$ 374.00	\$ 7,519.00	\$ 60,000.00	13%
6110 · Emergency Repairs & Service	\$ -	\$ -	\$ 45,000.00	0%
6200 · Trucks-Fuel,Maintenance,Repair	\$ 2,047.00	\$ 33,660.00	\$ 70,000.00	48%
6400 · Outside Labor	\$ 16,960.00	\$ 33,683.00	\$ 42,000.00	80%
6410 · Engineering	\$ 2,763.00	\$ 4,935.00	\$ 20,000.00	25%
7010 · Wages, Office	\$ 28,235.00	\$ 170,808.00	\$ 328,315.00	52%
7030 · Payroll Taxes	\$ 7,517.00	\$ 45,012.00	\$ 102,508.00	44%
7040 · Group Insurance	\$ 55,546.00	\$ 195,146.00	\$ 326,740.00	60%
7050 · CalPers Retirement	\$ 14,547.00	\$ 107,226.00	\$ 216,831.00	49%
7070 · Unemployment Insurance	\$ -	\$ -	\$ 5,000.00	0%
7400 · Office Expense	\$ 12,257.00	\$ 94,020.00	\$ 157,714.00	60%
7440 · Dues & Subscriptions	\$ 5,855.00	\$ 28,054.00	\$ 29,225.00	96%
7920 · Miscellaneous Expense	\$ 1,800.00	\$ 8,029.00	\$ 5,000.00	161%
Total Operations and Maintenance	\$ 871,493.00	\$ 5,607,615.00	\$ 10,398,644.00	54%
Total Expense	\$ 943,504.00	\$ 5,908,928.00	\$ 10,861,963.00	54%
Net Ordinary Income	\$ 201,796.00	\$ 409,598.00	\$ 321,915.00	127%
Capital Requirements				
1510 · Buildings & Land Improvements	\$ -	\$ -	\$ 4,000	0%
1520 · O & M Equipment	\$ -	\$ -	\$ 10,000	0%
1530 · Office Furniture & Equipment	\$ -	\$ -	\$ 4,000	0%
1548 · Office Solar	\$ 141,831	\$ 141,831	\$ 275,000	52%
1547 · CIP Design/Engineering	\$ -	\$ 43,926	\$ 40,000	110%
xxxx · Yerba Valley Annexation Pipeline	\$ -	\$ -	\$ 300,000	0%
1550 · Pumping Plant & Distribution	\$ -	\$ 13,987	\$ 25,000	56%
1551 · New Service/Meters	\$ 6,124	\$ 10,136	\$ 10,000	101%
1750 · Cellular Transmit Meters (42)	\$ -	\$ -	\$ -	0%
Total Capital Expense	\$ 147,955	\$ 209,881	\$ 668,000	31%

Water Demand



Lakeside Water District
Investment Report
As of December 31, 2024

Dec 31, 24

ASSETS

Current Assets

Checking/Savings

1020 · UBS Cash Fund	9,917.90
1030 · King Cash Fund	295,951.83
1050 · Multi-Bank Securities, Inc.	520,625.09
1070 · Investment - LAIF	986.10

Total Checking/Savings	827,480.92
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Other Current Assets

Investments

1321.65 · StBkIndia 1.1% 5/28/25 33682	104,000.00
1321.66 · FHLMC 0.6% 8/12/25	200,000.00
1321.67 · FFCCB 0.62% 8/25/25	240,000.00
1321.69 · BkUnited 0.55% 1/22/26 58979	242,000.00
1351.15 · RaymondJame 1.75% 2/14/25 33893	249,000.00
1351.18 · Adirondack 1.1% 3/25/25 28380	249,000.00
1351.19 · CenterstateBk 1% 3/31/25 33555	249,000.00
1351.20 · Evergreen 1.15% 4/28/25 35230	249,000.00
1351.21 · PacifWestrn 1.25% 4/30/25 24045	249,000.00
1351.24 · M1 Bk 1% 5/8/25 9797	249,000.00
1351.25 · EnterpriseB 0.85% 5/14/25 34786	249,000.00
1351.26 · Summit 0.85% 5/15/25 32203	249,000.00
1351.29 · Chippewa 0.5% 7/29/25 12322	151,000.00
1351.30 · FNMA 0.65% 8/14/25	270,000.00
1351.31 · FNMA 0.55% 9/30/25	512,000.00
1351.32 · FMCC 0.625% 11/24/25	500,000.00
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 3.54% 5/15/27	342,826.69
1351.51 · Morgan S Privt Bk 3.7% 9/26/29	245,000.00

	Dec 31, 24
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
1383.10 · LiveOak 1.85% 1/20/25 58665	230,000.00
1383.15 · Celtic 1.45% 4/17/25 57056	249,000.00
1383.19 · TexasEx 1.1% 5/13/25 20099	125,000.00
1383.20 · Bk Baroda 0.65% 7/22/25 33681	249,000.00
1383.21 · 1st Carolina 0.6% 6/26/25 35530	175,850.50
1383.23 · JP MorganC 0.55% 7/31/25 628	249,000.00
1383.24 · FHLM 0.6% 8/12/25	260,000.00
1383.25 · FNMA 0.51% 8/14/25	375,000.00
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 call24mo	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
Total Investments	<u>14,211,533.69</u>
Total Other Current Assets	<u>14,211,533.69</u>
Total Current Assets	<u>15,039,014.61</u>
TOTAL ASSETS	<u><u>15,039,014.61</u></u>
LIABILITIES & EQUITY	0.00

Investments by Maturity

December 2024

<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%	\$ 293,152	\$ 12,048.55	
Maturity in 2024		\$ 293,152	2%			4.11%
Live Oak Bk	538036HP2	1/20/2025	1.85%	\$ 230,000	\$ 4,255.00	
RAYMOND JAMES BK	75472RBB6	2/14/2025	1.75%	\$ 249,000	\$ 4,357.50	
ADIRONDACK BK UTICA	00687QAT9	3/25/2025	1.10%	\$ 249,000	\$ 2,739.00	
CENTERSTATE BK FLA	15201QCJ4	3/31/2025	1.00%	\$ 249,000	\$ 2,490.00	
CELTIC BANK	15118RUW5	4/17/2025	1.45%	\$ 249,000	\$ 3,610.50	
EVERGREEN BK GROUP	300185JM8	4/28/2025	1.15%	\$ 249,000	\$ 2,863.50	
PACIFIC WESTN BK	69506YRL5	4/30/2025	1.25%	\$ 249,000	\$ 3,112.50	
M1 BK MACKS CREEK MO	55316CAY2	5/8/2025	1.00%	\$ 249,000	\$ 2,490.00	
TEXAS EXCHANGE BANK SSB	88241THD5	5/13/2025	1.10%	\$ 125,000	\$ 1,375.00	
ENTERPRISE BK	29367RLM6	5/14/2025	0.85%	\$ 249,000	\$ 2,116.50	
SUMMIT ST BK SANTA	866264DP6	5/15/2025	0.85%	\$ 249,000	\$ 2,116.50	
State Bank of India	856285TQ4	5/28/2025	1.10%	\$ 104,000	\$ 1,144.00	
FIRST CAROLINA BANK	31944MAY1	6/26/2025	0.60%	\$ 175,851	\$ 1,055.10	
Bank of Baroda	06063HMS9	7/22/2025	0.70%	\$ 249,000	\$ 1,743.00	
CHIPPEWA VY BK	169894AT9	7/29/2025	0.50%	\$ 151,000	\$ 755.00	
JPMORGAN CHASE BANK NA	48128UHS1	7/31/2025	0.55%	\$ 249,000	\$ 1,369.50	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 260,000	\$ 1,560.00	
FHLMC	3134GWND4	8/12/2025	0.60%	\$ 200,000	\$ 1,200.00	
FNMA	3135G05S8	8/14/2025	0.51%	\$ 375,000	\$ 1,912.50	
FNMA	3136G4C43	8/14/2025	0.65%	\$ 270,000	\$ 1,755.00	
FFCB	313EL4W1	8/25/2025	0.63%	\$ 240,000	\$ 1,502.40	
FNMA	3136G44F7	9/30/2025	0.55%	\$ 512,000	\$ 2,816.00	
FHLMC	FMCC5080214	11/24/2025	0.63%	\$ 500,000	\$ 3,125.00	
FNMA	3135G06Q1	12/30/2025	0.57%	\$ 270,000	\$ 1,541.70	
Maturity in 2025		\$ 6,151,851	42%			0.86%
Bank United	066519QC6	1/22/2026	0.58%	\$ 242,000	\$ 1,410.86	
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	

