



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Bill Rojas, General Manager  
**Date:** November 20, 2024  
**Subject:** Item 5 – Consider Acceptance of the Fiscal Year 2023-2024 Audit

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### **Recommendation:**

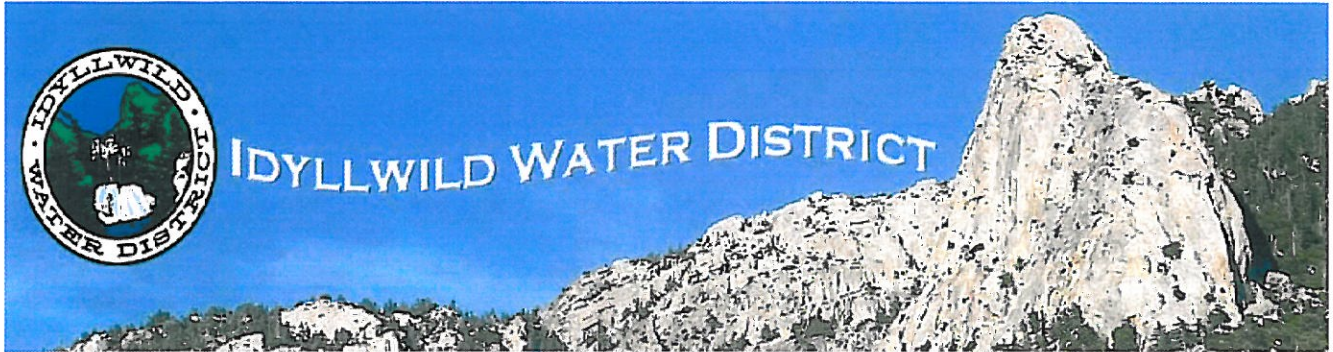
The Board of Directors will consider accepting the Fiscal Year 2023-2024 audit.

### **Background:**

The District is required by State law to have its financial suit annually by a certified public accountant. The district hired Rogers, Anderson, Malody & Scott, LLP to audit the District Financial Statements for FY 2023-2024.

### **Attachments:**

- Idyllwild Water District Financial Statements and Independent Auditor's Report, dated June 30, 2024



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2024**

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**Idyllwild Water District**

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**Idyllwild Water District**

**List of Principal Officers as of June 30, 2024**

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*BOARD OF DIRECTORS*

<u>Title</u>	<u>Name</u>
President	Charles Schelly
Vice-President	Peter Szabadi
Director	Mitch Davis
Director	Steve Olson
Director	Steve Kunkle

*ADMINISTRATION*

General Manager	Bill Rojas
Chief Financial Officer	Hosny Shouman

*ORGANIZATION*

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community.



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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## Independent Auditor's Report

### PARTNERS

Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradfield A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

### MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA  
Monica Wysocki, CPA

### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

Board of Directors  
Idyllwild Water District  
Idyllwild, California

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of the business-type activities of the Idyllwild Water District (the entity), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the entity, as of June 30, 2024, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts (Government Auditing Standards)*. 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 entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024 on our consideration of entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering entity's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, CA  
October 9, 2024



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The intent of the management's discussion and analysis is to provide highlights of the Idyllwild Water District's (the District) operational and financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to review this section in conjunction with the accompanying financial statements and notes.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The District operates under California Irrigation District Law as a utility enterprise. As such, the District presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting, similar to methods used by private sector companies. These financial statements are designed to provide readers with a broad overview of the finances and also present changes in cash balances, and information about both short-term and long-term activities of the District. There are three required components to these statements: the Management's Discussion and Analysis (MD&A), the financial statements, and the notes to the financial statements. As an enterprise fund, the District's financial statements include four components:

- 1) **Statement of Net Position** presents information on all of the District's assets, liabilities, and deferred inflows/outflows with the difference between the two reported as net position. The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position is displayed in three categories: net investment in capital assets, restricted, and unrestricted.
- 2) **Statement of Revenues, Expenses, and Changes in Net Position** presents information which show how the District's net position changed during the year. All of the current year's revenues and expenses are recorded on an accrual basis, meaning when the underlying transaction occurs, regardless of the timing of the related cash flows. These statements measure the success of the District's operations over the past year and determine whether the District has recovered its costs through water sales, user fees, and other charges.
- 3) **Statement of Cash Flows** provides information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in four categories: operating, noncapital financing, capital and related financing, and investing. This statement differs from the statement of revenues, expenses, and changes in net position in that it accounts only for transactions that result from cash receipts and cash disbursements. As in the past, the statement of cash flows continues to reconcile the reasons why cash from operating activities differ from operating income.
- 4) **Notes to the Basic Financial Statements** provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes are located immediately following the financial statements.

### **THE DISTRICT'S OPERATIONS - AN OVERVIEW**

The District operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities, which are classified, as "proprietary". These activities are accounted for much like that of a private business using the full accrual method of accounting for financial transactions. Major activities include production and treatment of groundwater; sale and delivery of water to domestic and commercial accounts; and collection, treatment, and disposal of wastewater. The District also owns a small fleet of vehicles and other rolling stock to support the various operating activities for water and wastewater.

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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**FINANCIAL HIGHLIGHTS**

**WATER SALES:**

Water sales increased for the year by \$121,157 or 6.9% from the prior year's amount and ended the year at \$1,871,986. This is attributed to a changing rates for residential and commercial. The total cubic feet sold for the fiscal year was 10,015,699. The District is in Stage One for water conservation.

**WASTEWATER SALES:**

Wastewater service charges increased by \$106,224 or 14.5% from the prior year and ended the year at \$836,552. The equivalent dwelling units is the same as the prior year at 1,417 EDU. There were 19 EDUs added up for residential or commercial connections added during the year.

**CAPITAL ASSETS:**

During the year, the Water Fund capital assets being depreciated increased by \$706,123. Overall, capital assets in the water fund increased by \$811,524, primarily due to a combination of depreciation expense of \$349,087 and additions/transfers from CIP of \$476,036 in transmission and distribution general plant and \$450,359 addition to construction in progress.

The water fund had the following major additions:

*Additions:*

- Foster Lake Pavement                      \$152,437
- Toyota Tacoma 2023                        \$52,444

During the year, the capital assets of the wastewater fund increased by \$125,259. The changes were primarily related to an addition in construction in progress of \$99,931 and an asset addition in general plant for \$73,571.

**INVESTMENT INCOME:**

This past year investment income experienced an increase in earned percentages from the prior year. There are conservative investment policy restrictions on types of investments such as treasury bills, certificates of deposits, savings, money market funds, and local agency investment funds (state and local). Total investment income for the water and wastewater funds was a combined \$198,838.

**PROPERTY TAXES:**

This past year property tax revenues experienced an increase in revenues from the previous year of \$55,671 or 9.3%. Total property tax revenues for the year ended was \$656,062.

**DISTRICT OPERATIONS:**

Combined operating expenses, excluding depreciation expense of \$402,330 totaled \$2,778,541 which represents an increase of \$595,552 or 27.3% from the prior year. Increases occurred in the following expense categories: General plant expenses and wages, as inflation increases in water operation.

**DEPRECIATION EXPENSE:**

The Water Fund's depreciation expense was \$349,087 and the Wastewater Fund's was \$53,243 for a total of \$402,330, a decrease of \$41,279 or 9.3% from the prior year.

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**TOTAL REVENUES:**

Combined revenues for the year totaled \$3,660,457 compared to the prior year of \$3,331,309, an increase of \$329,148 or 9.9%. The increase is primarily due to increases in water sales, investment income and property taxes. The following table presents a comparison of revenues by category for the two years of 2022/2023 and 2023/2024:

**COMBINED REVENUES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2024**

<i>Revenue category</i>	2022/2023		2023/2024		Change	
	Amount	% of Total	Amount	% of Total	Amount	%
Water sales	\$ 1,750,829	52.56%	\$ 1,871,986	51.14%	\$ 121,157	6.9%
Wastewater services	730,329	21.92%	836,552	22.85%	106,223	14.5%
Service fees and other	16,968	0.51%	18,871	0.52%	1,903	11.2%
Investment income	70,112	2.10%	198,838	5.43%	128,726	183.6%
Property taxes - 1%	600,391	18.02%	656,062	17.92%	55,671	9.3%
Standby charge	23,051	0.69%	22,838	0.62%	(213)	-0.9%
Capacity fee	131,006	3.93%	14,819	0.41%	(116,187)	-88.7%
Other income	3,591	0.11%	40,491	1.11%	36,900	108.9%
Gain on sale of asset	5,032	0.15%	-	0.00%	(5,032)	100.0%
<b>Total revenues</b>	<b>\$ 3,331,309</b>	<b>100%</b>	<b>\$ 3,660,457</b>	<b>100%</b>	<b>\$ 329,148</b>	<b>9.9%</b>

**TOTAL EXPENSES:**

Combined expenses for the year totaled \$3,185,405 compared to a prior year of \$2,628,838, an increase of \$556,567 or 21.2%, which includes total operating expenses of \$2,547,089 (excluding other operating, non-operating and interest) compared to the prior year of \$2,086,120. The primary reason for this increase is the inflation of the materials used.

**COMBINED EXPENSES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2024**

<i>Expense category</i>	2022/2023		2023/2024		Change	
	Amount	% of Total	Amount	% of Total	Amount	%
Water operations	\$ 803,521	30.6%	\$ 946,665	29.7%	\$ 143,144	17.8%
Wastewater operations	348,925	13.3%	413,380	13.0%	64,455	18.5%
General and admin	933,674	35.5%	1,187,044	37.3%	253,370	27.1%
Other operating	540,085	20.5%	633,782	19.9%	93,697	17.3%
Other non-operating	2,633	0.1%	4,534	0.1%	1,901	72.2%
<b>Total expenses</b>	<b>\$ 2,628,838</b>	<b>100.0%</b>	<b>\$ 3,185,405</b>	<b>100.0%</b>	<b>\$ 556,567</b>	<b>21.2%</b>

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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**STATEMENT OF NET POSITION:**

The District's net position increased by \$475,052 or 3.9%, due to current operations. The District ended the year with \$12,530,020 in total net position. Following is a summary table of statement of net position comparing the changes from fiscal year 2022/2023 and 2023/2024:

**STATEMENT OF NET POSITION:**

	2022/2023	2023/2024	Change	
			Amount	%
<b>Assets:</b>				
Current	\$ 6,167,909	\$ 5,802,703	\$ (365,206)	-5.9%
Non-current: capital	7,733,972	8,670,755	936,783	12.1%
<b>Total assets</b>	<b>13,901,881</b>	<b>14,473,458</b>	<b>571,577</b>	<b>4.1%</b>
<b>Deferred outflow of resources</b>				
OPEB related	109,333	143,042	33,709	30.8%
<b>Liabilities:</b>				
Current	222,865	383,284	160,419	72.0%
Other non-current	1,119,806	1,198,297	78,491	7.0%
<b>Total liabilities</b>	<b>1,342,671</b>	<b>1,581,581</b>	<b>238,910</b>	<b>17.8%</b>
<b>Deferred inflow of resources</b>				
OPEB related	613,575	504,899	(108,676)	-17.7%
<b>Net position:</b>				
Net investment in capital assets	7,733,972	8,670,755	936,783	12.1%
Unrestricted	4,320,996	3,859,265	(461,731)	-10.7%
<b>Total net position</b>	<b>\$ 12,054,968</b>	<b>\$ 12,530,020</b>	<b>\$ 475,052</b>	<b>3.9%</b>

**CHANGES IN FINANCIAL CONDITION OF THE DISTRICT:**

The following provides explanations for some of the changes between fiscal years, as reflected in the above balance sheet data:

**CURRENT ASSETS:**

Current assets decreased by \$365,206 or 5.9% from the prior year. This is due primarily from the decrease in cash of \$387,335 or 6.6%. Property tax receivable decreased by \$5,868 or 20.1%. In addition, interest receivable and inventories increased by \$10,659 and \$3,140, respectively.

