



Placer County Water Agency
Auburn, CA



2024

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2024



Placer County Water Agency
Annual Comprehensive Financial Report
For the Year Ended
December 31, 2024

Prepared by the Department of Financial Services

Auburn, California
www.pcwa.net

Table of Contents

2024 Annual Comprehensive Financial Report

Introductory Section

Letter of Transmittal	i
Certificate of Achievement	xii
Directors and Agency Officials and Acknowledgements	xiii
Organization Chart.....	xiv

Financial Section

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Proprietary Funds:	
Statement of Net Position	16
Statement of Revenues, Expenses and Changes in Net Position	18
Statement of Cash Flows	20
Notes to Basic Financial Statements.....	23
Required Supplementary Information:	
Changes in Net Pension Liability and Related Ratios During the Measurement Period	66
Schedule of Plan Contributions - Pension.....	68
Changes in Net OPEB Liability and Related Ratios During the Measurement Period.....	70
Schedule of Plan Contributions - OPEB	72
Supplementary Information:	
Combining Schedule of Net Position	74
Combining Schedule of Revenues, Expenses and Changes in Net Position	76
Combining Schedule of Cash Flows	78

Statistical Section

Statistical Schedules

Financial Trends Data

Change in Net Position and Net Position by Component, last ten years: Table 1, Chart 1	82
Revenues by Source, last ten years: Table 2, Chart 2	83
Expenses by Function, last ten years: Table 3, Chart 3	84
Capital Assets, last ten years: Table 4, Chart 4.....	85

Table of Contents (Continued)

2024 Annual Comprehensive Financial Report

Statistical Section (continued)

Statistical Schedules (continued)

Revenue Capacity Data

Water Consumption and Water Sales by Type of Customer, last ten years: Table 5, Charts 5-6.....	86
Water Accounts by Type of Customer, last ten years: Table 6, Charts 7-8.....	87
Principal Water Users, years ended December 31, 2015 and 2024: Table 7.....	88
Metered Service Fixed Rates, last ten years: Table 8.....	89
Commodity Rates for Treated Water, last ten years: Table 9.....	90
Commodity Rates for Untreated Water, last ten years: Table 10.....	91
Schedule of Other Water System Fees and Charges, last ten years: Table 11.....	92
Average Annual Water Bill and Effective Rate Increase, last ten years: Table 12, Chart 9.....	93

Debt Capacity Data

Schedule of Outstanding Debt, last ten years: Table 13.....	94
Debt Service Coverage, Western Water System, last ten years: Table 14, Chart 10.....	95

Demographic and Economic Information

Demographic and Economic Statistics, last ten years: Table 15, Charts 11-13.....	96
Principal Employers of Placer County, years ended December 31, 2015 and 2024: Table 16.....	97

Operating Information

Personnel Trends by Agency Department, last ten years: Table 17, Chart 14.....	98
Water and Power Operational Statistics, last ten years: Table 18, Chart 15.....	99

Compliance Report

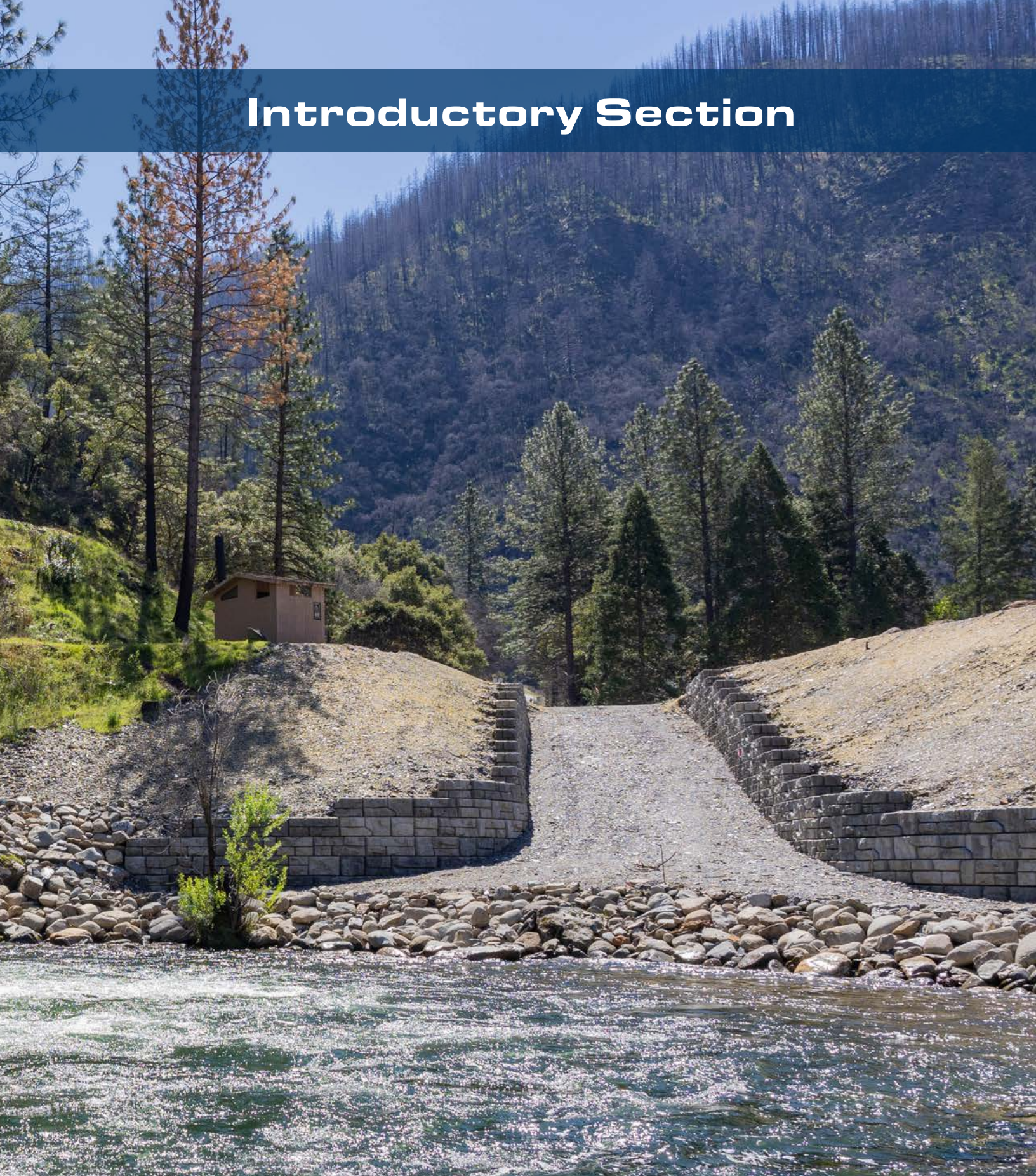
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	101
--	-----

Supplemental Schedules

Unrestricted Net Position - Board Designated Reserves.....	103
Combined Schedule of Revenues, Expenses and Change in Net Position Budget and Actual.....	104
Schedule of Adjusted Budgets, last ten years	105



Introductory Section



Indian Bar River Access



PLACER COUNTY WATER AGENCY
SINCE 1957

BOARD OF DIRECTORS

Gray Allen, District 1
Primo Santini, District 2
Chris Wilson, District 3
Robert Dugan, District 4
Joshua Alpine, District 5

BUSINESS CENTER

144 Ferguson Road
MAIL
P.O. Box 6570
Auburn, CA 95604
PHONE
(530) 823-4850
(800) 464-0030
WWW.PCWA.NET

Andrew Fecko, General Manager

June 24, 2025

The Honorable Board of Directors, General Manager, and citizens of Placer County
Placer County Water Agency

The Department of Financial Services is pleased to present the Annual Comprehensive Financial Report (ACFR) of the Placer County Water Agency (PCWA or Agency) for the year ended December 31, 2024. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it.

Management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The California Government Code requires an annual independent audit of PCWA's financial statements by a Certified Public Accountant. Davis Farr LLP has issued an unmodified "clean" opinion on the Placer County Water Agency's financial statements for the year ended December 31, 2024, which is included in the financial section of this ACFR.

OVERVIEW OF THE PLACER COUNTY WATER AGENCY

PCWA was created in 1957 under its own state legislative act entitled the "Placer County Water Agency Act." The Agency is a special district and its boundaries are coterminous with the boundaries of Placer County, California. Placer County (County) is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter Counties on the west and Sacramento and El Dorado Counties on the south. Placer County occupies an area of approximately 1,500 square miles, which includes relatively level valley lands in its western portion and extends easterly into the Sierra-Nevada Mountains to Lake Tahoe and the Nevada state line. The County is located immediately northeast of Sacramento County, approximately 100 miles northeast of the San Francisco Bay metropolitan area. Interstate 80 transects Placer County from west to east. The Agency has a five-member board of directors elected by district voters for four-year terms. The Agency carries out a broad range of responsibilities including resources planning and management, retail and wholesale supply of water, and production of hydroelectric energy and has staff of 237 regular employees providing services to its three operating budget units: Agency Wide, Power Division and Water Division.

Agency Wide

Agency Wide provides the water and energy advocacy and stewardship functions within the boundaries of the County. Agency officials understand the complexities, interrelationships and importance of sustaining reliable and affordable water and energy for Placer County's present and future needs. PCWA serves as a local water resources management and stewardship entity striving to protect the watershed, water ways and water quality important to the people, lands and ecosystems of the County. PCWA holds extensive surface water entitlements and rights on the Middle Fork American River. Water is sold wholesale to various water purveyors who retail it to their customers. Agency Wide wholesales water to the City of Roseville, San Juan Water District, Sacramento Suburban Water District, and to PCWA's Water Division. Agency Wide activities are varied and far ranging. These include involvement in water issues affecting the Lake Tahoe and Truckee River system, the American River system, the Yuba/Bear Rivers system, the Central Valley Project and the Bay/Delta system. PCWA is actively involved in numerous collaborative partnerships, including watershed planning, groundwater management, and regional infrastructure and conjunctive use projects. Advocacy for PCWA water entitlements and energy resources for Placer County are at the forefront of Agency Wide interests and activities. The Middle Fork Project (MFP), an Agency Wide asset, consists of 3 storage reservoirs and 5 diversion dams, 5 power plants, diversion and water transmittal facilities, 5 tunnels and related facilities. The 1963 revenue bonds, which originally funded the construction of the MFP, were approved by a vote of the people of Placer County in 1961 and repaid on January 1, 2013. No single community or water system has a superior entitlement to receive the benefits of the MFP. The financial activities that flow from the sale of water from the MFP are kept in the Agency Wide division. The financial activities that flow from the operation and maintenance of the MFP and the sale of power are kept under the Power Division.

Power Division

PCWA's Power Division was established with the construction of the MFP that began in 1963 and was completed in 1967. PCWA owns and operates the MFP which can generate, at peak power, 224 megawatts that averages 850,000 megawatt hours annually of hydroelectric power. The electricity generated is metered by the CAISO and shadow settled by the Agency. Power generation is sold directly to the CAISO, while other energy products services (renewable energy credits, resource adequacy and carbon-free) are sold through bilateral contracts.

Water Division

PCWA acquired its first and primary water system in 1968. With subsequent acquisitions and growth, the Agency has become the largest water purveyor in the County, serving more than 40,000 water accounts. Surface water supplies are purchased from PG&E and Agency Wide. The backbone of the water system is the over 160 miles of canals, ditches, flumes and several small reservoirs that PCWA owns and operates, most of which were built in the gold rush era. PCWA delivers and sells a significant amount of untreated water for irrigation of pastures, orchards, rice fields, farms, ranches, golf courses and landscaping. The Agency owns and operates 9 water treatment plants, 29 water tanks and over 600 miles of treated water pipelines. Treated surface water is sold directly to PCWA customers residing in Auburn, Colfax, Loomis, Rocklin, portions of Roseville and throughout various unincorporated areas of the County. Treated water is also sold wholesale to the City of Lincoln and others who retail it directly to their customers. The Agency also uses groundwater to occasionally supplement surface water supplies when needed in Western Placer County.

Sources of Water Supply

PCWA's region has plentiful water resources as its service area is bordered by two rivers: the Yuba/Bear River to the north and the American River to the south. PCWA's jurisdiction extends into the watershed that provides mostly gravity fed water to the Agency's water infrastructure. The Agency obtains water from three primary sources: 1) Currently, the majority of water PCWA delivers to its treated and untreated water customers in Western Placer County comes from water pursuant its Western Water Supply Contract with PG&E and allows the Agency to take delivery of up to a maximum of 100,400 acre-feet per year from the Yuba and Bear Rivers through PG&E's Drum-Spaulding Project; 2) In 1982 the Agency acquired treated and untreated water systems serving the portion of upper Western Placer County that is adjacent to Interstate 80 from Alta, down through Colfax, to the Eastern boundary, just above Auburn. With this acquisition, the Agency acquired the right to purchase up to 25,000 acre-feet annually from PG&E for use in this area with water from PG&E's Drum-Spaulding Project; 3) The Agency has up to 120,000 acre-feet of water available annually from appropriated water rights developed through the construction of the 1963 Middle Fork Project on the American River. Water can be diverted into the water system through the American River Pump Station to Auburn tunnel and from Folsom Reservoir.

In addition to the three primary sources above, the Agency has rights to approximately 35,000 acre-feet of water from the United States Bureau of Reclamation's Central Valley Project. The Agency also has two wells that reliably provide up to 2,000 acre-feet of water per year within the Sunset Industrial area located in unincorporated Western Placer County. These wells provide backup supply to the Agency's water system and are not routinely operated to meet normal system demands.

Governance

PCWA is a public agency (special district) governed by a five-member independently elected Board of Directors (Board) serving staggered four-year terms with one Director from each of the five Placer County supervisorial districts. The Directors reside within their geographical district areas and are elected by the constituents of that district only. Annually, a Chairman and Vice Chair are chosen among the Board members. PCWA operates under a Board-Manager form of government. The General Manager is appointed by the Board to administer the daily affairs of the Agency and carry out the policies of the Board of Directors.

The Board meets in regular session on the first and third Thursdays of each month. Regular meetings are held at 2:00 p.m. at the Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California. Board meetings are open to the public.

Budget Process

Annually, the Agency prepares and adopts an operating budget and updates its five-year Capital Improvement Program (CIP). Both budgets serve as the foundation for the Agency's financial planning and fiscal control. Budgets are adopted on a basis consistent with governmental generally accepted accounting principles. Budgetary controls are set at the department level and are maintained to ensure compliance with the budget approved by the Board of Directors. Department directors have the discretion to transfer budgeted funds between accounts/activities within their departments. Two consenting departments can transfer budgeted funds between their departments. Increases to the Capital Improvement Program budget and to the operating budget require Board approval.

Significant Events and Accomplishments

Water Year – 2024

For water Year 2024 (October 2023 – September 2024), California experienced near-normal precipitation statewide. Lake Spaulding, which is located in Nevada County and operated by Pacific Gas & Electric and is one of the Agency’s primary sources of water supply for the Water Division received 86% of the 50-year average precipitation.

Water System Consolidations

During 2024 the Agency completed the consolidation of **The Dutch Flat Mutual Water Company**, pictured right, a privately owned water system. This project included installation of 9,800 LF of 6 to 8-inch pipe and pressure-reducing station to serve 112 connections. The total project cost \$7.3 million and was fully funded by the State Water Resources Control Board (SWRCB).

The Agency continues to be the recipient of State grant funds to assist the State in accomplishing the State’s goal of reducing the number of permitted systems in the State and the mutual goal of bringing affordable drinking water to underserved areas of Placer County. Dutch Flat Mutual is just one example of these State funded efforts.



Dutch Flat Mutual

Duncan Creek Diversion Dam Upgrade and Trail



Duncan Creek Diversion Dam

The Agency completed its first season of upgrades at the Duncan Creek Diversion Dam to meet modern environmental standards and enhance operational efficiency as required by Federal Energy Regulatory Commission (FERC) licensing requirements. The project includes new crest gates for sediment transport, fish screens, and advanced flow-control structures to support downstream fish passage and maintain ecological flows. By improving sediment transport and enabling fish to access critical habitats, the project restores natural stream functions and aquatic ecosystems. Powered by a hybrid energy system, the upgrades align with the Agency’s commitment to sustainable infrastructure and meet licensing requirements, demonstrating innovative solutions for managing water and environmental resources effectively.

ECONOMIC CONDITIONS OF PCWA

PCWA's jurisdiction is contiguous with the boundaries of Placer County, hence, County wide economic information follows:

Placer County Economy

Placer County has been one of the fastest growing counties in California featuring thousands of acres available for growth, low-cost housing and a skilled and educated workforce. In the last decade the County has experienced an overall population growth of approximately 12%, while the increase from 2023 to 2024 was only 1.3%. The long-term forecast for the County's growth is a steady of an average 1.0%. The population is expected to reach approximately 454,522 by 2034. The 2034 figure represents a 9.3% increase over the current population of 416,014.

At December 2024, Placer County's unemployment is currently lower than the State's average: Placer County at 3.9% and the State at 5.5%. Last year unemployment was 4.0% and 5.1% respectively.

The County's per capita personal income also exceeded the State's per capita personal income by 6.0% in 2023 (Data is not currently available for 2024). Please see the Statistical Section for additional information.

Placer County has experienced an increase in development over the past five years. For example, the Agency's Water Connection Charge revenues, which are charges to connect to new water service, increased from a total of \$5.0 million in 2013 to \$25.0 million in 2015 and \$14.4 million in 2024. The decrease in EDU commitment since 2015 was expected as the Agency has changed its EDU allocation method whereas the Agency may now only allocate a fraction of an EDU for a residential service that commits to a limited water consumption agreement.

Long-term Financial Planning

The annual Strategic Plan is a road map that guides the Agency in meeting its near-term objectives and mission. The Agency's long-term financial planning initiatives are segregated by the operating divisions of Water and Power, with a primary objective to ensure reliable operations through long-term infrastructure investment.

In 2020, the Agency commenced an analysis of the Water Division's Renewal and Replacement program which is segregated by asset category, current infrastructure conditions, average useful lives and estimate average annual renewal and replacement costs over 25 years. This high-level analysis of the Agency's estimated R&R cost needs over the next 25 years is based on the sum of the estimated discrete annual costs for each of the Agency's CIP categories.

Commencing in fall 2021, the Power Division performed an in-depth risk financing analysis to re-assess the risk factors to the Middle Fork Project Power Division operations, assess the current reserve levels and insurance coverages, and consider updated and/or alternative risk management options for the Middle Fork Project. In December 2023, the Power Division commenced a capital analysis of Renewal and Replacement needs.

Annually, during the budget process, the Agency reviews capital and operational needs. For the Water Division the cost of service is reviewed to determine if the water rates, fees and charges are sufficient to provide the revenues and funding necessary to cover the Water Division's coming year operating expenses and makes adjustments as necessary.

The Agency's Capital Improvement Program is reported for the next 5 years yet is projected up to 25 years for the Water Division to ensure sufficient planning for necessary infrastructure. With certain Water Division infrastructure reaching the end of its maintainable life, in 2001 PCWA adopted a new component to the water rates to specifically fund the replacement of aging infrastructure. Since 2001, the renewal and replacement (R&R) charge has steadily grown to result in over \$15 million annual funding for R&R Capital Projects.

In 2017, the Agency overlaid Zones 1, 2, 3, and 5 with a newly established Zone 6 (also known as the Western Water System), following a comprehensive Water Cost of Service and Rate Study (Study) across all Agency water services. Initiated in 2015 and completed in September 2017, the Study sought to (1) establish fair and equitable water rates for Zone 6 that proportionately allocated the costs of providing service in accordance with California Constitution Article XIII D, Section 6 (commonly referred to as Proposition 218), (2) provide sufficient revenue based on costs, (3) ensure rates are based upon the costs to provide service to each customer class and each rate tier, and (4) produce an administrative record to support decisions made within the rate design.

The Water Cost of Service and Rate Study was updated in 2022 and a proposition 218 notification process followed, concluding with a public hearing on May 9, 2022, where the Board of Director's adopted 5-year fixed rate adjustments of 8%, 8%, 7%, 7%, 6%, effective beginning January 1, 2023, respectively.

FINANCIAL POLICIES AND GUIDELINES

The financial integrity of PCWA is of utmost importance. Maintaining fiscal stability is a critical component of the overall financial plan. PCWA is accountable to its ratepayers and the public for the use of public funds. Resources should be used wisely to ensure adequate funding for services, public facilities and infrastructure necessary to meet present and future needs. PCWA's financial policies and guidelines provide the backbone for making financial decisions and a benchmark for monitoring financial activities.

Revenue and Expense Guidelines

This policy supplements other policies to support financial stability and integrity and provides measures to ensure financial accountability and transparency. These guidelines state the Agency will maintain sound financial practices in accordance with generally accepted accounting principles, the Agency Act, Local, State and Federal laws and regulations. And the Agency will maintain and further develop programs to assure its long-term ability to pay all the costs necessary to provide the level and quality of service required by its customers.

Investment Policy

The Agency's *Investment Policy* follows California Government Code objectives of safety, liquidity and yield (in that priority order). Annually during the first quarter of each year, the policy is reviewed and re-adopted by the Board of Directors to ensure PCWA's Investment Policy is up to date with current regulations. The Director of Financial Services also serves as the Agency's Treasurer who annually reviews the Investment Policy and as necessary, submits recommended revisions to the Board for their annual consideration and approval. The investment process is carefully monitored to ensure compliance with the Investment Policy and other applicable regulations.

Budget Policy

In 2021, the Agency's *Budget Policy* was updated to provide more flexibility for the Capital Improvement Plan (CIP). Adopted by the Board in November 2006, and amended in 2007, 2018, and 2021, the revised Budget Policy more clearly defines the budget process for both the operating and CIP budgets. This also provides better guidance to Agency personnel performing budgetary process functions. The policy requires balanced budgets, which will serve as a financial plan to promote financial stability while accomplishing the Board's goals and objectives.

Reserve Policy

The Agency's *Reserve Policy*, initially adopted in 2005 as the *Net Asset Reserve and Designation Policy*, was renamed and revised in July 2015 and amended again in August 2021, for the purpose of describing each reserve and providing a methodology to the reserve target set by the Board annually during the budget process. This policy is designed to distinguish between Legally Restricted Reserves and Board Designated Reserves, establish distinct purposes for each reserve category, set funding targets and accumulation levels for reserves, and identify events or conditions prompting use.

The Reserve Policy provides guidance for establishing, funding and using reserves to meet known future obligations and unforeseen needs as deemed prudent and/or required by agreement. As available and deemed appropriate, Board Designated Reserves are funded to reserves in the following broad categories; Operational, Capital, Liabilities, Specific Activities, Programs and Special Projects. Each category is further defined by distinct reserve accounts, for example, reserve for contingencies under the operational category. Each reserve category has a description for purpose, funding amount, funding source and use.

Debt Management Policy

In April 2007, the Agency adopted its first *Debt Management Policy*, which provides written guidelines and restrictions that affect the amount and type of debt issued by the Agency, the issuance process, and the management of the debt portfolio. The policy is intended to provide guidance for debt structure, its justification and evaluation. The primary objective of the Debt Management Policy is to establish conditions for the use of debt and to create procedures and policies that minimize PCWA's debt service and issuance costs, retain the highest practical credit rating, and maintain full and complete financial disclosure and reporting.

Capital Asset Policy

In January 2020, the Agency revised and updated its *Capital Asset Policy*. This policy establishes the provisions for asset capitalization and safeguarding and defines capital-type items such as buildings, machinery or equipment with an original cost of \$10,000 or greater and a useful life of more than one year.

The Capital Asset Policy stems from two objectives: (1) To accurately account for and report capital assets in financial reports and to update the guidelines for capitalizing capital-type items, and (2) to establish procedures to protect Agency capital assets from damage, loss or theft.

Fraud Policy

Initially adopted in June 2004, the *Fraud Policy* formalizes the expectations of personal honesty and integrity required of Agency officials and employees. This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed if fraud is suspected or identified and the subsequent investigation process.

Procurement Policy

The Agency's *Procurement Policy* was revised and readopted by the Agency in 2023. This policy provides the framework and guidelines for Agency purchases and contracts. This policy covers all Agency procurement activities (commodity and service purchases and public works contracts) and adheres to Government Code Section 54202 that requires local governmental agencies to adopt policies and procedures including "bidding regulations, governing purchases of supplies and equipment".

P-Card Policy

In 2016, the Agency adopted a *Procurement Card (P-Card) Policy* to provide the framework and guidelines for the prudent use of Agency Procurement Cards. The objective of the policy is to provide delegation of authority and responsibility within a framework of accountability and controls for an Agency P-Card Program.

Comprehensive Unfunded Pension Liability Management Policy

In 2021, the Agency adopted a Comprehensive Unfunded Pension Liability Management Policy to provide a framework and guidance for the development and management of a funding plan for any Unfunded Accrued Liabilities ("UAL") that are calculated annually by CalPERS for the Agency's defined benefit pension plan.

Federal Grant Policy

In 2022, the Agency adopted a Federal Grant Policy to be compliant with the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards commonly called "Uniform Guidance".

Major Initiatives

The Agency continues its active involvement at the Board and management levels in a wide variety of water and energy related issues affecting Placer County. The Agency continues to manage several large projects in 2025, which includes the replacement of the Colfax Water Treatment Plant, multiple small water system consolidations, and the Alta Loop Pipeline project to provide for redundancy in that region. In addition, the Agency is actively planning for the construction of the new Ophir Water Treatment Plant, which will likely begin construction in late 2025 or early 2026, the first phase to provide 10 million gallons per day (MGD) of capacity and ultimately expanded to 30 MGD.



Future Ophir Water Treatment Plant Ariel Rendering

Effective January 1, 2024, Senate Bill 706 authorized cities, counties, and special districts to use Progressive Design Build (PDB) contracting authority for public works projects in excess of \$5 million each. PDB offers an alternative to the traditional Design-Bid-Build delivery model currently used for Agency improvement projects. Through PDB, the contractor is awarded the contract as part of a "Design-Build" team through a qualifications-based selection criteria which allows the Contractor to be involved during the design process instead of only during construction. This collaborative method allows for a streamlined timeline for design and construction, consideration of means and methods during design, and better estimation of the expected cost of construction. During 2025 the Agency is initiating its' first PDB project, the I-80 Crossing Replacement Project. This project is a long-term program with the objective of replacing aging raw and treated water pipes that currently cross Interstate 80. Currently, the Agency owns and operates a total of fifty (50) I-80 Crossings (26 treated water and 24 raw water), with seven (7) of the crossings considered in "Very High Risk" of failure. Due to the age and large amounts of unknowns associated with these crossings, it is beneficial to have the contractor engaged throughout the design process. This allows risks associated with unknown conditions at these crossings to be investigated and addressed prior to the start of construction and provides the contractor with an opportunity to offer workable solutions during design.

FINANCIAL INFORMATION

Internal Controls

Elected officials and those employed by the Agency are entrusted as stewards of public resources. Whether cash, equipment or water rights, these resources are entrusted to their care and need to be properly safeguarded, managed and accounted for. As with any good business operation, good decisions are based upon complete, accurate, reliable, relevant and timely information. A strong system of effective internal controls will provide a backbone for good stewardship and sound decision-making.

Internal controls are the system of checks and balances an organization employs to prevent and detect errors in the processing of data (accurate and reliable), to promote smooth operation, to monitor and maintain compliance and to safeguard and manage the entity's assets.

Integrated into the Agency's daily activities, internal controls are incorporated within the overall control environment. The Agency's control environment includes its organizational structure, culture, philosophies, policies and procedures as established by the Board and management. The control environment sets the "tone from the top" and promotes the organizational integrity of information for stewardship and decision-making.

PCWA is responsible for designating and maintaining an internal control structure to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate financial data are accounted for and compiled into financial information including the annual financial statements. The internal control structure is designed to provide reasonable assurance the financial and other management information is authorized, accurate, and reliable. This concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Placer County Water Agency for its annual comprehensive financial report for the fiscal year ended December 31, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This ACFR reflects the hard work, talent and commitment of the staff members of the Financial Services Department. This document could not have been accomplished without their efforts and each contributor

deserves sincere appreciation. I would also like to express appreciation to staff members of other departments who contributed to the preparation of this report.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Carrie Parks". The signature is written in a dark ink and is positioned below the "Respectfully Submitted," text.