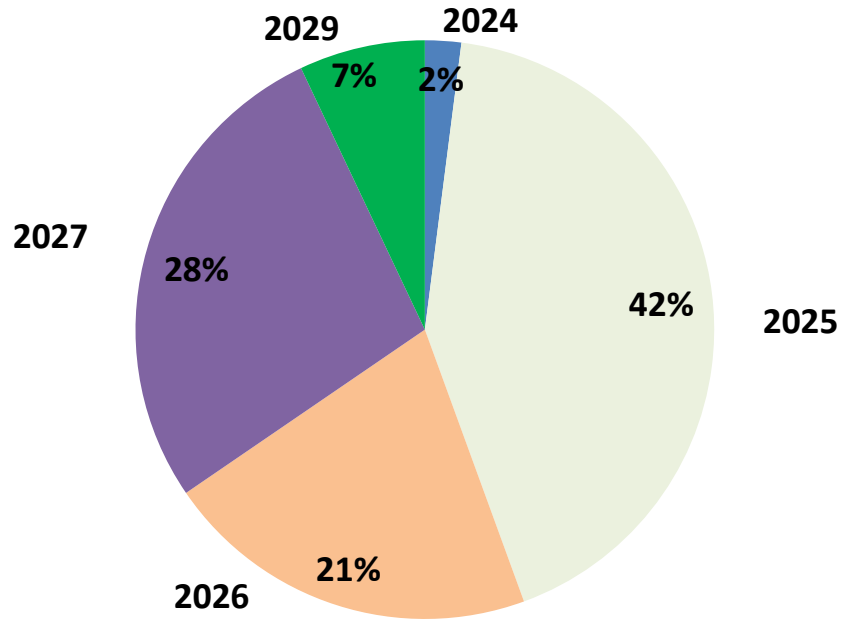
Investments by Maturity

December 2024

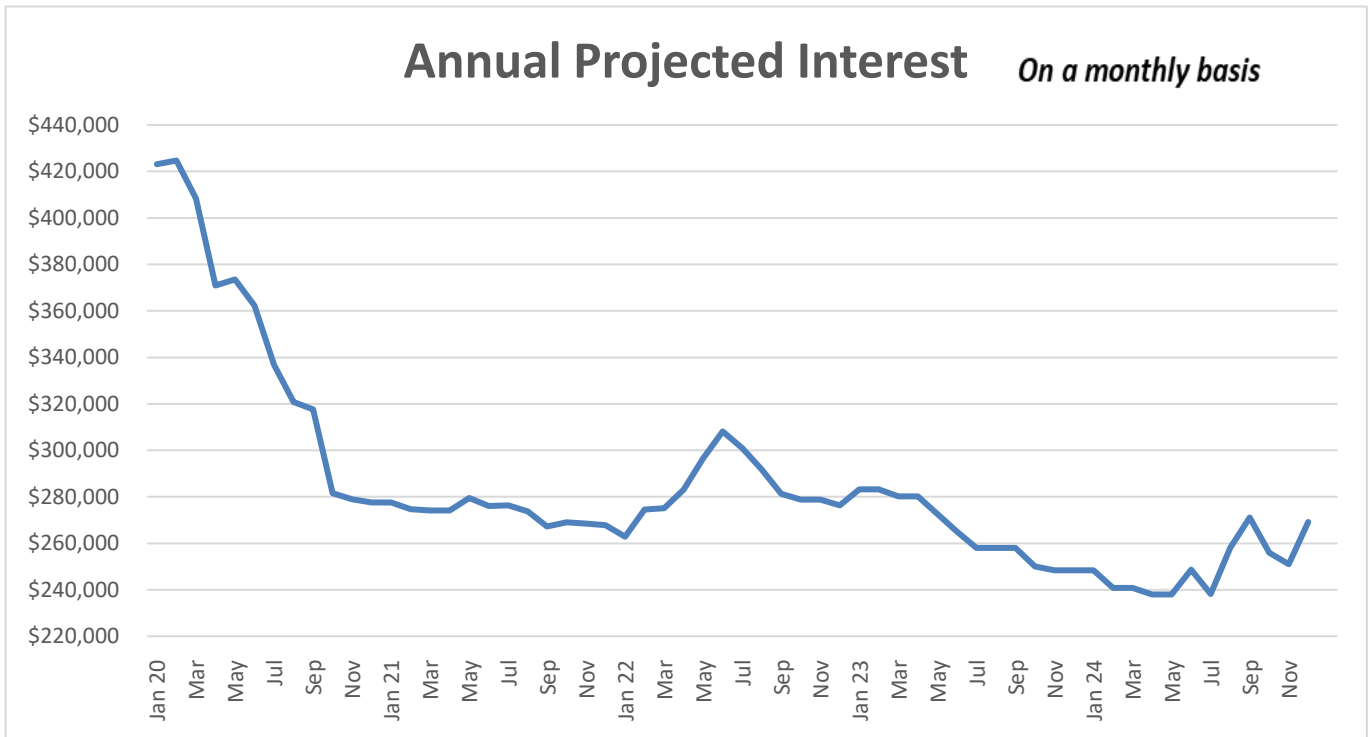
<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
Maturity in 2026	\$ 3,049,000	21%				1.08%
FHLB	3130AQYG2	2/25/2027	2.50%	\$ 670,000	\$ 16,750.00	
Beal Bk	07371CK81	3/3/2027	2.05%	\$ 247,000	\$ 5,063.50	
FHLB	3130ARDY4	3/29/2027	2.50%	\$ 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%	\$ 342,827	\$ 12,136.08	
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	31424W-SM-5	12/23/2027	4.64%	\$ 399,672	\$ 18,544.78	
Maturity in 2027	\$ 3,989,499	28%				3.24%
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	61768UPS0	9/26/2029	3.70%	\$ 245,000	\$ 9,065.00	
Morgan S Bk	61776CBR7	9/26/2029	3.70%	\$ 105,000	\$ 3,885.00	
Maturity in 2029	\$ 1,021,185	7%				4.08%
Total				<u>Investments</u> \$ 14,504,686	<u>Annual Interest</u> \$ 269,152	<u>Avg</u> 1.86%

Description Cusip Maturity Rate Amount Est. Yr Interest Avg Rate

Investments by Maturity Year



Annual Projected Interest *On a monthly basis*



February ___, 2025

Leaf & Cole, LLP
2810 Camino Del Rio South, Suite 200
San Diego, California 92108

This representation letter is provided in connection with your audits of the financial statements of Lakeside Water District which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the disclosures (collectively the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain, representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February ___, 2025, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 24, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The primary government financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
16. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government - Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities.
24. We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
25. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

28. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements properly classify all funds and activities in accordance with GASB 34, as amended.
31. All funds that meet the quantitative criteria in GASBs No. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
33. Provisions for uncollectible receivables have been properly identified and recorded.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
35. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.
36. Deposits and investment securities and derivative instruments transactions are properly classified as to risk and are properly disclosed.
37. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
38. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
39. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature and Title

February , 2025

Date

LAKESIDE WATER DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

DRAFT



Leaf & Cole, LLP
Certified Public Accountants

**LAKESIDE WATER DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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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, 2024 and 2023, and the related notes to the 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 financial position of Lakeside Water District, as of June 30, 2024 and 2023, and the 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.

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 37 to 42 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
February __, 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, 2024 and 2023. 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 statement 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 decreased by \$721,658 to \$38,343,605 for the year ended June 30, 2024.
- The District's operating revenues totaled \$9,296,272 for the year ended June 30, 2024, an increase of \$855,328 from the year ended June 30, 2023.
- The District's operating expenses totaled \$11,866,319 for the year ended June 30, 2024, a decrease of \$480,671 from the prior year. The decrease in transmission and distribution results from changes in the actuarial assumptions related to the defined benefit pension plan. Because of the District's efforts to fund the pension liability and the deferred difference in actual vs. projected contributions to the plan, the District recognized pension expense in the current year of \$831,894 which represents a decrease of nearly \$1.5 million from the prior year.
- The District's investment income loss increased from a loss of \$(25,505) in the prior year to a gain of \$763,119 in the current year as the District incurred a large unrealized loss in the prior year as a result of increased interest rates. As anticipated these unrealized losses have reversed as the prior year portfolio matured. In addition, the District benefited from those 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>2024</u>	<u>2023</u>	<u>Change</u>
<u>Assets:</u>			
Current and other assets	\$ 18,591,557	\$ 18,401,329	\$ 190,228
Capital assets, net	<u>23,215,376</u>	<u>23,536,093</u>	<u>(320,717)</u>
Total Assets	<u>41,806,933</u>	<u>41,937,422</u>	<u>(130,489)</u>
<u>Deferred Outflows of Resources</u>	<u>1,840,306</u>	<u>2,315,413</u>	<u>(475,107)</u>
<u>Liabilities:</u>			
Current liabilities	1,590,297	1,465,984	124,313
Noncurrent liabilities	<u>1,247,367</u>	<u>1,004,814</u>	<u>242,553</u>
Total Liabilities	<u>2,837,664</u>	<u>2,470,798</u>	<u>366,866</u>
<u>Deferred Inflows of Resources</u>	<u>2,465,970</u>	<u>2,716,774</u>	<u>(250,804)</u>
<u>Net Position:</u>			
Investment in capital assets	23,215,376	23,536,093	(320,717)
Unrestricted	<u>15,128,229</u>	<u>15,529,170</u>	<u>(400,941)</u>
Total Net Position	<u>\$ 38,343,605</u>	<u>\$ 39,065,263</u>	<u>\$ (721,658)</u>

Net position decreased by \$721,658 from fiscal year 2023 to 2024. Investment in capital assets decreased \$320,717 in fiscal year 2024 resulting from depreciation expense exceeding the net fixed asset and construction in progress additions.

Unrestricted net position decreased \$400,941 as a result of the increase in water treatment expenses due to the rehabilitation of Wells #7 and 8.