**CURRENT LIABILITIES:**

Current liabilities increased by \$160,419 due primarily to accounts payable, severance agreement liability, payroll liabilities and compensated absences balances.

**LONG-TERM DEBT OUTSTANDING:**

The District currently has no long-term debt outstanding.

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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**TOTAL OPEB LIABILITY:**

The District had an actuarial firm perform calculation of the total OPEB liability for the "Retiree's Health Benefit Plan" in accordance with GASB Statement 75. A net increase in the total OPEB liability was recorded in the current fiscal year in the amount of \$84,703. See note 9 for more information.

**CAPITAL ASSETS:**

The District reported total capital assets of \$8,670,755 net of accumulated depreciation, at the end of the fiscal year compared to \$7,733,972 in fiscal year 2024, a increase of \$936,783 or 12.1%. See note 4 for more information. The following is a table comparing the change in capital assets between the two fiscal years:

**CAPITAL ASSETS  
AS OF JUNE 30, 2023 AND 2024**

	2022/2023	2023/2024	Change	
			Amount	%
Construction in progress	\$ 329,275	\$ 879,745	\$ 550,470	167.2%
Land and land improvements	606,101	606,101	-	0.0%
Source of supply	1,395,506	1,395,506	-	0.0%
Pumping plant	97,161	97,161	-	0.0%
Treatment plant	872,162	872,162	-	0.0%
Transmission and distribution	8,478,203	8,954,239	476,036	5.6%
General plant	1,780,790	2,084,448	303,658	17.1%
Subsurface lines	1,389,330	1,389,330	-	0.0%
Wastewater treatment facilities	1,121,335	1,125,216	3,881	0.3%
Wastewater disposal facilities	413,024	413,024	-	0.0%
<b>Total capital assets</b>	<b>16,482,887</b>	<b>17,816,932</b>	<b>1,334,045</b>	<b>8.1%</b>
<b>Less accumulated depreciation</b>	<b>(8,748,915)</b>	<b>(9,146,177)</b>	<b>(397,262)</b>	<b>4.5%</b>
<b>Net capital assets, net</b>	<b>\$ 7,733,972</b>	<b>\$ 8,670,755</b>	<b>\$ 936,783</b>	<b>12.1%</b>

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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**DISTRICT REVENUES AND EXPENSES ACTUAL VS. BUDGET:**

The table below compares actual revenues and expenses of the District to budgeted and/or projected amounts used by the District to monitor performance during the fiscal year.

**ACTUAL VERSUS BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Water base fees and revenue	\$ 1,890,437	\$ 1,916,018	\$ (25,581)
Wastewater base fees and revenue	836,972	842,820	(5,848)
Interest and other revenues	254,148	19,600	234,548
Property taxes - 1% and standby fees	678,900	565,250	113,650
Total revenues	<u>3,660,457</u>	<u>3,343,688</u>	<u>316,769</u>
<u>Expenses</u>			
Water operations (including G&A)	2,029,226	1,756,015	(273,211)
Wastewater operations (including G&A)	749,315	605,227	(144,088)
Depreciation	402,330	-	(402,330)
Other expense	4,534	-	(4,534)
Total expenses	<u>3,185,405</u>	<u>2,361,242</u>	<u>(824,163)</u>
Change in net position	<u>\$ 475,052</u>	<u>\$ 982,446</u>	<u>\$ (507,394)</u>

The District's capital budget was \$1,065,000. The District incurred capital costs of \$1,307,288 during the year.

**UPCOMING EVENTS:**

The District is working on updating its Water Service Policies and Procedures and Employees Policies and Procedures.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT:**

This management's discussion and analysis section is designed to provide Idyllwild Water District elected officials, our customers, and creditors with a general overview of the District's financial activities for fiscal year 2024 for public monies it receives and expends. If you have any questions regarding this section or require additional financial information, please contact the District, at 25945 CA-243, Idyllwild, California, 92549 or online at [idyllwildwater.com](http://idyllwildwater.com).