Carrie Parks
Director, Department of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Placer County Water Agency
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Placer County Water Agency

December 31, 2024



Board of Directors

District 4, Chair	Robert Dugan
District 1, Vice Chair	Gray Allen
District 2	Primo Santini
District 3	Chris Wilson
District 5	Josh Alpine

Agency Officials

General Manager	Andrew Fecko
General Counsel	Dan Kelly
Director of Administrative Services	Nicole Skarda
Director of Financial Services	Joseph Parker
Director of Power Generation Services	Aaron Sullivan
Director of Customer Services	Matt Young
Director of Field Services	Daryl Hensler
Director of Information Technologies	David Russell
Director of Strategic Affairs	Tony Firenzi
Director of Technical Services	Jeremy Shepard
Director of Energy Marketing	Shane Motley
Director of Resource Management	Darin Reintjes

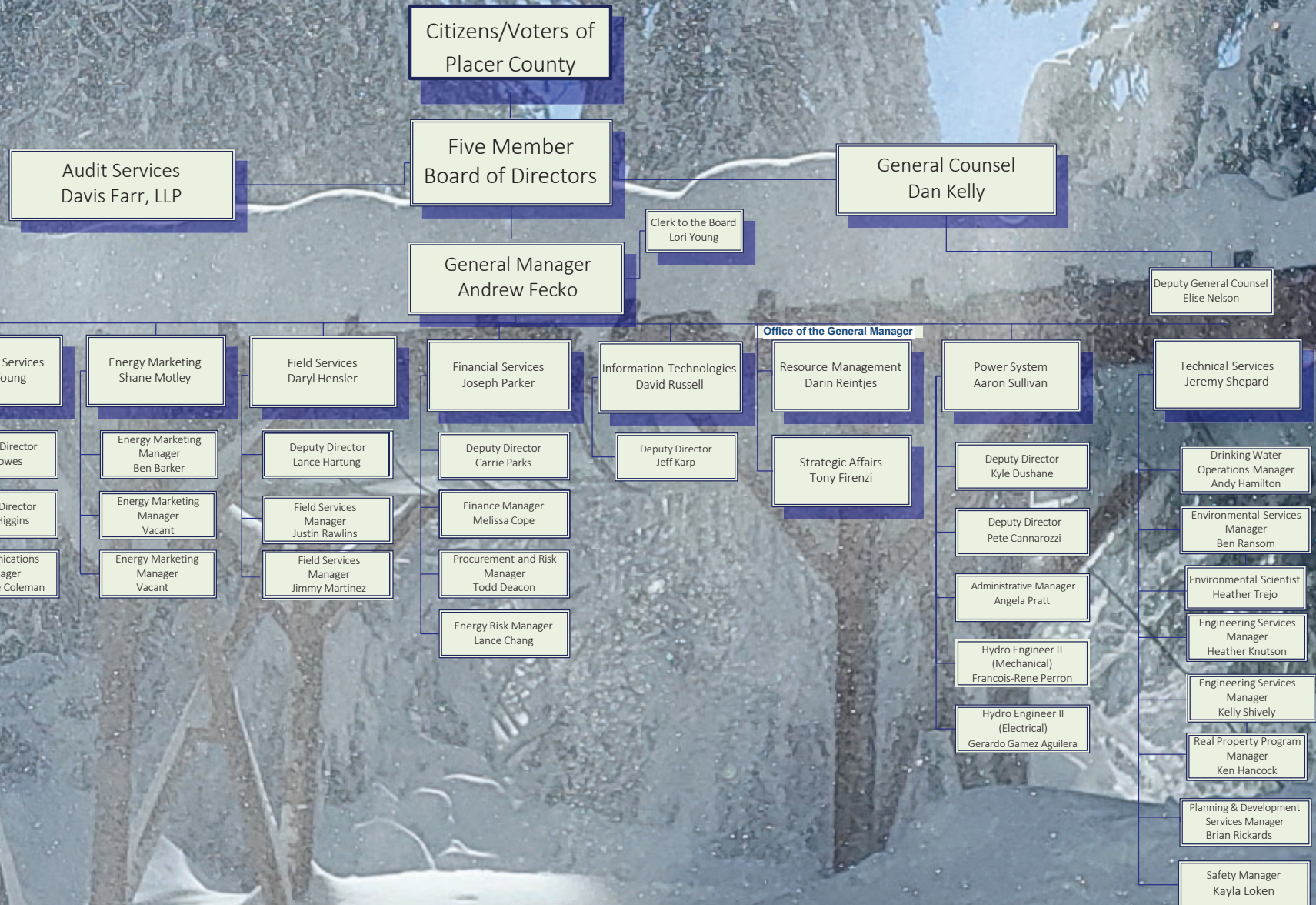
Acknowledgements

Prepared by the Placer County Water Agency
Department of Financial Services

Director of Financial Services	Joseph Parker, CPA
Deputy Director of Financial Services	Carrie Parks
Finance Manager	Melissa Cope
Senior Accountant	Marco Wang, CPA

Special thanks and photo credits to Brie Anne Coleman

Placer County Water Agency Organizational Structure



Financial Section



Independent Auditor's Report

Board of Directors
Placer County Water Agency
Auburn, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Placer County Water Agency ("Agency") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Agency as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

During the year ended December 31, 2024, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of pension plan contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB plan contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



June 23, 2025
Irvine, California

This page was intentionally left blank.

Management's Discussion and Analysis

This section presents management's analysis of the Placer County Water Agency's (the Agency) financial condition and activities as of and for the year ended December 31, 2024. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Agency's basic financial statements.

This information should be read in conjunction with the audited financial statements that follow this section. The Agency, as the primary governmental entity, includes, within the financial statements, the financial position and activities of the Placer County Water Agency Public Facilities Corporation (Corporation) as a component unit. The Corporation is a blended component unit and does not issue separate financial statements.

The information in this MD&A is presented under the following headings:

- Organization and Business
- Overview of the Basic Financial Statements
- Financial Analysis
- Capital Assets and Capital Improvement Plan
- Long-Term Debt
- Requests for Information

ORGANIZATION AND BUSINESS

The Agency was created in 1957 under its own legislative act and since inception has been actively involved in Placer County's 1,500 square mile area on a variety of water and energy issues. The Agency provides treated and untreated water services, produces hydroelectric power and provides stewardship over water and energy in Placer County.

The Agency's general operations division titled "Agency Wide" holds extensive surface water entitlements for which water is sold wholesale to various water purveyors. Agency Wide interests and stewardship activities include water entitlements and energy resources throughout Placer County.

The Agency's Power Division was established with the construction of the Middle Fork American River Hydroelectric Project (MFP) that began in 1963 and was completed in 1967. This Project constructed an integrated system of five interconnected hydroelectric power plants, two major storage reservoirs (French Meadows and Hell Hole), dams and tunnels with the capability of producing on average 850,000 megawatt hours annually. The electricity generated is metered by the CAISO and shadow settled, or validated, by the Agency. Power generation is sold directly to CAISO and energy products are sold through bilateral contracts.

The Agency's Water Division was established in 1968 with the acquisition of our first water system. The Agency operates an integrated treated and untreated (raw) water system that directly and indirectly serves

over 300,000 people. Through over 160 miles of canals, ditches, and flumes, as well as several small reservoirs, most of which was built in the gold rush era, the Agency serves untreated water customers and transmits water for treatment. The Agency owns and operates 9 water treatment plants, 31 water tanks and over 600 miles of treated water pipelines. Treated water is supplied to residential, commercial, industrial, and other governmental users in the cities and surrounding areas of Auburn, Colfax, Loomis, Rocklin, portions of Roseville and various unincorporated areas of Placer County. Agency treated water is also sold wholesale to the City of Lincoln and other purveyors who retail it directly to their customers. In addition, the Agency utilizes groundwater to occasionally supplement surface water supplies when needed in Western Placer County.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Agency's Basic Financial Statements are designed to provide readers with a broad overview of the finances of the Placer County Water Agency. There are three components to the Basic Financial Statements: (1) Financial Statements, (2) Notes to the Basic Financial Statements, and (3) Required Supplementary Information.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements.

Proprietary Fund

The Agency's proprietary (enterprise) fund consists of 3 divisions, Agency Wide, the Water Division and the Power Division. Proprietary funds are used to account for operations that are financed and operated in a similar manner to private business enterprises – where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Agency's proprietary fund statements include the following:

The *Statement of Net Position (Balance Sheet)* presents information on the Agency's assets plus deferred outflow of resources, and liabilities plus deferred inflow of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

While the balance sheet provides information about the nature and amount of resources and obligations at year-end, the *Statement of Revenues, Expenses and Changes in Net Position* presents the results of the Agency's operations over the course of the fiscal year ending December 31st and information as to how the *net position* changed during the year. This statement can be used as an indicator to determine the Agency's credit worthiness and the extent to which the Agency has successfully recovered its costs through user fees and other charges. All changes in net position are reported during the period in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and

expense are reported in this statement for some items that will result in cash flow in future fiscal periods, such as delayed collection of operating revenue and the expense of employee earned but unused vacation leave.

The *Statement of Cash Flows* presents changes in cash and cash equivalents resulting from operational, capital, noncapital and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt and excludes noncash accounting measures of depreciation and amortization of assets. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Notes to Basic Financial Statements

The Notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements. The Notes to Basic Financial Statements can be found on pages 23 through 65 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information. Such required supplementary information regarding the Agency's funding of its obligation to provide pension benefits to its employees can be found on pages 66 through 68 of this report. The Agency's other supplementary information can be found on pages 70 through 72 of this report.

FINANCIAL ANALYSIS

Our financial analysis introduces the accompanying financial statements. One of the most important questions to ask is the following: "Is the Agency, as a whole, better off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position present financial information regarding the Agency's activities in a manner to answer that question. These two statements report the Agency's net position and the changes resulting from the year's activity. You can think of the Agency's net position, the difference between assets and liabilities, as one way to measure financial health or financial position. Over time, increases or decreases in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. However, other considerations, both financial and non-financial factors such as changes in economic conditions, population growth, zoning, new or changed government legislation and others should also be evaluated.

During 2024, the Agency's financial position remained strong. The significant financial events are illustrated in the financial analysis below.

FINANCIAL HIGHLIGHTS FOR 2024

- Net Position increased \$29.2 million or 3% during the fiscal year.
- At year-end, the Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$869.4 million.

- Total operating revenue increased by \$14.6 million; and non-operating revenue (expenses) increased \$1.5 million.

Financial Position

The Agency's total net position increased by \$29.2 million to \$869.4 million (*see Table 1*), which is a result of assets and deferred outflow of resources increasing by \$26.8 million and liabilities and deferred inflow of resources decreasing by \$2.4 million. The \$29.2 million increase to net position can be further broken down as an increase of \$19.8 million or 3.3% in the Water Division, an increase of \$2.3 million or 1.3% in the Power Division, and an increase of \$7.1 million or 12.1% in the Agency Wide Division. The largest portion of the Agency's net position, \$626.1 million or 72%, represents its investments in capital assets and infrastructure.

Key components of the \$29.2 million increase in net position are as follows:

- Total assets increased \$33.4 million largely from an increase in cash and investments of \$20 million, capital assets increased \$8.9 million related to construction in progress and accumulated depreciation and current receivables increased \$4.4 million.
- Deferred outflow of resources decreased \$6.6 million related to pension and OPEB contributions made subsequent to the measurement date, net differences between projected and actual earnings on pension plan investments, changes in assumptions on net OPEB liability as well as deferred charges on refunding of debt.
- Total liabilities decreased \$1.0 million, current liabilities increased \$5.5 million, \$3.9 million related to accounts payable. Non-current liabilities decreased \$6.5 million and included a \$1.9 million decrease in the net OPEB liability related to CalPERS' investment performance on OPEB assets, a \$6.8 million decrease in long-term debt obligations and an increase of \$1.8 million in the unearned water connection charge revenue related to the City of Lincoln and the future Ophir Water Treatment Plant.
- Deferred inflow of resources decreased \$1.4 million reflecting pension and OPEB liabilities largely attributed to differences between projected and actual earnings on plan investments.

Table 1
Statements of Net Position
(In thousands)

	<u>2024</u>	<u>2023</u>	<u>Variance</u>	<u>%</u>
Current Assets	\$ 156,187	132,520	23,667	18%
Non-Current Assets	174,781	174,014	767	0%
Capital Assets, Net	693,886	684,956	8,930	1%
Total Assets	<u>1,024,854</u>	<u>991,490</u>	<u>33,363</u>	<u>3%</u>
Deferred Outflow of Resources	<u>16,805</u>	<u>23,358</u>	<u>-6,553</u>	<u>-28%</u>
Current Liabilities	30,038	24,576	5,462	22%
Non-Current Liabilities	137,129	143,619	-6,490	-5%
Total Liabilities	<u>167,167</u>	<u>168,194</u>	<u>-1,028</u>	<u>-1%</u>
Deferred Inflow of Resources	<u>5,120</u>	<u>6,514</u>	<u>-1,394</u>	<u>-21%</u>
NET POSITION:				
Net Investment in Capital Assets	626,078	619,541	6,537	1%
Restricted	121,766	109,752	12,014	11%
Unrestricted	<u>121,528</u>	<u>110,847</u>	<u>10,682</u>	<u>10%</u>
Total Net Position	<u>\$ 869,372</u>	<u>840,140</u>	<u>29,233</u>	<u>3%</u>

Results of Operations

The Agency's 2024 total operating revenue of \$118.4 million increased \$14.6 million when compared to the 2023 amount (*see Table 2 on the following page*). The total operating expense increased \$8.8 million resulting in an increase to net operating income of \$5.8 million. Overall, the Agency's change in net position for the year, including capital contributions, increased by \$29.2 million compared to the 2023 net position. The major components of this increase are as follows:

- Operating revenue at the fund level changed as follows: Agency Wide increased \$420 thousand, Water Division increased \$7.5 million, primarily from water rate increases. Power Division power sales revenue, which is reimbursement from the Middle Fork Project Finance Authority for operating and capital expenses related to operations of the MFP, increased \$6.7 million related to capital project activities, including progress on the Duncan Creek Diversion Upgrade.
- Operating expense increased by \$8.8 million or 8% to \$120.0 million. Operating expense at the fund level changed from prior year as follows: Agency Wide decreased \$75 thousand, Power Division increased \$3.5 million and Water Division increased \$5.4 million. Non-operating Revenues (Expenses) increased by \$1.5 million to \$30.2 million, which is a net change of the

following: a \$1.2 million decrease in other income (expense), a \$3.5 million increase in Water Connection Charge revenue, and a combined decrease of \$2.9 million in grant and other cost recovery revenue. Included in the non-operating revenue is \$10.2 million of investment revenue which is \$504,000 less than 2023 due to changes in market value in investments.

- Contributed capital, consisting of water system infrastructure contributed to the Agency upon project completion, totaled \$685 thousand, which was comprised of various developer's agreements.

Table 2 shows changes in the Agency's net position for the years ended December 31, 2024 and 2023.

Table 2
Statement of Revenues, Expenses and Changes in Net Position
(In thousands)

	<u>2024</u>	<u>2023</u>	<u>Variance</u>	<u>%</u>
OPERATING REVENUES:				
Agency Wide	\$2,723	2,303	420	18%
Power Division	40,834	34,124	6,710	20%
Water Division	74,840	67,358	7,482	11%
Total Operating Revenues	<u>118,398</u>	<u>103,785</u>	<u>14,613</u>	<u>14%</u>
OPERATING EXPENSES:				
Pumping Plant and Wells	3,515	1,788	1,727	97%
Water Treatment and Purchased Water	15,908	17,039	-1,131	-7%
Electrical Operations and Energy Marketing	16,923	14,236	2,688	19%
Transmission and Distribution of Water	9,359	10,104	-746	-7%
Customer Service and Collections	5,172	5,531	-359	-6%
Recreation	2,778	2,299	479	21%
Automotive and Equipment	1,333	1,305	28	2%
Engineering	10,603	8,050	2,554	32%
General and Administrative	24,891	22,867	2,023	9%
Depreciation	29,538	27,972	1,566	6%
Total Operating Expenses	<u>120,019</u>	<u>111,190</u>	<u>8,829</u>	<u>8%</u>
Net Operating Income	<u>-1,622</u>	<u>-7,405</u>	<u>5,784</u>	<u>-78%</u>
NON-OPERATING REVENUES (EXPENSES):				
Total Non-Operating Revenues (Expenses)	<u>30,169</u>	<u>28,658</u>	<u>1,511</u>	<u>5%</u>
Income Before Capital Contributions	<u>28,547</u>	<u>21,253</u>	<u>7,294</u>	<u>34%</u>
Capital Contributions	<u>685</u>	<u>1,521</u>	<u>-835</u>	<u>-55%</u>
Change in Net Position	<u>29,233</u>	<u>22,773</u>	<u>6,459</u>	<u>28%</u>
Net Position, Beginning of Year	<u>840,140</u>	<u>817,366</u>	<u>22,773</u>	<u>3%</u>
Net Position, End of Year	<u>869,372</u>	<u>840,140</u>	<u>29,233</u>	<u>3%</u>

CAPITAL ASSETS AND CAPITAL IMPROVEMENT PLAN

At the end of 2024, the Agency had invested \$693.9 million (net of accumulated depreciation) in a broad range of infrastructure including power facilities; water storage, transmission and distribution facilities; maintenance and administration facilities; vehicles; leases; and equipment. The total increase in the Agency's investment in capital assets for 2024 was \$36.5 million before depreciation. The summary of capital assets is presented in note 4 to the basic financial statements. Table 3 provides a summary of capital assets for years-ended 2024 and 2023 as follows:

Table 3
Capital Assets
(In thousands)

	2024	2023	Increase/ (Decrease)	%
Land	\$ 18,383	18,130	253	1%
Other - Non Depreciating	7,635	7,687	(52)	-1%
Construction in Progress	58,316	48,066	10,250	21%
MFP FERC License	37,369	37,369	-	0%
Lease-Right to Use Asset	874	864	10	1%
SBITA's-Right to Use Asset	1,534	73	1,461	2001%
Systems & Improvements	906,322	886,328	19,994	2%
Buildings & Improvements	79,993	78,432	1,561	2%
Machinery & Equipment	102,273	97,794	4,479	5%
Subtotal	1,212,699	1,174,743	37,956	3%
Less Accumulated Depreciation/Amortization	518,813	489,787	29,026	6%
Total Capital Assets	<u>\$ 693,886</u>	<u>684,956</u>	<u>8,930</u>	<u>1%</u>

The following is a list of the top capital project expenditures (in thousands) which accounted for 68% of total construction in progress transfers during 2024.

Agency Wide

ERP System	\$	445
Business Center 2nd Floor Improvements		100

Power

IBAY Outlet Works Upgrade		1,118
SCADA Reliability Upgrade		1,059

Water

Dutch Flat Mutual		5,171
Rocklin Main Replacement Phase 2		3,185
Ginger & Valley Pipe Replacement		2,612
Spring Valley Flume		1,502
2024 Canal Gunite		1,272

Total

\$	16,464
----	--------

The following is a list of the top 10 capital projects expenditures (in thousands), 62% of the total, included in Construction in Progress for 2024.

American River Water Rights Extension	\$ 9,396
Duncan Creek Diversion Upgrade	9,148
Alta Loop Pipeline Cable Rd	3,967
Colfax Water Treatment Plant Replacement	2,849
Bowman Water Treatment Plant Phase 3	2,143
Hell Hole Seasonal Storage	2,066
Middle Fork Powerhouse Switchyard Upgrades	1,786
Ophir Water Treatment Plant Phase 1	1,763
Rocklin Main Replacement Ph1	1,481
ZEV Infrastructure	1,307

Total

\$ 35,906

LONG-TERM DEBT

At December 31, 2024, the Agency had total long-term debt outstanding of \$61.7 million. The outstanding amount decreased a net \$5.5 million during the year because of the following:

- The retirement of \$4.1 million of Certificates of Participation.
- The retirement of \$1.5 million in loans payable.
- The retirement of \$1.0 million of bond premiums.
- The net addition of \$1.5 million in subscriptions payable.
- The net retirement of \$62,819 in leases payable.

More detailed information about the Agency's long-term debt is presented in note 5 to the basic financial statements. In 2016, the Agency's Water Division received an upgrade by Standard & Poor's to an 'AAA' rating and maintained an Aa2 rating from Moody's Investors Service. These ratings were re-affirmed by both firms in 2021.

The debt coverage ratio demonstrates the Agency's Western Water System financial strength and future borrowing capability which is calculated at 5.86 times annual debt service for the Western Water System at December 31, 2024. Table 4 presents the Western Water System's debt coverage ratio and exhibits both 2024 and 2023 ratios being greater than the 1.20 times debt indenture covenant requirement.

Table 4
Debt Coverage Ratio - Western Water System
(In thousands)

	<u>2024</u>	<u>2023</u>
Net Water Revenue, Excluding Depreciation	\$ 46,338	\$ 42,877
Debt Service on Certificates and Other Parity Debt	7,914	7,759
Debt Coverage Ratio	5.86	5.53
Debt Coverage Ratio Requirement Based on Debenture	1.20	1.20

At December 31, 2024 the Agency had outstanding Certificates of Participation stemming from water system expansion projects (water connection charge projects) and replacement program projects, with varying maturities through 2041. The Agency's current weighted average cost of capital is 2.3% in outstanding debt as shown in the following table:

Table 5
Cost of Capital
(In thousands)

	Debt Balance			Average Coupon Rate	Cost of Capital
	Expansion	Replacement	Total		
Certificates of Participation	\$ 25,316	21,889	47,205	4.1%	2.3%
Loans Payable	-	9,863	9,863	2.3%	2.3%
Total	<u>\$ 25,316</u>	<u>31,752</u>	<u>57,068</u>	3.8%	2.3%

REQUESTS FOR INFORMATION

This financial report is designed to provide the Board of Directors, ratepayers, creditors, and the public with a general overview of the Agency's finances and demonstrate the Agency's accountability for the monies it receives and holds. If you have questions about this report or need additional financial information, please contact: the Director of the Department of Financial Services, 144 Ferguson Road, Auburn, California, 95604. The report can also be found on the Agency's website at www.pcwa.net.

This page was intentionally left blank.

PLACER COUNTY WATER AGENCY
Statement of Net Position
December 31, 2024

ASSETS

Current assets:

Cash and investments (note 2)	\$ 127,554,853
Water service receivable, net	10,267,214
Accounts receivable, net	9,973,014
Lease receivable, current portion (note 3)	117,958
Interest receivable	2,431,016
Taxes receivable	1,349,636
Materials and supplies	1,534,043
Prepaid expenses	2,959,227
	<hr/>
Total current assets	156,186,961
	<hr/>

Non-current assets:

Investments (note 2)	49,294,135
Restricted investments (note 2)	124,788,901
Notes receivable	23,430
Lease receivable (note 3)	674,221
Capital assets, non depreciable (note 4)	84,333,235
Capital assets, net of depreciation (note 4)	609,552,694
	<hr/>
Total non-current assets	868,666,616
	<hr/>
Total assets	1,024,853,577
	<hr/>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow - pension contributions (note 8)	3,785,194
Deferred outflow - pension actuarial (note 8)	9,275,660
Deferred outflow - OPEB contributions (note 9)	869,742
Deferred outflow - OPEB actuarial (note 9)	1,884,994
Deferred charges on refunding	989,726
	<hr/>
Total deferred outflows	16,805,316
	<hr/>

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Statement of Net Position
December 31, 2024

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	12,748,531
Accrued salaries and benefits	2,697,110
Interest payable	1,035,834
Deposits	1,538,050
Current portion of long-term debt (note 5)	7,162,615
Compensated absences payable, current portion (note 5)	5,708,163
	<hr/>
Total current liabilities	30,890,303
	<hr/>

Non-current liabilities:

Certificates of participation, net of premiums/discounts (note 5)	44,960,918
Loans payable (note 5)	8,340,056
Leases payable (note 5)	489,066
Subscription-based IT payable (note 5)	737,991
Improvement district debt (note 5)	2,329
Compensated absences payable (note 5)	2,850,925
Unearned Water Connection Charge revenue (note 5)	42,686,004
Net pension liability (note 8)	31,472,849
Net OPEB liability (note 9)	4,736,196
	<hr/>
Total non-current liabilities	136,276,334
	<hr/>
Total liabilities	167,166,637
	<hr/>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - OPEB actuarial (note 9)	4,363,118
Deferred inflows - leases	756,882
	<hr/>
Total deferred inflows	5,120,000
	<hr/>

NET POSITION

Net investment in capital assets	626,078,142
Restricted (note 6):	
Water system expansion	78,891,095
Unearned Water Connection Charge revenue	42,315,496
Water Resource Development	515,754
IRS Section 125	43,289
	<hr/>
Total restricted net position	121,765,634
Unrestricted	121,528,480
	<hr/>
Total net position	\$ 869,372,256
	<hr/>

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2024

OPERATING REVENUES

Water sales	\$ 58,474,633
Power sales	40,894,059
Renewal and replacement charges	16,875,655
Engineer charges	1,113,670
Customer service charges	1,029,422
Other revenue	<u>10,171</u>
Total operating revenues	<u>118,397,610</u>

OPERATING EXPENSES

Purchased water	4,959,556
Operations administration	4,497,172
Pumping plants and wells	3,515,218
Water treatment	10,948,568
Electrical operations	15,592,349
Transmission and distribution of treated water	4,120,165
Transmission and distribution of raw water	5,238,343
Customer service and collections	5,172,084
Recreation	2,778,017
Automotive and equipment	1,332,523
Engineering	10,603,330
General and administrative	20,393,397
Energy marketing	1,330,786
Depreciation and amortization	<u>29,537,795</u>
Total operating expenses	<u>120,019,303</u>
Operating income (loss)	<u>(1,621,693)</u>

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2024

NON-OPERATING REVENUES (EXPENSES)

Water connection charges	14,368,475
Costs recovered from other agencies	1,818,263
Investment income (expense)	10,191,950
Property taxes and assessments	1,463,437
Gain (loss) on disposal of assets	166,330
Program grant revenue	3,300,291
Interest expense	(1,606,066)
Rental income	1,225,089
Other income (expense)	<u>(758,887)</u>
Total non-operating revenues (expenses)	<u>30,168,882</u>
Net income before capital contributions	<u>28,547,189</u>

CAPITAL CONTRIBUTIONS

Capital contributions	<u>685,459</u>
Increase in net position	29,232,648
Net position, beginning of year	<u>840,139,608</u>
Net position, end of year	<u><u>\$ 869,372,256</u></u>

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY

Statement of Cash Flows

For the year ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 114,344,621
Cash paid to suppliers for goods and services	(40,890,960)
Cash paid to employees for services	(41,591,904)
Net cash provided by (used for) operating activities	<u>31,861,757</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Property taxes and assessments	1,463,437
Costs recovered from other agencies	1,818,263
Program grant revenue	<u>3,300,291</u>
Net cash provided by (used for) non-capital financing activities	<u>6,581,991</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(37,781,906)
Proceeds from disposal of capital assets	166,330
Principal payment on debt	(4,559,608)
Interest payment on debt	(2,452,368)
Proceeds from leases receivable	254,602
Unearned water connection charge revenue	1,800,105
Water connection charges	<u>14,368,475</u>
Net cash provided by (used for) capital and related financing activities	<u>(28,204,370)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(19,286,939)
Proceeds from maturity of investments	70,456,041
Investment income	<u>8,030,022</u>
Net cash flows from investing activities	59,199,124
Net increase (decrease) in cash and cash equivalents	69,438,502

Cash and cash equivalents, beginning of year	<u>58,116,351</u>
Cash and cash equivalents, end of year	<u>\$ 127,554,853</u>

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY

Statement of Cash Flows

For the year ended December 31, 2024

Reconciliation of operating income (loss) to net cash provided by
(used for) operating activities:

Operating income (loss)	\$	(1,621,693)
-------------------------	----	-------------

Adjustments to reconcile operating income (loss) to cash flows
provided by (used for) operating activities

Depreciation and amortization	29,537,795
-------------------------------	------------

Other non-operating income	466,202
----------------------------	---------

Change in assets and liabilities:

(Increase) decrease in accounts receivable	(4,052,989)
--	-------------

(Increase) decrease in materials and supplies	(10,560)
---	----------

(Increase) decrease in prepaid expense	(193,574)
--	-----------

(Increase) decrease in pension and OPEB deferred outflows	6,335,095
---	-----------

Increase (decrease) in accounts payable and other liabilities	4,605,228
---	-----------

Increase (decrease) in salaries and benefits payable	567,793
--	---------

Increase (decrease) in deposits	(38,606)
---------------------------------	----------

Increase (decrease) in leases deferred inflows	(223,423)
--	-----------

Increase (decrease) in net pension liability	(1,499,300)
--	-------------

Increase (decrease) in net OPEB liability	(839,471)
---	-----------

Increase (decrease) in pension and OPEB deferred inflows	(1,170,740)
--	-------------

Net cash provided by (used for) operating activities	\$	31,861,757
--	----	------------

Reconciliation to Statement of Net Position:

Cash and investments (current)	127,554,853
--------------------------------	-------------

Investments (non-current)	49,294,135
---------------------------	------------

Restricted cash and investments (non-current)	124,788,901
---	-------------

Less long-term investments	(174,083,036)
----------------------------	---------------

Total cash and cash equivalents	\$	127,554,853
---------------------------------	----	-------------

Non-cash investing, capital and financing activities:

Non-cash capital contributions	685,459
--------------------------------	---------

Change in fair value of investments	1,696,636
-------------------------------------	-----------

See accompanying notes to financial statements.

This page was intentionally left blank.

1. Summary of Significant Accounting Policies

A. Description of the Primary Government and Reporting Entity

The Placer County Water Agency (the Agency) was formed by a special act of the California State Legislature in 1957 for the purpose of developing adequate water supplies for the County of Placer (the County). The Agency's boundaries are coterminous with the borders of the County, and until January 16, 1975, the Board of Supervisors of Placer County constituted the Board of Directors of the Agency. On July 1, 1975, Placer County Water Agency was designated as successor to Placer County Water Works No. 1 and assumed all of its assets and obligations. The Agency is legally separate and fiscally independent of the County; hence, is not a component unit of the County. The Agency owns water rights on the Middle Fork of the American River, which are used for the generation of electricity through its hydroelectric facilities, and to supply water to Placer County. The Agency provides water treatment and the distribution of both untreated and treated water to customers in Placer County. Through the Joint Powers Agreement with the Middle Fork Project Finance Authority (the Authority), the Agency's generated power is sold directly to the California Independent System Operator (CAISO), while energy products are sold through bilateral contracts.

The Agency's financial statements present the Agency and its one component unit, the Placer County Water Agency Public Facilities Corporation.

B. Description of the Component Unit

The Agency has one component unit, the Placer County Water Agency Public Facilities Corporation (the Corporation), which is considered a blended component unit as it meets the criteria to be classified as a blended component unit.