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>2024</u>	<u>2023</u>	<u>Change</u>
<u>Revenues:</u>			
Operating revenues	\$ 9,296,272	\$ 8,440,944	\$ 855,328
Nonoperating revenues	1,737,222	290,584	1,446,638
Capital contributions	111,167	144,478	(33,311)
Total Revenues	<u>11,144,661</u>	<u>8,876,006</u>	<u>2,268,655</u>
<u>Expenses:</u>			
Depreciation expense	739,677	720,803	18,874
Other operating expenses	<u>11,126,642</u>	<u>11,626,187</u>	<u>(499,545)</u>
Total Expenses	<u>11,866,319</u>	<u>12,346,990</u>	<u>(480,671)</u>
Change in Net Position	(721,658)	(3,470,984)	2,749,326
Net Position at Beginning of Year	<u>39,065,263</u>	<u>42,536,247</u>	<u>(3,470,984)</u>
Net Position at End of Year	<u>\$ 38,343,605</u>	<u>\$ 39,065,263</u>	<u>\$ (721,658)</u>

A closer examination of the source of changes in net position reveals that the District's operating revenues increased by \$855,328 in fiscal year 2024 as a result of higher revenues from greater water sales. Nonoperating revenues increased by \$1,446,638 in fiscal year 2024 due to the recovery of previously recognized unrealized losses and a reduction in annexation costs. Operating expenses, exclusive of depreciation, decreased \$499,545 in fiscal year 2024 due to the significant decrease in transmission and distribution costs resulting from a decrease in pension costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

Capital assets consist of the following at June 30:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<u>Capital Assets Not Being Depreciated:</u>			
Land	\$ 1,440,905	\$ 1,440,905	\$ -
Construction in progress	<u>268,237</u>	<u>262,535</u>	<u>5,702</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,709,142</u>	<u>\$ 1,703,440</u>	<u>\$ 5,702</u>
<u>Capital Assets Being Depreciated:</u>			
Pumping plant and distributions	\$ 35,272,709	\$ 34,900,010	\$ 372,699
Building and land improvements	665,260	654,289	10,971
Water development and treatment plant	2,109,904	2,109,904	-
Equipment	603,348	595,895	7,453
Autos and trucks	394,153	394,153	-
Office equipment	<u>203,237</u>	<u>207,497</u>	<u>(4,260)</u>
Total Capital Assets Being Depreciated	39,248,611	38,861,748	386,863
Less: Accumulated Depreciation	<u>(17,742,377)</u>	<u>(17,029,095)</u>	<u>(713,282)</u>
Net Capital Assets Being Depreciated	<u>21,506,234</u>	<u>21,832,653</u>	<u>(326,419)</u>
 Net Capital Assets	 <u>\$ 23,215,376</u>	 <u>\$ 23,536,093</u>	 <u>\$ (320,717)</u>

Capital assets, net of accumulated depreciation, decreased \$320,717 for the year ended June 30, 2024. Capital asset additions include the Toyon Hills main replacement, Valle Vista pressure reducing valve and meter change outs.

Economic Factors and Future Rates and Budgets

Imported water expenses continue to rise. Water purchase costs increased 12.3% in 2023 – 24 and are projected to increase 14.7% for fiscal year 2024-25. The cost per acre foot for the fiscal year 2023-24 was \$2,190 and is expected to increase to \$2,507 for fiscal year 2024-25.

To minimize the impact of the rising cost of imported water, the District has utilized local well production for approximately 6% to 9% of its needs. Well production decreased by 27% in the fiscal year 2023-24 due to reduced production after wells were taken offline for rehabilitation.

Well water is produced at an estimated cost of \$1,096 per acre foot. Well production for fiscal year 2024-25 is estimated to save the District \$482,562 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, 2024 AND 2023**

ASSETS

	<u>2024</u>	<u>2023</u>
<u>Current Assets:</u> (Notes 1 and 2)		
Cash and cash equivalents	\$ 1,656,966	\$ 548,353
Investments	13,313,076	14,278,085
Accounts receivable, net	1,601,352	1,374,306
Taxes receivable	10,788	10,971
Accrued interest receivable	44,943	45,780
Inventory	176,437	209,760
Prepaid expenses	38,968	9,014
Total Current Assets	<u>16,842,530</u>	<u>16,476,269</u>
<u>Noncurrent Assets:</u>		
Capital Assets: (Notes 1 and 3)		
Nondepreciable capital assets	1,709,142	1,703,440
Depreciable, capital assets, net	21,506,234	21,832,653
Total Capital Assets	<u>23,215,376</u>	<u>23,536,093</u>
Other Noncurrent Assets: (Notes 1 and 6)		
Lease receivable	1,448,459	1,668,666
Net OPEB asset	300,568	256,394
Total Other Noncurrent Assets	<u>1,749,027</u>	<u>1,925,060</u>
Total Noncurrent Assets	<u>24,964,403</u>	<u>25,461,153</u>
TOTAL ASSETS	<u>\$ 41,806,933</u>	<u>\$ 41,937,422</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u> (Notes 1 and 5)		
Deferred outflows related to pension contributions	152,106	135,674
Deferred outflows related to pensions	1,310,078	2,179,739
Total Deferred Outflows of Resources	<u>1,462,184</u>	<u>2,315,413</u>

(Continued)

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

**LAKESIDE WATER DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 AND 2023**

LIABILITIES

	<u>2024</u>	<u>2023</u>
<u>Current Liabilities:</u> (Notes 1 and 4)		
Accounts payable	\$ 1,467,142	\$ 1,331,401
Accrued payroll	12,592	-
Prepaid rent	-	11,790
Compensated absences	110,563	122,793
Total Current Liabilities	1,590,297	1,465,984
 <u>Noncurrent Liabilities:</u> (Notes 1 and 5)		
Customer deposits	680,636	625,218
Compensated absences, net of current portion	69,013	85,859
Net pension liability	497,718	293,737
Total Noncurrent Liabilities	1,247,367	1,004,814
Total Liabilities	2,837,664	2,470,798
 <u>DEFERRED INFLOWS OF RESOURCES:</u> (Notes 1 and 5)		
Deferred inflows related to pensions	768,889	1,147,011
Deferred inflows related to leases	1,318,959	1,569,763
Total Deferred Inflows of Resources	2,087,848	2,716,774
 <u>Commitments and Contingencies</u> (Notes 5, 6, 7 and 9)		
 <u>NET POSITION</u> (Note 9):		
Investment in capital assets	23,215,376	23,536,093
Unrestricted	15,128,229	15,529,170
Total Net Position	\$ 38,343,605	\$ 39,065,263

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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Operating Revenues:</u>		
Water sales	\$ 8,744,944	\$ 7,754,016
Infrastructure access fees	433,639	418,892
Installation and service fees	100,552	108,821
Other operating revenues	17,137	159,215
Total Operating Revenues	<u>9,296,272</u>	<u>8,440,944</u>
<u>Operating Expenses:</u>		
Source of supply	6,928,139	6,158,374
Transmission and distribution	2,010,149	3,800,453
General and administrative	1,035,635	1,009,348
Depreciation	739,677	720,803
Water treatment	566,390	80,076
Pumping	414,001	403,114
Customer accounts	172,328	174,822
Total Operating Expenses	<u>11,866,319</u>	<u>12,346,990</u>
Operating Loss	<u>(2,570,047)</u>	<u>(3,906,046)</u>
<u>Nonoperating Revenues:</u>		
Investment income (loss)	763,119	(25,505)
Taxes and assessments	730,572	681,751
Rent income	260,224	255,491
Gain on disposal of capital assets	-	1,080
Annexation (costs) fees	(16,693)	(622,233)
Total Nonoperating Revenues	<u>1,737,222</u>	<u>290,584</u>
Loss Before Capital Contributions	(832,825)	(3,615,462)
Capital Contributions	<u>111,167</u>	<u>144,478</u>
Change in Net Position	(721,658)	(3,470,984)
Net Position at Beginning of Year	<u>39,065,263</u>	<u>42,536,247</u>
NET POSITION AT END OF YEAR	<u><u>\$ 38,343,605</u></u>	<u><u>\$ 39,065,263</u></u>

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

**LAKESIDE WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Cash Flow From Operating Activities:</u>		
Cash received from customers	\$ 9,107,507	\$ 8,244,899
Cash payments to suppliers for goods and services	(7,132,640)	(7,249,306)
Cash payments to employees for services	(3,236,462)	(1,426,007)
Other operating cash receipts	444	(463,018)
Net Cash Used in Operating Activities	<u>(1,261,151)</u>	<u>(893,432)</u>
<u>Cash Flow From Noncapital Financing Activities:</u>		
Receipts from taxes, and assessments	<u>730,755</u>	<u>682,440</u>
Net Cash Provided by Noncapital Financing Activities	<u>730,755</u>	<u>682,440</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Acquisition and construction of capital assets	(420,460)	(2,695,691)
Proceeds from disposal of capital assets	1,500	1,500
Capital contributions	111,167	144,478
Proceeds from lease revenues	217,837	228,644
Net Cash Used in Capital and Related Financing Activities	<u>(89,956)</u>	<u>(2,321,069)</u>
<u>Cash Flows From Investing Activities:</u>		
Proceeds from sale and maturities of investments	3,622,462	7,933,223
Purchase of investments	(2,196,787)	(5,740,887)
Investment income	303,290	344,542
Net Cash Provided by Investing Activities	<u>1,728,965</u>	<u>2,536,878</u>
Net Increase in Cash and Cash Equivalents	1,108,613	4,817
Cash and Cash Equivalents at Beginning of Year	<u>548,353</u>	<u>543,536</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,656,966</u></u>	<u><u>\$ 548,353</u></u>

(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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used in Operating Activities:</u>		
Operating loss	\$ (2,570,047)	\$ (3,906,046)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	739,677	720,803
(Increase) Decrease in:		
Accounts receivable, net	(227,046)	(20,805)
Inventory	33,323	(41,066)
Prepaid expenses	(29,954)	24,139
Net OPEB asset	(44,174)	111,917
Deferred outflows related to pension contributions	(16,432)	(18,272)
Deferred outflows related to pensions	491,539	701,147
(Decrease) Increase in:		
Accounts payable	135,741	633,741
Accrued payroll	12,592	-
Customer deposits	55,418	(16,025)
Compensated absences	(29,076)	27,583
Net pension liability	203,981	1,851,184
Deferred inflows related to pensions	-	(339,499)
Annexation fees	(16,693)	(622,233)
Net Cash Used in Operating Activities	<u>\$ (1,261,151)</u>	<u>\$ (893,432)</u>
<u>Supplemental Disclosures of Cash Flow Information:</u>		
Net unrealized gain (loss) on investments	<u>\$ 366,077</u>	<u>\$ (365,924)</u>

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

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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, 2024 AND 2023**

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 \$74,557 and \$39,900 at June 30, 2024 and 2023, 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, 2024, was as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	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, 2024 AND 2023**

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 \$739,677 and \$720,803 for the years ended June 30, 2024 and 2023, respectively.

Compensated Absences

Accumulated and unpaid compensated absences totaling \$179,576 and \$208,652 are accrued when incurred and included in current and noncurrent liabilities at June 30, 2024 and 2023, respectively.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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 statement 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, 2024, 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 \$1,737,031 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, 2024 AND 2023**

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 \$49,672 and \$43,146 for the years ended June 30, 2024 and 2023. 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, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

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, 2024 AND 2023**

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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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.
- 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 94% 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, 2024 AND 2023**

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 February __, 2025, the date the financial statements were available to be issued.