**Idyllwild Water District**  
**Statement of Net Position**  
**June 30, 2024**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,946,952	\$ 3,472,282	\$ 5,419,234
Certificates of deposit	27,345	161,267	188,612
Accounts receivable, net:			
Sales and service	49,876	21,320	71,196
Taxes and assessments	16,615	6,659	23,274
Accrued interest receivable	18,077	14,252	32,329
Inventories	58,095	-	58,095
Prepays	7,473	2,490	9,963
Total current assets	<u>2,124,433</u>	<u>3,678,270</u>	<u>5,802,703</u>
Capital assets:			
Land and land improvements	580,135	25,966	606,101
Construction in progress	511,044	368,701	879,745
Property, plant and equipment, net	6,668,237	516,672	7,184,909
Total capital assets	<u>7,759,416</u>	<u>911,339</u>	<u>8,670,755</u>
Total assets	<u>9,883,849</u>	<u>4,589,609</u>	<u>14,473,458</u>
<b>Deferred Outflows of Resources</b>			
OPEB related	107,281	35,761	143,042
Total deferred outflows of resources	<u>107,281</u>	<u>35,761</u>	<u>143,042</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	237,715	70,935	308,650
Compensated absences payable	17,453	5,818	23,271
Current portion total OPEB liability	38,522	12,841	51,363
Total current liabilities	<u>293,690</u>	<u>89,594</u>	<u>383,284</u>
Noncurrent liabilities:			
Total OPEB liability	859,346	286,448	1,145,794
Unearned Revenue	14,866	37,637	52,503
Total noncurrent liabilities	<u>874,212</u>	<u>324,085</u>	<u>1,198,297</u>
Total liabilities	<u>1,167,902</u>	<u>413,679</u>	<u>1,581,581</u>
<b>Deferred Inflows of Resources</b>			
OPEB related	378,674	126,225	504,899
Total deferred inflows of resources	<u>378,674</u>	<u>126,225</u>	<u>504,899</u>
<b>Net Position</b>			
Net investment in capital assets	7,759,416	911,339	8,670,755
Unrestricted	685,138	3,174,127	3,859,265
Total net position	<u>\$ 8,444,554</u>	<u>\$ 4,085,466</u>	<u>\$ 12,530,020</u>

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



**Idyllwild Water District**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2024**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Operating Revenues</b>			
Sales and charges for services:			
Residential	\$ 1,272,224	\$ 269,726	\$ 1,541,950
Commercial	599,762	566,826	1,166,588
Other fees and charges	18,451	420	18,871
	<u>1,890,437</u>	<u>836,972</u>	<u>2,727,409</u>
<b>Operating Expenses</b>			
Source of supply	383,898	-	383,898
Transmission and distribution	188,236	-	188,236
Pumping	59,475	-	59,475
Water treatment	193,250	-	193,250
Customer accounts	121,806	376	122,182
Wastewater collection	-	163,762	163,762
Wastewater treatment	-	178,700	178,700
Wastewater disposal	-	70,542	70,542
Other operating expenses	487,356	146,426	633,782
General and administrative	944,292	242,752	1,187,044
	<u>2,378,313</u>	<u>802,558</u>	<u>3,180,871</u>
Total operating expenses	<u>2,378,313</u>	<u>802,558</u>	<u>3,180,871</u>
Operating income (loss)	<u>(487,876)</u>	<u>34,414</u>	<u>(453,462)</u>
<b>Nonoperating Revenues</b>			
Investment income	133,857	64,981	198,838
Property taxes and assessments	481,584	174,478	656,062
Standby fees	17,651	5,187	22,838
Capacity fees	9,172	5,647	14,819
Other nonoperating revenue	40,491	-	40,491
	<u>682,755</u>	<u>250,293</u>	<u>933,048</u>
Total nonoperating revenues	<u>682,755</u>	<u>250,293</u>	<u>933,048</u>
<b>Nonoperating Expenses</b>			
Tax collection fees	347	-	347
Loss on disposal of capital assets	1,579	-	1,579
Other nonoperating expense	2,608	-	2,608
	<u>4,534</u>	<u>-</u>	<u>4,534</u>
Total nonoperating expenses	<u>4,534</u>	<u>-</u>	<u>4,534</u>
Change in net position	190,345	284,707	475,052
Net position, beginning of year	<u>8,254,209</u>	<u>3,800,759</u>	<u>12,054,968</u>
Net position, end of year	<u>\$ 8,444,554</u>	<u>\$ 4,085,466</u>	<u>\$ 12,530,020</u>