Reporting for a component unit on the Agency's financial statements can be blended or discretely presented. A blended component unit, although a legally separate entity, is in substance, part of the Agency's obligations. A blended component unit is an extension of the Agency and so data from this unit is combined with data of the Agency. A discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize it is legally separate from the Agency.

The Agency's Board of Directors serves as the Corporation's Board of Directors. The purpose of the Corporation is to provide financial assistance to the Agency by financing the acquisition, construction, improvement, and remodeling of capital projects and facilities. Debt financed by the Corporation is reflected as debt of the Agency. The Corporation does not issue separate financial statements.

C. Basis of Presentation

The accounts of the Agency are organized and operated on a fund basis. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses.

All activities of the Agency are accounted for within proprietary (enterprise) funds. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or

recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. Basis of Accounting

Proprietary funds are accounted for on a flow of economic resources measurement focus, using the accrual basis of accounting. Under this method, all assets, and deferred outflows of resources; and liabilities and deferred inflows of resources associated with operations are included on the statement of net position, and revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Agency are charges to customers for sales and services. The Agency's operating revenues, such as charges for services or energy sales result from exchange transactions associated with the principal activities of the Agency. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Statement of Net Position – The statement of net position is designed to display the financial position of the Agency. The Agency's net position is segregated into three categories defined as follows:

- ***Net Investment in Capital Assets*** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and deferred outflows of resources; reduced by the outstanding balances of debt and deferred inflows of resources that are attributable to the acquisition, construction or improvement of these assets. This investment in capital assets is considered non-expendable.
- ***Restricted Net Position*** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- ***Unrestricted Net Position*** – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets". Amounts included as unrestricted net position are available for designation for specific purposes as established by the Agency's Board of Directors.

Statement of Revenues, Expenses and Changes in Net Position – The statement of revenues, expenses and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. These statements distinguish between operating and non-operating revenues and expenses and present a separate subtotal for operating revenues, operating expenses, and non-operating revenues (expenses).

E. Cash and Investments

For purposes of the statement of cash flows, the Agency considers all highly liquid investments (including restricted assets) with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments are stated at fair value. Included in investment income (loss) is the net change in the fair value of investments, which consists of the realized gains and losses and the unrealized appreciation (depreciation) of those investments.

F. Water Service Receivable

Water service receivables are presented net of \$363,136 in allowance for doubtful accounts as of December 31, 2024. Customer water meters are read on a monthly period. Revenue is recognized in the period that water is used.

G. Materials and Supplies

Materials and supplies consist of water meters, pipe, valves and other items for system maintenance and are valued at cost, which approximates market, using the weighted average cost method.

H. Capital Assets

The Agency's capital assets purchased or constructed are capitalized at historical cost, while contributed assets are recorded at acquisition value at the time received for assets with an individual cost of more than \$10,000 and a useful life of one year or greater.

The purpose of depreciation is to spread the cost of capital assets over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of depreciable capital assets.

Depreciation of all capital assets in service, excluding land, is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is a reduction in the book value of the capital assets.

Capital assets are depreciated using the straight-line method of depreciation over the useful life of the asset. The Agency has assigned the useful lives listed below to capital assets:

Dams, tunnels and waterways	40-100 years
Reservoirs	40 years
Treatment and pumping plants, transmission and distribution	40 years
Heavy equipment	10 years
Vehicles, tools, shop and office equipment and furniture	5 years
Right to use assets:	
Leases	Shorter of useful life or agreement
Subscription Based IT Agreements	Shorter of useful life or agreement

I. Compensated Absences

Compensated absences comprise unused vacation leave, sick pay and certain compensated time off, which are accrued and reported as a liability in the period earned. Amounts payable as of December 31, 2024 are included on the statement of net position.

J. Property Tax Revenue

Property tax in California is levied in accordance with Article XIII A of the State Constitution. The property taxes are placed in a pool, and then allocated to the local governments. Property tax revenue is recognized in the year in which taxes are levied.

The property tax calendar is 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 11 Second installment – April 11

The Agency's property taxes are billed, collected and distributed to the Agency by the County. Starting with the 1993-94 tax year, the County implemented the Teeter Plan. As such, the Agency receives 100 percent of the secured property tax levied to which it is entitled, whether or not collected. The Agency accrues property tax revenues in the year levied and the County pays the property taxes to the Agency at the following proportions and months: 55% in December, 40% in April and 5% in June.

For the year ending December 31, 2024, the Agency's property tax revenue totaled \$1,463,437 which is included in the Agency Wide Division.

K. Water Connection Charge

Water Connection Charges (WCC) are charged for service connection to the treated water system and are recorded as revenue when received. WCC revenues are restricted by California Government Code for expansion to the existing water system and are committed for payments on the certificates of participation.

L. Water Sales and Water Zones

The Agency has two types of water sales: 1) On-going retail and wholesale water sales of treated and untreated water to customers connected to the Agency's water system infrastructure; 2) Individual contracted one-time water sales to other water providers or the environmental water bank. The on-going water sales are recorded as operating revenue and the one-time water sales are recorded as non-operating revenue.

The Agency's Water Division was established with zones or service areas as the Agency acquired the territory. Zone 1 was established in 1968 and includes the area from just north of Auburn to Roseville. Zone 2 was established in 1979 and is a small area, about 100 acres, south of Roseville. Zone 3 was established in 1982 and includes the area from Alta to Bowman (just north of Auburn). Zone 4 was

established in the Martis Valley in 1996 and was transferred to Northstar Community Services District on October 1, 2015. Zone 5, established in 1998, includes the agricultural area in western Placer County.

On August 17, 2017, the Agency's Board of Directors adopted by Resolution, Zone 6, formally consolidating the Western Water System Zones 1, 2, 3, and 5. The water sources and infrastructure in each of these zones are inextricably tied to one another. The Agency's two principal water sources, its PG&E contracts and its Middle Fork Project (MFP) water rights, are fully integrated into the reliability of water delivery for all of the Agency's customers. The canal system, which stretches from Alta to Roseville, supplies water to Zones 1, 3 & 5, and is absolutely essential during periods when the PG&E system is out of service; the MFP supply flows directly to Zones 1, 2 & 5 but can also be used to back water supply into Zone 3; and the Zone 2 groundwater system was abandoned years ago and replaced with treated surface water from Zone 1.

On May 9, 2022, the Board of Directors adopted rates, fees and charges throughout the Agency's service area based on an updated cost-of-service structure consistent with current law and included a multi-year adjustment that reflects PCWA's revenue requirements in accordance with the Agency's long-range financial plan. The multi-year rate adjustments are as follows: 8.0% in 2023, 8.0% in 2024, 7.0% in 2025, 7.0% in 2026, and 6.0% in 2027.

M. Power Sales

During 2024, the Agency sold power to the California Independent System Operator (CAISO), while energy products were sold through bilateral contracts. Pursuant to the Joint Powers Agreement with the Authority, revenue from sold power is received and recognized by the Authority, while the Agency receives reimbursement from the Authority for its costs related to the operations, maintenance, and capital improvements of the Middle Fork Project hydroelectric facilities. Reimbursements for Agency expenses are recorded as Power Sales Revenue. See Note 11 for more details on the Joint Powers Agreement.

N. Bond Discounts and Premiums

Original issue discounts and premiums related to the 2016, 2018 and 2021 certificates of participation are amortized using the effective interest rate method over the life of the bonds.

O. Use of Estimates and Assumptions

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

P. Pension

For purposes of measuring the net pension liability (NPL), deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Agency. 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.

Statement No. 68 of the Governmental Accounting Standards Board (GASB 68) requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

Q. Other Post-employment Benefits

For purposes of measuring the net OPEB liability (NOL), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

R. Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in the measuring fair value are observable in the market and are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The Agency utilizes techniques consistent with market, cost, or income approaches to determine fair value. The most appropriate technique is utilized to maximize the use of observable inputs and minimize the use of unobservable inputs.

S. Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The Agency has four items that qualify for reporting in this category in the statements of net position. They are the deferred amounts on refunding, deferred outflows related to contributions and actuarial changes for other postemployment benefits (OPEB), and deferred outflows related to contributions and actuarial changes for pensions.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category in the statements of net position. They are deferred inflows related to leases and deferred inflows related to actuarial changes for other postemployment benefits (OPEB).

T. Leases

Lessee: The Agency is a lessee primarily in office copier equipment and solar panel installations. The Agency recognizes a lease liability and an intangible right-to-use lease asset in the financial statements for all leases with a noncancellable lease term greater than 12 months.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease-right to use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Agency determines the discount rate it uses to discount the expected lease payments to present value, as well as the lease term.

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed and purchase option payments that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with other liabilities on the statement of net position.

Lessor: The Agency is a lessor of land. The Agency recognizes a lease receivable and a deferred inflow of resources in the proprietary fund financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of 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 the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Agency determines the discount rate it uses to discount the expected lease receipts to present value as well as the lease term.

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

U. Subscription-Based Information Technology Arrangements

The Agency is a subscriber for a non-cancellable subscription of information technology services. The Agency recognizes a subscription liability and an intangible right-to-use subscription asset (subscription-right to use asset) in the financial statements.

At the commencement of a subscription, the Agency initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the lease term. Key estimates and judgments related to subscriptions include how the Agency determines the discount rate it uses to discount the expected subscription payments to present value as well as the lease term.

- The Agency uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the Agency is reasonably certain to exercise.

Subscription assets are reported with other capital assets and subscription liabilities are reported with other liabilities on the statement of net position.

V. New Accounting Pronouncements

GASB Statement No. 100, “Accounting Changes and Error Corrections.” The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Agency has implemented GASB Statement No. 100 for the year ended December 31, 2024.

GASB Statement No. 101, “Compensated Absences.” The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Agency has implemented GASB Statement No. 101 for the year ended December 31, 2024.

2. Cash and Investments

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Current Assets:

Cash and Investments	\$ 127,554,853
----------------------	----------------

Non-current Assets:

Investments	49,294,135
-------------	------------

Restricted Investments	<u>124,788,901</u>
------------------------	--------------------

Total	<u><u>\$ 301,637,889</u></u>
--------------	------------------------------

Cash and investments as of December 31, 2024 consist of the following:

Cash on Hand	\$ 3,300
--------------	----------

Deposits with Financial Institutions	3,165,700
--------------------------------------	-----------

Investments	<u>298,468,889</u>
-------------	--------------------

Total	<u><u>\$ 301,637,889</u></u>
--------------	------------------------------

Cash and Investments Restricted

Cash and investments restricted for debt service, cash held at third party fiscal agent, and restricted for other purposes as of December 31, 2024 are as follows:

Agency Wide Division:

IRS Section 125 – Reserve for employees Section 125 account	\$ 43,289
Water Resource Development – Restricted for Water Resource Development Fund Activities	515,754
Total Agency Wide Restricted	<u>559,043</u>

Water Division:

Held with Fiscal Agent Restricted for Debt Service

2016 COP Debt Service	329,753
2018 COP Debt Service	357,588
2021 COP Debt Service	541,264
Auburn Water Treatment Plant Debt Service	1,302,906
Electric Street Tank Debt Service	491,756
Total Held with Fiscal Agent Restricted for Debt Service	<u>3,023,267</u>

Held at the Agency Restricted for Debt Service

Improvement Districts – Restricted for Debt Service	56,002
Total Held at the Agency Restricted for Debt Service	<u>56,002</u>
Total Water Division Restricted for Debt Service	<u>3,079,269</u>

Held at the Agency Restricted Either by Law or Contract

Water Connection Charges – Restricted for Water System Expansion	58,317,747
Water Connection Charges – Funded to Capital Projects	20,517,346
County Service Area 29 – Restricted for Zone 5 improvements	52,093
Sunset Ranchos – Restricted for Regional Water Use Efficiency	3,707
City of Lincoln – Unearned Water Connection Charge Revenue	42,259,696
Total Water Division Held at the Agency Restricted Other	<u>121,150,589</u>
Total Water Division Restricted	<u>124,229,858</u>
Total Restricted	<u>\$ 124,788,901</u>

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

The California Government Code and the Agency's Investment Policy allow the Agency to invest in the following authorized and permitted investment types provided the approved percentage and maturities limits are not exceeded.

Authorized Investment Type	Maximum Maturity	Maximum in Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Securities	5 years	100%	No limit
U.S. Government Agencies and Instrumentalities	5 years	100%	50%
State of California Notes/Bonds	5 years	25%	10%
Other States Notes/Bonds	5 years	25%	10%
Local Agencies of the State of California Notes/Bonds	5 years	30%	10%
Commercial Paper	270 days	25%	5%
Corporate or Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	20%
Bonds of Supranationals	5 years	15%	5%
Negotiable Certificates of Deposit	1 year	20%	5%
Repurchase Agreements	1 year	15%	5%
Banker's Acceptances	180 days	25%	5%
Placer County Treasurer's Pooled Investments (PCTPI)	N/A	100%	No limit
Local Agency Investments Fund (LAIF)	N/A	\$75 million	No limit
Collateralized Bank Deposits	N/A	100%	50%

*Excluding amounts held by bond trustee that are restricted by debt agreement rather than California Government Code restrictions.

Investments of debt proceeds or reserve funds held by debt trustees or fiscal agents are governed by the provisions of debt agreements and are addressed in the following section.

Investments held by Debt Trustees Are Authorized by Debt Agreements

The Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the Agency fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Agency resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by debt trustees and certain provisions of these debt agreements.

Authorized Investment Type	Maximum Maturity	Maximum in Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	None	100%	No limit
U.S. Government Agencies and Instrumentalities	None	100%	No limit
Banker's Acceptances	1 Year	100%	No limit
Commercial Paper	None	100%	No limit
Money Market Mutual Funds	N/A	100%	No limit
Investment Contracts	Maturity of debt	100%	No limit
Local Agency Investments Fund (LAIF)	None	100%	No limit
Repurchase Agreements	30 days	100%	No limit
California Arbitrage Management Trust	None	100%	No limit

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer an investment's maturity, the greater the sensitivity of its fair value to changes in market interest rates. The Agency's investment policy states that interest rate risk will be mitigated by:

- Structuring the Agency's portfolio so that securities mature to meet the Agency's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market and incurring a possible loss prior to their maturity to meet those requirements; and
- Managing the overall average maturity of the portfolio on a shorter term to maturity basis, not to exceed 2 ½ years.

Information about the sensitivity of the fair value of the Agency's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's year-end investments by maturity:

Investment Type	Fair Value	Remaining Maturity				
		12 Months Or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
U.S. Treasury Securities	\$ 90,243,196	22,030,297	25,700,008	4,309,890	26,463,936	11,739,065
U.S. Government Agencies	105,831,010	33,855,450	37,436,315	9,898,650	18,555,815	6,084,780
Corporate Notes	17,363,190	-	5,900,660	5,427,290	6,035,240	-
Money Market Mutual Funds	7,837,864	7,837,864	-	-	-	-
California State Bonds	5,040,700	5,040,700	-	-	-	-
Other States Notes/Bonds	5,625,350	1,001,550	-	4,623,800	-	-
Bonds of Supranationals	8,884,320	-	2,002,860	1,942,660	-	4,938,800
PCTPI	4,539,577	4,539,577	-	-	-	-
LAIF	50,080,415	50,080,415	-	-	-	-
Fiscal Agent Accounts:						
Money Market	3,023,267	3,023,267	-	-	-	-
Total Investments	\$ 298,468,889	127,409,120	71,039,843	26,202,290	51,054,991	22,762,645

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of credit quality ratings by a nationally recognized statistical rating organization. Presented below is the minimum authorized rating requirement at the time of purchase, where applicable, by the California Government Code, the Agency's investment policy, or debt agreements. Also, presented below are the December 31, 2024 actual credit quality ratings for each investment type as provided by Moody's Investor Services, Inc.

Investment Type	Fair Value	Minimum Authorized Rating	Rating as of Year-End			Not Rated or Exempt
			Aaa*	Aa	A	
U.S. Treasury Securities	\$ 90,243,196	n/a	-	-	-	90,243,196
U.S. Government Agencies	105,831,010	n/a	-	105,831,010	-	-
Corporate Notes	17,363,190	A	4,017,620	5,333,510	6,049,500	1,962,560
California State Bonds	5,040,700	n/a	-	5,040,700	-	-
Money Market Mutual Funds	7,837,864	AAA	-	-	-	7,837,864
Other States Notes/Bonds	5,625,350	n/a	1,001,550	4,623,800	-	-
Bonds of Supranationals	8,884,320	AA	8,884,320	-	-	-
PCTPI	4,539,577	n/a	-	-	-	4,539,577
LAIF	50,080,415	n/a	-	-	-	50,080,415
Fiscal Agent Accounts:						
Money Market	3,023,267	AA-m	3,023,267	-	-	-
Total	\$ 298,468,889		16,926,757	120,829,020	6,049,500	154,663,612

* Includes Standard & Poor's AAA rating of Money Market Funds (AAAm)

* Includes Standard & Poor's AAA rating of Corporate Notes

The Agency's investment policy states that credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of securities;
- (b) Pre-qualifying the financial institutions with which the Agency will do business; and
- (c) Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the Agency.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Agency's investment policy follows California Government Code regarding limitations on the amount that can be invested in any one investment type and does not further limit investments in any one issuer. Agency investments in the securities of any individual issuer, other than U.S. Treasury securities, LAIF, County Treasurer, and mutual funds that represent 5% or more of total Agency investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percent of Portfolio</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	U.S. Government Agencies	23.0%	\$ 68,603,805
Federal Home Loan Bank	U.S. Government Agencies	8.5%	25,385,005

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law and the Agency's investment policy require banks and savings & loan institutions to pledge government securities with a fair value of 110% of the Agency's cash on deposit as collateral for deposits. The third-party bank trustee agreement must comply with California Government Code, which 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The Agency's investment policy states all securities owned by the Agency shall be held in safekeeping by a third-party bank trust department acting as an agent of the Agency under the terms of the custody agreement.

The Agency invests in individual investments and in two investment pools (LAIF and the PCTPI). Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the Agency as the owner in the "book entry" recording system. In order to increase security, the Agency employs the Trust Department of a bank or trustee as the custodian.

The Agency's deposits with financial institutions in excess of the Federal Depository Insurance Corporation limits total \$2,915,700 which is collateralized at a rate of 110% with securities held by the pledging financial institution's Trust Department but not in the Agency's name.

Investment in State Investment Pool – Local Agency Investment Fund

The California State Treasurer maintains an investment pool in a special fund through which local governments may pool investments. The investment pool is named the Local Agency Investment Fund (LAIF). The Agency is a voluntary participant in the LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Local Investment Advisory Board (Advisory Board). The Advisory Board consists of five members as designated by State Statute.

The Agency reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is the Agency's proportionate share of its investment in the LAIF, which amounted to \$50,080,415 at December 31, 2024.

Included in the LAIF's investment portfolio at December 31, 2024, are collateralized mortgage obligations, mortgaged backed securities, and other asset-backed securities, structured notes, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, U.S. Treasury Notes and Bills and corporations. At December 31, 2024, the amount invested by public agencies in the LAIF totaled \$155.4 billion, which includes asset-backed securities totaling \$3.1 billion. At December 31, 2024, the LAIF investments mature in an average of 252 days.

Investment in Placer County Treasurer's Pooled Investments

The Placer County Treasurer-Tax Collector maintains an investment pool in a special fund through which local agencies may pool investments. The investment pool is named the Placer County Treasurer's Pooled Investments (PCTPI). The Agency is a voluntary participant in the PCTPI that is regulated by the California State and Federal Laws and Regulations and under the oversight of the Treasurer's Review Panel. The Treasurer's Review Panel consists of four members as designated by Placer County Treasurer's Statement of Investment Policy.

The Agency reports its investment in the PCTPI at the value provided by the Placer County Treasurer-Tax Collector, which is valued at amortized cost. The balance available for withdrawal is the Agency's proportionate share of its investment in the Pool, which amounted to \$4,539,577 at December 31, 2024.

The investment of money on deposit in the PCTPI is limited to those investments specified by California Government Code Section 53601 and 53635. Included in the PCTPI at December 31, 2024, are securities issued by federal agencies, structured notes, and floating rate securities issued by federal agencies, government-sponsored enterprises, U.S. Treasury Notes and Bills and corporations. At December 31, 2024, the amount invested by all public agencies in the PCTPI totaled \$2,642,432,853, which includes Federal Agency Coupons totaling \$1,205 million. At December 31, 2024, the average days to maturity was 539 days.

Fair Value Measurement

The Agency categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The Agency has the following recurring fair value measurements as of December 31, 2024:

Investments at Fair Value	Amount	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 90,243,196	90,243,196	-	-
U.S. Government Agencies	105,831,010	-	105,831,010	-
Corporate Notes	17,363,190	-	17,363,190	-
California State Bonds	5,040,700	-	5,040,700	-
Other States Notes/Bonds	5,625,350	-	5,625,350	-
Bonds of Supranationals	8,884,320	-	8,884,320	-
Total Investments at Fair Value	232,987,766	90,243,196	142,744,570	-
Investments with Uncategorized Inputs				
PCTPI	4,539,577			
LAIF	50,080,415			
Money Market Mutual Funds	7,837,864			
Money Market - Held by Bond Trustee	3,023,267			
Total Investments Measured Uncategorized	65,481,123			
Total Investments	\$ 298,468,889			

All securities classified in Level 2 are valued using pricing models based in market data, such as matrix or model pricing from outside pricing services. Deposits and withdrawals in governmental investment pools, such as LAIF and PCTPI Investment Pools, are made on the basis of \$1 and not fair value. Accordingly, the Agency's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

3. Leases Receivable

As of December 31, 2024, the Agency's receivable for lease payments was \$792 thousand. Also, the Agency has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. The following schedule is the expected future minimum payments under these agreements:

Year	Principal	Interest	Total
2025	\$ 117,958	9,189	127,147
2026	123,772	7,663	131,435
2027	106,573	6,194	112,768
2028	74,641	5,163	79,804
2029	78,272	4,326	82,597
2030 - 2034	245,137	10,710	255,847
2035 - 2036	45,826	554	46,380
Total	\$ 792,179	43,799	835,978

4. Summary of Capital Assets

The following is a summary of capital assets as of December 31, 2024:

	Balance 1/1/24	Additions	Retirements	Transfers	Balance 12/31/24
Agency Wide:					
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 4,054,187	-	-	-	4,054,187
Construction in Progress	11,844,980	2,809,635	-	(791,756)	13,862,859
Total Capital Assets, Not Being Depreciated/Amortized	15,899,167	2,809,635	-	(791,756)	17,917,046
Capital Assets, Being Depreciated/Amortized:					
Lease-Right to Use Assets					
Right to use leased equipment	49,417	24,240	(18,340)	-	55,317
Subscription-Right to Use Assets	61,860	1,431,569	(26,903)	-	1,466,526
Systems & Improvements	3,565,109	-	-	-	3,565,109
Buildings & Improvements	9,626,219	-	-	257,888	9,884,107
Machinery & Equipment	5,226,799	12,133	-	533,868	5,772,800
Total Capital Assets, Being Depreciated/Amortized, Net	18,529,404	1,467,942	(45,243)	791,756	20,743,859
Less Accumulated Depreciation/Amortization for:					
Lease-Right to Use Assets					
Right to use leased equipment	(28,524)	(19,059)	18,340	-	(29,243)
Subscription-Right to Use Assets	(21,819)	(259,215)	26,903	-	(254,131)
Systems & Improvements	(2,706,332)	(141,259)	-	-	(2,847,591)
Buildings & Improvements	(3,218,342)	(394,544)	-	-	(3,612,886)
Machinery & Equipment	(4,209,817)	(240,059)	-	-	(4,449,876)
Total Accumulated Depreciation/Amortization	(10,184,834)	(1,054,136)	45,243	-	(11,193,727)
Total Capital Assets, Being Depreciated/Amortized, Net	8,344,570	413,806	-	791,756	9,550,132
Total Capital Assets - Agency Wide, Net	\$ 24,243,737	3,223,441	-	-	27,467,178

Continued on Next Page

Power Division:	Balance 1/1/24	Additions	Retirements	Transfers	Balance 12/31/24
Capital Assets, Not Being Depreciated/Amortized:					
Construction Design	\$ 1,164,206	-	-	-	1,164,206
Construction in Progress	15,107,688	9,714,331	-	(3,385,210)	21,436,809
Total Capital Assets, Not Being Depreciated/Amortized	16,271,894	9,714,331	-	(3,385,210)	22,601,015
Capital Assets, Being Depreciated/Amortized:					
Lease-Right to Use Assets					
Right to use leased equipment	10,169	11,023	(10,169)	-	11,023
Right to use leased buildings	94,896	-	-	-	94,896
Right to use leased building improvements	89,635	-	-	-	89,635
Systems & Improvements	242,180,640	-	(30,912)	3,324,365	245,474,093
MFP FERC Relicensing	37,369,278	-	-	-	37,369,278
Buildings & Improvements	4,977,351	-	-	(70,041)	4,907,310
Machinery & Equipment	27,342,215	498,817	-	130,886	27,971,918
Total Capital Assets, Being Depreciated/Amortized, Net	312,064,184	509,840	(41,081)	3,385,210	315,918,153
Less Accumulated Depreciation/Amortization for:					
Lease-Right to Use Assets					
Right to use leased equipment	(8,127)	(3,622)	10,169	-	(1,580)
Right to use leased buildings	(7,394)	(3,697)	-	-	(11,091)
Right to use leased building improvements	(14,939)	(7,470)	-	-	(22,409)
Systems & Improvements	(118,823,979)	(4,185,724)	30,912	(170,729)	(123,149,520)
MFP FERC Relicensing	(3,311,701)	(935,220)	-	-	(4,246,921)
Buildings & Improvements	(1,527,857)	(272,206)	-	59,512	(1,740,551)
Machinery & Equipment	(10,833,642)	(1,119,079)	-	85,626	(11,867,095)
Total Accumulated Depreciation/Amortization	(134,527,639)	(6,527,018)	41,081	(25,591)	(141,039,167)
Total Capital Assets, Being Depreciated/Amortized, Net	177,536,545	(6,017,178)	-	3,359,619	174,878,986
Total Capital Assets - Power Division, Net	\$ 193,808,439	3,697,153	-	(25,591)	197,480,001

Continued on Next Page

Water Division:	Balance 1/1/24	Additions	Retirements	Transfers	Balance 12/31/24
Capital Assets, Not Being Depreciated/Amortized:					
Land	\$ 14,075,970	248,050	-	4,599	14,328,619
Construction Design	6,523,205	-	-	(52,543)	6,470,662
Construction in Progress	21,112,894	21,826,634	-	(19,923,635)	23,015,893
Total Capital Assets, Not Being Depreciated/Amortized	41,712,069	22,074,684	-	(19,971,579)	43,815,174
Capital Assets, Being Depreciated/Amortized:					
Lease-Right to Use Assets					
Right to use leased equipment	110,718	15,080	(12,152)	-	113,646
Right to use leased buildings	69,811	-	-	-	69,811
Right to use leased building improvements	439,311	-	-	-	439,311
Subscription-Right to Use Assets	11,622	67,397	(11,622)	-	67,397
Systems & Improvements	640,581,776	313,460	-	16,387,640	657,282,876
Buildings & Improvements	63,828,098	113,900	-	1,259,936	65,201,934
Machinery & Equipment	65,225,083	1,381,095	(401,495)	2,324,003	68,528,686
Total Capital Assets, Being Depreciated/Amortized, Net	770,266,419	1,890,932	(425,269)	19,971,579	791,703,661
Less Accumulated Depreciation/Amortization for:					
Lease-Right to Use Assets					
Right to use leased equipment	(43,869)	(28,266)	12,152	-	(59,983)
Right to use leased buildings	(34,906)	(17,453)	-	-	(52,359)
Right to use leased building improvements	(73,218)	(36,609)	-	-	(109,827)
Subscription-Right to Use Assets	(8,204)	(16,523)	11,622	-	(13,105)
Systems & Improvements	(275,952,887)	(17,238,956)	-	(100,667)	(293,292,510)
Buildings & Improvements	(24,504,500)	(1,929,711)	-	32,459	(26,401,752)
Machinery & Equipment	(44,456,720)	(2,689,123)	401,495	93,799	(46,650,549)
Total Accumulated Depreciation/Amortization	(345,074,304)	(21,956,641)	425,269	25,591	(366,580,085)
Total Capital Assets, Being Depreciated/Amortized, Net	425,192,115	(20,065,709)	-	19,997,170	425,123,576
Total Capital Assets - Water Division, Net	466,904,184	2,008,975	-	25,591	468,938,750
Total Capital Assets, Net	\$ 684,956,360	8,929,569	-	-	693,885,929

5. Long-Term Obligations

The Agency generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The long-term debt as of December 31, 2024 including interest rates and maturities are as follows:

Description	Fiscal Year Issued	Coupon Rates	Year of Final Maturity	Balance at December 31, 2024
Certificates of Participation:				
2016 Certificates	2016	2.375% - 5.0%	2037	\$ 18,485,000
2018 Certificates	2018	4.0% - 6.0%	2029	14,960,000
2021 Certificates	2021	4.0% - 5.0%	2041	13,760,000
Certificates outstanding				47,205,000
Loans Payable:				
State Water Resources Control Board				
Auburn Water Treatment Plant	2008	2.29%	2029	5,325,545
Electric Street Tank	2012	2.30%	2035	4,537,926
Loans outstanding				9,863,471
Improvement District (ID) Debt:				
ID No. 10 – Aquilar Road	1977	5.5% - 6.5%	1998	1,134 *
ID No. 11 – Lakeshore	1978	6.75%	1989	1,195 *
Improvement District debt outstanding				2,329
Plus: Unamortized bond discounts and premiums				2,908,337
Subtotal debt outstanding				59,979,137
Leases Payable				597,627
Subscriptions Payable				1,116,212
Compensated Absences				8,559,087
Subtotal other long-term obligations				10,272,926
Total long-term obligations				\$ 70,252,063

* ID No. 10 & 11 warrants have reached maturity, yet certain warrants have not been presented for payment, hence they remain as a liability.