Reclassification

The District has reclassified certain prior year information to conform with the current year presentation.

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, 2024 AND 2023**

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:

	<u>Maturity in Years</u>		<u>2024 Total</u>	<u>2023 Total</u>
	<u>One Year or Less</u>	<u>1 - 5 Years</u>		
Cash on hand	\$ 67,333	\$ -	\$ 67,333	\$ 978
Deposits with financial institutions	1,588,647	-	1,588,647	546,424
California Local Agency Investment Fund (LAIF)	986	-	986	951
Certificates of Deposits	3,656,996	2,126,082	5,783,078	6,941,091
U.S. Agency Securities	-	7,200,288	7,200,288	7,011,165
U.S. Treasury	-	329,710	329,710	325,829
Total Cash and Investments	<u>\$ 5,313,962</u>	<u>\$ 9,656,080</u>	<u>\$ 14,970,042</u>	<u>\$ 14,826,438</u>
			<u>2024</u>	<u>2023</u>
Financial Statement Classification:				
Cash and cash equivalents			\$ 1,656,966	\$ 548,353
Investments			13,313,076	14,278,085
Total Cash and Investments			<u>\$ 14,970,042</u>	<u>\$ 14,826,438</u>

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, 2024.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of 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, except as described above. The District holds no investments in any one issuer (other than U.S. Treasury obligations, and external investment pools) that represent 5% or more of total District investments at June 30, 2024.

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, 2024, 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.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 2 - Cash and Investments: (Continued)

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>2024</u>	<u>2023</u>
Deposits with financial institutions	\$ 1,588,647	\$ 546,424
California Local Agency Investment Fund (LAIF)	986	951
Cash on hand	67,333	978
Total	\$ 1,656,966	\$ 548,353

Note 3 - Capital Assets:

Capital assets consist of the following at June 30:

	2024			
	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 1,440,905	\$ -	\$ -	\$ 1,440,905
Construction in progress	262,535	308,961	(303,259)	268,237
Total Capital Assets Not Being Depreciated	\$ 1,703,440	\$ 308,961	\$ (303,259)	\$ 1,709,142
Capital Assets Being Depreciated:				
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	38,861,748	413,258	(26,395)	39,248,611
Less: Accumulated depreciation	(17,029,095)	(739,677)	26,395	(17,742,377)
Net Capital Assets Being Depreciated	21,832,653	(326,419)	-	21,506,234
Net Capital Assets	\$ 23,536,093	\$ (17,458)	\$ (303,259)	\$ 23,215,376

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 3 - Capital Assets: (Continued)

	2023			
	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,440,905	\$ -	\$ -	\$ 1,440,905
Construction in progress	416,923	2,580,928	(2,735,316)	262,535
Total Capital Assets Not Being Depreciated	<u>\$ 1,857,828</u>	<u>\$ 2,580,928</u>	<u>\$ (2,735,316)</u>	<u>\$ 1,703,440</u>
Capital Assets Being Depreciated:				
Pumping plant and distribution	\$ 32,072,467	\$ 2,837,228	\$ (9,685)	\$ 34,900,010
Building and land improvements	654,289	-	-	654,289
Water development and treatment plant	2,109,903	1	-	2,109,904
Equipment	591,881	8,728	(4,714)	595,895
Autos and trucks	394,153	-	-	394,153
Office equipment	206,694	4,123	(3,320)	207,497
Total Capital Assets Being Depreciated	36,029,387	2,850,080	(17,719)	38,861,748
Less: Accumulated depreciation	<u>(16,325,590)</u>	<u>(720,803)</u>	<u>17,298</u>	<u>(17,029,095)</u>
Net Capital Assets Being Depreciated	19,703,797	2,129,277	(421)	21,832,653
Net Capital Assets	<u>\$ 21,561,625</u>	<u>\$ 4,710,205</u>	<u>\$ (2,735,737)</u>	<u>\$ 23,536,093</u>

Note 4 - Noncurrent Liabilities:

Noncurrent liabilities consist of the following at June 30:

	2024				
	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>	<u>Due Within 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	293,737	653,386	(449,405)	497,718	-
	<u>\$ 1,127,607</u>	<u>\$ 893,808</u>	<u>\$ (663,485)</u>	<u>\$ 1,357,930</u>	<u>\$ 110,563</u>
2023					
	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>	<u>Due Within One Year</u>
Customer deposits	\$ 641,243	\$ 141,953	\$ (157,978)	\$ 625,218	\$ -
Compensated absences	181,069	150,376	(122,793)	208,652	122,793
Net pension liability	(1,557,447)	2,405,054	(553,870)	293,737	-
	<u>\$ (735,135)</u>	<u>\$ 2,697,383</u>	<u>\$ (834,641)</u>	<u>\$ 1,127,607</u>	<u>\$ 122,793</u>

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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 PEPR Plan.

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. PEPR Plan 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, 2024 are summarized as follows:

	<u>Miscellaneous</u> Prior to <u>January 1, 2013</u>	<u>PEPR</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	16.44%	5.47%

In addition to the contribution rates above, the District was not required to make any additional payments for the Miscellaneous Plan and for the PEPR 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.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Defined Benefit Pension Plan: (Continued)

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 2024</u>	<u>Proportionate Share of Net Pension Liability 2023</u>
Miscellaneous Risk Pool	\$ <u>497,718</u>	\$ <u>293,737</u>

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, 2022, 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, 2022.
- 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, 2023, the measurement date, was calculated as follows:

- The risk pool’s total pension liability was computed at the measurement date, June 30, 2023, 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, 2023, was computed by subtracting the respective risk pool’s fiduciary net position from its total pension liability.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Defined Benefit Pension Plan: (Continued)

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

- The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2023, 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, 2023, to obtain the total pension liability and fiduciary net position as of June 30, 2023. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The District's proportionate share percentage of the net pension liability as of June 30, 2022 and June 30, 2023, was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2022	0.006277%
Proportion at measurement date - June 30, 2023	0.009954%
Change - Increase (Decrease)	0.00367%

The District recognized pension expense of \$831,894 and \$2,330,934 for the Plan for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	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	-
Total	\$ 1,462,184	\$ (768,889)

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Defined Benefit Pension Plan: (Continued)

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

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 135,674	\$ -
Differences between actual contributions made and proportionate share of contributions	968,315	(318,504)
Adjustment due to difference in proportions	1,125,572	(828,507)
Net difference between projected and actual earnings on pension plan investments	53,805	-
Changes in assumptions	30,099	-
Differences between expected and actual experience	1,948	-
Total	<u>\$ 2,315,413</u>	<u>\$ (1,147,011)</u>

The \$152,106 and \$135,674 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, 2025 and 2024, 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 Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 343,582
2026	179,950
2027	15,344
2028	2,313
Total	<u>\$ 541,189</u>

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Defined Benefit Pension Plan: (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.80%
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.

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, 2023 based on June 30, 2022 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.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 5 - Defined Benefit Pension Plan: (Continued)

Discount Rate (Continued)

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> ^{1, 2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

- (1) An expected price inflation of 2.3% used for this period.
(2) Figures are based on 2021-22 Asset Liability Management study.

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:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Lakeside Water District's proportionate share of the Miscellaneous Risk Pool's net pension liability (asset)	\$ <u>2,027,088</u>	\$ <u>497,718</u>	\$ <u>(761,084)</u>

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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, 2023 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	10
Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
	11

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, 2023, the Plan’s fiduciary net assets exceeded the total OPEB liability. Thus, no contributions were made during the measurement period.

Net OPEB Liability (Asset)

The District’s net OPEB liability (asset) was measured as of June 30, 2021 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	3.75%
Salary Increases	3.30%
Investment Rate of Return	5.50%

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 6 - Other Postemployment Benefits: (Continued)

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 3.75% was used.

Health Insurance Premiums

For the year ended June 30, 2024, health insurance premiums were limited to \$4,200 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 3.75% was based on recent experience.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 6 - Other Postemployment Benefits: Continued)

Methods and Assumptions (Continued)

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.

Changes in the OPEB Liability (Asset)

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 301,472	\$ 557,866	\$ (256,394)
Changes recognized for the measurement period:			
Service cost	17,619	-	17,619
Net investment income	-	74,142	(74,142)
Benefit payments	(4,079)	(4,079)	-
Administrative expense	-	(12,349)	12,349
Net Changes	13,540	57,714	(44,174)
Balance at June 30, 2024	\$ 315,012	\$ 615,580	\$ (300,568)

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 6 - Other Postemployment Benefits: (Continued)

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:

	<u>1% Decrease (4.50%)</u>	<u>Current Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net OPEB Liability (Asset)	\$ <u>(261,473)</u>	\$ <u>(300,568)</u>	\$ <u>(335,605)</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:

	<u>1% Decrease (2.75%)</u>	<u>Current Healthcare Cost Trend Rates (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net OPEB Liability (Asset)	\$ <u>(317,811)</u>	\$ <u>(300,568)</u>	\$ <u>(280,503)</u>

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.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 6 - Other Postemployment Benefits: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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, 2018)

For the period from July 1, 2023 to June 30, 2024, the District recognized OPEB expense (benefit) of \$(44,1774). As of June 30, 2024, 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, 2024 and 2023, the total unpaid amount on these contracts is approximately \$262,964 and \$349,497, 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.