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

**Idyllwild Water District  
Statement of Cash Flows  
For the Year Ended June 30, 2024**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,883,987	\$ 830,873	\$ 2,714,860
Cash payments for services, supplies and employees	(1,969,276)	(746,049)	(2,715,325)
Net cash provided by (used for) operating activities	(85,289)	84,824	(465)
<b>Cash Flows from Noncapital Financing Activities</b>			
Property taxes -1% received	486,551	175,379	661,930
Other nonoperating income	58,142	5,187	63,329
Other nonoperating expenses	(2,955)	-	(2,955)
Net cash provided by noncapital financing activities	541,738	180,566	722,304
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(1,128,786)	(178,502)	(1,307,288)
Capacity fees received	9,172	5,647	14,819
Net cash provided by (used for) capital and related financing activities	(1,119,614)	(172,855)	(1,292,469)
<b>Cash Flows from Investing Activities</b>			
Investment income	124,198	60,282	184,480
Net cash provided by investing activities	124,198	60,282	184,480
Net increase (decrease) in cash and cash equivalents	(538,967)	152,817	(386,150)
Cash and cash equivalents, beginning of year	2,513,264	3,480,732	5,993,996
Cash and cash equivalents, end of year	<u>\$ 1,974,297</u>	<u>\$ 3,633,549</u>	<u>\$ 5,607,846</u>

**Cash and Investments are presented in the Statement of Net Position as follows:**

Cash and investments	\$ 1,946,952	\$ 3,472,282	\$ 5,419,234
Certificates of deposit	27,345	161,267	188,612
Total	<u>\$ 1,974,297</u>	<u>\$ 3,633,549</u>	<u>\$ 5,607,846</u>

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

**Idyllwild Water District**  
**Statement of Cash Flows (continued)**  
**For the Year Ended June 30, 2024**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	\$ (487,876)	\$ 34,414	\$ (453,462)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	349,087	53,243	402,330
(Increase) decrease in assets and deferred outflows of resources:			
Receivables	(6,450)	(6,099)	(12,549)
Inventories	(3,140)	-	(3,140)
Prepays	(348)	(116)	(464)
OPEB related deferred outflows of resources	(25,281)	(8,428)	(33,709)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable and accrued liabilities	120,397	23,602	143,999
Unearned revenue	-	(1,233)	(1,233)
Total OPEB liability	63,527	21,176	84,703
Compensated absences payable	(13,698)	(4,566)	(18,264)
OPEB related deferred inflows of resources	(81,507)	(27,169)	(108,676)
Net cash provided by (used for) operating activities	<u>\$ (85,289)</u>	<u>\$ 84,824</u>	<u>\$ (465)</u>
<b>Noncash, investing, capital and financing activities</b>			
Construction in process in accounts payable	<u>\$ 33,404</u>	<u>\$ -</u>	<u>\$ 33,404</u>

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

**Note 1: Significant accounting policies**

*Description of reporting entity*

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community. The financial statements of the Idyllwild Water District include the financial activities of Improvement District No. 1 as an oversight component of the District. The oversight responsibility of the District arises from the fact that the two operations are related financially and have the same management and governing board.

The District reports the following enterprise funds:

*Water* – This fund is used to account for the sale of water to domestic and commercial accounts. It is also used to account for the costs of distributing, new construction, and repair and maintenance of various water facilities and other related infrastructure.

*Improvement District No. 1 Wastewater* – This fund is used to account for the treatment and disposal of wastewater. It is also used to account for the costs of collection, new construction, and repair and maintenance of various wastewater facilities and other related infrastructure.