The following is a summary of changes in long-term obligations for the year ended December 31, 2024:

	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Amounts Due Within One Year
Certificates of Participation	\$ 51,305,000	-	4,100,000	47,205,000	4,300,000
Unamortized Premium, Net	3,883,051	-	974,714	2,908,337	852,419
Loans Payable	11,352,513	-	1,489,042	9,863,471	1,523,414
Improvement District Debt	2,329	-	-	2,329	-
Subtotal	66,542,893	-	6,563,756	59,979,137	6,675,833
Leases Payable	660,446	49,569	112,388	597,627	108,562
Subscriptions Payable	23,958	1,498,966	406,712	1,116,212	378,220
Compensated Absences	7,902,833	4,026,483	3,370,229	8,559,087	5,708,163
Totals	\$ 75,130,130	5,575,018	10,453,085	70,252,063	12,870,778

Certificates of Participation

All outstanding Certificates of Participation (Certificates) issuances represent undivided fractional interests in installment payments made, between the Agency and the Placer County Water Agency Public Facilities Corporation (Corporation) as the purchase price for certain additions and improvements as specified below in the individual Certificate issues.

Pursuant to the terms of each Certificate purchase contract, the Agency has pledged, on a parity basis, the water revenues of the Agency's Western Water System to the payment of the 2016, 2018 and 2021 Certificates and other parity debt.

2016 Certificates

On May 19, 2016, Certificates of Participation (2016 Certificates) were issued by the Agency in the amount of \$24,840,000 with a reoffering net premium of \$3,002,617 to advance refund a portion of the outstanding 2007 Certificates in the amount of \$26,725,000 (originally issued to fund: 1) the construction of the Auburn Ravine Tunnel Pump Station, an addition to the water system in the amount of approximately \$20 million, and 2) the rehabilitation of existing water system infrastructure including portions of the Boardman canal, Bowman canal siphon and other projects in the amount of approximately \$13 million). The 2016 Certificates were issued with an average coupon of 3.536% and a fixed coupon range from 2.375% to 5.0%. The principal outstanding at December 31, 2024 is \$18,485,000.

2018 Certificates

On April 4, 2018, Certificates of Participation (2018 Certificates) were issued by the Agency in the amount of \$23,235,000 to refund the outstanding 2008 Certificates. The 2008 Certificates were issued entirely to refinance the 2005 Certificates (originally issued in 1998 to fund the Cross Basin Pipeline II), fund the \$3.4 million debt service reserve, pay the termination cost of the interest rate swap and pay the associated issuance costs. The 2018 Certificates were issued with an average coupon 4.8% and a fixed coupon range

from 4% - 6% over a twelve-year period maturing July 2029. The principal outstanding at December 31, 2024 is \$14,960,000.

2021 Certificates

On March 18, 2021, Certificates of Participation (2021 Certificates) were issued by the Agency in the amount of \$15,260,000. The 2021 Certificates were issued entirely to finance Hayford Siphon Phase 2, Alta Loop Pipeline, Lower Banvard Pipe, and a portion of the Rocklin Main Replacement and Foothill Raw Water Supply Pipeline. The 2021 Certificates were issued with an average coupon 4.19% and a fixed coupon range from 4% - 5% over a twenty-year period maturing July 2041. The principal outstanding at December 31, 2024 is \$13,760,000.

Certificates of Participation Debt Covenants

The Certificates of Participation purchase contracts require the Agency to ensure that:

- (1) the net water revenues shall be at least 120% of debt service on all outstanding contracts and bonds,
- (2) the net water revenues shall be at least 100% of debt service on all outstanding contracts and bonds plus the obligation service for all outstanding obligations, and
- (3) the certificates reserve requirements shall be met.

Pursuant to the Agency's rate covenant within the debt documents, in calculating net water revenue, no deduction for depreciation or amortization is to be made.

The following calculation indicates the Agency's compliance with these criteria for the year ended December 31, 2024.

Data related to Western Water System area (excluding Improvement Districts):

1.	<u>Annual Debt Service Coverage</u>		2024
	Net Water Revenues excluding Depreciation	\$	46,338,320
	Debt Service on Certificates and Other Parity Debt	\$	7,913,575
	Debt Service Coverage		5.86
2.	<u>Obligation Service Coverage</u>		
	Net Water Revenues excluding Depreciation		
	as Adjusted by Water Purchases	\$	50,892,559
	Obligation Service	\$	14,020,575
	Obligation Service Coverage		3.63
3.	<u>Certificate Reserve Requirement</u>		
	Minimum Reserve Requirement	\$	585,334
	Total Reserve Balance	\$	1,794,661
	Reserve Requirement Coverage		3.07

Loans Payable

California Department of Health Services Loan – Auburn Water Treatment Plant

In 2007, the Agency entered into a loan agreement with the Department of Health Services in an amount not to exceed \$20,000,000. The purpose of the loan was to finance the upgrades to the Auburn Water Treatment Plant. The principal and interest are payable from Water System revenue. The principal outstanding at December 31, 2024 is \$5,325,545.

California Department of Health Services Loan – Electric Street

In 2012, the Agency entered into a loan agreement with the Department of Health Services in an amount not to exceed \$7,801,000. The purpose of the loan was to finance the upgrades to the Electric Street Water Tank. The principal and interest are payable from Water System revenue. The principal outstanding at December 31, 2024 is \$4,537,926.

California Energy Resources Conservation and Development Commission – Ferguson Campus Solar

In 2024, the Agency entered into an Energy Conservation Assistance Act Loan Agreement with the California Energy Resources Conservation and Development Commission in an amount not to exceed \$3,000,000 for the design and construction of a solar panel system at the Agency's Ferguson Campus. This loan is on a reimbursement basis, requiring the Agency to first expend the funds then submit claims for reimbursement. As of December 31, 2024, the Agency had not submitted any claims for reimbursement; therefore, no proceeds have been received, nor has any liability been recorded. The principal and interest will be payable from savings in energy costs.

Improvement District Debt

From time to time, in order to finance water system construction and improvements, property owners have formed improvement districts. Upon request and approval of the affected property owners, which are deemed to benefit from the improvements, the properties are issued special assessment warrants and special assessments are levied. The warrants are the responsibility of the individual improvement district and the principal and interest are payable solely from the property assessments levied.

The following summarizes the individual improvement districts with debt outstanding and warrants payable balances at December 31, 2024:

Improvement District No. 10 (Aguilar Road)

In 1977, warrants totaling \$77,400 were issued for the purpose of financing the installation of pipeline, fire hydrants and other facilities on Aguilar Road. Final maturity of the warrants was July 1998. However, not all warrants have been presented for payment, and therefore, these unrepresented amounts are carried as a liability in the financial statements. The unrepresented and outstanding warrants principal balance at December 31, 2024 is \$1,134.

Improvement District No. 11 (Lakeshore)

In 1978, warrants totaling \$187,044 were issued for the purpose of financing improvements to Lakeshore Mutual Water Company's water system. Final maturity of the warrants was July 1989. However, not all warrants have been presented for payment, and therefore, these unrepresented amounts are carried as a liability in the financial statements. The unrepresented and outstanding warrants principal balance at December 31, 2024 is \$1,195.

Debt Service Requirements

As of December 31, 2024, annual debt service requirements (excluding matured debt, leases, and compensated absences) to maturity are as follows:

Year Ending December 31:	Certificates of Participation		Loans Payable	
	Principal	Interest	Principal	Interest
2025	\$ 4,300,000	1,862,244	1,523,414	217,917
2026	4,595,000	1,639,869	1,558,579	182,752
2027	4,830,000	1,404,244	1,594,556	146,775
2028	5,040,000	1,157,494	1,631,364	109,968
2029	5,290,000	915,668	1,042,868	72,311
2030-2034	11,300,000	3,022,378	2,270,961	174,169
2035-2039	9,690,000	1,143,212	241,729	2,785
2040-2041	2,160,000	87,200	-	-
Add: Unamortized Premium, net	2,908,337	-	-	-
	<u>\$ 50,113,337</u>	<u>11,232,309</u>	<u>9,863,471</u>	<u>906,677</u>

Future Water Revenues Pledged

The pledge of future Water Revenues ends upon repayment of the parity long-term debt obligations with remaining debt service as of December 31, 2024, totaling \$77.1 million as follows:

- Parity debt obligations with remaining debt service totaling \$58.4 million for the 2016, 2018 and 2021 Certifications of Participation, which are scheduled to be repaid in 2041.
- Parity debt obligations with remaining debt service totaling \$10.7 million for the Auburn Water Treatment Plant and Electric Street Tank State Revolving Fund (SRF) loans with the State Water Resources Control Board, which are scheduled to be repaid in 2035.

For fiscal year 2024, Water Fund Revenues including operating and non-operating revenues amounted to \$100.7 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$54.3 million represented coverage of 5.86 over the \$7.9 million in debt service.

Leases Payable

The Agency has entered into various leases of equipment such as photocopiers, solar panels, mobile office equipment, and land. The leases have payments that range from \$1,265 to \$35,167 and interest rates that range from 0.31% to 3.59%. Future minimum lease payments under these agreements as of December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 108,562	7,307	115,868
2026	81,555	5,919	87,474
2027	57,059	4,876	61,935
2028	47,358	4,276	51,634
2029	46,703	3,728	50,431
2030 - 2034	197,102	10,376	207,478
2035 - 2039	21,013	3,854	24,866
2040 - 2044	26,474	2,122	28,596
2045 - 2047	11,801	266	12,068
Total	\$ 597,627	42,724	640,350

Subscription Payable

The agency has entered into various software agreements. As of December 31, 2024, the Agency had 5 active subscriptions. The subscriptions have payments that range from \$12,000 to \$372,294 and interest rates that range from 2.5827% to 2.8513%. As of 12/31/2024, the total combined value of the subscription liability is \$1,116,212, and the total combined value of the short-term subscription liability is \$378,220.

Future minimum software payments under these agreements as of December 31, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 378,220	30,174	408,394
2026	375,468	19,926	395,394
2027	362,524	9,771	372,294
Total	\$ 1,116,212	59,871	1,176,082

Unearned Water Connection Charge Revenue

On June 15, 2023 the City of Lincoln, the Agency's primary resale customer, entered into an agreement with the Agency to purchase future capacity in the to-be constructed Ophir Water Treatment Plant anticipated to begin construction in 2026. The City of Lincoln advanced to the Agency \$40.0 million dollars to be invested until award of a construction contract. At that time, the balance of the accumulated funds will be converted to Water Connection Charge Revenue.

6. Restricted Net Position

As of December 31, 2024 the Agency, including improvement districts, had the following restrictions to net position:

Agency Wide Division:

IRS Section 125 – Reserve for employees Section 125 account	\$ 43,289
Water Resource Development – Restricted for Water Resource Development Fund Activities	515,754
Total Agency Wide	559,043

Water Division:

Water Connection Charges – Restricted for Water System Expansion	78,835,093
Improvement Districts – Restricted for Debt Service	56,002
Cash and Investments – Restricted for Specific Purposes	42,315,496
Total Water	121,206,591
Total All Funds – Restricted Net Position	\$ 121,765,634

7. Water Supply Contracts

The Agency obtains its water supply from several sources:

- Up to 100,400 acre-feet (AF) of water per year from its Western Water Supply contract with PG&E, which is almost exclusively gravity fed;
- Up to 25,000 AF of water per year from its Zone 3 Water Supply contract with PG&E, which is gravity fed;
- Up to 120,000 AF of water per year from appropriated water rights developed through construction of the Agency's 1963 Middle Fork Project, which is gravity fed and pumped;
- Up to 35,000 AF of water per year from the U.S. Bureau of Reclamation's Central Valley Project pursuant to a 1970 contract, amended in 2011. The Agency has never drawn on this source.
- Up to 2,000 AF of water per year from wells in Western Placer County.

Western PG&E Water Supply Contract (Formerly Zone 1)

The Western Water Supply is from PG&E pursuant to the 1968 Zone 1 Water Supply contract under which water is provided to the Agency from the Yuba and Bear Rivers through PG&E's Drum-Spaulding Project. The Drum-Spaulding Project consists of several reservoirs and a series of canals, tunnels and hydroelectric generation facilities. Nearly all of the water the Agency delivers to its treated and untreated water customers in the lower Zone 6 comes from PG&E.

The Western Water Supply contract was originally executed on June 18, 1968 with PG&E and allowed the Agency to take delivery of up to a maximum of 100,400 AF per year from specified diversion points along the canal system at prices ranging from \$1.45 to \$3.93 per AF. The Agency and PG&E approved an agreement that extended the term of the 1968 agreement at a new price of \$30 per AF effective January 1, 2014 and \$40 per AF effective January 1, 2015. The agreement contains an annual price escalator based on the Consumer Price Index. In 2024, the price for this water was \$53.73 per AF.

Zone 3 PG&E Water Supply Contract

In 1982, the Agency entered into its Zone 3 Water Supply contract with PG&E to acquire treated and untreated water systems serving the portion of upper Placer County that is adjacent to Interstate 80 from Alta, down through Colfax, to the Eastern boundary of Zone 1, just above Auburn. Along with the acquired treated and untreated water systems, the Agency acquired the right to purchase up to 25,000 AF annually from PG&E for use within Zone 3. This water, like the Western PG&E Water Supply contract, is sourced from PG&E's Drum-Spaulding Project.

Deliveries to the Agency under the Zone 3 Water Supply contract are made at Alta Tailrace and Alta Forebay. The Agency incurs no charge for deliveries made available by PG&E of 13,000 AF or less in any water year. For water deliveries of more than 13,000 AF, the water price is set by the California Public Utilities Commission.

Under the Zone 3 Water Supply contract, the Agency receives conservation credits for operating the Zone 3 system to conserve water and decrease delivery requirements below 11,000 AF per year. The Agency has not yet exceeded delivery of 13,000 AF in any water year and has, therefore, incurred no charge for deliveries under the contract.

Middle Fork Project Water Rights

In addition to the two PG&E water supply contracts, the Agency has up to 120,000 AF of water available annually from appropriated water rights developed through the construction of the 1963 Middle Fork Project on the American River. The Middle Fork Project consist of two storage reservoirs and five diversion dams, five power plants, diversion and water transmission facilities, five tunnels and related facilities. Middle Fork Project water can be diverted into the western water system through the American River Pump Station to Auburn tunnel and from Folsom Reservoir. In addition to serving the western water system, this source can be sold to out of county water purveyors pursuant to a 2000 Water Forum Agreement.

8. Defined Benefit Pension Plan

Plan Description

The Agency contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system defined benefit pension plan that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS' annual financial report may be obtained from their Executive Office: 400 P Street, Sacramento, California 95814.

All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State Statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirements 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.

The Public Employees' Pension Reform Act (PEPRA) of 2013 was created with the passing of Assembly Bill 340 (AB 340) signed by the Governor in September 2012. PEPRA implemented new benefit formulas, final compensation period and new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of "new member" under this bill.

Funding Policy

The contribution requirements of the plan members are established by State statutes and the employer contribution rate is established and may be amended by CalPERS. The Agency does not pay any portion of the contributions required of employees on their behalf. The contribution rates below are set by statute and therefore, generally remain unchanged from year to year. The present actuarially determined rates of annual covered payroll are as follows:

Category	Classic Member Rates as a Percentage of Wages	PEPRA Member Rates as a Percentage of Wages
Local miscellaneous members	8.00%	7.50%

The table below reflects the Plans' provision and benefits in accordance with PEPRA at June 30, 2023, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 year service	5 year service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	7.50%
Required employer contribution rates	11.68% + \$2.3M	11.680%

Employees Covered

As of the June 30, 2024 measurement date, the following employees were covered by the benefit terms for each Plan:

Active employees	229
Inactive employees or beneficiaries currently receiving benefits	227
Inactive employees entitled to but not yet receiving benefits	87
Total	543

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Actuarial Methods and Assumptions used to determine Total Pension Liability

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Discount Rate

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

Subsequent Events

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

Long-term Expected Rate of Return

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

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

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021 Asset Liability Management study.

Changes in Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2023	\$ 180,230,180	148,339,779	31,890,401
Changes recognized for the measurement period:			
Service Cost	4,418,143	-	4,418,143
Interest on the Total Pension Liability	12,478,691	-	12,478,691
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	3,080,407	-	3,080,407
Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	4,514,302	(4,514,302)
Contributions - Employees	-	1,874,864	(1,874,864)
Net Investment Income	-	14,126,332	(14,126,332)
Benefit Payment, including Refunds of Employee Contributions	(9,338,109)	(9,338,109)	-
Administrative Expense	-	(120,705)	120,705
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	10,639,132	11,056,684	(417,552)
Balance at June 30, 2024 (Measurement Date June 30, 2024)	\$ 190,869,312	159,396,463	31,472,849

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate		
	1% Decrease (5.9%)	Current Rate (6.9%)	1% Increase (7.9%)
Plan's Net Pension Liability/ (Asset)	\$57,099,326	31,472,849	10,262,863

Recognition of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

Net Difference between projected and actual earnings on pension plan investments	5 years straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the measurement period ending June 30, 2024 is 4.9 years, which was obtained by dividing the total service years of 2,647 (the sum of remaining service lifetimes of the active employees) by 543 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2024 (measurement date), the Agency recognized a pension expense of \$7,952,284 for the Plan.

As of December 31, 2024, the Agency reports other amounts for the Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,785,194	-
Changes of Assumptions	2,135,767	-
Differences between Expected and Actual Experience	4,095,252	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,044,641	-
Total	\$ 13,060,854	-

The \$3,785,194 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ 2,964,235
2026	6,074,582
2027	472,081
2028	(235,238)
2029	-
Thereafter	-

9. Other Post-Employment Benefits

Plan Description

In addition to retirement benefits, the Agency provides other post-employment benefits (OPEB). The Placer County Water Agency Retiree Healthcare Plan (the Plan) is an agent multiple-employer defined benefit retiree healthcare plan. The plan provides healthcare benefits (medical) to certain employees who retire directly from the Agency on or after age 50 with at least five years of service, or retire for disability in accordance with State statutes and with various Agency Employee Associations' Memoranda of Understanding (MOU). On June 5, 2008, the Agency's Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of Agency's Board of Directors.

Benefits Provided

The Agency provides retiree medical benefits through the California Public Employees' Retirement System healthcare program.

Employees hired before January 1, 2010 must have a minimum of five years of service with the Agency and/or other CalPERS member agencies. The Agency's contribution amount increases annually by 5% of the active employee health insurance premium cap or \$100, whichever is less, until 100% of the active employee health insurance premium cap is reached.

Employees hired on or after January 1, 2010 must have a minimum of ten years of CalPERS service, of which a minimum of five years must be service with the Agency. The Agency's contribution amount starts at 50% (of CalPERS premium) at 10 years, thereafter, the percentage of contribution increases by 5% each additional year of Agency service through year 20 at which point it reaches 100%.

Based on Memoranda of Understanding between the Agency and the employees' union, retirees may purchase health coverage with unused sick leave. The cost to the Agency for the year ended December 31, 2024 was \$0. The Agency also provides health care benefits to its retirees through CalPERS. The cost to the Agency in the year ended December 31, 2024 was \$1,367,704.

Funding Policy

The Agency's policy is to prefund these benefits by accumulating assets in CERBT discussed above pursuant to Agency Board Resolution. The contribution requirements of the plan members and the Agency are established by and may be amended by the Agency. The Agency prefunds plan benefits through the CERBT by contributing at least 100 percent of the Actuarially Determined Contribution (ADC).

Employees Covered

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

Active employees	231
Inactive employees or beneficiaries currently receiving	139
Inactive employees entitled to but not yet receiving benefits	<u>34</u>
Total	<u><u>404</u></u>

Contribution Description

The annual contribution is based on the actuarially determined contribution. For the measurement period ended June 30, 2024, the Agency's cash contributions were \$1,543,023 in benefit payments, \$1,623,000 in payments to the trust, \$4,265 in administrative expenses, and the estimated implied subsidy was \$259,000 resulting in total payments of \$3,170,288.

Actuarial Methods and Assumptions used to determine Total OPEB Liability

The Agency's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Contribution Policy	Agency contributes full ADC
Discount Rate and Long-Term Expected Rate of Return on Assets	5.75% at June 30, 2023
General Inflation	2.50% annually
Salary Increases	2.75% per annum, in aggregate
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	<ul style="list-style-type: none"> •Non-Medicare - 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 •Medicare (Non-Kaiser) - 7.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 •Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that Agency contributions will be made at rates equal to the actuarially determined contribution rates. 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 on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Strategy 2	
	Target Allocation	Expected Real Rate of Return
Global Equity	34.0%	4.56%
Fixed Income	41.0%	1.56%
TIPS	5.0%	-0.08%
Commodities	3.0%	1.22%
REITs	17.0%	4.06%
Total	100%	
Assumed long-term rate of inflation		2.50%
Long-term expected rate of return		5.75%

Changes in Net OPEB Liability

The changes in the net OPEB liability for the 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	\$ 36,679,697	30,022,282	6,657,415
Changes recognized for the measurement period:			
Service cost	1,626,939	-	1,626,939
Interest	2,158,270	-	2,158,270
Differences between Expected and Actual Experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	3,170,288	(3,170,288)
Net investment income	-	2,550,406	(2,550,406)
Benefit payments	(1,543,023)	(1,543,023)	-
Administrative expense	-	(14,266)	14,266
Net Changes	2,242,186	4,163,405	(1,921,219)
Balance at June 30, 2024	\$ 38,921,883	34,185,687	4,736,196

(Measurement Date June 30, 2024)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Agency if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	Discount Rate		
	1% Decrease (4.75%)	Current Rate (5.75%)	1% Increase (6.75%)
Net OPEB Liability	\$10,338,208	4,736,196	136,129

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Agency if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	(\$399,551)	4,736,196	11,249,681

OPEB Plan Fiduciary Net Position

The 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, P.O. Box 942703, Sacramento, CA 94429-2703.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

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

Difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSLS for the Plan for the measurement period ending June 30, 2023 is 7.6 years, which was estimated by dividing the total service years of 2,729 (the sum of remaining service lifetimes of the active employees) by 357 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0.

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

For the measurement period ended June 30, 2024 (measurement date), the Agency recognized OPEB expense of \$1,613,806. As of December 31, 2024, the Agency reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	2,920,024
Changes in Assumptions	500,701	1,443,094
Net Difference between Projected and Actual Earnings on Plan Investments	1,384,293	-
Contributions subsequent to measurement date	869,742	-
Total	<u>\$ 2,754,736</u>	<u>4,363,118</u>

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ (490,934)
2025	307,568
2026	(849,739)
2027	(794,485)
2028	(437,594)
Thereafter	(212,940)

10. Risk Management

The Agency has various operating exposures not limited to legal liability, tortious acts, injury to employees, and loss to physical property. In response to these exposures the Agency purchases insurance through a broker. The Agency carries Commercial Property, Boiler & Machinery and Business Interruption Coverage with scheduled and varying limits and deductibles. There are various other policies covering Public Officials, Crime, Cyber Liability, Pollution and other exposures. The Agency is a member of the Municipal Insurance Cooperative JPA for workers compensation coverage, and the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA) and participates in the property program for the Water Division while the Power Division purchases property coverage through a broker.

Coverage includes but is not limited to:

Coverage	Deductible
Workers' Compensation	\$150,000 (SIR)
Water CGL/Auto	\$25,000/\$10,000/\$1,000
Power CGL/Auto	\$25,000/\$10,000/\$1,000
Excess	Underlying policies
Water Property	\$25,000
Power Property	\$1,000,000

For Worker's Compensation, the Agency is self-insured and retains the risk for the first \$150,000 of a claim. Excess insurance coverage is purchased to cover claims in excess of \$150,000 up to the statutory limit set by the State of California.

The change in the Workers' Compensation claims liability, including claims incurred but not reported is based on an independent actuarial study prepared annually and was computed as follows:

	2024	2023
Claims liability, beginning of the year	\$ 220,403	319,536
Current year claims	112,265	108,708
Change in prior year claims	(85,465)	(38,900)
Claims paid, current year claims	(37,610)	(12,490)
Claims paid, prior year claims	(7,033)	(156,451)
Claims liability, end of the year	<u>\$ 202,560</u>	<u>220,403</u>

The Agency has no additional liability accrued at December 31, 2024 based upon the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the loss can be reasonably estimated. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The Agency is a defendant in various lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. Management believes that, based on current knowledge, these actions when finally adjudicated will not have a material adverse effect on the financial position of the Agency.

11. Joint Powers

Association of California Water Agencies – Joint Power Insurance Authorities

As discussed in Note 10, the Agency is a member of the Association of California Water Agencies – Joint Power Insurance Authority (JPIA). The JPIA's members have pooled funds to be self-insured for liability, property, underground storage tanks, pollution liability, and workers compensation insurance. Placer County Water Agency is one of approximately 370 member districts and participates in the crime and

property program. Complete audited financial statements can be obtained at the JPIA's Office at 2100 Professional Drive, Roseville, California 95661-3700.

Municipal Insurance Cooperative Joint Powers Authority

As discussed in Note 10, the Agency is a member of the Municipal Insurance Cooperative (MIC) a California Joint Powers Authority formed July 1, 2014 to provide insurance coverage and risk management services for public entities. It is not an insurance company, but it provides the JPA members, at their option, the opportunity to purchase property, liability, and workers compensation coverage on a group basis. The Agency joined MIC in 2016.

Middle Fork Project Finance Authority

On January 10, 2006, the Agency entered into a Joint Powers Agreement (JPA) with the County. The agreement called for the formation of the "Middle Fork Project Finance Authority" (MFPFA) with the purpose to establish a joint organization to serve the mutual interests of the Agency and the County, exclusively, to provide for the financing of studies, programs, procedures, projects, services, improvements, modifications, and other costs that may be required to obtain a new Federal Energy Regulatory Commission (FERC) license or which may be completed under the current or subsequent FERC license of the Middle Fork Hydroelectric Project by the Agency, to approve Future Electrical Energy Sales, and to distribute revenues from Future Electrical Energy Sales. In March 2020, the MFPFA issued the MFPFA Revenue Bonds, Series 2020 (Bonds) in the amount of \$64.3 million to refund the outstanding 2006 Bond of \$71.0 million originally issued to provide funds for relicensing costs and related expenses. The Bond is secured by a pledge of Middle Fork Project hydroelectric revenue received and matures on April 1, 2036. As the owner and operator of the Middle Fork Project, a FERC License holder, the Agency is integral to assuring the MFP's operations generate sufficient revenue for the MFPFA to pay the annual debt service obligations, therefore the Bond Indenture includes covenants of the Agency to protect the source of revenues for the MFPFA's bond debt service. A summary of the Agency covenants in the indenture are as follows:

- Compliance with Laws and Preservation of Rights
- Not to Amend the JPA that would impair the MFPFA's right to revenue
- Maintain the power sales agreement with the CAISO
- Not to sell or dispose of property that would adversely impact revenue
- Maintain the system in good working order
- Pay lawful claims to prevent liens and compliance with contracts
- Payment of taxes and compliance with governmental regulations
- Maintain insurance and application of net insurance proceeds

Complete audited MFPFA financial statements are available online at <https://mfdfa.pcwa.net/budgets-and-audits>.

12. Construction Commitments

At December 31, 2024 the Agency had ongoing construction commitments that totaled approximately \$12.7 million.

13. Due To/ Due From Balances

Due to/due from balances, which are expected to be repaid shortly after year end, are only used to cover negative cash balances within the Power Division due to the timing of reimbursements from the MFPFA discussed in Note 1(M). As of December 31, 2024 the balance due from the Power Division to Agency Wide fund totals \$2,500,000.

14. Subsequent Events

On March 13, 2025, the Agency entered into a Construction Installment Sale Agreement and Consolidation Incentive with the California State Water Resources Control Board in an amount not to exceed \$12,510,000 for the replacement of the Colfax Water Treatment Plant. This loan and consolidation incentive grant (provided as principal forgiveness) is on a reimbursement basis, requiring the Agency to first expend the funds then submit claims for reimbursement.

This page left intentionally blank.

Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period Last Ten Years

Measurement Period	2023-24	2022-23	2021-22
TOTAL PENSION LIABILITY:			
Service Cost	\$ 4,418,143	4,230,373	4,121,722
Interest on Total Pension Liability	12,478,691	11,788,712	11,142,916
Changes of Benefit Terms	-	135,850	-
Changes of Assumptions	-	-	5,508,028
Difference between Expected and Actual Experience	3,080,407	2,460,417	153,542
Benefit Payments, Including Refunds of Employee Contributions	(9,338,109)	(9,049,233)	(8,062,529)
Net Change in Total Pension Liability	10,639,132	9,566,119	12,863,679
Total Pension Liability - Beginning	180,230,180	170,664,061	157,800,382
Total Pension Liability - Ending (a)	<u>\$ 190,869,312</u>	<u>\$ 180,230,180</u>	<u>170,664,061</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 4,514,302	4,276,388	3,786,465
Contributions - Employee	1,874,864	1,719,957	1,623,696
Net Investment Income	14,126,332	8,767,329	(11,813,300)
Other Miscellaneous Income/(Expense)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,338,109)	(9,049,233)	(8,062,529)
Plan to Plan Resource Movement	-	-	-
Administrative Expense	(120,705)	(104,957)	(97,985)
Net Change in Fiduciary Net Position	11,056,684	5,609,484	(14,563,653)
Plan Fiduciary Net Position - Beginning	148,339,779	142,730,295	157,293,948
Plan Fiduciary Net Position - Ending (b)	<u>159,396,463</u>	<u>148,339,779</u>	<u>142,730,295</u>
Plan Net Pension Liability / (Asset) - (a)-(b)	<u>\$ 31,472,849</u>	<u>\$ 31,890,401</u>	<u>27,933,766</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.5%	82.3%	83.6%
Covered Payroll	\$ 23,766,234	22,312,094	21,444,962
Plan Net Pension Liability as a % of Covered Payroll	132.4%	142.9%	130.3%

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

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

2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
3,489,813	3,431,384	3,473,305	3,420,889	3,196,693	2,753,244	2,727,255
10,660,135	10,138,642	9,547,912	8,983,417	8,594,906	8,234,673	7,786,985
-	-	-	-	-	-	-
-	-	-	(842,114)	6,981,865	-	(1,854,615)
858,069	1,959,677	1,605,709	(103,164)	(540,219)	63,758	(112,172)
(7,394,914)	(6,932,460)	(6,463,502)	(5,818,876)	(5,230,553)	(4,940,624)	(4,537,117)
7,613,103	8,597,243	8,163,424	5,640,152	13,002,692	6,111,051	4,010,336
150,187,279	141,590,036	133,426,612	127,786,460	114,783,768	108,672,717	104,662,381
157,800,382	150,187,279	141,590,036	133,426,612	127,786,460	114,783,768	108,672,717
36,960,172	5,786,960	5,184,737	4,433,239	3,822,897	3,176,715	3,189,090
1,582,631	1,440,575	1,381,037	1,429,799	1,331,106	1,254,392	1,248,234
25,100,123	4,859,977	5,998,505	7,152,582	8,640,140	390,175	1,664,520
-	-	209	(246,413)	-	-	-
(7,394,914)	(6,932,460)	(6,463,502)	(5,818,876)	(5,230,553)	(4,940,624)	(4,537,117)
-	-	-	(209)	-	153	-
(101,040)	(135,516)	(64,291)	(129,758)	(110,463)	(45,698)	(84,405)
56,146,972	5,019,536	6,036,695	6,820,364	8,453,127	(164,887)	1,480,322
101,146,976	96,127,440	90,090,745	83,270,381	74,817,254	74,982,141	73,501,819
157,293,948	101,146,976	96,127,440	90,090,745	83,270,381	74,817,254	74,982,141
506,434	49,040,303	45,462,596	43,335,867	44,516,079	39,966,514	33,690,576
99.7%	67.3%	67.9%	67.5%	65.2%	65.2%	69.0%
19,749,930	19,127,000	18,915,720	18,056,950	16,837,108	15,869,756	15,428,271
2.6%	256.4%	240.3%	240.0%	264.4%	251.8%	218.4%

Schedule of Plan Contributions – Pension:

December 31,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 3,305,299	(3,305,299)	-	14,865,262	22.2%
2016	3,259,379	(3,528,582)	(269,203)	16,023,920	22.0%
2017	2,931,282	(2,931,282)	-	17,251,944	17.0%
2018	4,334,933	(4,941,050)	(606,117)	18,586,388	26.6%
2019	4,997,389	(5,514,486)	(517,097)	19,078,704	28.9%
2020	5,412,924	(5,978,127)	(565,203)	20,383,732	29.3%
2021	4,584,754	(34,630,008)	(30,045,254)	21,818,003	158.7%
2022	3,953,019	(4,137,655)	(184,636)	22,706,909	18.2%
2023	4,132,634	(4,353,231)	(220,597)	24,348,699	17.9%
2024	4,667,171	(5,259,628)	(592,457)	24,788,409	21.2%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the year ended December 31, 2024 were from the June 30, 2021 and June 30, 2022 public agency valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll
Asset Valuation Method	Fair Value
Inflation	<ul style="list-style-type: none"> 2.30% for the June 30, 2021 valuation date 2.30% for the June 30, 2022 valuation date
Payroll Growth	<ul style="list-style-type: none"> 2.75% for the June 30, 2020 valuation date 2.80% for the June 30, 2021 valuation date
Investment Rate of Return	<ul style="list-style-type: none"> 7.00% Net Pension Plan Investment Expenses, including Inflation for the June 30, 2020 actuarial valuation date. 6.80% Net Pension Plan Investment Expenses, including Inflation for the June 30, 2021 actuarial valuation date.
Retirement Age	<p><i>The probabilities of Retirement are based on the:</i></p> <ul style="list-style-type: none"> 2017 CalPERS Experience Study for the period from 1997-2015 for the June 30, 2020 actuarial valuation date. 2021 CalPERS Experience Study for the period from 2000-2019 for the June 30, 2021 actuarial valuation date.
Mortality	<p><i>The probabilities of mortality are based on the:</i></p> <ul style="list-style-type: none"> 2017 CalPERS Experience Study for the period from 1997-2015 for the June 30, 2020 actuarial valuation date. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries. 2021 CalPERS Experience Study for the period from 2000-2019 for the June 30, 2021 actuarial valuation date. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries.

This page left intentionally blank.

Schedule of Changes in Net OPEB Liability and Related Ratios during the Measurement Period

Measurement Period	2023-24	2022-23
TOTAL OPEB LIABILITY		
Service Cost	\$ 1,626,939	1,724,782
Interest on Total OPEB Liability	2,158,270	2,180,904
Actual and Expected Experience Difference	-	(1,800,351)
Changes of Assumptions	-	(896,847)
Changes of Benefit Terms	-	-
Benefit Payments	(1,543,023)	(1,465,542)
Net Change in Total OPEB Liability	2,242,186	(257,054)
Total OPEB Liability - Beginning	36,679,697	36,936,751
Total OPEB Liability - Ending (a)	<u>\$ 38,921,883</u>	<u>36,679,697</u>
PLAN FIDUCIARY NET POSITION		
Contribution - Employer	\$ 3,170,288	1,569,542
Net Investment Income	2,550,406	1,031,435
Benefit Payments	(1,543,023)	(1,465,542)
Administrative Expense	(14,266)	(12,296)
Net Change In Plan Fiduciary Net Position	4,163,405	1,123,139
Plan Fiduciary Net Position - Beginning	30,022,282	28,899,143
Plan Fiduciary Net Position - Ending (b)	<u>\$ 34,185,687</u>	<u>30,022,282</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 4,736,196</u>	<u>6,657,415</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	87.8%	81.8%
Covered-Employee payroll	\$ 26,775,419	25,220,871
Net OPEB Liability as a Percentage of Covered-Employee Payroll*	17.7%	26.4%

Notes to Schedule: Information is not available for 10 years.

*Derived by dividing the contributions in relation to the actuarial determined contributions by the contributions as a percentage of covered-employee payroll. These amounts may be different from the actual payroll of the Agency. In accordance with GASB 75, the covered-employee payroll is defined as the payroll of employees who are provided with OPEB through the OPEB plan. These amounts may be different from the actual payroll of the Agency.

Changes of Assumptions: For 2022-23 demographic assumptions were updated to CalPERS 2000-2019 Experience Study. Mortality improvement scale was updated to Scale MP-2021. Participation rate decreased for currently waived actives.

Covered-Employee Payroll for 2019-20 was previously reported as \$20,242,722 and 47.3% as a percentage of Total OPEB Liability.

2021-22	2020-21	2019-20	2018-19	2017-18
1,774,023	1,522,554	1,478,208	1,472,138	1,287,285
2,027,492	2,280,735	2,139,825	2,080,383	1,958,306
-	(3,333,083)	-	(806,478)	-
(1,240,458)	1,089,761	-	(493,749)	2,045,228
-	-	-	-	-
(1,427,587)	(1,451,758)	(1,363,883)	(1,250,700)	(1,152,312)
1,133,470	108,209	2,254,150	1,001,594	4,138,507
35,803,281	35,695,072	33,440,922	32,439,328	28,300,821
36,936,751	35,803,281	35,695,072	33,440,922	32,439,328
2,382,521	2,295,706	2,531,681	2,101,279	2,259,506
(4,025,223)	5,120,003	1,327,085	1,539,224	1,516,502
(1,427,587)	(1,451,758)	(1,363,883)	(1,250,700)	(1,152,312)
(11,031)	(12,431)	(15,004)	(6,022)	(34,757)
(3,081,320)	5,951,520	2,479,879	2,383,781	2,588,939
31,980,463	26,028,943	23,549,064	21,165,283	18,576,344
28,899,143	31,980,463	26,028,943	23,549,064	21,165,283
8,037,608	3,822,818	9,666,129	9,891,858	11,274,045
78.2%	89.3%	72.9%	70.4%	65.2%
24,106,241	22,643,610	21,242,722	20,451,705	19,683,606
33.3%	16.9%	45.5%	48.4%	57.3%

Schedule of Plan Contributions – OPEB:

December 31,	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 2,030,000	(2,132,566)	(102,566)	20,291,718	10.5%
2019	2,088,000	(2,153,396)	(65,396)	20,596,588	10.5%
2020	2,254,000	(2,207,989)	46,011	22,559,283	9.8%
2021	2,336,000	(2,344,151)	(8,151)	23,270,880	10.1%
2022	2,391,000	(2,418,312)	(27,312)	24,785,066	9.8%
2023	2,472,000	(2,580,697)	(108,697)	26,389,183	9.8%
2024	2,115,000	(2,226,205)	(111,205)	26,824,599	8.3%

Information is not available for 10 years

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contribution for the year ended December 31, 2024 were from the June 30, 2023, public agency valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal, Level Percentage of pay
Amortization Method/Period	Level percent of pay
Amortization Period	Approximately 12.8-years remaining as of 2024
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	5.75%
General Inflation	2.50%
Medical Trend	<ul style="list-style-type: none"> •Non-Medicare – 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 •Medicare – 7.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076 •Medicare (Kaiser) – 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

This page was intentionally left blank.

PLACER COUNTY WATER AGENCY
Combining Schedule of Net Position
December 31, 2024

ASSETS	Agency Wide	Power Division	Water Division	Adjustments	Total
Current assets:					
Cash and investments	\$ 30,826,430	296,954	96,431,469	-	127,554,853
Water service receivable, net	-	-	10,267,214	-	10,267,214
Accounts receivable, net	1,098,883	6,393,472	2,480,659	-	9,973,014
Leases Receivable, current portion	-	-	117,958	-	117,958
Interest receivable	1,074,490	-	1,356,526	-	2,431,016
Taxes receivable	1,349,636	-	-	-	1,349,636
Materials and supplies	50,488	-	1,483,555	-	1,534,043
Due from other funds	2,500,000	-	-	(2,500,000)	-
Prepaid expenses	1,473,818	1,087,309	398,100	-	2,959,227
Total current assets	38,373,745	7,777,735	112,535,481	(2,500,000)	156,186,961
Non-current assets:					
Investments	11,994,673	-	37,299,462	-	49,294,135
Restricted investments	559,043	-	124,229,858	-	124,788,901
Notes receivable	-	-	23,430	-	23,430
Leases receivable	-	-	674,221	-	674,221
Capital assets, not depreciable	17,917,046	22,601,015	43,815,174	-	84,333,235
Capital assets, net of depreciation	9,550,132	174,878,986	425,123,576	-	609,552,694
Total non-current assets	40,020,894	197,480,001	631,165,721	-	868,666,616
Total assets	78,394,639	205,257,736	743,701,202	(2,500,000)	1,024,853,577
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow - pension contributions	643,484	1,211,263	1,930,447	-	3,785,194
Deferred outflow - pension actuarial	1,576,862	2,968,211	4,730,587	-	9,275,660
Deferred outflow - OPEB contributions	521,845	104,369	243,528	-	869,742
Deferred outflow - OPEB actuarial	1,130,999	226,198	527,797	-	1,884,994
Deferred charges on refunding	-	-	989,726	-	989,726
Total deferred outflows	3,873,190	4,510,041	8,422,085	-	16,805,316

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Combining Schedule of Net Position
December 31, 2024

LIABILITIES AND NET POSITION	Agency Wide	Power Division	Water Division	Adjustments	Total
Current liabilities:					
Accounts payable	1,155,794	4,145,501	7,447,236	-	12,748,531
Accrued salaries and benefits	605,181	501,289	1,590,640	-	2,697,110
Interest payable	19,183	461	1,016,190	-	1,035,834
Deposits	-	-	1,538,050	-	1,538,050
Current portion of long-term debt	372,030	13,049	6,777,536	-	7,162,615
Compensated absences payable, current portion	1,472,156	1,243,873	2,992,134	-	5,708,163
Due to other funds	-	2,500,000	-	(2,500,000)	-
Total current liabilities	<u>3,624,344</u>	<u>8,404,173</u>	<u>21,361,786</u>	<u>(2,500,000)</u>	<u>30,890,303</u>
Non-current liabilities:					
Certificates of participation, net of premiums/discounts	-	-	44,960,918	-	44,960,918
Loans payable	-	-	8,340,056	-	8,340,056
Leases payable	10,710	152,833	325,523	-	489,066
Subscriptions Payable	715,531	-	22,460	-	737,991
Improvement district debt	-	-	2,329	-	2,329
Compensated absences payable	864,013	515,443	1,471,469	-	2,850,925
Unearned Water Connection Charge revenue	-	-	42,686,004	-	42,686,004
Net pension liability	5,350,384	10,071,312	16,051,153	-	31,472,849
Net OPEB liability	<u>2,841,719</u>	<u>568,340</u>	<u>1,326,137</u>	<u>-</u>	<u>4,736,196</u>
Total non-current liabilities	<u>9,782,357</u>	<u>11,307,928</u>	<u>115,186,049</u>	<u>-</u>	<u>136,276,334</u>
Total liabilities	<u>13,406,701</u>	<u>19,712,101</u>	<u>136,547,835</u>	<u>(2,500,000)</u>	<u>167,166,637</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - OPEB actuarial	2,617,871	523,575	1,221,672	-	4,363,118
Deferred inflows - Leases	<u>-</u>	<u>-</u>	<u>756,882</u>	<u>-</u>	<u>756,882</u>
Total deferred inflows	<u>2,617,871</u>	<u>523,575</u>	<u>1,978,554</u>	<u>-</u>	<u>5,120,000</u>
NET POSITION					
Net investment in capital assets	25,938,559	195,526,259	404,613,324	-	626,078,142
Restricted:					
Water system expansion	-	-	78,891,095	-	78,891,095
Unearned Water Connection Charge revenue	-	-	42,315,496	-	42,315,496
Water Resource Development	515,754	-	-	-	515,754
IRS Section 125	<u>43,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,289</u>
Total restricted net position	<u>559,043</u>	<u>-</u>	<u>121,206,591</u>	<u>-</u>	<u>121,765,634</u>
Unrestricted	<u>39,745,655</u>	<u>(5,994,158)</u>	<u>87,776,983</u>	<u>-</u>	<u>121,528,480</u>
Total net position	<u>\$ 66,243,257</u>	<u>189,532,101</u>	<u>613,596,898</u>	<u>-</u>	<u>869,372,256</u>

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2024

	<u>Agency Wide</u>	<u>Power Division</u>	<u>Water Division</u>	<u>Total</u>
OPERATING REVENUES				
Water sales	\$ 2,723,046	-	55,751,587	58,474,633
Power sales	-	40,833,965	60,094	40,894,059
Renewal and replacement charges	-	-	16,875,655	16,875,655
Engineer charges	91	-	1,113,579	1,113,670
Customer service charges	-	-	1,029,422	1,029,422
Other revenue	84	426	9,661	10,171
	<u>2,723,221</u>	<u>40,834,391</u>	<u>74,839,998</u>	<u>118,397,610</u>
Total operating revenues				
OPERATING EXPENSES				
Purchased water	-	-	4,959,556	4,959,556
Operations administration	-	3,035,242	1,461,930	4,497,172
Pumping plants and wells	-	-	3,515,218	3,515,218
Water treatment	-	-	10,948,568	10,948,568
Electrical operations	-	15,592,349	-	15,592,349
Transmission and distribution of treated water	-	-	4,120,165	4,120,165
Transmission and distribution of raw water	-	-	5,238,343	5,238,343
Customer service and collections	-	-	5,172,084	5,172,084
Recreation	-	2,778,017	-	2,778,017
Automotive and equipment	-	-	1,332,523	1,332,523
Engineering	-	2,960,064	7,643,266	10,603,330
General and administrative	4,231,782	6,197,765	9,963,850	20,393,397
Energy marketing	-	1,330,786	-	1,330,786
Depreciation and amortization	1,054,136	6,527,018	21,956,641	29,537,795
	<u>5,285,918</u>	<u>38,421,241</u>	<u>76,312,144</u>	<u>120,019,303</u>
Total operating expenses				
Operating income (loss)	<u>(2,562,697)</u>	<u>2,413,150</u>	<u>(1,472,146)</u>	<u>(1,621,693)</u>

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2024

	<u>Agency Wide</u>	<u>Power Division</u>	<u>Water Division</u>	<u>Total</u>
NON-OPERATING REVENUES (EXPENSES)				
Water connection charges	-	-	14,368,475	14,368,475
Costs recovered from other agencies	226,628	10,431	1,581,204	1,818,263
Investment income (expense)	3,047,740	-	7,144,210	10,191,950
Property taxes and assessments	1,463,437	-	-	1,463,437
Gain (loss) on disposal of assets	-	-	166,330	166,330
Program grant revenue	373,688	566,012	2,360,591	3,300,291
Interest expense	(20,402)	(2,340)	(1,583,324)	(1,606,066)
Rental income	829,000	1,120	394,969	1,225,089
Other income (expense)	<u>(48,458)</u>	<u>(548,474)</u>	<u>(161,955)</u>	<u>(758,887)</u>
Total non-operating revenues (expenses)	<u>5,871,633</u>	<u>26,749</u>	<u>24,270,500</u>	<u>30,168,882</u>
Net income before capital contributions	<u>3,308,936</u>	<u>2,439,899</u>	<u>22,798,354</u>	<u>28,547,189</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	-	-	685,459	685,459
Transfers in	3,817,947	-	85,800	3,903,747
Transfers out	<u>-</u>	<u>(85,800)</u>	<u>(3,817,947)</u>	<u>(3,903,747)</u>
Increase in net position	7,126,883	2,354,099	19,751,666	29,232,648
Net position, beginning of year	<u>59,116,374</u>	<u>187,178,002</u>	<u>593,845,232</u>	<u>840,139,608</u>
Net position, end of year	<u>\$ 66,243,257</u>	<u>189,532,101</u>	<u>613,596,898</u>	<u>869,372,256</u>

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY

Combining Schedule of Cash Flows

For the year ended December 31, 2024

	Agency Wide	Power Division	Water Division	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,266,561	37,505,101	74,572,959	114,344,621
Cash paid to suppliers for goods and services	(4,261,815)	(17,136,646)	(19,492,499)	(40,890,960)
Cash paid to employees for services	(9,151,020)	(9,219,815)	(23,221,069)	(41,591,904)
Cash received (paid) for service level support	10,752,800	(3,283,300)	(7,469,500)	-
Net cash provided by (used for) operating activities	(393,474)	7,865,340	24,389,891	31,861,757
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes and assessments	1,463,437	-	-	1,463,437
Costs recovered from other agencies	226,628	10,431	1,581,204	1,818,263
Program grant revenue	373,688	566,012	2,360,591	3,300,291
Transfers in	3,817,947	-	85,800	3,903,747
Transfers out	-	(85,800)	(3,817,947)	(3,903,747)
Due to/from funds	(2,125,000)	2,125,000	-	-
Net cash provided by (used for) non-capital financing activities	3,756,700	2,615,643	209,648	6,581,991
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(4,277,577)	(10,198,580)	(23,305,749)	(37,781,906)
Proceeds from disposal of capital assets	-	-	166,330	166,330
Principal payment on debt	1,052,964	(1,470)	(5,611,102)	(4,559,608)
Interest payment on debt	(1,455)	(2,331)	(2,448,582)	(2,452,368)
Proceeds from notes and leases receivable	-	-	254,602	254,602
Unearned water connection charge revenue	-	-	1,800,105	1,800,105
Water connection charges	-	-	14,368,475	14,368,475
Net cash provided by (used for) capital and related financing activities	(3,226,068)	(10,202,381)	(14,775,921)	(28,204,370)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	451,541	-	(19,738,480)	(19,286,939)
Proceeds from maturity of investments	20,849,174	-	49,606,867	70,456,041
Investment income	2,440,402	-	5,589,620	8,030,022
Net cash flows from investing activities	23,741,117	-	35,458,007	59,199,124
Net increase (decrease) in cash and cash equivalents	23,878,275	278,602	45,281,625	69,438,502
Cash and cash equivalents, beginning of year	6,948,155	18,352	51,149,844	58,116,351
Cash and cash equivalents, end of year	\$ 30,826,430	296,954	96,431,469	127,554,853

(Continued)

See accompanying notes to financial statements.

PLACER COUNTY WATER AGENCY

Combining Schedule of Cash Flows

For the year ended December 31, 2024

	<u>Agency Wide</u>	<u>Power Division</u>	<u>Water Division</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (2,562,697)	2,413,150	(1,472,146)	(1,621,693)
Adjustments to reconcile operating income (loss) to cash flows provided by (used for) operating activities				
Depreciation and amortization	1,054,136	6,527,018	21,956,641	29,537,795
Other non-operating income	780,542	(547,354)	233,014	466,202
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(456,660)	(3,329,290)	(267,039)	(4,052,989)
(Increase) decrease in materials and supplies	156,241	-	(166,801)	(10,560)
(Increase) decrease in prepaid expense	(379,190)	148,874	36,742	(193,574)
(Increase) decrease in pension and OPEB deferred outflows	2,143,177	1,531,318	2,660,600	6,335,095
Increase (decrease) in accounts payable and other liabilities	681,320	1,490,838	2,433,070	4,605,228
Increase (decrease) in salaries and benefits payable	115,818	135,437	316,538	567,793
Increase (decrease) in deposits	-	-	(38,606)	(38,606)
Increase (decrease) in leases deferred inflows	-	-	(223,423)	(223,423)
Increase (decrease) in net pension liability	(1,152,732)	(133,616)	(212,952)	(1,499,300)
Increase (decrease) in net OPEB liability	(70,984)	(230,547)	(537,940)	(839,471)
Increase (decrease) in pension and OPEB deferred inflows	<u>(702,445)</u>	<u>(140,488)</u>	<u>(327,807)</u>	<u>(1,170,740)</u>
Net cash provided by (used for) operating activities	<u>\$ (393,474)</u>	<u>7,865,340</u>	<u>24,389,891</u>	<u>31,861,757</u>
Reconciliation to Statement of Net Position:				
Cash and investments (current)	\$ 30,826,430	296,954	96,431,469	127,554,853
Investments (non-current)	11,994,673	-	37,299,462	49,294,135
Restricted cash and investments (non-current)	<u>559,043</u>	<u>-</u>	<u>124,229,858</u>	<u>124,788,901</u>
Less long-term investments	<u>(12,553,716)</u>	<u>-</u>	<u>(161,529,320)</u>	<u>(174,083,036)</u>
Total cash and cash equivalents	<u>\$ 30,826,430</u>	<u>296,954</u>	<u>96,431,469</u>	<u>127,554,853</u>
Non-cash investing, capital and financing activities:				
Non-cash capital contributions	\$ -	-	685,459	685,459
Change in fair value of investments	244,315	-	1,452,321	1,696,636

See accompanying notes to financial statements.

This page was intentionally left blank.

Statistical Section

Water Facts

1 Cubic Foot	=	7.48 GAL
100 Cubic Feet	=	748 GAL
100 Cubic Feet	=	1CCF*
1 Acre-Foot**	=	43,560 CF
1 Acre-Foot**	=	325,851 GAL
1 CFS	=	448.8 GPM
1 CFS	=	646,272 GPD
1 CFS for 24 hours	=	1.98 AF
1 CFS for 30 days	=	59.5 AF
1 CFS for one year	=	724 AF
1 Gallon	=	8.34 Pounds
1 MGD	=	3.07 AF per day
1 MGD	=	1,120 AF per year
1 Miners' Inch	=	11.22 GPM
1 Miners' Inch	=	16,157 GPD
1 Miners' Inch	=	1.49 AF for 30 days
1 Miners' Inch	=	18.10 AF for 1 year

Abbreviations

AF	=	Acre-foot	GAL	=	Gallon
CF	=	Cubic foot	GPD	=	Gallons per day
CCF	=	100 Cubic feet	GPM	=	Gallons per minute
CFS	=	Cubic foot per second	MGD	=	Million gallons per day

* The Agency bills per unit of measure, which is 100 cubic feet (unit).

** An acre-foot of water is enough to cover one acre of land one foot deep.

Statistical Section Table of Contents

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

Contents

Page

Financial Trends

These schedules contain financial trend information for assessing PCWA's financial performance and well-being over time 82-85

Revenue Capacity

These schedules present revenue capacity information to assess PCWA's ability to generate revenues. Water and Power sales are PCWA's most significant revenue sources 86-93

Debt Capacity

These schedules present information to assess the affordability of PCWA's current levels of outstanding debt and ability to issue additional debt 94-95

Demographic and Economic Information

These schedules provide information on the demographic and economic environment in which PCWA conducts business 96-97

Operating Information

These schedules provide information on PCWA's service infrastructure to assist the reader in understanding how the information in PCWA's financial report relates to the services PCWA provides and the activities it performs 98-99

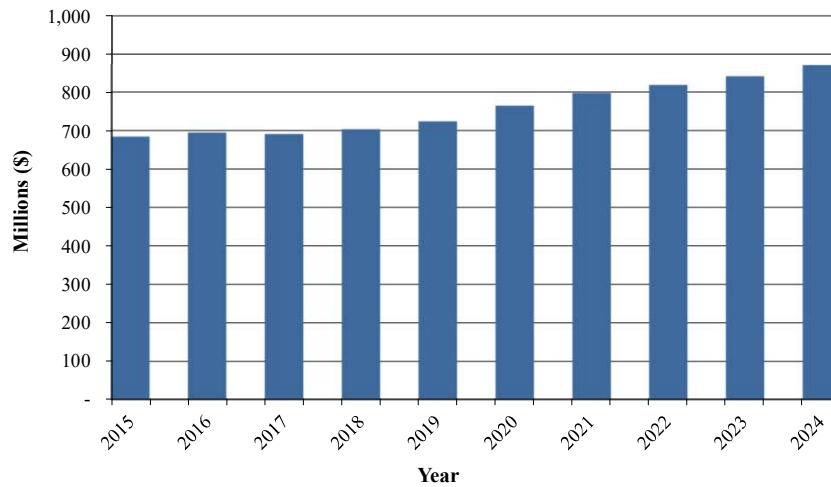
PLACER COUNTY WATER AGENCY
TABLE # 1
Change in Net Position and Net Position by Component
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Change in Net Position:										
Operating Revenues	\$ 70,079,702	70,775,642	77,847,081	89,351,512	89,631,311	98,435,754	97,448,795	94,284,305	103,785,020	118,397,610
Operating Expenses	(78,618,612)	(81,521,453)	(85,273,692)	(86,677,312)	(89,557,732)	(93,121,202)	(96,215,199)	(102,944,975)	(111,190,229)	(120,019,303)
Operating Income (Loss) (1)	(8,538,910)	(10,745,811)	(7,426,611)	2,674,200	73,579	5,314,552	1,233,596	(8,660,670)	(7,405,209)	(1,621,693)
Non-Operating Revenues/(Expenses) (2)	4,623,612	14,033,403	3,786,555	14,517,019	14,996,840	28,273,488	27,438,933	26,445,961	28,658,009	30,168,882
Net Income Before Capital Contributions	(3,915,298)	3,287,592	(3,640,056)	17,191,219	15,070,419	33,588,040	28,672,529	17,785,291	21,252,800	28,547,189
Capital Contributions	7,221,675	7,018,306	532,360	3,543,879	5,321,018	7,136,700	4,329,400	2,735,248	1,520,500	685,459
Change in Net Position	3,306,377	10,305,898	(3,107,696)	20,735,098	20,391,437	40,724,740	33,001,929	20,520,539	22,773,300	29,232,648
Net Position, Beginning of Year (3)	709,876,816	683,478,649	693,784,547	690,676,851	702,727,663	723,119,100	763,843,840	796,845,769	817,366,308	840,139,608
Prior Period Adjustment (3)	(29,704,544)	-	-	(8,684,286)	-	-	-	-	-	-
Net Position, End of Year	\$683,478,649	693,784,547	690,676,851	702,727,663	723,119,100	763,843,840	796,845,769	817,366,308	840,139,608	869,372,256
Net Position by Component (3) :										
Net Investment in Capital Assets	547,553,264	555,449,325	567,458,132	582,868,954	588,608,231	615,367,489	620,815,987	618,269,516	619,541,391	626,078,142
Restricted	61,811,951	61,078,363	52,726,664	53,714,745	58,061,576	54,488,484	49,935,830	59,169,811	109,751,672	121,765,634
Unrestricted	74,113,434	77,256,859	70,492,055	66,143,964	76,449,293	93,987,867	126,093,952	139,926,981	110,846,545	121,528,480
Total Net Position	\$683,478,649	693,784,547	690,676,851	702,727,663	723,119,100	763,843,840	796,845,769	817,366,308	840,139,608	869,372,256

- (1) The 2024 operating loss of \$1.6 million is attributable to operating revenue totaling \$118.4 million and operating expense totaling \$120.0 million. Compared to 2023, operating revenue increased by \$14.6 million; Agency Wide operating revenue increased \$0.4 million, Power Division increased \$6.7 million and Water Division increased \$7.5 million.
- (2) Significant fluctuation in non-operating revenues/(expenses) stems from the variance in Water Connection Charge payments for new connections which is tied to actual development and one-time water sales to agencies outside Placer County. In 2015, non-operating revenues/(expenses) also included the Agency's Eastern Water System - Zone 4 transfer to Northstar Community Services District, specifically assets and cash totaling \$23.7 million and \$6 million, respectively. In 2020, non-operating revenue includes the distribution of 2019 Net Revenue from the Middle Fork Project Finance Authority in the amount of \$6.1 million.
- (3) In 2015, with the implementation of GASB 68, the unfunded pension liability resulted in a prior period adjustment to net position for \$29.7 million. In 2018, with the implementation of GASB 75, the net OPEB liability resulted in a prior period adjustment to net position for \$8.7 million.