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 \$1,350 to \$11,791 with discount rates of 3%. The leases include multiple extensions in five year increments. The lease receivable totaled \$1,448,459 and \$1,668,666 at June 30, 2024 and 2023, respectively. Deferred inflows related to leases totaled \$1,318,959 and \$1,569,763 at June 30, 2024 and 2023, respectively. The District recognized lease revenue of \$260,224 and \$255,491 for the years ended June 30, 2024 and 2023, respectively.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 8 - New Governmental Accounting Standards:

GASB No. 94

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93 “Public - Private and Public - Public Partnerships and Availability Payment Arrangements”. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. As used in this pronouncements these Partnerships are an arrangement in which the government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset such as infrastructure or other capital assets for a period of time in an exchange or an exchange-like transaction. The statement also provides guidance on accounting and financial reporting for availability payment arrangements in which the government compensates the operator for services that may include the designing, constructing, financing, maintaining, or operating an underlying nonfinancial assets for a period of time in and exchange or exchange-like transaction. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 100

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100 “Accounting Changes and Error Corrections an amendment of GASB Statement No. 62”. This statement defined accounting changes. This statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement are effective for fiscal years beginning after June 15, 2023. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

GASB No. 101

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101 “Compensated Absences”. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this statement effective for fiscal years ending after December 15, 2023. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

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, 2024.

**LAKESIDE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

Note 8 - New Governmental Accounting Standards: (Continued)

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.

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.

**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 <u>June 30, 2023</u>	Measurement Date <u>June 30, 2022</u>	Measurement Date <u>June 30, 2021</u>	Measurement Date <u>June 30, 2020</u>	Measurement Date <u>June 30, 2019</u>
Proportion of the Net Pension Liability	.009954%	0.006277%	(0.082023)%	0.055811%	0.057055%
Proportionate Share of the Net Pension Liability	\$ 497,718	\$ 293,737	\$ (1,557,447)	\$ 2,354,153	\$ 2,284,761
Covered Payroll	\$ 1,075,394	\$ 958,149	\$ 943,605	\$ 912,690	\$ 884,211
Proportionate Share of the Net Pension Liability as Percentage of Covered - Employee Payroll	46.28%	30.66%	(165.05)%	257.94%	258.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.60%	97.32%	114.80%	76.81%	76.08%
	Measurement Date <u>June 30, 2018</u>	Measurement Date <u>June 30, 2017</u>	Measurement Date <u>June 30, 2016</u>	Measurement Date <u>June 30, 2015</u>	Measurement Date <u>June 30, 2014</u>
Proportion of the Net Pension Liability	0.055341%	0.053970%	0.053200%	0.0500009%	0.047982%
Proportionate Share of the Net Pension Liability	\$ 2,085,656	\$ 2,131,146	\$ 1,820,794	\$ 1,371,972	\$ 1,185,881
Covered Payroll	\$ 826,999	\$ 781,134	\$ 753,349	\$ 702,446	\$ 650,738
Proportionate Share of the Net Pension Liability as Percentage of Covered - Employee Payroll	252.20%	272.83%	241.69%	195.31%	182.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.99%	75.35%	76.23%	81.33%	83.03%

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, 2024**

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contractually Required Contribution (Actuarially Determined)	\$ 152,106	\$ 135,674	\$ 117,402	\$ 2,575,412	\$ 364,009
Contributions in Relation to the Actuarially Determined Contribution	<u>152,106</u>	<u>135,674</u>	<u>117,402</u>	<u>2,575,412</u>	<u>364,009</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 1,127,255</u>	<u>\$ 1,075,394</u>	<u>\$ 958,149</u>	<u>\$ 943,605</u>	<u>\$ 912,690</u>
Contributions as a Percentage of Covered-Employee Payroll	13.49%	12.62%	12.25%	272.93%	39.88%
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 211,912	\$ 175,264	\$ 159,865	\$ 142,970	\$ 105,043
Contributions in Relation to the Actuarially Determined Contribution	<u>211,912</u>	<u>175,264</u>	<u>159,865</u>	<u>142,970</u>	<u>105,043</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 884,211</u>	<u>\$ 826,999</u>	<u>\$ 781,134</u>	<u>\$ 753,349</u>	<u>\$ 702,466</u>
Contributions as a Percentage of Covered-Employee Payroll	23.97%	21.19%	20.47%	18.98%	14.95%

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	7.15%
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, 2024**

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

	<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>	<u>2015</u>
Total OPEB Liability										
Service cost	\$ 17,619	\$ 31,037	\$ 39,445	\$ 11,150	\$ (48,023)	\$ 47,912	\$ (53,514)	\$ N/A	\$ N/A	\$ N/A
Interest	-	-	-	-	-	-	-	N/A	N/A	N/A
Change of benefit terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Differences between expected and actual experience	-	-	-	-	-	-	-	N/A	N/A	N/A
Changes of assumptions	-	-	-	-	-	-	-	N/A	N/A	N/A
Benefit payments	(4,079)	(3,819)	(3,350)	(3,242)	(3,000)	(3,000)	(2,733)	N/A	N/A	N/A
Net Change in Total OPEB Liability	<u>13,540</u>	<u>27,218</u>	<u>36,095</u>	<u>7,908</u>	<u>(51,023)</u>	<u>44,912</u>	<u>(56,247)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Beginning	<u>301,472</u>	<u>274,254</u>	<u>238,159</u>	<u>230,251</u>	<u>281,274</u>	<u>236,362</u>	<u>292,609</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB Liability - Ending (a)	<u>\$ 315,012</u>	<u>\$ 301,472</u>	<u>\$ 274,254</u>	<u>\$ 238,159</u>	<u>\$ 230,251</u>	<u>\$ 281,274</u>	<u>\$ 236,362</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ N/A	\$ N/A	\$ N/A
Net investment income	74,142	(75,429)	106,185	27,927	33,911	28,358	31,237	N/A	N/A	N/A
Benefit payments	(4,079)	(3,819)	(3,350)	(3,242)	(3,000)	(3,000)	(2,733)	N/A	N/A	N/A
Administrative expense	(12,349)	(5,451)	(506)	(259)	(239)	(236)	(218)	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	<u>57,714</u>	<u>(84,699)</u>	<u>102,329</u>	<u>24,426</u>	<u>30,672</u>	<u>25,122</u>	<u>28,286</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan Fiduciary Net Position - Beginning	<u>557,866</u>	<u>642,565</u>	<u>540,236</u>	<u>515,810</u>	<u>485,138</u>	<u>460,016</u>	<u>431,730</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 615,580</u>	<u>\$ 557,866</u>	<u>\$ 642,565</u>	<u>\$ 540,236</u>	<u>\$ 515,810</u>	<u>\$ 485,138</u>	<u>\$ 460,016</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
District's Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (300,568)</u>	<u>\$ (256,394)</u>	<u>\$ (368,311)</u>	<u>\$ (302,077)</u>	<u>\$ (285,559)</u>	<u>\$ (203,864)</u>	<u>\$ (223,654)</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	195.41%	185.05%	234.30%	226.83%	224.02%	172.48%	194.62%	N/A	N/A	N/A
Covered-Employee Payroll	\$ 904,925	\$ 1,000,039	\$ 893,817	\$ 933,447	\$ 871,900	\$ 819,107	\$ 794,813	N/A	N/A	N/A
District's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(33.21)%	(25.63)%	(41.20)%	(32.36)%	(32.75)%	(24.89)%	(28.14)%	N/A	N/A	N/A

(Continued)

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

**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, 2024**

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarial Determined Contribution (ADC)	\$ 9,930	\$ 8,188	\$ 8,578	\$ 8,409	\$ 8,727
Contributions in Relation to the Actuarially Determined Contribution	<u>9,930</u>	<u>8,188</u>	<u>8,578</u>	<u>8,409</u>	<u>8,727</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-Employee Payroll	 <u>\$ 904,925</u>	 <u>\$ 1,000,039</u>	 <u>\$ 893,817</u>	 <u>\$ 933,447</u>	 <u>\$ 871,900</u>
 Contributions as a Percentage of Covered- Employee Payroll	 .46%	 0.82%	 0.96%	 0.90%	 1.00%
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarial Determined Contribution (ADC)	\$ 11,393	\$ 8,657	\$ N/A	\$ N/A	\$ N/A
Contributions in Relation to the Actuarially Determined Contribution	<u>11,393</u>	<u>8,657</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
 Covered-Employee Payroll	 <u>\$ 819,107</u>	 <u>\$ 794,813</u>	 <u>\$ N/A</u>	 <u>\$ N/A</u>	 <u>\$ N/A</u>
 Contributions as a Percentage of Covered- Employee Payroll	 1.39%	 1.09%	 N/A	 N/A	 N/A

Notes to Schedules:

The ADC developed for the years ending June 30, 2018 through 2024 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	3.75 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	3.3%
Salary Increase	Equal to the rate of inflation

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

**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
February 2025
BOARD OF DIRECTORS MEETING

General Operation:

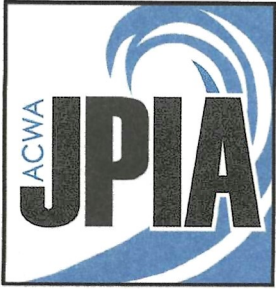
- *Handle multiple SDGE power outages*
- *Work with Solar Company installers*
- *Troubleshoot Wintergardens Pump Station failure*
- *Continued SCADA upgrades and bug removal*
- *Meter relocations to more accessible portions of easements*

Contractor/ Developer/ County Projects:

- *AWP pipeline crossings and inspections.*

District Emergencies Repairs:

- *Main breaks 0*
- *Service leaks 1*
- *Fire hydrants 0*



YOUR BEST PROTECTION

ACWA JPIA

P. O. Box 619082
Roseville, CA
95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

Core Values

- People
- Service
- Integrity
- Innovation

12/2/2024

Lakeside Water District (L004)
10375 Vine Street
Lakeside, CA 92040-2440

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Lakeside Water District (L004) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2025.