Source: Placer County Water Agency, Audited Financial Statements

CHART #1
Total Net Position



PLACER COUNTY WATER AGENCY

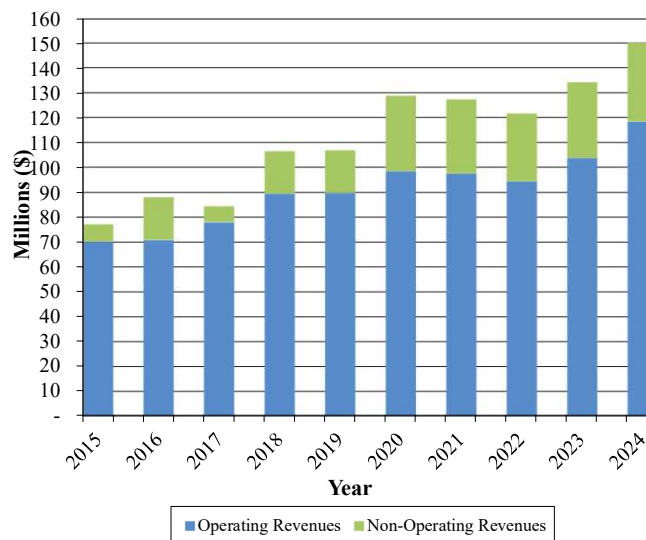
TABLE # 2
Revenues by Source
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues										
Water Sales	\$ 30,961,345	34,217,098	36,686,798	38,782,230	40,366,197	43,850,608	45,365,882	46,947,811	52,036,188	58,474,633
Power Sales (1)	25,589,249	22,821,858	27,486,249	35,604,203	33,438,515	38,288,905	35,497,375	29,411,741	34,199,144	40,894,059
Renewal & Replacement Charge	11,413,820	11,604,564	11,747,194	13,253,634	14,055,878	14,756,926	15,002,818	15,926,913	15,314,984	16,875,655
Raw Water Surcharge (2)	329,848	343,377	359,213	-	-	-	-	-	-	-
Engineering Charges	816,141	864,592	674,039	821,097	828,159	804,100	773,806	1,022,697	1,343,525	1,113,670
Customer Service Charges	774,312	800,798	816,204	849,742	842,105	686,222	716,060	924,021	864,522	1,029,422
Other	194,987	123,355	77,384	40,606	100,457	48,993	92,854	51,122	26,657	10,171
Total Operating Revenues	70,079,702	70,775,642	77,847,081	89,351,512	89,631,311	98,435,754	97,448,795	94,284,305	103,785,020	118,397,610
Non-Operating Revenues										
Water Connection Charge	24,996,971	11,824,165	7,795,975	10,385,103	7,690,159	8,730,256	14,231,261	14,326,014	10,822,775	14,368,475
Water Sales (3)	6,000,000	-	-	-	-	6,650,000	12,500,000	14,400,000	-	-
Costs Recovered from Other Agencies (4)	253,377	355,314	1,159,664	659,222	829,051	1,310,480	566,876	1,002,394	2,030,271	1,818,263
Interest Earnings	1,066,989	1,379,608	1,836,632	2,729,395	-	-	-	-	-	-
Investment Income (Loss) (5)	-	-	-	-	6,170,781	5,008,796	(860,655)	(4,184,983)	10,695,480	10,191,950
Property Taxes and Assessments	850,127	904,057	939,379	1,062,185	1,147,905	1,124,528	1,237,334	1,343,615	1,367,849	1,463,437
Amort. of (Discount)/Premium on Debt	138,765	369,364	367,825	829,889	804,886	756,684	973,384	827,524	1,725,054	1,606,066
Other (6)	(26,464,025)	2,243,786	(5,741,633)	1,411,656	497,998	6,697,104	1,168,740	(441,079)	3,741,634	2,326,757
Total Non-Operating Revenues	6,842,204	17,076,294	6,357,842	17,077,450	17,140,780	30,277,848	29,816,940	27,273,485	30,383,063	31,774,948
Total Revenues (7)	\$ 76,921,906	87,851,936	84,204,923	106,428,962	106,772,091	128,713,602	127,265,735	121,557,790	134,168,083	150,172,558

- (1) Power sales is a reimbursement of operating expenses from the Middle Fork Finance Authority.
(2) Beginning in 2018, the rate structure changed and Raw Water Surcharge is included in Renewal & Replacement charges.
(3) Non-operating Water Sales are water sales to agencies outside Placer County.
(4) Significant amount in 2023 because of the expense recovered from FEMA disaster assistance.
(5) Beginning in 2019, interest earnings and mark to market adjustment on investments were combined and included in Investment Income.
(6) Includes program grant revenues, mark to market adjustment on investments and other net income/expense. In 2015, other income/expense includes the Agency's Eastern Water System - Zone 4 transfer to Northstar Community Services District, specifically assets and cash totaling \$23.7 million and \$6 million, respectively. Beginning in 2019, mark to market was pulled out of other and included in Investment Income. In 2020, other non-operating revenue includes the distribution of 2019 Net Revenue from the Middle Fork Project Finance Authority in the amount of \$6.1 million.
(7) Significant fluctuations in total revenues stems primarily from the variance in Water Connection Charge revenues.

Source: Placer County Water Agency, Audited Financial Statements

CHART #2
Total Revenues



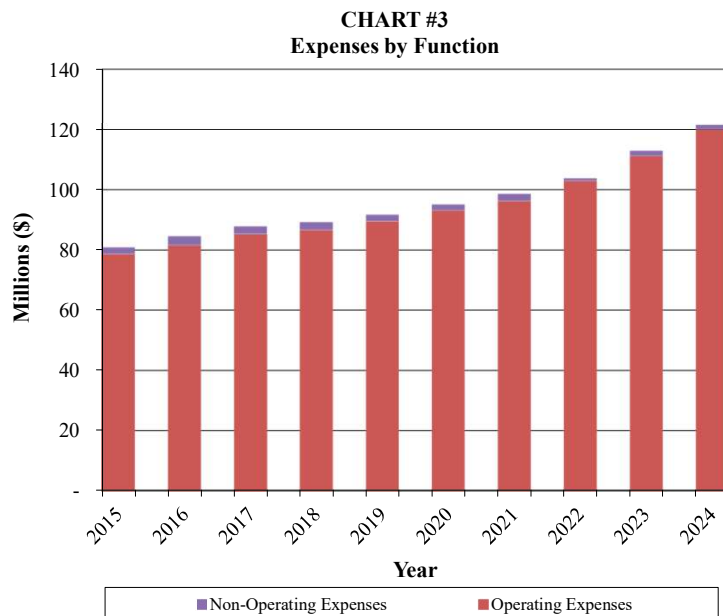
PLACER COUNTY WATER AGENCY

TABLE # 3
Expenses by Function
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Expenses										
Purchased Water	\$ 3,054,297	3,962,985	3,852,247	4,255,328	3,991,862	4,770,465	4,710,148	5,091,299	5,402,042	4,959,556
Operations Administration (1)	1,120,004	1,298,698	1,279,894	1,149,458	4,836,568	4,250,989	3,353,748	3,912,108	4,155,655	4,497,172
Pumping Plants & Wells	2,567,327	586,127	587,642	747,766	517,618	909,644	2,712,014	1,813,446	1,787,897	3,515,218
Water Treatment	7,346,965	7,578,315	7,681,994	8,006,569	8,664,994	9,051,455	8,741,551	9,589,507	11,636,593	10,948,568
Electrical Operations	2,255,878	2,322,854	6,383,611	5,782,269	6,530,483	9,704,611	11,592,572	10,985,939	13,036,413	15,592,349
Transmission & Distribution-Treated	2,840,337	2,724,957	3,019,930	3,370,479	3,600,970	3,661,219	3,646,884	3,752,244	4,761,861	4,120,165
Transmission & Distribution-Untreated	3,874,436	4,362,632	4,977,085	3,916,654	4,317,585	4,536,722	3,860,441	4,379,304	5,342,325	5,238,343
Customer Service & Collections	4,455,896	3,986,300	4,960,988	3,893,793	4,759,128	4,660,981	4,772,471	5,041,927	5,531,098	5,172,084
Repairs & Maintenance (2)	2,361,196	3,221,411	2,680,431	4,843,114	2,712,050	-	-	-	-	-
Engineering	5,512,612	6,847,636	5,133,124	5,110,246	6,367,991	7,100,020	6,153,073	7,572,613	8,049,545	10,603,330
General & Administrative	14,870,321	16,361,930	16,235,211	16,343,132	14,145,752	14,142,468	14,417,806	17,324,621	18,711,657	20,393,397
Energy Marketing	1,792,614	1,682,037	1,470,949	1,377,515	1,521,093	1,534,511	965,304	1,320,184	1,199,143	1,330,786
Other (3)	3,229,588	2,921,279	3,009,370	3,222,596	3,382,406	3,343,908	3,531,139	3,893,556	3,604,165	4,110,540
Subtotal, Operating Expenses before Depreciation (4)	55,281,471	57,857,161	61,272,476	62,018,919	65,348,500	67,666,993	68,457,151	74,676,748	83,218,394	90,481,508
Depreciation	23,337,141	23,664,292	24,001,216	24,658,393	24,209,232	25,454,209	27,758,048	28,268,227	27,971,835	29,537,795
Total Operating Expenses	78,618,612	81,521,453	85,273,692	86,677,312	89,557,732	93,121,202	96,215,199	102,944,975	111,190,229	120,019,303
Non-Operating Expenses										
Interest Expense	2,218,592	3,042,891	2,571,287	2,560,431	2,143,940	2,004,360	2,378,007	827,524	1,725,054	1,606,066
Total Non-Operating Expenses	2,218,592	3,042,891	2,571,287	2,560,431	2,143,940	2,004,360	2,378,007	827,524	1,725,054	1,606,066
Total Expenses	\$80,837,204	84,564,344	87,844,979	89,237,743	91,701,672	95,125,562	98,593,206	103,772,499	112,915,283	121,625,369

- (1) For years 2015 - 2018 this was Field Administration. Beginning in 2019, this is Operations Administration and Power Administration is included; moving from General & Administrative.
(2) Beginning in 2020, Repairs & Maintenance is included in Electrical Operations.
(3) Includes Recreation, and Automotive & Equipment Expenses.
(4) The 2024 operating expenses increase by fund is \$3.2 million in Power Division, \$4.1 million in Water Division, with a slight decrease of \$0.4 million in Agency Wide.

Source: Placer County Water Agency, Audited Financial Statements



PLACER COUNTY WATER AGENCY

TABLE # 4
Capital Assets
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Assets										
Land	\$ 13,924,337	17,059,763	17,167,763	17,200,294	17,318,937	17,320,437	17,337,932	17,350,657	18,130,157	18,382,806
Utility Plant-Preliminary Survey	777,614	777,614	412,217	399,717	1,133,416	6,678,422	6,872,447	7,687,411	7,687,411	7,634,868
Utility Plant (1)	728,522,892	760,565,562	763,226,422	787,751,950	802,071,315	867,437,031	901,891,115	913,479,030	923,696,803	943,691,356
Other Property & Equipment	105,200,171	111,402,279	116,120,902	123,489,053	132,102,448	149,702,524	166,375,119	168,015,344	176,225,765	182,266,755
Construction in Progress	85,068,599	69,096,449	86,795,005	89,512,166	89,519,392	45,078,921	28,857,113	37,738,912	48,057,383	58,315,561
Lease - Right to Use Asset (2)	-	-	-	-	-	-	-	835,022	863,957	873,639
SBITAs-Right to Use Asset (3)	-	-	-	-	-	-	-	-	73,482	1,533,923
Total Capital Assets	933,493,613	958,901,667	983,722,309	1,018,353,180	1,042,145,508	1,086,217,335	1,121,333,726	1,145,106,376	1,174,734,958	1,212,698,908
Accumulated Depreciation	(295,317,172)	(317,523,272)	(341,016,728)	(364,470,790)	(386,995,920)	(408,927,048)	(435,458,934)	(463,304,964)	(489,786,777)	(518,812,979)
Net Capital Assets (4)	\$638,176,441	641,378,395	642,705,581	653,882,390	655,149,588	677,290,287	685,874,792	681,801,413	684,948,181	693,885,929

(1) Included in this category is the Systems & Improvements and the Middle Fork Project FERC License.

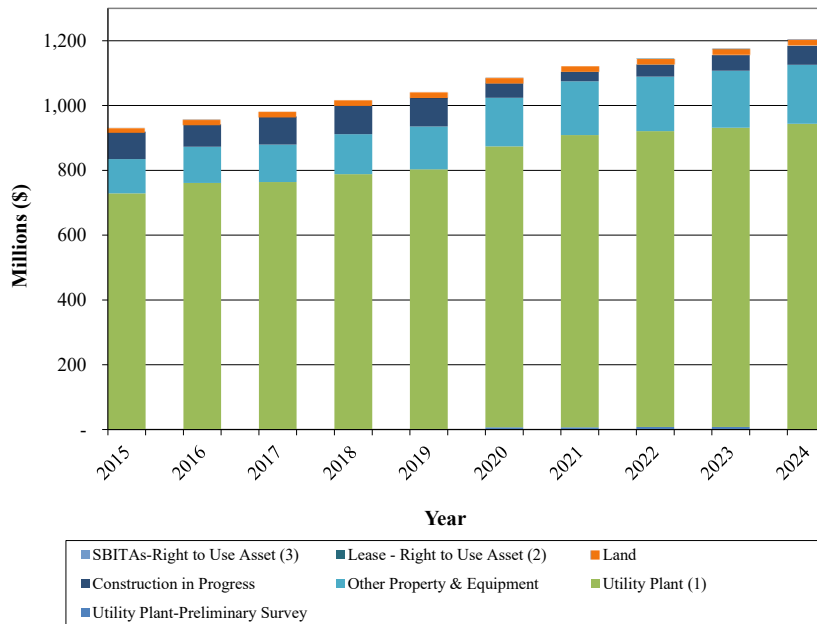
(2) GASB 87, Leases was implemented in 2022.

(3) GASB 96, Subscription-Based Information Technology Arrangements (SBITAs), was implemented in 2023.

(4) On October 1, 2015, the Agency's Eastern Water System - Zone 4 was transferred to Northstar Community Services District, resulting in a reduction of \$23.7 million in net assets. On October 2, 2023 the Agency acquired the Weimar Water System, resulting in an increase of \$3.8 million in net assets. During 2024, the Agency completed the consolidation of Dutch Flat Mutual Water Company, resulting in an increase of \$5.2 million in net assets.

Source: Placer County Water Agency, Audited Financial Statements

CHART #4
Net Capital Assets



PLACER COUNTY WATER AGENCY
TABLE # 5
Water Consumption and Water Sales by Type of Customer
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TREATED WATER										
Consumption (Acre-Feet)										
Residential (Single-Unit)	11,623	12,886	14,070	14,696	14,796	16,837	16,847	16,616	15,336	16,725
Residential (Multi-Unit)	1,615	1,724	1,837	1,866	1,881	1,997	1,997	1,991	1,874	1,967
Commercial	2,494	2,625	2,796	2,909	2,874	2,842	2,936	2,910	2,900	2,940
Construction	174	125	120	129	212	80	72	78	136	91
Fire Protection	6	5	5	3	6	10	8	9	5	4
Municipal	842	912	962	1,045	955	929	1,017	1,044	961	1,013
Landscape (1)	1,619	1,940	2,260	2,295	2,455	2,859	2,930	2,799	2,402	2,732
Industrial	441	409	380	427	387	449	461	451	387	355
Agriculture (2)	277	259	217	215	221	299	309	247	166	140
Resale	7,873	8,839	9,616	10,258	9,976	11,291	11,872	11,973	11,645	13,383
No Demand (3)	1	-	-	3	1	-	-	-	-	-
Total Treated Water Consumption (Acre-Feet)	26,965	29,724	32,263	33,846	33,764	37,593	38,449	38,118	35,812	39,350
Total Consumption (Units) (4)	11,745,954	12,947,774	14,053,763	14,743,318	14,707,598	16,375,511	16,748,206	16,604,201	15,599,707	17,140,860
Total Treated Water Sales	26,541,946	29,062,114	31,359,879	33,138,173	34,513,783	37,863,912	38,231,627	39,879,002	43,903,974	50,050,136
Effective Rate per unit (incl. monthly service charge) (5)	2.26	2.24	2.23	2.25	2.35	2.31	2.28	2.40	2.81	2.92
UNTREATED (RAW) WATER										
Consumption (Acre-Feet)										
Metered	210	221	304	326	302	306	299	276	254	290
Commercial Agriculture (6)	16,852	23,978	16,179	19,339	12,673	24,816	24,563	23,210	23,302	-
Irrigation Customers (7)	52,574	54,813	56,233	57,254	57,265	57,990	59,056	56,721	60,273	90,063
Landscape (6)	11,230	11,249	11,897	11,639	11,640	11,694	11,676	11,008	11,684	-
Resale	2,034	1,733	2,259	2,414	2,283	2,502	2,652	2,570	2,532	2,439
Total Untreated (Raw) Water Consumption (Acre-Feet)	82,900	91,994	86,872	90,972	84,163	97,308	98,246	93,785	98,045	92,792
Total Consumption (Miner's Inch) (4)	4,580	5,083	4,800	5,026	4,650	5,376	5,428	5,181	5,417	5,127
Total Untreated (Raw) Water Sales	3,401,970	3,904,198	3,981,172	4,492,644	4,512,957	4,939,526	5,060,696	5,262,251	5,784,831	5,701,452
Effective Annual Rate per miner's inch (8)	742.77	768.16	829.49	893.87	970.55	918.79	932.34	1,015.59	1,067.93	1,112.12

- (1) Includes golf courses, parks, and landscape greenbelt areas that are metered separately.
(2) The treated water agriculture classification is for customers involuntarily deprived of untreated water service.
(3) Accounts that pay only monthly service and renewal and replacement charges but are not consuming water. When these accounts begin consuming water, they are changed to the appropriate category. If PCWA is not notified before water consumption, some consumption will be billed and recorded in the "No Demand" category.
(4) One Acre-Foot is equal to 435.6 Units which is equal to 325,851 gallons. One Miner's Inch for a year is equal to 18.10 Acre-feet for that year.
(5) Effective Rate is reported in units (100 cubic feet) because consumption rates are per unit. The effective rate per unit includes the monthly service
(6) In 2024, Commercial Agriculture and Landscape customers are included as Irrigation Customers.
(7) In 2024, Irrigation Customers now include Commercial Agriculture and Landscape Customers.
(8) Effective Rate is calculated per miner's inch, per year, because consumption rates are per miner's inch. The effective rate per unit includes the monthly service charge as well as the commodity rates.

Source: Placer County Water Agency, Customer Service Department

CHART # 5
Water Consumption (Treated) 2024

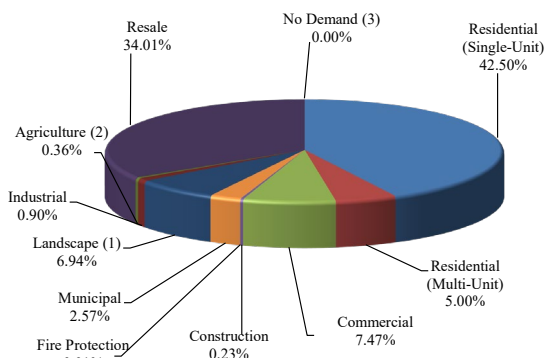
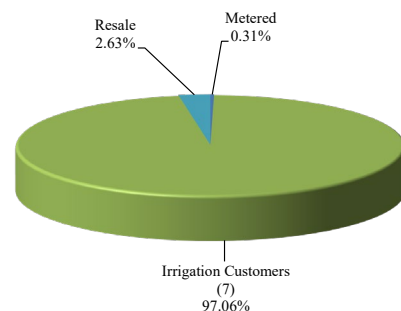


CHART # 6
Water Consumption (Untreated) 2024



PLACER COUNTY WATER AGENCY

TABLE # 6

Water Accounts by Type of Customer Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TREATED WATER										
Water Customer Accounts										
Residential (Single-Unit)	29,992	30,928	31,538	31,945	32,367	32,943	33,711	34,022	34,649	35,162
Residential (Multi-Unit)	761	770	771	774	774	775	777	780	781	784
Commercial	1,908	1,923	1,933	1,940	1,956	1,965	1,975	1,982	1,996	2,018
Construction	39	32	37	32	41	32	39	37	41	62
Fire Protection	962	993	1,012	1,019	1,039	979	995	1,073	1,079	1,091
Municipal	174	174	173	174	173	173	173	172	171	171
Landscape (1)	528	551	558	570	593	611	630	640	650	673
Industrial	1	1	1	1	1	1	1	1	1	1
Agriculture	61	59	58	57	69	68	65	65	61	60
Resale	11	11	11	11	11	11	14	14	15	15
No Demand (2)	957	969	719	962	939	1,013	692	285	318	469
Total Treated Water Accounts (3)	35,394	36,411	36,811	37,485	37,963	38,571	39,072	39,071	39,762	40,506
UNTREATED (RAW) WATER										
Water Customer Accounts										
Metered	259	261	261	259	257	256	257	254	250	249
Commercial Agriculture (4)	351	349	347	346	334	347	343	340	336	-
Irrigation Customers (5)	3,452	3,521	3,585	3,628	3,635	3,669	3,713	3,738	3,730	4,102
Landscape (4)	27	26	27	25	24	24	26	26	24	-
Resale	6	6	6	6	6	6	6	6	5	4
Total Untreated (Raw) Water Accounts	4,095	4,163	4,226	4,264	4,256	4,302	4,345	4,364	4,345	4,355
TOTAL WATER ACCOUNTS	39,489	40,574	41,037	41,749	42,219	42,873	43,417	43,435	44,107	44,861
New Connections (UOC's) Retail	1,082	622	345	689	425	506	470	411	154	524
New Connections (UOC's) Resale	86	40	46	-	-	-	200	350	298	213
Total New Connections (UOC's) (6)	1,168	662	391	689	425	506	670	761	452	737

(1) Includes golf courses, parks, and landscape greenbelt areas that are metered separately.

(2) Accounts that have paid the water connection charge, if applicable, and are paying monthly service and renewal and replacement charges but are not consuming water.

(3) On October 1, 2015, the Agency's Eastern Water System - Zone 4 was transferred to Northstar Community Services District, resulting in a reduction of 1,455 treated water customer accounts.

(4) In 2024, Commercial Agriculture and Landscape Customers are included as Irrigation Customers.

(5) In 2024, Irrigation Customers now include Commercial Agriculture and Landscape Customers.

(6) In 2016, New Connections (UOC's) for certain years were restated to include UOC's from the WCC payment program.

Source: Placer County Water Agency, Customer Service Department

CHART # 7
Water Accounts (Treated) 2024

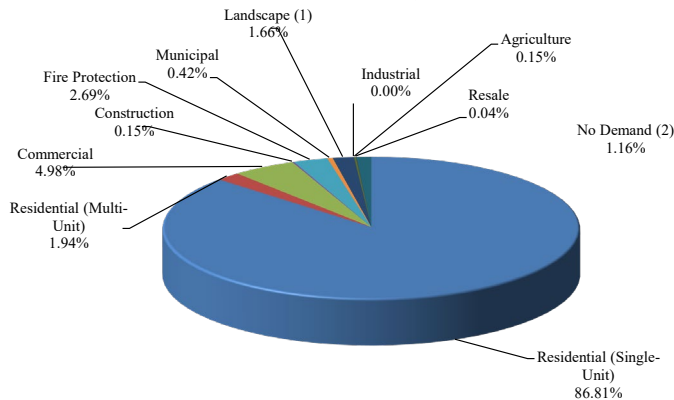
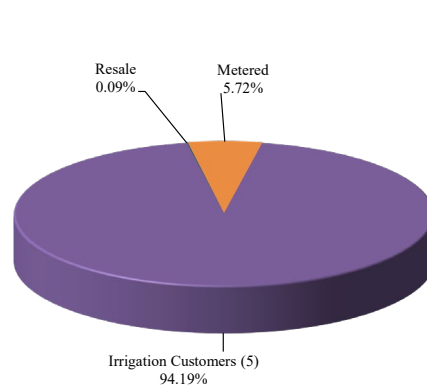


CHART # 8
Water Accounts (Untreated) 2024



PLACER COUNTY WATER AGENCY
TABLE # 7
Principal Water Users
Years Ended December 31, 2015 and 2024

2015					2024				
Customer	Amount Billed (1)	Percent of Water Billed	Usage in Acre-Feet	Percent of Water Sold	Customer	Amount Billed (1)	Percent of Water Billed	Usage in Acre-Feet	Percent of Water Sold
City of Lincoln	\$ 6,114,527	14.32%	6,865	6.25%	City Of Lincoln	\$ 10,765,525	14.90%	11,782	8.92%
Cal American Water	703,691	1.65%	784	0.71%	City Of Rocklin	1,644,470	2.28%	1,483	1.12%
City of Rocklin	664,385	1.56%	680	0.62%	Cal American Water	1,359,639	1.88%	1,219	0.92%
Rocklin Unified School District	364,705	0.85%	344	0.31%	Rocklin Unified School District	718,729	0.99%	463	0.35%
Rio Bravo Rocklin	255,070	0.60%	441	0.40%	United Auburn Indian Community	312,779	0.43%	394	0.30%
United Auburn Indian Community	184,950	0.43%	294	0.27%	Rio Bravo Rocklin	297,541	0.41%	355	0.27%
Hidden Valley Community Association	71,783	0.17%	719	0.65%	Placer Union High School District	171,126	0.24%	233	0.18%
Loomis Union School District	64,174	0.15%	289	0.26%	Loomis Union School District	118,794	0.16%	273	0.21%
Sierra College	52,249	0.12%	291	0.26%	Placer County Department	108,383	0.15%	287	0.22%
Lakeview Hills Community Association	45,957	0.11%	317	0.29%	Lakeview Hills Community Association	69,977	0.10%	306	0.23%
Total Principal Water Users	<u>\$ 8,521,492</u>	<u>19.96%</u>	<u>11,023</u>	<u>10.03%</u>	Total Principal Water Users	<u>\$ 15,566,963</u>	<u>21.55%</u>	<u>16,796</u>	<u>12.71%</u>
Total all Users	<u>\$ 42,698,494</u>	<u>100.00%</u>	<u>109,865</u>	<u>100.00%</u>	Total all Users	<u>\$ 72,235,555</u>	<u>100.00%</u>	<u>132,142</u>	<u>100.00%</u>

(1) Amount billed includes commodity water sales, monthly service charge, customer service charges, renewal & replacement charge, and raw water surcharge.

Source: Placer County Water Agency, Customer Service Department

PLACER COUNTY WATER AGENCY

TABLE # 8
Metered Service Fixed Rates (1)
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Metered Service - Treated Water</u>										
Monthly Service Charge (meter size)										
5/8-inch	\$ 16.88	17.08	17.34	17.92	18.55	19.09	19.24	20.14	22.87	24.70
3/4-inch	23.88	24.17	24.53	25.14	26.02	26.77	26.98	28.25	32.65	35.27
1-inch	32.67	33.06	33.56	39.58	40.97	42.16	42.50	44.50	52.20	56.38
1-1/2-inch	52.63	53.26	54.06	75.68	78.33	80.60	81.24	85.06	101.08	109.17
2-inch	91.87	92.97	94.36	119.00	123.17	126.74	127.75	133.75	159.74	172.52
3-inch	170.55	172.60	175.19	256.18	265.15	272.84	275.02	287.95	345.49	373.13
4-inch	237.81	240.66	244.27	436.68	451.96	465.07	468.79	490.82	589.90	637.10
6-inch	477.40	483.13	490.38	978.18	1,012.42	1,041.78	1,050.11	1,099.47	1,323.12	1,428.97
8-inch	818.60	828.42	840.85	1,158.68	1,199.23	1,234.01	1,243.88	1,302.34	1,567.53	1,692.94
12-inch	1,279.08	1,294.43	1,313.85	(2)	(2)	(2)	(2)	(2)	(2)	(2)
16-inch	1,840.35	1,862.43	1,890.37	(2)	(2)	(2)	(2)	(2)	(2)	(2)
18-inch	2,120.97	2,146.42	2,178.62	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Residential and Commercial Fire Protection										
1-inch or less	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	0.14	0.16
Renewal & Replacement										
5/8-inch	15.86	16.05	16.29	17.74	18.36	18.89	19.04	19.93	20.41	22.05
3/4-inch	23.79	24.08	24.44	26.61	27.54	28.34	28.57	29.91	30.61	33.06
1-inch	39.66	40.14	40.74	44.35	45.90	47.23	47.61	49.85	51.01	55.10
1-1/2-inch	79.32	80.27	81.47	88.70	91.80	94.46	95.22	99.70	102.01	110.18
2-inch	126.91	128.43	130.36	141.92	146.89	151.15	152.36	159.52	163.22	176.28
3-inch	253.83	256.88	260.73	310.45	321.32	330.64	333.29	348.95	357.04	385.61
4-inch	396.61	401.37	407.39	532.20	550.83	566.80	571.33	598.18	612.06	661.03
6-inch	793.21	802.73	814.77	1,197.45	1,239.36	1,275.30	1,285.50	1,345.92	1,377.13	1,487.31
8-inch	3,807.40	3,853.09	3,910.89	1,419.20	1,468.87	1,511.47	1,523.56	1,595.17	1,632.16	1,762.74
12-inch	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
18-inch	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<u>Metered Service - Untreated Water</u>										
Monthly Service Charge										
5/8-inch	10.25	10.37	10.53	9.14	9.46	9.73	9.81	10.27	13.32	14.39
3/4-inch	11.81	11.95	12.13	12.15	12.58	12.94	13.04	13.65	18.30	19.77
1-inch	14.71	14.89	15.11	18.17	18.81	19.36	19.51	20.43	28.26	30.53
1-1/2-inch	20.56	20.81	21.12	33.22	34.38	35.38	35.66	37.34	53.17	57.43
2-inch	31.41	31.79	32.27	51.28	53.07	54.61	55.05	57.64	83.05	89.70
3-inch	55.24	55.90	56.74	108.47	112.27	115.53	116.45	121.92	177.69	191.91
4-inch	80.22	81.18	82.40	183.72	190.15	195.66	197.23	206.50	302.21	326.39
6-inch	134.54	136.15	138.19	409.47	423.80	436.09	439.58	460.24	675.77	729.84
8-inch	215.28	217.86	221.13	484.72	501.69	516.24	520.37	544.83	800.29	864.32
10-inch	(3)	(3)	(3)	1,146.92	1,187.06	1,221.48	1,231.25	1,289.12	1,896.07	2,047.76
Renewal & Replacement (4)	8.38	8.48	8.61	8.98	9.29	9.56	9.64	10.09	7.31	7.90
<u>General Irrigation - Untreated Water</u>										
Monthly Service Charge	(5)	(5)	(5)	5.24	5.42	5.58	5.62	5.88	10.58	11.43
Renewal & Replacement	(5)	(5)	(5)	5.24	5.42	5.58	5.62	5.88	7.31	7.90
<u>Private Fire Protection Service</u>										
Monthly Service Charge										
1-inch	(6)	(6)	(6)	0.29	0.30	0.31	0.31	0.32	2.95	3.19
2-inch	18.82	18.82	18.82	1.77	1.83	1.88	1.90	1.99	3.67	3.97
3-inch	21.75	21.75	21.75	5.13	5.31	5.46	5.50	5.76	5.30	5.73
4-inch	24.16	24.16	24.16	10.93	11.31	11.64	11.73	12.28	8.11	8.76
6-inch	30.10	30.10	30.10	31.73	32.84	33.79	34.06	35.66	18.20	19.66
8-inch	57.19	57.19	57.19	67.60	69.97	72.00	72.58	75.99	35.61	38.46
10-inch	100.74	100.74	100.74	121.57	125.85	129.47	130.51	136.64	61.79	66.74
12-inch	161.30	161.30	161.30	196.37	203.24	209.13	210.80	220.71	98.08	105.93
14-inch	(6)	(6)	(6)	294.54	304.85	313.69	316.20	331.06	145.71	157.37
16-inch	358.90	358.90	358.90	418.46	433.11	445.67	449.24	470.35	205.84	222.31

- (1) Retail customers only. For years 2015-2017 rates are for the Zone 1 Water System service area. The Agency's Zone 1 Water System comprised 97% of total water customers, water flow and total water sales revenue, and therefore had the most significant impact on determining fees & charges. Beginning in 2018 the rates are for Zone 6 which is the consolidation of the Western Water System Zones 1, 2, 3, and 5.
- (2) Charges for meters larger than 8 inches shall be determined based on the applicant's estimated maximum day demand set forth in the applicant's application for treated water service, then recalculated based on use.
- (3) A 10-inch meter was added to the fee structure beginning in 2018.
- (4) For years 2015-2017 this was called Capital Facilities Surcharge.
- (5) General Irrigation was added to the fee schedule beginning in 2018.
- (6) A 1-inch and 14-inch meter were added to the fee structure beginning in 2018.
- (7) A 1-inch or less meter was added to the fee structure beginning in 2023.

Source: Placer County Water Agency, Rules, Regulations, Rates and Charges Governing the Distribution and Use of Water, produced annually.

PLACER COUNTY WATER AGENCY

TABLE # 9
Commodity Rates for Treated Water (1)
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Metered Services (2)										
Residential & Multi Dwelling (3)										
Tier 1	\$ 1.40	1.42	1.44	1.52	1.52	1.56	1.57	1.64	1.82	1.97
Tier 2	1.51	1.53	1.55	1.72	1.72	1.77	1.78	1.86	2.19	2.37
Tier 3	1.61	1.63	1.65	1.84	1.84	1.89	1.91	2.00	2.38	2.58
Tier 4	1.73	1.75	1.78	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Tier 5	1.84	1.86	1.89	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Tier 6	2.15	2.18	2.21	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Tier 7	2.41	2.44	2.48	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Commercial & Governmental (4)										
Tier 1	1.43	1.45	1.47	1.62	1.62	1.67	1.68	1.76	1.94	2.10
Tier 2	1.46	1.48	1.50	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Tier 3	1.51	1.53	1.55	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Landscape (5)										
Per 100 CF	(5)	(5)	(5)	1.72	1.72	1.77	1.78	1.86	2.23	2.41
Special Rates (6)										
Tier 1	1.40	1.42	1.44	1.52	1.52	1.56	1.57	1.64	1.82	1.97
Tier 2	1.51	1.53	1.55	1.72	1.72	1.77	1.78	1.86	2.19	2.37
Tier 3	1.61	1.63	1.65	0.19	0.19	0.20	0.20	0.21	0.23	0.25
Tier 4	1.73	1.75	1.78	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Tier 5	0.13	0.13	0.13	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Tier 6	0.11	0.11	0.11	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Tier 7	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Temporary Construction (7)										
Tier 1	2.86	2.90	2.94	3.24	3.24	3.33	3.36	3.52	2.69	2.91
Tier 2	2.92	2.96	3.00	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Tier 3	3.02	3.06	3.10	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Tier 4	3.02	3.06	3.10	(7)	(7)	(7)	(7)	(7)	(7)	(7)

(1) Retail customers only. For years 2015-2017 rates are for the Zone 1 Water System service area. The Agency's Zone 1 Water System comprised 97% of total water customers, water flow and total water sales revenue, and therefore had the most significant impact on determining fees & charges. Beginning in 2018 the rates are for Zone 6 which is the consolidation of the Western Water System Zones 1, 2, 3, and 5.

(2) Commodity rates are per 100 cubic feet.

(3) Prior to 2018 this was called Residential. The commodity tier structure for years 2015-2017 are as follows: Tier 1 first 400 CF, Tier 2 next 600 CF, Tier 3 next 1,000 CF, Tier 4 next 2,000 CF, Tier 5 next 1,800 CF, Tier 6 next 1,900 CF, Tier 7 over 7,700 CF. Beginning in 2018 the tier structure changed to Tier 1 first 900 CF, Tier 2 next 1,900 CF and Tier 3 over 2,800 CF.

(4) Prior to 2018 this was called Non-Residential. The commodity tier structure for years 2015-2017 are as follows: Tier 1 first 50,000 CF, Tier 2 next 450,000 CF, Tier 3 over 500,000 CF. Beginning in 2018 the structure changed to per 100 CF.

(5) New to the fee structure beginning in 2018. For years 2015-2017 this fell into the Non-Residential class.

(6) Special rates are for customers involuntarily deprived of untreated water service. The tier structure for years 2015-2017 are as follows: Tier 1 first 400 CF, Tier 2 next 600 CF, Tier 3 next 1,000 CF, Tier 4 next 2,000 CF, Tier 5 next 61,000 CF, Tier 6 next 65,000 CF, Tier 7 over 130,000 CF. In 2015, the rate structure changed. Beginning in 2018, the tier structure changed to Tier 1 first 900 CF, Tier 2 next 1,900 CF and Tier 3 over 2,800 CF.

(7) The commodity tier structure for years 2015-2017 are as follows: Tier 1 first 50,000 CF, Tier 2 next 450,000 CF, Tier 3 next 500,000 CF, Tier 4 over 1,000,000 CF. Beginning in 2018 the structure changed to per 100 CF.

* Water use per tier (cubic-feet) varies on an annual basis.

Source: Placer County Water Agency, Rules, Regulations, Rates and Charges Governing the Distribution and Use of Water, produced annually.

PLACER COUNTY WATER AGENCY

TABLE # 10
Commodity Rates for Untreated Water (1)
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Metered Services (2)										
Tier 1	\$ 0.44	0.45	0.46	0.19	0.19	0.20	0.20	0.21	0.23	0.25
Tier 2	0.42	0.43	0.44	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Tier 3	0.34	0.34	0.35	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Non-Metered Services (Miner's Inch) (MI) (3)										
General Irrigation Service (Winter) (4)										
Tier 1	35.82	36.25	36.79	74.50	74.50	76.66	77.27	80.90	85.50	92.34
Tier 2	71.63	72.49	73.58	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Tier 3	73.35	74.23	75.34	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Tier 4	73.70	74.58	75.70	(4)	(4)	(4)	(4)	(4)	(4)	(4)
General Irrigation Service (Summer) (4)										
Tier 1	32.39	32.78	33.27	62.58	62.58	64.39	64.91	67.96	73.01	78.86
Tier 2	59.26	59.97	60.87	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Tier 3	61.87	62.61	63.55	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Tier 4	63.03	63.79	64.75	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Commercial Agriculture (Winter)										
First MI	57.87	58.56	59.44	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Over 1 MI	59.00	59.71	60.61	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Commercial Agriculture (Summer)										
First MI	57.62	58.31	59.18	(5)	(5)	(5)	(5)	(5)	(5)	(5)
2nd MI	56.42	57.10	57.96	(5)	(5)	(5)	(5)	(5)	(5)	(5)
3rd MI	50.95	51.56	52.33	(5)	(5)	(5)	(5)	(5)	(5)	(5)
4th MI	45.48	46.03	46.72	(5)	(5)	(5)	(5)	(5)	(5)	(5)
5-9 MI	41.84	42.34	42.98	(5)	(5)	(5)	(5)	(5)	(5)	(5)
10-60 MI	38.20	38.66	39.24	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Over 60 MI	31.53	31.91	32.39	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Retail customers only. For years 2015-2017 rates are for the Zone 1 Water System service area. The Agency's Zone 1 Water System comprised 97% of total water customers, water flow and total water sales revenue, and therefore had the most significant impact on determining fees & charges. In 2018 the rates are for Zone 6 which is the consolidation of the Western Water System Zones 1, 2, 3, and 5.

(2) Commodity rates are per 100 cubic feet. The tier structure from 2015-2017 was as follows: Tier 1 first 3,000 CF, Tier 2 next 7,000 CF, Tier 3 over 10,000 CF. Beginning in 2018 the structure changed to per 100 CF.

(3) Non-metered services of untreated water are delivered in Miners' Inches. One Miner's Inch is equal to 11.22 gallons per minute. The Summer irrigation season is defined as the period of April 15 through October 15, both inclusive, of each year. Rates are per Miner's Inch.

(4) For years 2015-2017 the tier structure was Tier 1 first 1/2 MI, Tier 2 first MI, Tier 3 2-9 MI and Tier 4 over 9 MI. Beginning in 2018 the structure changed to per Miner's Inch.

(5) Beginning in 2018 the classes of Commercial Agriculture Winter and Summer were consolidated into the General Irrigation rate schedule.

* Water use per tier varies on an annual basis. Actual ranges of cubic-feet/miner's inches differ slightly.

Source: Placer County Water Agency, Rules, Regulations, Rates and Charges Governing the Distribution and Use of Water, produced annually.

PLACER COUNTY WATER AGENCY
TABLE # 11
Schedule of Other Water System Fees Charges (1)
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Connection Charge (WCC)										
Zone 6 Service Area (Lower)	\$17,307.00	17,712.00	18,867.00	18,867.00	19,339.00	19,339.00	19,339.00	19,987.00	22,805.00	22,821.00
Meters and Service Connections (2)										
Installation of Meter to Existing Service										
5/8" x 3/4"	135.00	135.00	135.00	135.00	135.00	135.00	135.00	174.00	188.00	191.00
3/4"	135.00	135.00	135.00	135.00	135.00	135.00	135.00	174.00	188.00	191.00
1"	135.00	135.00	135.00	135.00	135.00	135.00	135.00	174.00	188.00	191.00
1 1/2"	135.00	135.00	135.00	135.00	135.00	135.00	135.00	174.00	188.00	191.00
2" or larger	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
Installation of Service Lateral & Meter										
5/8" x 3/4"	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
3/4"	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
1"	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
1 1/2"	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
2" or larger	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
Other Miscellaneous Fees and Charges										
Backflow Prevention Device Test Charge	109.00	109.00	109.00	109.00	109.00	109.00	109.00	118.00	127.00	129.00
Canal Flow Rate Change (3)										
No Field Trip Required	20.00	20.00	20.00	20.00	20.00	20.00	20.00	-	-	-
Field Trip Required	85.00	85.00	85.00	85.00	85.00	85.00	85.00	-	-	-
After Hours Charge	140.00	140.00	140.00	140.00	140.00	165.00	165.00	-	-	-
Delinquent Payment Charge (4)	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Door Tag Charge	30.00	30.00	30.00	30.00	30.00	30.00	30.00	50.00	54.00	55.00
Fire Flow Information Charge (5)	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	369.00
Facility Tampering Charge										
First Occurrence	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	270.00	276.00
Second Occurrence	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	270.00	276.00
Third Occurrence	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	270.00	276.00
Meter Reread Charge (6)	20.00	20.00	20.00	20.00	20.00	20.00	20.00	-	-	-
Meter Test and Repair Deposit/Charge (7)	62.00	62.00	62.00	62.00	62.00	62.00	62.00	-	-	-
Service Set-up Charge										
No Field Trip Required	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	22.00	21.50
Field Trip Required	40.00	40.00	40.00	40.00	40.00	40.00	40.00	60.00	65.00	65.00
After Hours Charge	140.00	140.00	140.00	140.00	140.00	165.00	165.00	204.00	220.00	224.00
Project Application Charge	140.00	140.00	140.00	140.00	140.00	140.00	140.00	147.00	159.00	161.00
Pressure Test Charge (7)	95.00	95.00	95.00	95.00	95.00	95.00	95.00	-	-	-
Reconnection Charge (9)										
Treated Services	55.00	55.00	55.00	55.00	55.00	75.00	75.00	80.00	86.00	88.00
Untreated Services	75.00	75.00	75.00	75.00	75.00	75.00	75.00	80.00	86.00	88.00
Water Shutoff Protection Act (WSPA)	-	-	-	-	-	50.00	50.00	52.00	56.00	57.00
After Hours Charge	140.00	140.00	140.00	140.00	140.00	165.00	165.00	204.00	220.00	224.00
WSPA - After Hours Charge	-	-	-	-	-	150.00	150.00	157.00	170.00	173.00
Returned Check Charge	26.00	26.00	26.00	26.00	26.00	26.00	26.00	25.00	27.00	27.00
Temporary Construction Water Service										
Permit Fee	42.00	42.00	42.00	42.00	42.00	42.00	42.00	43.00	46.00	47.00
Connection Charge	104.00	104.00	104.00	104.00	104.00	104.00	104.00	118.00	127.00	129.00
Variances and Waivers of Rules and Regulations or Rates (10)	225.00	225.00	225.00	225.00	225.00	225.00	225.00	305.00	329.00	337.00
Water Service Written Estimate	109.00	109.00	109.00	109.00	109.00	109.00	109.00	172.00	186.00	189.00
WCC - Installment Payment										
Processing Fee	184.00	184.00	184.00	184.00	184.00	184.00	184.00	236.00	255.00	260.00
Certification of Cross Connection Control (Backflow) Charge (11)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	0.48	0.52	0.52
Certification of Domestic Water Source (Constructed Conveyance) Charge (12)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00	7.56	7.73
Water Waste Charge (3rd & 4th occurrence)	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	81.00	82.00

- (1) For years 2015-2017 rates are for the Zone 1 Water System service area. The Agency's Zone 1 Water System comprised 97% of total water customers, water flow and total water sales revenue, and therefore had the most significant impact on determining fees & charges. Beginning in 2018 the rates are for Zone 6 which is the consolidation of the Western Water System Zones 1, 2, 3, and 5.
- (3) Canal Flow Rate Change charge was removed from the fee schedule in 2022.
- (2) Time and Materials and meters/parts are charged to customer in addition to Meter Set and Installation Charge.
- (4) Delinquent Payment Charge is a percentage of the delinquent amount on a balance greater than \$20. Established in 2002.
- (5) Fire Flow Information Charge is per flowed hydrant and is the Agency's cost as determined by the Engineering Department.
- (6) Meter Reread Charge was removed from the fee schedule in 2022
- (7) Meter Test and Repair Deposit/Charge was removed from the fee schedule in 2022.
- (8) Pressure Test Charge was removed from the fee schedule in 2022.
- (9) Reconnection Charge starts at amount listed with a graduated penalty of \$10 per occurrence within a 12 month period.
- (10) Variance and Waivers Charge applies to each subsequent request; there is no charge for first request for non-abutting service.
- (11) Certification of Cross Connection Control (Backflow) Charge is a monthly charge per assembly.
- (12) Certification of Domestic Water Source (Constructed Conveyance) Charge is a monthly charge per account.

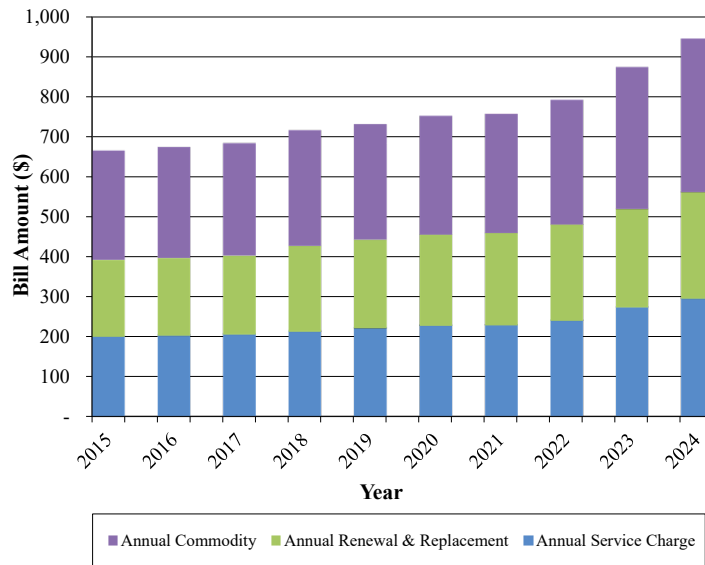
PLACER COUNTY WATER AGENCY
TABLE # 12
Average Annual Water Bill* and Effective Rate Increase
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Service Charge	\$ 202.56	204.96	208.08	215.04	222.60	229.08	230.88	241.68	274.44	296.40
Annual Renewal & Replacement	190.32	192.60	195.48	212.88	220.32	226.68	228.48	239.16	244.92	264.60
Annual Commodity	272.52	276.12	279.72	288.00	288.00	295.92	297.72	311.04	354.24	383.40
Annual Water Billed Amount	\$ 665.40	673.68	683.28	715.92	730.92	751.68	757.08	791.88	873.60	944.40
Effective Rate Increase	6.31%	1.24%	1.43%	4.78%	2.10%	2.84%	0.72%	4.60%	10.32%	8.10%

* Annual bill amount is based on water use of an average household using 18,000 cubic feet per year (the equivalent of 11,220 gallons per month) with a 5/8" meter. For years 2015-2017 rates are based on the Zone 1 Water System treated water rates, as the Agency's Zone 1 Water System comprised 97% of customers, water flow and water sales revenue. Beginning in 2018 rates are based on Zone 6 which is the consolidation of the Western Water System Zones 1, 2, 3, and 5. Beginning in 2022, rates are generally billed on a monthly basis.

Source: Placer County Water Agency, Customer Service Department

CHART #9
Average Household Annual Water Bill



PLACER COUNTY WATER AGENCY

TABLE # 13 Schedule of Outstanding Debt Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Division										
Certificates of Participation										
2007 Certificates	\$ 28,355,000	830,000	-	-	-	-	-	-	-	-
2008 Certificates	34,355,000	32,940,000	31,470,000	-	-	-	-	-	-	-
2013 Certificates	6,755,000	6,040,000	5,290,000	4,515,000	3,695,000	2,835,000	1,935,000	990,000	-	-
2016 Certificates	-	24,840,000	24,840,000	24,055,000	23,230,000	22,370,000	21,470,000	20,525,000	19,530,000	18,485,000
2018 Certificates	-	-	-	23,235,000	22,200,000	21,120,000	19,960,000	18,755,000	17,490,000	14,960,000
2021 Certificates	-	-	-	-	-	-	15,260,000	14,785,000	14,285,000	13,760,000
Certificates Outstanding	69,465,000	64,650,000	61,600,000	51,805,000	49,125,000	46,325,000	58,625,000	55,055,000	51,305,000	47,205,000
Loans Payable										
State Department of Water Resources Loans:										
Dutch Flat Terrace	-	-	-	-	-	-	-	-	-	-
Alta/Monte Vista (SWTR)	37,007	-	-	-	-	-	-	-	-	-
King/Delmar	122,443	-	-	-	-	-	-	-	-	-
Applegate	242,737	-	-	-	-	-	-	-	-	-
State Water Resources Control Board:										
Auburn Water Treatment Plant	14,469,806	13,543,916	12,596,680	11,627,606	10,636,191	9,621,919	8,584,264	7,522,687	6,436,635	5,325,545
Electric Street Tank	7,644,579	7,332,473	7,010,507	6,681,082	6,344,025	5,999,159	5,646,303	5,285,273	4,915,878	4,537,926
Loans Outstanding	22,516,572	20,876,389	19,607,187	18,308,688	16,980,216	15,621,078	14,230,567	12,807,959	11,352,513	9,863,471
Improvement District (ID) Debt (1)										
ID No. 10 - Aguilar Road (2)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
ID No. 11 - Lakeshore (2)	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195	1,195
ID No. 36 - Highway 174	10,041	-	-	-	-	-	-	-	-	-
Improvement District Debt Outstanding	12,370	2,329	2,329	2,329	2,329	2,329	2,329	2,329	2,329	2,329
Other Debt										
Leases Payable (3)	-	-	-	-	-	-	-	537,286	471,746	405,389
SBITAs Payable (4)	-	-	-	-	-	-	-	-	-	44,297
Other Debt Outstanding	-	-	-	-	-	-	-	537,286	471,746	449,686
Subtotal Water Division Debt Outstanding	91,993,942	85,528,718	81,209,516	70,116,017	66,107,545	61,948,407	72,857,896	68,402,574	63,131,588	57,520,486
Plus: Unamortized bond discounts & premiums	(1,365,042)	3,379,208	3,108,563	6,242,573	5,437,686	4,681,002	7,163,806	6,243,784	3,883,051	2,908,337
Total Water Division Long-Term Debt	\$ 90,628,900	88,907,926	84,318,079	76,358,590	71,545,231	66,629,409	80,021,702	74,646,358	67,014,639	60,428,823
Number of Customer Accounts	39,489	40,574	41,037	41,749	42,219	42,873	43,417	43,435	44,107	44,861
Per Customer	2,295	2,191	2,055	1,829	1,695	1,554	1,843	1,719	1,519	1,347
Agency Wide										
Other Debt										
Leases Payable (3)	-	-	-	-	-	-	-	22,527	21,348	26,357
SBITAs Payable (4)	-	-	-	-	-	-	-	-	23,958	1,071,914
Subtotal Agency Wide Debt Outstanding	-	-	-	-	-	-	-	22,527	45,306	1,098,271
Power Division										
Other Debt										
Leases Payable (3)	-	-	-	-	-	-	-	180,815	167,352	165,882
Subscriptions (SBITAs) Payable (4)	-	-	-	-	-	-	-	-	-	-
Subtotal Power Division Debt Outstanding	-	-	-	-	-	-	-	180,815	167,352	165,882
Total PCWA Long-Term Debt	\$ 90,628,900	88,907,926	84,318,079	76,358,590	71,545,231	66,629,409	80,021,702	74,849,700	67,227,297	61,692,976

(1) Improvement District (ID) Debt is the responsibility of the individual improvement district and the principal and interest are payable solely from the property assessments levied. In 2002, PCWA formed ID 37 - Merry Knoll. This improvement district was funded by a combination of a County of Placer grant and an internal loan, therefore no debt is reported in the audited financials.

(2) Certain ID No. 10 & 11 warrants have not been presented for payment, hence they remain as a liability.

(3) GASB 87, Leases was implemented in 2022.

(4) GASB 96, Subscription-Based Information Technology Arrangements (SBITAs), was implemented in 2023.

Source: Placer County Water Agency, Audited Financial Statements

PLACER COUNTY WATER AGENCY

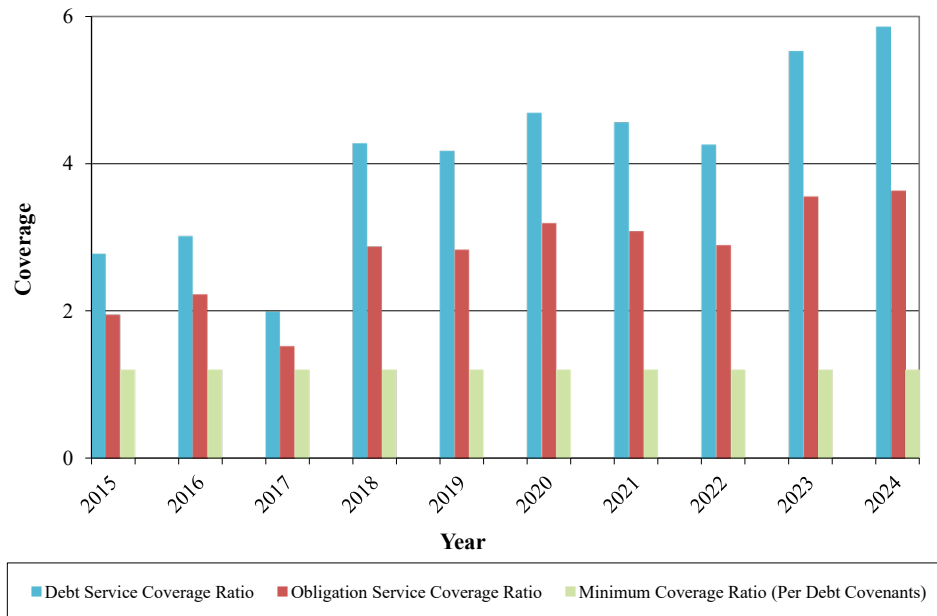
TABLE # 14
Debt Service Coverage
Western Water System
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service Coverage										
Net Water Revenues,										
Excluding Depreciation	\$21,643,996	24,579,374	15,032,916	29,666,240	28,003,145	31,338,876	32,827,436	33,145,299	42,877,429	46,338,320
Debt Service on Certificates										
and Other Parity Debt	7,789,271	8,145,242	7,551,458	6,933,057	6,711,853	6,684,278	7,199,314	7,787,277	7,759,825	7,913,575
Debt Service Coverage Ratio	<u>2.78</u>	<u>3.02</u>	<u>1.99</u>	<u>4.28</u>	<u>4.17</u>	<u>4.69</u>	<u>4.56</u>	<u>4.26</u>	<u>5.53</u>	<u>5.86</u>
Minimum Coverage Ratio (Per Debt Covenants)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Debt Service Coverage without Water Connection Charge Revenue (WCC) (1)										
Net Water Revenues,										
Excluding Depreciation and WCC	11,647,026	12,755,209	7,236,941	19,281,137	20,312,986	22,608,620	18,596,175	18,819,285	32,054,654	31,969,845
Debt Service on Certificates										
and Other Parity Debt	7,789,271	8,145,242	7,551,458	6,933,057	6,711,853	6,684,278	7,199,314	7,787,277	7,759,825	7,913,575
Debt Service Coverage Ratio	<u>1.50</u>	<u>1.57</u>	<u>0.96</u>	<u>2.78</u>	<u>3.03</u>	<u>3.38</u>	<u>2.58</u>	<u>2.42</u>	<u>4.13</u>	<u>4.04</u>
Obligation Service Coverage										
Net Water Revenues, Excl. Depreciation										
as Adjusted by Water Purchases	24,698,293	28,542,358	18,885,163	33,921,568	31,995,007	36,109,341	37,537,584	38,236,598	47,968,728	50,892,559
Obligation Service	12,660,216	12,796,273	12,381,458	11,803,057	11,293,853	11,309,768	12,178,614	13,221,887	13,512,255	14,020,575
Obligation Service Coverage Ratio	<u>1.95</u>	<u>2.23</u>	<u>1.53</u>	<u>2.87</u>	<u>2.83</u>	<u>3.19</u>	<u>3.08</u>	<u>2.89</u>	<u>3.55</u>	<u>3.63</u>
Certificate Reserve Requirement										
Minimum Reserve Required	5,269,764	4,786,614	4,651,551	414,420	263,404	1,738,413	981,058	829,759	679,972	585,334
Actual Reserve Balance	5,748,915	5,242,558	5,242,558	1,843,656	1,799,793	2,810,870	2,812,517	2,809,231	1,794,571	1,794,661
Reserve Requirement Coverage	<u>1.09</u>	<u>1.10</u>	<u>1.13</u>	<u>4.45</u>	<u>6.83</u>	<u>1.62</u>	<u>2.87</u>	<u>3.39</u>	<u>2.64</u>	<u>3.07</u>

(1) For presentation purposes, the debt service coverage is presented without Water Connection Charge Revenue. Water Connection Charge Revenue is the primary reason for the annual variance in these ratios. The Agency has experienced substantial variances from year-to-year due to varying levels of development. In 2015, \$15 million of WCC Revenue was transferred into the Rate Stabilization and Capital Improvement Fund for future capacity infrastructure projects.