Sincerely,

Melody McDonald
President

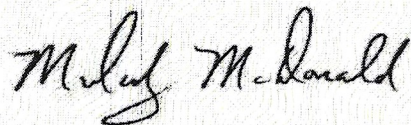
Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

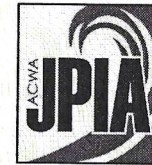
*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Lakeside Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2020 - 09/30/2023
announced at the Board of Directors' Meeting in Palm Desert.*



Melody McDonald, President




December 02, 2024

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Lakeside Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 07/01/2020 - 06/30/2023
announced at the Board of Directors' Meeting in Palm Desert.*



Melody McDonald, President



December 02, 2024

RESOLUTION NO. 2025-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO TAKE PROCEEDINGS TO DE-ANNEX PADRE DAM MUNICIPAL WATER DISTRICT PARCELS APN 379-040-66-00 and 379-040-67-00 and CONCURRENTLY ANNEX INTO THE LAKESIDE WATER DISTRICT

RESOLVED, by the Board of Directors of the Lakeside Water District, that

WHEREAS, the Board of Directors of the Lakeside Water District desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the “Padre Dam Municipal Water District Parcel APN 379-040-66-00 and 379-040-67-00 De-Annexation and Concurrent Annexation in Lakeside Water District”; and

WHEREAS, the proposed reorganization includes the following changes of organization:

Concurrent annexation of property to Lakeside Water District, and detachment from the Padre Dam Municipal Water District; and

WHEREAS, the proposed reorganization area is presently located within the adopted sphere of influence for the Lakeside Water District; and

WHEREAS, the purpose for this proposed annexation is to provide water service to the land to be annexed.

WHEREAS, the land subject to the proposed annexations are vacant unincorporated parcels with the Assessor’s Parcel Numbers 379-040-66-00 and 379-040-67-00 and a total of 2.24 acres, and a legal description of the land is set forth in Exhibit “A”, attached hereto and by this reference incorporated herein; and

WHEREAS, it is in the interest of the Lakeside Water District to obtain the annexation of said territory to the Lakeside Water District, and

WHEREAS, the District requests that the proposed annexation be subject to the following terms and conditions:

1. Lakeside Water District will pay all reorganization and processing fees.
2. Water service by Lakeside Water District to the Annexation Area shall be subject to and in accordance with the rules and regulations of Lakeside Water District.

NOW, THEREFORE, this Resolution of Application is hereby adopted and approved by the Board of Directors of the Lakeside Water District. The Local Agency Formation Commission of San Diego County is hereby requested to take proceedings for the proposed change of organization that include the territory as described in Exhibit A, according to the terms and conditions stated above and in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.

PASSED AND ADOPTED by the Board of Directors of the Lakeside Water District at a regular meeting held on February 4, 2025, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

Eileen Neumeister, President
Board of Directors

Attest:

Brett Sanders, Secretary
Lakeside Water District



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11341

11347

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10812

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10881

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10861

10805

10785

10759

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10815

11720

10797

10781

10747

10868

10854

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10815

10771

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10685

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10818

10806

10788

10771

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10852

10848

10798

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10757

10739

10741

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OAK CREEK DR

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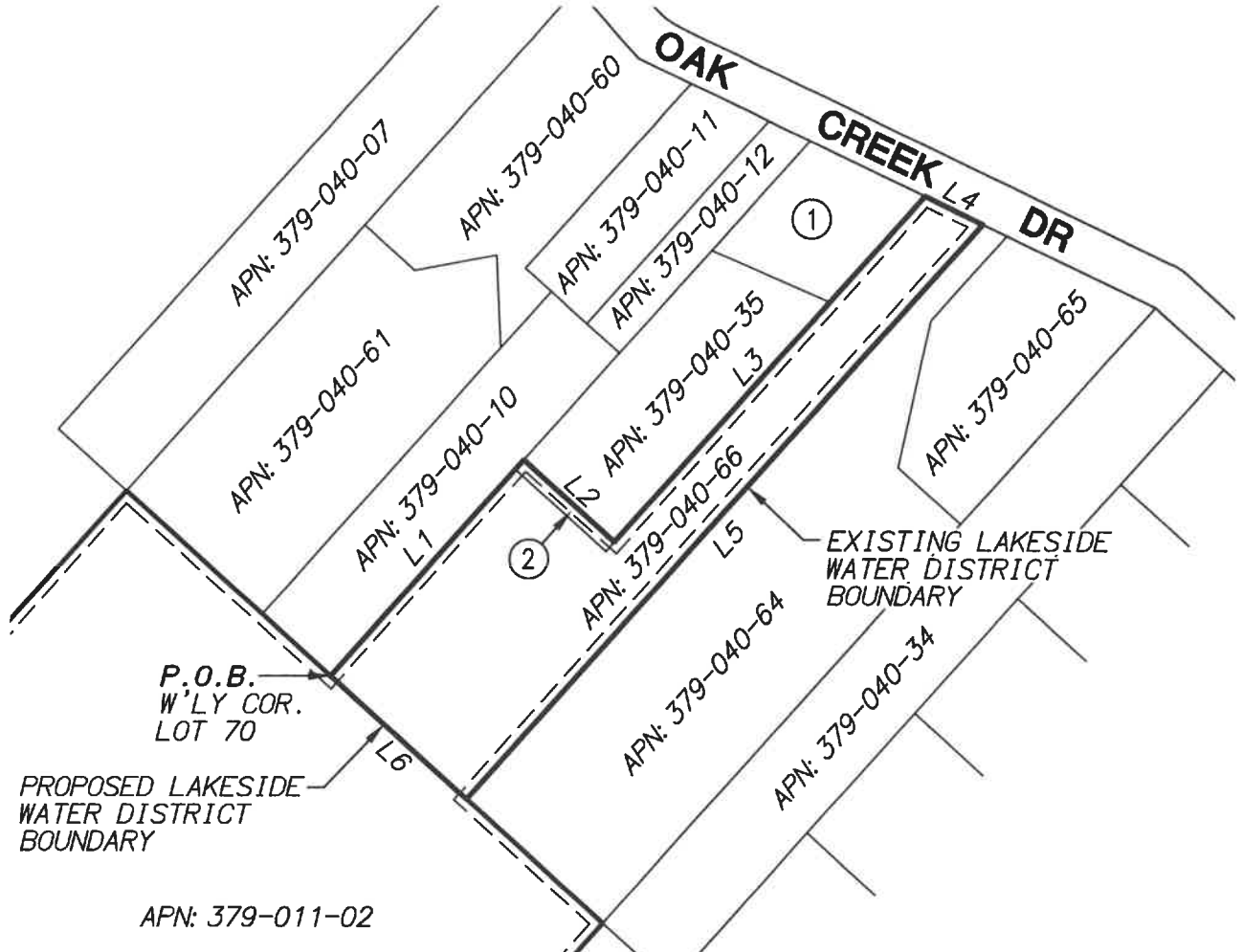
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ANNEXATION NO. DA25-
ANNEXATION TO LAKESIDE WATER DISTRICT



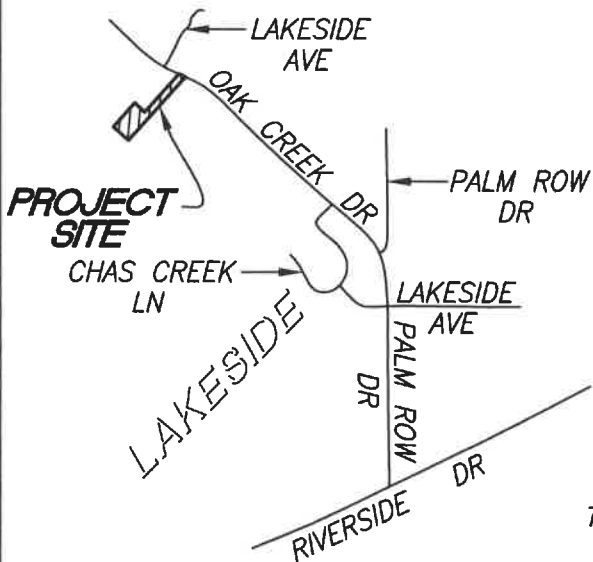
ASSESSORS PARCEL NUMBER:

- ① 379-040-36
- ② 379-040-67

PARCEL A COURSES:

APN: 379-040-66 & 379-040-67

NO.	BEARING	LENGTH
L1	N42°00'00"E	314.99'
L2	S48°00'00"E	132.99'
L3	N42°00'00"E	505.92'
L4	S64°30'00"E	69.88'
L5	S42°00'00"W	840.76'
L6	N47°59'57"W	199.99'



LOCATION MAP
NO SCALE



PARCEL A: 2.24 ACRES

- EXISTING LAKESIDE WATER DISTRICT BOUNDARY
- PROPOSED LAKESIDE WATER DISTRICT BOUNDARY



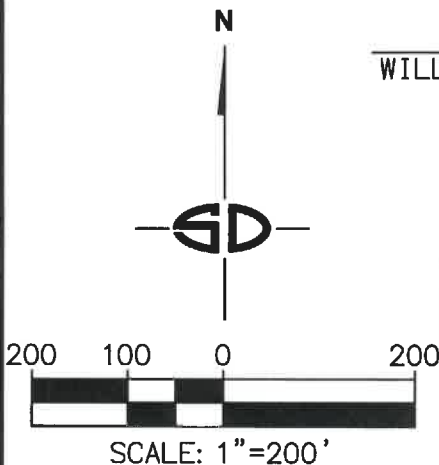
WILLIAM A. SNIPES, L.S.8034

DATE

1/13/25

DISCLAIMER:

"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."



ASSESSOR'S PARCEL NUMBER: 379-040-66-00 379-040-67-00	LAFCO RESOLUTION NO. DA25-	ACREAGE: 2.24	DATE: 1/13/2025	SCALE: 1"=200'
LAKESIDE WATER DISTRICT PORTION OF LOTS 70 AND 71, OF LAKESIDE FARMS ACCORDING TO MAP NO. 1204		SNIPES-DYE ASSOCIATES 8348 CENTER DRIVE, SUITE G LA MESA, CA 91942 (619) 697-9234		

ANNEXATION NO. _____
"LAKESIDE PARCEL CHANGE OF ORGANIZATION"
ANNEXATION TO LAKESIDE WATER DISTRICT

GEOGRAPHIC DESCRIPTION


PARCEL B & A PORTION OF PARCEL A OF CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 17, 2015 AS INSTRUMENT NO. 2015-0645762 OF OFFICIAL RECORDS BEING THAT PORTION OF LOTS 70 AND 71, OF LAKESIDE FARMS, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1204, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 1, 1909, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT 70;

1. THENCE LEAVING SAID WESTERLY CORNER, **NORTH 42°00'00" EAST** ALONG THE NORTHWESTERLY LINE OF SAID LOT, A DISTANCE OF **314.99 FEET**, TO THE MOST WESTERLY CORNER OF PARCEL OF LAND DESCRIBED IN DEED TO HENRY FOX, ET UX, RECORDED DEC. 16, 1958, IN BOOK 7400, PAGE 204 OF OFFICIAL RECORDS;
2. THENCE SOUTHEASTERLY AT RIGHT ANGLES, **SOUTH 48°00'00" EAST**, A DISTANCE OF **132.99 FEET** TO THE MOST SOUTHERLY CORNER OF SAID FOX LAND;
3. THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE THEREOF, **NORTH 42°00'00" EAST** A DISTANCE OF **505.92 FEET** TO THE NORTHEASTERLY LINE OF SAID LOT 71;
4. THENCE **SOUTH 64°30'00" WEST** ALONG SOUTHEASTERLY LINE OF SAID LOT 71 A DISTANCE OF **69.88 FEET** TO THE MOST EASTERLY CORNER OF SAID LOT 71;
5. THENCE **SOUTH 42°00'00" WEST** ALONG SOUTHEASTERLY LINE OF SAID LOT 71 A DISTANCE OF **840.76 FEET** TO THE MOST SOUTHERLY CORNER OF SAID LOT 71;
6. THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINES OF SAID LOT 71 AND 70, **NORTH 47°59'57" EAST** A DISTANCE OF **199.99 FEET** TO THE POINT OF **BEGINNING**.

CONTAINING TOTAL 2.24 ACRES, MORE OR LESS.

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of land described.

 1/13/25

WILLIAM A. SNIPES, LS 8034 DATED



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: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

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: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency

Contact Person: _____ Area Code/Telephone/Extension: _____

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: _____

Lakeside Water District
Disbursements List
January 2025

Num	Name	Account	Original Amount
16630	BIGELOW, MICHAEL	4000 · Water Sales on Account	143.77
16631	BRACE, MATTHEW	4000 · Water Sales on Account	88.00
16632	BUMGARDNER, DODIE	4000 · Water Sales on Account	81.20
16633	CARLIN, KRISTINA	4000 · Water Sales on Account	123.98
16634	CLARKE, ROBERT	4000 · Water Sales on Account	128.13
16635	CRANE, ROCHELLE	4000 · Water Sales on Account	143.32
16636	HARDIN, JUSTIN	4000 · Water Sales on Account	176.35
16637	HICKS, JAMES T	4000 · Water Sales on Account	15.97
16638	MUKHAMED ALIYEV	4000 · Water Sales on Account	48.77
16639	New West Investments	4000 · Water Sales on Account	114.39
16640	PRINCIPE, TONY	4000 · Water Sales on Account	122.16
16641	PULIDO, SALVADOR	4000 · Water Sales on Account	101.78
16642	RECHTFERTIG, LARRY & JEANNE	4000 · Water Sales on Account	52.71
16643	SHOKA, NATIQ	4000 · Water Sales on Account	104.92
16644	SMITH, CHRISTOPHER	4000 · Water Sales on Account	138.22
16645	SULLIVAN, PATRICK	4000 · Water Sales on Account	93.64
16646	ACWA - Group Ins	7040 · Group Insurance	35,070.70
16647	ACWA JPIA W/C	7100 · General Insurance	5,277.45
16648	Badger Meter, Inc.	1551 · New Services/Meters	5,355.60
16649	Cintas First Aid & Safety	6100 · Distribution - Maint/Supplies	340.49
16650	Cook, Robert	7040 · Group Insurance	5,012.00
16651	Crisplmaging Inc.	7450 · Public Info/Public Relat	829.68
16652	Excel Telemessaging	7400 · Office Expense	217.76
16653	FedEx	5080 · Water Treatment & Testing	152.60
16654	Ferguson Waterworks	Split	1,852.46
16655	Grainger	5628 · Telemetry Repair	790.56
16656	Harris	7440 · Dues & Subscriptions	5,610.00
16657	HASA	5200 · Water Treatment -Maint/Supplie	1,593.66
16658	Helix Water District	5080 · Water Treatment & Testing	909.00
16659	Home Depot Credit Services	Split	829.92
16660	Imperial Sprinkler Supply	Split	80.38
16661	Jan-Pro	7400 · Office Expense	340.00
16662	Payton's Hardware, Inc.	Split	673.56
16663	Quadiant - Postage	7400 · Office Expense	2,460.17
16664	Republic Services	6100 · Distribution - Maint/Supplies	2,045.33
16665	SiteOne Rock & Block	6100 · Distribution - Maint/Supplies	566.30
16666	SWRCB	7500 · State Health Dept./ SWRCB	45,162.08
16667	Sycamore Landfill	6100 · Distribution - Maint/Supplies	500.73
16668	Target River	7400 · Office Expense	165.00
16669	TurnKey Energy	1548 · Admin Roof & Solar	141,831.00
16670	Underground Service Alert	7440 · Dues & Subscriptions	158.00
16671	UniFirst Corp	6100 · Distribution - Maint/Supplies	408.64
16672	United Site Service	6100 · Distribution - Maint/Supplies	96.48
16673	West & Associates Engineering, Inc.	6410 · Engineering	1,950.00
16674	White Cap Industries, Inc.	6100 · Distribution - Maint/Supplies	221.67
16675	Wintergardens Smog & Tune	6200 · Trucks-Fuel,Maintenance,Repa	49.75
16676	Enniss Family Realty, LLC	2131 · Construction/Meter Deposits	7,996.00
16677	County of San Diego - DPW	6100 · Distribution - Maint/Supplies	469.00
16678	Brett Sanders	1230 · Other Receivables	15.33
16679	Otten, Bryan N.	VOIDED Check	0.00
16680	**included in payroll below	Payroll Check	0.00
16681	**included in payroll below	Payroll Check	0.00
16682	Alpha Analytical Laboratories, Inc	5080 · Water Treatment & Testing	508.00
16683	Badger Meter, Inc.	1551 · New Services/Meters	11,150.05

16632	BUMGARDNER, DODIE	4000 · Water Sales on Account	81.20
16684	County of San Diego - DPW	6100 · Distribution - Maint/Supplies	454.00
16685	FedEx	1547 · CIP Design/Engineer	47.36
16686	HASA	5200 · Water Treatment -Maint/Supplie	1,723.44
16687	Lakeside Petroleum, Inc.	6200 · Trucks-Fuel,Maintenance,Repa	2,907.42
16688	Safe & Sound	7400 · Office Expense	122.85
16689	Sheets, Gregory	Split	2,925.00
16690	Target River	6400 · Outside Labor	110.00
16691	TurnKey Energy	1548 · Admin Roof & Solar	46,171.50
16692	UniFirst Corp	6100 · Distribution - Maint/Supplies	408.64
16693	VECMAR	7400 · Office Expense	149.00
16694	Weck Laboratories, Inc.	5080 · Water Treatment & Testing	640.00
16695	Wintergardens Smog & Tune	6200 · Trucks-Fuel,Maintenance,Repa	1,248.25
16696	CROMWELL, CLAYTON & ROSLYNN	Split	104.93
16697	**included in payroll below	Payroll Check	0.00
16698	**included in payroll below	Payroll Check	0.00
16699	**included in payroll below	Payroll Check	0.00
16700	Standard Insurance	7040 · Group Insurance	535.94
16701	Variable Annuity Life Insurance	2100 · Payroll Liabilities	4,262.04
eft	First Bankcard - Visa	Split	2,725.67
eft	First Bankcard - Visa	Split	1,451.15
eft	Paya ACH Fee	7400 · Office Expense	10.00
eft	Paya ACH Fee	7400 · Office Expense	15.00
eft	Paya ACH Fee	7400 · Office Expense	41.97
eft	Paya ACH Fee	7400 · Office Expense	75.00
eft	Paya ACH Fee	7400 · Office Expense	80.60
eft	Paya ACH Fee	7400 · Office Expense	93.68
eft	Paya ACH Fee	7400 · Office Expense	782.75
eft	Bankcard CC Fee	7400 · Office Expense	3,280.61
eft	InvoiceCloud Fee	7400 · Office Expense	2,076.40
eft	San Diego County Water Authority	5000 · Water Purchases	594,581.20
eft	Retail Customers	1200 · Accounts Receivable	200.00
eft	US Bank Fees	7400 · Office Expense	889.54
eft	Verizon	7400 · Office Expense	140.47
eft	SDGE	5100 · Electric Power	21,077.08
eft	SDGE	5100 · Electric Power	10,290.33
eft	SDGE	5100 · Electric Power	1,101.94
eft	SDGE	5100 · Electric Power	480.01
eft	SDGE	5100 · Electric Power	168.33
eft	SDGE	5100 · Electric Power	112.89
eft	SDGE	5100 · Electric Power	25.58
eft	Cal Pers	7050 · CalPers Retirement	12,093.88
eft	San Diego County Credit Union	2100 · Payroll Liabilities	7,200.00
eft	Cal Pers	2100 · Payroll Liabilities	6,598.04
nsf	Retail Customers	1200 · Accounts Receivable	258.64
nsf	Retail Customers	1200 · Accounts Receivable	302.34
nsf	Retail Customers	1200 · Accounts Receivable	110.90
payroll	Payroll	Split	69,150.48
			1,079,591.51



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
JANUARY 23, 2025**

1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the Treasurer's report.

2. Design professional services contract with Ferguson Pape Baldwin Architects Inc., for architectural design, engineering, and construction management services.
The Board awarded a design professional services contract, with non-material modifications as approved by the General Manager or General Counsel, to Ferguson Pape Baldwin Architects Inc., for a not-to-exceed amount of \$2,466,894 for architectural design, engineering, and construction management services, and authorized the General Manager, or designee, to execute the contract.