Source: Placer County Water Agency, Audited Financial Statements

CHART #10
Debt Coverage



PLACER COUNTY WATER AGENCY

TABLE # 15
Demographic and Economic Statistics
Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Placer County										
Population	371,558	376,092	381,675	389,047	394,737	397,469	409,044	410,310	410,706	416,014
Annual % Change in Population	0.50%	1.22%	1.48%	1.93%	1.46%	0.69%	2.91%	0.31%	0.10%	1.29%
Total Personal Income (Millions)	\$ 21,659	22,969	24,527	26,223	27,459	29,125	31,684	34,170	36,114	*
Per Capita Personal Income	\$ 57,696	60,360	63,515	66,700	68,936	72,279	76,849	81,791	85,265	*
Unemployment Rate	4.6%	4.0%	3.1%	3.1%	2.7%	6.0%	3.2%	2.5%	4.0%	3.9%
State of California										
Population (Thousands)	39,071	39,354	39,613	39,818	39,959	40,129	39,369	39,028	39,109	39,172
Annual % Change in Population	1.49%	0.72%	0.66%	0.52%	0.35%	0.43%	-1.89%	-0.87%	0.21%	0.16%
Total Personal Income (Millions)	\$2,103,669	2,212,691	2,303,870	2,475,727	2,633,925	2,814,011	2,997,206	3,018,471	3,133,679	3,372,090
Per Capita Personal Income	\$ 53,741	56,308	58,272	62,586	66,661	71,480	76,386	77,339	80,423	85,518
Unemployment Rate	5.7%	5.0%	4.5%	4.1%	3.9%	9.1%	4.8%	3.7%	5.1%	5.5%

Source:

Population Data Source: California Department of Finance. Table E-2. Preliminary population as of July 1st of each year.

Unemployment Data Source: State of California, Employment Development Department. December 2023 Monthly Labor Force Data

Personal Income Data Source: U.S. Department of Commerce: Bureau of Economic Analysis, Tables SA1-3 and CA1-3

* At time of publication, data not available for time period.

CHART #11
Annual Percentage Change in Population
2015-2024

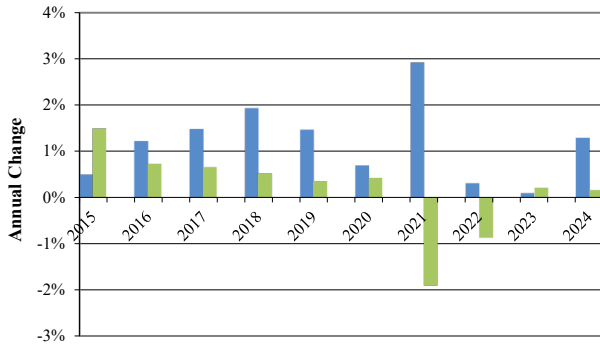


CHART #12
Unemployment Rate
2015-2024

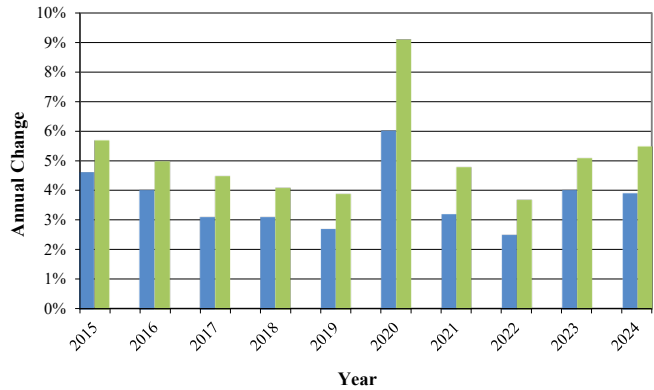
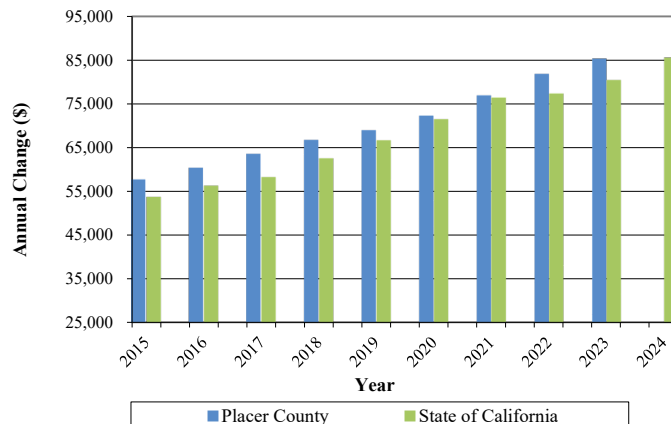


CHART #13
Per Capita Personal Income
2015-2024



PLACER COUNTY WATER AGENCY
TABLE # 16
Principal Employers of Placer County
Years Ended December 31, 2015 and 2024

2015			2024		
Company or Organization	Number of Employees	Percent of Total Employment	Company or Organization	Number of Employees	Percent of Total Employment
Kaiser Permanente	3,839	2.30%	Sutter Health	6,672	3.39%
Sutter Health	3,693	2.26%	Kaiser Permanente	6,094	3.09%
Squaw Valley Alpine Meadows	2,500	1.48%	Placer County	2,669	1.35%
Placer County	2,378	1.41%	Thunder Valley Casino Resort	2,400	1.22%
Hewlett-Packard Co.	2,000	1.36%	Sierra Joint Community College District	1,900	0.96%
Thunder Valley Casino Resort	1,875	1.32%	Roseville City School District	1,783	0.90%
Pride Industries	1,221	0.74%	City of Roseville	1,386	0.70%
Safeway Inc.	1,218	0.69%	Palisades Tahoe	1,321	0.67%
City of Roseville	1,047	0.59%	Safeway	1,217	0.62%
Roseville City School District	1,015	0.56%	Pacific Gas and Electric Co.	1,120	0.57%
Total Largest Employers	20,786	12.25%	Total Largest Employers	26,562	13.48%
Total All Employers	169,700	100.00%	Total All Employers	197,100	100.00%

Source: Sacramento Business Journal - July 5, 2024
Sacramento Business Journal - May 29, 2015
State of California, Employment Development Department

PLACER COUNTY WATER AGENCY

TABLE # 17

Personnel Trends by Agency Department Last Ten Years

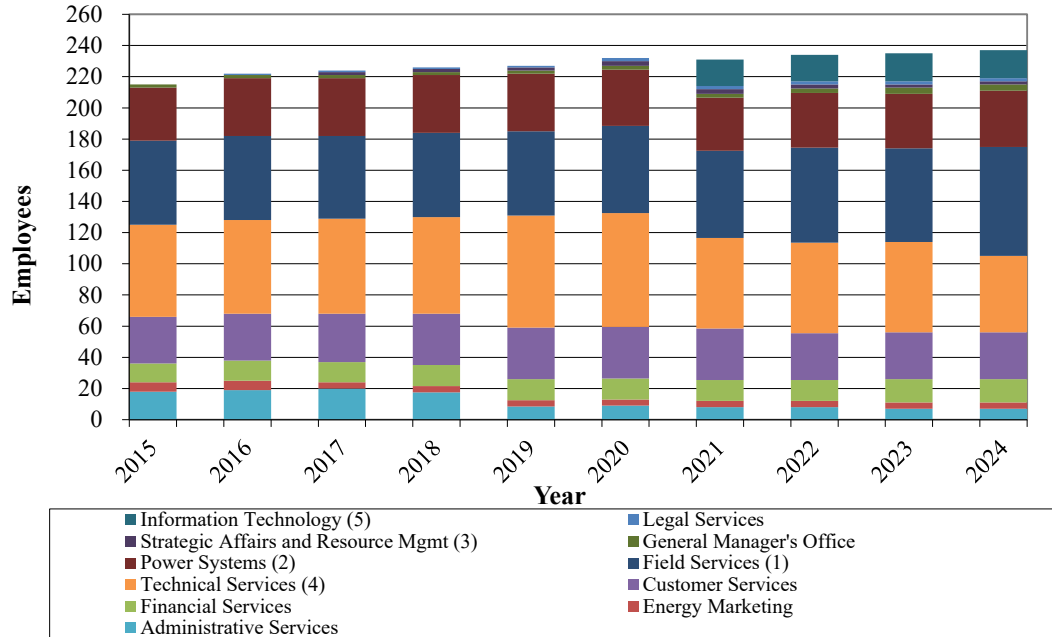
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Department										
General Manager's Office	2	2	2	2	2	2.5	2.5	3	4	4
Administrative Services	18	19	20	17.5	8.5	9	8	8	7	7
Customer Services	30	30	31	33	33	33	33	30	30	30
Energy Marketing	6	6	4	4	4	4	4	4	4	4
Field Services (1)	54	54	53	54	54	56	56	61	60	70
Financial Services	12	13	13	13.5	13.5	13.5	13.5	13.5	15	15
Legal Services	0	1	1	1	1	2	2	2	2	2
Power Systems (2)	34	37	37	37	37	36	34	35	35	36
Strategic Affairs and Resource Mgmt (3)	0	0	2	2	2	3	3	2.5	2	2
Technical Services (4)	59	60	61	62	72	73	58	58	58	49
Information Technology (5)	0	0	0	0	0	0	17	17	18	18
Total Employees	215	222	224	226	227	232	231	234	235	237

- (1) In 2024, Drinking Water Operations maintenance staff relocated to the Raw Water Division of Field Services. Correction made to 2023 reducing one FTE due to retirement.
- (2) In 2024, an Inspector position in the Technical Services Department was transferred to Power Systems.
- (3) In 2015, the Strategic Affairs Department was eliminated and its functions incorporated into Resource Development. In 2017, Resource Development was bifurcated and its functions split into the new Energy Marketing department and the re-established Strategic Affairs. In 2020, Strategic Affairs was restructured, expanding the Strategic Affairs function and establishing the addition of a Director of Resource Management.
- (4) In June 2019, Information Technology moved to Technical Services from Administrative Services. In 2024, the Drinking Water Operations maintenance staff relocated to the Raw Water Division of the Field Services Department and an Inspector position was transferred to Power Systems. Correction made to 2023 with the elimination of one position.
- (5) In December 2021, Information Technology became its own Department.

Authorized positions are reported by department.

Source: Placer County Water Agency, Administrative Services Department

CHART #14
Personnel Trends



PLACER COUNTY WATER AGENCY

TABLE # 18
Water and Power Operational Statistics
Last Ten Years

WATER	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Facilities										
Miles of Main Line - Treated (6)	587	598	601	606	609	615	621	623	646	653
Miles of Canals - Untreated (Raw)	165	165	165	165	165	165	171	168	168	169
Number of Treatment Plants	8	8	8	8	8	8	8	8	9	9
Total Plant Capacity (MGD) (1)	84	84	85	85	85	82	82	82	83	83
Number of Pumping Stations (6)	15	15	15	15	15	14	15	14	15	16
Number of Storage Tanks (6)	27	26	26	26	24	24	24	24	29	31
Water Received (in Acre-Feet):										
Lake Spaulding via Drum Canal	57,049	86,073	79,119	85,449	80,454	90,214	63,798	89,784	80,247	56,874
American River (Middle Fork Project)	24,028	4,394	3,459	4,466	4,457	10,947	36,274	12,831	13,088	36,684
Canyon Creek	1,665	3,148	1,564	2,727	5,111	5,391	1,897	1,886	3,225	3,766
Zone 1 Groundwater	-	-	-	-	-	-	749	-	-	-
Nevada Irrigation District (Foothill)	1,497	571	1,288	1,430	1,244	1,517	1,615	1,418	1,478	1,426
Nevada Irrigation District (Rock Creek)	-	-	-	-	-	-	-	-	-	-
South Sutter Water District	-	580	-	-	-	-	-	-	-	-
PG&E Zone 3 Supply	8,647	7,712	10,267	11,049	9,000	7,347	8,894	10,231	7,035	9,089
Lahontan Domestic Well	91	-	-	-	-	-	-	-	-	-
Total Supply	92,977	102,478	95,697	105,121	100,266	115,416	113,227	116,150	105,073	107,839
Water Delivered/Billed (Acre-Feet):										
Treated Water Delivered	26,965	29,724	32,263	33,846	33,764	37,593	38,449	38,118	35,812	39,350
Treated Water % of Total	24.5%	24.4%	27.1%	27.1%	28.6%	27.9%	28.1%	28.9%	26.8%	29.8%
Untreated (Raw) Water Billed (2)	82,900	91,994	86,872	90,972	84,163	97,308	98,246	93,785	98,045	92,792
Untreated (Raw) Water % of Total	75.5%	75.6%	72.9%	72.9%	71.4%	72.1%	71.9%	71.1%	73.2%	70.2%
Total Water Delivered/Billed	109,865	121,718	119,135	124,818	117,927	134,901	136,695	131,903	133,857	132,142
Average Per Day (acre-feet)	301	333	326	342	323	370	375	361	367	362
Sales (Millions):										
Treated Water Sales	26.54	29.06	31.36	33.14	34.51	37.86	38.23	39.88	43.90	50.05
Treated Water % of Total	88.6%	88.2%	88.7%	88.1%	88.4%	88.5%	88.3%	88.3%	88.4%	89.8%
Untreated (Raw) Water Sales	3.40	3.90	3.98	4.49	4.51	4.94	5.06	5.26	5.78	5.70
Untreated (Raw) Water % of Total	11.4%	11.8%	11.3%	11.9%	11.6%	11.5%	11.7%	11.7%	11.6%	10.2%
Total Water Sales	29.9	33.0	35.3	37.6	39.0	42.8	43.3	45.1	49.7	55.8
Billings, Collections & Delinquencies:										
Water Billings (3)	\$42,698,494	\$44,994,995	\$47,693,727	\$51,181,213	\$53,338,458	\$55,201,923	\$58,741,292	\$62,359,462	\$64,865,660	\$72,235,555
Collections	\$42,648,284	\$44,944,519	\$47,652,087	\$51,135,054	\$53,299,263	\$55,167,359	\$58,704,404	\$62,304,428	\$64,808,905	\$72,180,684
Uncollectible	\$ 50,210	\$ 50,476	\$ 41,640	\$ 46,159	\$ 39,195	\$ 34,564	\$ 36,888	\$ 55,034	\$ 56,754	\$ 54,871
Collection Percentage	99.88%	99.89%	99.91%	99.91%	99.93%	99.94%	99.94%	99.91%	99.91%	99.92%
POWER	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Facilities:										
Power Plants	5	5	5	5	5	5	5	5	5	5
Miles of Tunnels & Penstocks	24	24	24	24	24	24	24	24	24	24
Storage Reservoirs (4)	3	3	3	3	3	3	3	3	3	3
Annual Megawatt Hours (Millions) (5)	0.3	1.0	1.4	0.8	1.0	0.5	0.4	0.4	1.2	0.8

(1) MGD = Million Gallons per Day

(2) Untreated (Raw) Water is amount billed, not necessarily delivered or consumed. Includes those customers purchasing in excess of current use to ensure availability for the future.

(3) Water Billings includes the amount actually billed in the fiscal year, not the cash received. Includes water sales, monthly service charges, surcharges, renewal and replacement charges, certain other mandated costs, penalties and other similar charges.

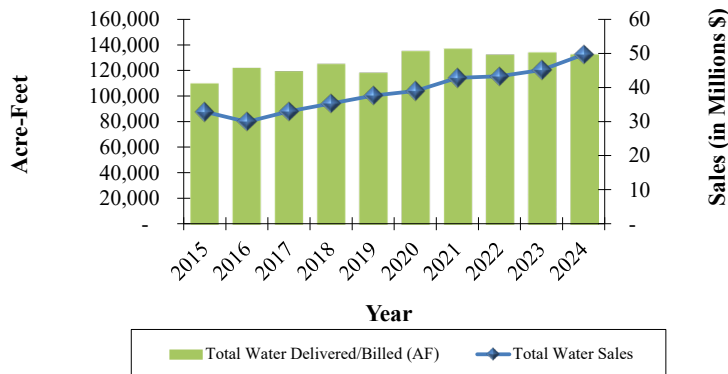
(4) Gross Storage Capacity (in Acre-Feet): French Meadows - 134,993; Hell Hole - 207,590; and Ralston Afterbay - 2,782.

(5) Actual Power Production varies by year depending on outages for significant repairs or capital projects and hydrologic conditions.

(6) In 2015, the facilities statistics reflect the transfer of Eastern Water System (Zone 4) assets to Northstar Community Services District.

Source: Placer County Water Agency

CHART #15
Water Sales and Acre-Feet Ordered



This page was intentionally left blank.

Compliance Report



**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Board of Directors
Placer County Water Agency
Auburn, California

Independent Auditor's Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Placer County Water Agency's (Agency) basic financial statements, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Davis Fero LLP". The signature is written in a cursive, flowing style.

Irvine, California
June 23, 2025

Supplemental Schedules



French Meadows Reservoir

PLACER COUNTY WATER AGENCY
Unrestricted Net Position - Board Designated Reserves
For the Fiscal Year Ended December 31, 2024

Agency Wide

Operational:	
Operational	\$ 2,277,302
Capital:	
Agency Wide Building Maintenance, New Facilities, and Improvements	1,278,916
System Replacement/Improvement	479,609
Renewable Energy Facilities	2,397,276
Vehicles, Equipment and Other Routine Capital Replacement	650,000
IT Infrastructure and Cybersecurity	533,178
Liabilities:	
Compensated Absences	934,423
Insurance Claim Liability/Deductible	518,790
Pension Liability Funding Program	2,565,847
Specific Activities & Projects:	
MFP Water Rights Permit Extension	2,114,695
Regional Water Supply Reliability Program	1,316,420
Yuba/Bear River Water Supply Reliability	1,240,173
Catastrophic Events and Disaster Recovery	2,974,152
Legal Defense	3,115,078
Regulatory Mandates	4,593
Stewardship Matters	2,424,137
Financial Assistance Program	79,440
Total Agency Wide - Board Designated Reserves	\$ 24,904,029

Water Division

Operational:	
Operational	\$ 16,023,280
Revenue Volatility	5,000,000
Energy Volatility	1,500,000
Capital:	
Building and Facilities Maintenance and Improvements	2,000,000
IT Infrastructure and Cybersecurity	1,000,000
Revolving Grant Matching Funds	500,000
Vehicles, Equipment and Other Routine Capital Replacement	1,956,369
Specified Revenue:	
Renewal & Replacement Charges	20,995,376
Liabilities:	
Compensated Absences	2,550,000
Insurance Claim Liability/Deductible	1,500,001
Pension Liability Funding Program	3,195,157
Specific Activities & Projects:	
Regulatory Mandates	1,000,000
Legal Defense	1,500,000
Catastrophic Events and Disaster Recovery	5,000,000
Total Water Division - Board Designated Reserves	\$ 63,720,183

Note: Board designated reserves for the Middle Fork Project are held by the Middle Fork Project Finance Authority not the Agency, therefore, currently no reserves are held by the Agency for the Power Division.

PLACER COUNTY WATER AGENCY
Combined Schedule of Revenues, Expenses and Change in Net Position
Budget and Actual
For the Year Ended December 31, 2024

	2024 Adopted Budget	2024 Adjusted Budget	2024 Actual	Variance from Adjusted Budget (\$)	Variance from Adjusted Budget (%)
Operating Revenues					
Water Sales	\$ 51,724,266	51,724,266	58,474,633	6,750,367	13%
Power Sales (1)	76,614,351	76,614,351	40,894,059	(35,720,292)	-47%
Renewal and Replacement Charges	16,711,488	16,711,488	16,875,655	164,167	1%
Engineering Charges	1,134,000	1,134,000	1,113,670	(20,330)	-2%
Customer Service Charges	800,000	800,000	1,029,422	229,422	29%
Other Revenue	-	-	10,171	10,171	-
Total Operating Revenues	146,984,105	146,984,105	118,397,610	(28,586,495)	-19%
Non-Operating Revenues					
Water Connection Charges	6,000,000	6,000,000	14,368,475	8,368,475	139%
Costs Recovered from Other Agencies	-	-	1,818,263	1,818,263	-
Contributions In Aid of Construction	248,560	248,560	260,574	12,014	5%
Investment Income	1,350,000	1,350,000	10,191,950	8,841,950	655%
Property Taxes and Assessments	1,200,000	1,200,000	1,463,437	263,437	22%
Gain (Loss) on Disposal of Assets	-	-	166,330	166,330	-
Program Grant Revenue	-	-	3,300,291	3,300,291	-
Rental Income	880,000	880,000	1,225,089	345,089	39%
Other Income (Loss) (2)	65,000	65,000	(1,019,461)	(1,084,461)	-1668%
Total Non-Operating Revenues	9,743,560	9,743,560	31,774,948	22,031,388	226%
Total Revenues	156,727,665	156,727,665	150,172,558	(6,555,107)	-4%
Operating Expenses					
Purchased Water	5,752,430	4,746,018	4,959,556	(213,538)	-4%
Operations Administration	4,004,841	4,005,641	4,497,172	(491,531)	-12%
Pumping Plant and Wells	1,970,000	2,976,412	3,515,218	(538,806)	-18%
Water Treatment	10,900,601	11,271,676	10,948,568	323,108	3%
Electrical Operations	11,750,168	11,752,233	15,592,349	(3,840,116)	-33%
Transmission and Distribution:					
Treated Water	4,428,981	4,768,000	4,120,165	647,835	14%
Raw Water	4,487,933	5,161,948	5,238,343	(76,395)	-1%
Customer Service and Collections	5,296,882	5,253,827	5,172,084	81,743	2%
Recreation	3,030,000	3,030,000	2,778,017	251,983	8%
Automotive & Equipment	1,350,577	1,350,577	1,332,523	18,054	1%
Engineering	7,189,041	7,172,905	10,603,330	(3,430,425)	-48%
General and Administrative	26,612,414	26,750,981	20,393,397	6,357,584	24%
Energy Marketing	1,653,027	1,653,027	1,330,786	322,241	19%
Depreciation	-	-	29,537,795	(29,537,795)	-
Total Operating Expenses (3)	88,426,895	89,893,245	120,019,303	(30,126,058)	-34%
Non-Operating Expenses					
Interest Expense	2,556,312	2,556,312	1,606,066	950,246	37%
Total Non-Operating Expenses	2,556,312	2,556,312	1,606,066	950,246	37%
Total Expenses	90,983,207	92,449,557	121,625,369	(29,175,812)	-32%
Capital Contributions	-	-	685,459	685,459	-
CHANGE IN NET POSITION	\$ 65,744,458	64,278,108	29,232,648	(35,045,460)	-55%

(1) Power sales revenue, which reflects reimbursements of the Agency's expenses related to the Middle Fork Project, realized budget savings primarily due to lower than anticipated capital project expenses.

(2) Mark to market adjustment on investments is included in Other Income.

(3) The operating expense variance is primarily a result from under budgeting for depreciation and expenses for infrastructure repair and maintenance projects. 2024 actual expenses include adjustments required by GASB.

PLACER COUNTY WATER AGENCY

Adjusted Budget Last Ten Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues										
Water Sales	\$ 36,281,000	34,620,000	34,800,000	37,477,000	39,246,000	39,995,714	40,236,400	42,325,200	47,743,950	51,724,266
Power Sales	37,558,000	35,200,426	36,419,512	34,562,163	37,548,853	38,063,671	38,364,298	64,446,109	61,299,440	76,614,351
Renewal and Replacement Charges	10,970,000	11,000,000	11,480,000	13,230,000	13,855,000	14,257,000	14,371,300	15,046,900	15,473,600	16,711,488
Raw Water Surcharges (1)	320,000	320,000	320,000	-	-	-	-	-	-	-
Engineering Charges	680,000	750,000	750,000	750,000	750,000	750,000	750,000	850,000	1,134,000	1,134,000
Customer Service Charges	740,000	725,000	725,000	725,000	850,000	850,000	650,000	650,000	676,000	800,000
Other Revenue	-	-	-	-	-	-	-	-	-	-
Total Operating Revenues	86,549,000	82,615,426	84,494,512	86,744,163	92,249,853	93,916,385	94,371,998	123,318,209	126,326,990	146,984,105
Non-Operating Revenues										
Water Connection Charges	14,400,000	12,500,000	10,000,000	10,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Water Sale	6,000,000	-	-	-	-	-	-	-	-	-
Costs Recovered from Other Agencies	-	-	-	-	-	-	74,000	-	-	-
Contributions in Aid of Construction	70,000	400,000	400,000	250,000	139,000	139,000	139,000	239,000	248,560	248,560
Interest Earnings	940,000	900,000	900,000	1,150,000	1,400,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Property Taxes and Assessments	740,000	775,000	775,000	860,000	1,000,000	1,200,000	1,075,000	1,075,000	1,200,000	1,200,000
Gain on Disposal of Assets	(23,707,338)	-	-	-	-	-	-	-	-	-
Program Grant Revenue	50,000	325,000	325,000	500,000	300,000	100,000	100,000	-	-	-
Rental Income	700,000	766,000	766,000	768,000	743,000	763,000	690,000	818,000	880,000	880,000
Other Income	(6,261,950)	16,000	16,000	360,000	249,000	187,000	181,000	130,000	65,000	65,000
Total Non-Operating Revenues	(7,069,288)	15,682,000	13,182,000	13,888,000	9,831,000	9,739,000	9,609,000	9,612,000	9,743,560	9,743,560
Total Revenues	79,479,712	98,297,426	97,676,512	100,632,163	102,080,853	103,655,385	103,980,998	132,930,209	136,070,550	156,727,665
Operating Expenses										
Purchased Water	4,087,625	4,318,000	4,381,100	4,274,700	4,464,000	4,771,000	4,658,285	4,979,300	5,434,610	4,746,018
Field Administration	1,033,142	1,060,737	1,111,740	1,074,405	4,048,207	4,438,234	3,338,019	4,252,064	3,915,618	4,005,641
Pumping Plant and Wells	1,906,847	1,043,591	823,101	775,000	650,000	1,150,000	1,449,463	1,558,557	1,370,000	2,976,412
Water Treatment	7,472,576	7,838,719	8,785,774	8,516,961	9,262,892	9,353,621	9,257,509	10,060,005	11,655,490	11,271,676
Electrical Operations	3,095,000	3,250,197	4,632,840	5,420,873	5,541,473	8,698,973	8,895,508	10,067,500	11,913,249	11,752,233
Transmission and Distribution										
Treated Water	2,796,243	2,642,902	3,341,125	3,638,224	3,322,635	4,356,731	3,538,593	4,524,193	5,099,945	4,768,000
Raw Water	5,340,272	3,649,175	3,752,489	4,232,948	4,802,924	4,219,316	3,927,006	5,137,763	5,358,291	5,161,948
Customer Service and Collections	4,384,080	4,818,678	5,057,525	4,148,688	4,859,105	4,719,962	4,674,868	5,324,256	5,392,707	5,253,827
Repairs and Maintenance (2)	3,148,000	2,767,815	2,028,816	2,725,764	3,242,030	-	-	-	-	-
Recreation	2,626,000	2,844,000	2,568,000	2,550,000	2,588,000	2,620,000	2,636,000	2,669,000	2,960,000	3,030,000
Automotive and Equipment	1,057,460	1,014,772	1,036,877	1,014,940	1,038,811	1,021,781	928,824	1,054,835	1,222,335	1,350,577
Engineering	4,711,050	4,174,941	4,444,930	4,821,999	6,695,437	7,798,419	6,071,763	7,254,738	8,039,619	7,172,905
General and Administrative	15,576,367	17,285,283	17,522,442	17,556,613	16,361,688	19,093,865	50,926,633	21,565,382	23,981,616	26,750,981
Energy Marketing	2,710,279	2,355,281	1,818,654	1,496,100	1,703,053	1,645,742	1,313,314	1,315,582	1,517,053	1,653,027
Depreciation	1,616,000	-	-	-	-	-	-	-	-	-
Total Operating Expenses	61,560,941	59,064,091	61,305,413	62,247,215	68,580,255	73,887,644	101,615,785	79,763,175	87,860,533	89,893,245
Non-Operating Expenses										
Interest Expense	3,831,000	3,831,000	3,269,000	3,118,000	2,655,000	2,477,000	3,781,000	2,770,000	2,554,000	2,556,312
Total Non-Operating Expenses	3,831,000	3,831,000	3,269,000	3,118,000	2,655,000	2,477,000	3,781,000	2,770,000	2,554,000	2,556,312
Total Expenses	65,391,941	62,895,091	64,574,413	65,365,215	71,235,255	76,364,644	105,396,785	82,533,175	90,414,533	92,449,557
CHANGE IN NET POSITION	\$ 14,087,771	35,402,335	33,102,099	35,266,948	30,845,598	27,290,741	(1,415,787)	50,397,034	45,656,017	64,278,108

(1) For years 2015 - 2017 Raw Water Surcharges were a separate line item. Beginning in 2018, the rate structure changed and they are included in

(2) Beginning in 2020, Repairs and Maintenance are included in Electrical Operations.



[illegible]

WWW.PCWA.NET