**General Managers
Monthly Report**

February 4, 2025

Board of Directors Meeting

- 1) **Solar Update – Cost and savings recap.**

- 2) **SDGE – Public Safety Power Shutoffs – Update of Generator Usage and Cost**

News Articles/Editorials Enclosed:

CWA News Release New Committee Assignments for 2025

Fire, Snow and a Storm of Climate Nonsense

Water Systems Expert has a Message for the Public as LA Wildfires Rage



4677 Overland Avenue, San Diego, CA 92123

News Release

FOR IMMEDIATE RELEASE

Jordan Beane

(858) 221-3975 | jbeane@sdcwa.org

Water Authority Board Chair Announces Committee Leadership for 2025-2026

Appointments Also Include New Water Authority Representatives to MWD, SANDAG

January 22, 2025 – San Diego County Water Authority Board Chair Nick Serrano has appointed new leadership for the Board’s committees and regional boards. These positions are responsible for running vital committees that impact all aspects of the Water Authority’s operations and representing the Water Authority on key regional bodies.

“I am proud to announce these appointments, which reflect the expertise, dedication, and leadership needed to advance our priorities for the San Diego region,” said Chair Serrano. “This group of leaders brings diverse perspectives to the table and shares my commitment to keeping water rates low, ending the era of litigation that has stood in the way of collaborative decision-making for the Southwest, fostering regional collaboration across Southern California, and ensuring a sustainable future for San Diego County.”

The new San Diego County Water Authority committee chairs are:

- Ismahan Abdullahi (City of San Diego) – Administrative & Finance Committee
- Amy Reeh (Yuima Municipal Water District) – Engineering & Operations Committee
- Neal Meyers (Olivenhain Municipal Water District) - Imported Water Committee
- Valentine Macedo, Jr. (City of San Diego) - Legislation & Public Outreach Committee
- Marty Miller (Vista Irrigation District) - Water Planning & Environmental Committee

Chair Serrano also appointed Chair Emeritus Mel Katz (City of Del Mar) to be San Diego’s new delegate to the Metropolitan Water District (MWD) of Southern California. Katz replaces former MWD Director Tim Smith (Otay Water District), who retired from this position late last year. Katz was officially sworn-in to his new role as an MWD delegate last week.

In addition, Board Secretary Joy Lyndes (San Dieguito Water District) will serve as the Water Authority’s primary representative to SANDAG.

"Together, we will continue to build on the progress we’ve made, tackle the challenges ahead, and deliver innovative solutions that meet the needs of our communities," Serrano said. "I have full confidence in this team’s ability to advance our collective vision for a stronger, more affordable, and more resilient water future."

The Water Authority’s 22 member agencies are represented through a 34-member Water Authority Board of Directors. At least one director from each agency sits on the Board. The Board establishes and administers policies for the Water Authority, and generally holds its regular meetings on the fourth Thursday of every month with special workshops and other meetings as needed.

###

The San Diego County Water Authority sustains a \$262 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 22 retail water providers, including cities, special districts and a military base.

Fire, Snow And A Storm Of Climate Nonsense

I & I Editorial Board

January 10, 2025

1 comment

Los Angeles is burning and the East Coast and Midwest have been walloped by cold and snow. Naturally, the global warming alarmists screech and honk about human reliance of fossil fuels. It a gross and irresponsible assumption.

It never takes long for the foolish to break out and Vermont socialist Sen. Bernie Sanders didn't disappoint on Wednesday when he tweeted: "80,000 people told to evacuate. Blazes 0% contained. Eight months since the area has seen rain. The scale of damage and loss is unimaginable. Climate change is real, not 'a hoax.' Donald Trump must treat this like the existential crisis it is."

Unfortunately, he speaks for the many who are uninformed and naive, as well as those who want to use the man-made global warming narrative as a means to fundamentally change this country – and the West – into a political society run by leftists who, to borrow an applicable phrase, have difficulty [resisting their authoritarian impulses](#).

Overshadowed by the tragic Los Angeles fires is the Arctic blast that dropped temperatures and snow in much of the country. This too, is man's fault. But then when it doesn't snow, well, [man is to blame for that](#), as well.

As we have been doing in regard to global warming for about three decades, allow us to offer some facts that don't scream as loudly but are facts nonetheless:

- While "there's a growing tendency to tie every fire, flood, or storm to climate change," says meteorologist and climate researcher Anthony Watts, "a closer look at history, meteorology, and land management reveals that these claims are often oversimplified by low-information journalists, and fail to address more immediate, actionable causes." Watts goes on to cover California wildfire history, explains why weather rather than climate is a factor, and discusses the impacts of policy mistakes, so [read the entire piece](#).
- Tony Heller helpfully points out that "[Pacific Palisades was largely destroyed](#) by fires in 1938 and 1961." Yet we're supposed to believe that our oil and gas needs set California on fire this time.
- Today's Los Angeles wildfires are, of course, "[an avoidable tragedy](#)." "The most common causes of recent wildfires in the Golden State have been human activities (including arson) and poorly maintained power lines," says Jonathan Lesser. We would

add that the latter is a function of misapplied resources – rather than use funds to harden their equipment against fires, they are instead [diverted to green energy projects](#).

- Claims that wildfires have increased are false. While there are year-to-year variations nationally, the numbers are virtually the same as they were [40 years ago](#). It could be argued that acres burned have increased, but again, the totals change every year and there are a number of weather and firefighting variables that determine how much is destroyed, none of them caused by fossil fuel consumption.
- In California, the [number of wildfires has fallen sharply](#) since the late 1980s, from nearly 14,000 a year to about 7,000. That is, the number of fires and acreage burnt have both declined over the last 100 years, a time, we're told, that the temperature has steadily risen. So there is no cause and effect. If you believe wildfires are a function of global warming, you're mistaken.
- How about the latest explanation, climate change-driven “weather whiplash?” As a recent piece in [Grist](#) explains, “Exceptionally wet winters drove a boom of grasses and shrubs that a record hot summer dried into the fuel now powering California’s wildfires.” But that “pattern” is not new. It’s been going on for thousands of years. The real reasons for California’s devastating fires isn’t “weather whiplash” or any other new theory. It’s human error, repeated mistakes made by California’s clueless progressive political class.

If we have any real climate issue, it’s the *political* climate. Watching [Los Angeles Mayor Karen Bass](#) go stone silent after returning from a poorly-timed “official” trip to Ghana after being warned of an impending wind disaster, and then hearing California [Gov. Gavin Newsom pretend](#) he has nothing to do with this disaster and its aftermath, was instructive.

REPORT THIS AD

California’s ultra-left progressives have made it difficult (bordering on impossible) to do even the most responsible, common-sense things like build reservoirs (so firefighters and households won’t run out of water, as they did this week in L.A.), [manage overgrown fire-prone forests](#) (by controlled burns and by cutting back tinder-dry overgrown brush), and by ending the regulatory war against insurers in California (Newsom’s insane regulations on the [insurance industry](#) has sent fire coverage premiums soaring, if homeowners can get insurance at all).

But Bass, Newsom and the rest of the state’s political elites won’t admit they’re wrong, or even say they’re sorry for their repeated, deadly mistakes. The latest estimate is [\\$57 billion](#) in property damage, [seven dead, 180,000 people evacuated](#), and thousands of structures destroyed. And all those numbers are sure to go higher.

It’s time for Californians to hold someone else’s feet to the fire other than their own.

— Written by the [I&I Editorial Board](#)

Water systems expert has a message for the public as

LA wildfires rage

'Municipal water utility systems really are not designed to fight large-scale wildfires,' Kathryn Sorensen told Fox News

First responders are hard at work combating the devastating [Los Angeles wildfires](#), while many members of the public question what could have caused the fires and if policy missteps hampered firefighting efforts. Kathryn Sorensen, who ran water and wastewater utilities for two major Arizona cities, says there are key facts about our water system that need to be understood. "Municipal water utility systems really are not designed to fight large-scale wildfires," Sorensen told Fox News. "They are designed with enough storage to meet demands under normal operating conditions and to fight a couple of relatively localized structure fires of a relatively short duration."

Sorensen acknowledged that there are valid discussions to be had about the capacity of our current water systems and how they are used.

"If we're looking at a hotter, drier future, then we probably do need to take a look at these reservoirs, at their capacities, at their operational priorities, at how we're moving that water and for what purpose, and rethink that."

The Santa Ynez Reservoir, located near the Palisades Fire, was revealed to have been empty since February 2024 and has become the focal point of a lawsuit against the Los Angeles Department of Water and Power (LADWP). In the lawsuit, LADWP is accused of delaying repairs for the reservoir to cut costs, according to a Reuters report.

In a statement, LADWP said it had shut down the reservoir to "meet safe drinking water regulations" and blamed delays to repairs on the city's "competitive bidding process which requires time." Additionally, the agency said it would be conducting its own investigation.

"LADWP built the Pacific Palisades water system beyond the requirements to support the community's typical needs," LADWP wrote in a statement. "As we face the impacts of climate change and build climate resilience, we welcome a review and update of these codes and requirements if city water systems will be used to fight [extreme wildfires](#)."

When discussing the major reservoir at the center of the controversy, Sorensen expressed doubts that "even had it been filled, it is unlikely to have turned the tide." She also believes that "the scale of [the wildfire](#) was likely to overwhelm" the system even with a full Santa Ynez Reservoir.

"Now, it's possible – I don't know that we have all the facts yet – it's possible that had the Santa Ynez Reservoir been full, it could've provided additional water pressures up in these hillside pressure zones and could have made a difference for one or more structures, homes or businesses," Sorensen said.

While this could have made a difference on individual levels, it likely would not have made a difference to "an entire neighborhood," according to Sorensen.

On Friday morning, [Cal Fire](#) reported that over 40,600 acres had been burned, and more than 12,300 structures were destroyed in the fires. At least 27 people were confirmed to have been killed in the blaze, though that number could rise as dozens are still missing.