*Measurement focus and basis of accounting*

The District utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly, revenue and expenses are recognized on an accrual basis of accounting.

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 (water) in connection with the principal ongoing operations.

The District recognizes revenue from water sales, wastewater service fees and water availability fees as it is earned. Taxes and assessments are recognized as revenue based upon amounts reported to the District by the County of Riverside, net of an allowance for delinquencies.

*Net position flow assumption*

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

*Budgetary accounting*

The District prepares and adopts budgets for both the Water and Improvement District, but does not present budgetary information because it is not legally required to adopt and adhere to a budget. All budgets are adopted on a basis consistent with generally accepted accounting principles.

*Use of estimates*

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the statements. Actual results could differ from those estimates.

**Note 1: Significant accounting policies, continued**

*Property tax calendar*

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	January 1
Levy date	July 1 through June 30
Due date	November 1 – First installment February 1 – Second installment
Delinquent date	December 10 – First installment April 10 – Second installment

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to agencies based on complex formulas prescribed by state statutes. The County of Riverside bills, collects and remits to the District property taxes and assessments through the County's property tax billing process.

*Cash and cash equivalents*

For purposes of the statement of cash flows, the District considers all investments purchases with a maturity of three months or less to be cash equivalents.

*Deposits and investments*

Investments for the District are reported at fair value as applicable.

*Water receivables*

No allowance for doubtful accounts is provided because management believes all receivables are collectible.

*Materials inventory*

Inventory consists primarily of supplies used in the maintenance of plant and equipment and is valued at weighted average cost using the first in/first out (FIFO) method.

*Capital assets and depreciation*

Acquisitions of property, plant and equipment of \$5,000 or more with a useful life of greater than three years are capitalized and depreciated. Contributed assets are recorded at their fair value at the date of contribution. Donated capital assets are recorded at their acquisition value at the date of donation. Self-constructed assets are recorded at the amount of direct labor and materials.

Depreciation is provided on the straight-line method over the following estimated useful lives:

<u>Water District</u>	<u>Years</u>
Source of supply	15 - 100
Pumping plant	7 - 50
Treatment plant	25 - 40
Transmission and distribution	40 - 60
General plant	3 - 40

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 1: Significant accounting policies, continued**

*Capital assets and depreciation, continued*

<u>Improvement District No.1</u>	<u>Years</u>
Subsurface lines	20 - 40
Wastewater treatment facilities	5 - 40
Wastewater disposal facilities	12 - 100
General plant	3 - 20

*Net position is categorized as follows:*

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – 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 or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Other Post-Employment Benefits (OPEB)*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’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 reported at fair value.

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

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

**Note 2: Concentrations**

During the year ended June 30, 2024, the District has revenues from an unrelated party which amount to more than 10% of net sales. Net sales and accounts receivable to this customer for the year ended were as follows:

	<u>Net Sales</u>		<u>Accounts Receivable</u>	
	<u>Water</u>	<u>Improvement District No. 1 - Wastewater</u>	<u>Water</u>	<u>Improvement District No. 1 - Wastewater</u>
Customer A	<u>\$ 207,108</u>	<u>\$ 127,019</u>	<u>\$ 18,704</u>	<u>\$ 10,585</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 3: Cash and investments**

Cash and cash equivalents are displayed on the financial statements at June 30, 2024 as follows:

	<u>Water</u>	<u>Improvement District No. 1</u>
Current assets:		
Cash and investments	\$ 1,946,952	\$ 3,472,282
Certificates of deposit	<u>27,345</u>	<u>161,267</u>
Total cash and investments	<u>\$ 1,974,297</u>	<u>\$ 3,633,549</u>

Cash consisted of the following at June 30:

Deposits with financial institutions	\$ 244,918	\$ 2,112,232
Public Funds	-	101,594
Cash on hand	275	-
LAIF	1,596,247	1,258,456
California Class Investment	105,512	-
Certificates of deposit	<u>27,345</u>	<u>161,267</u>
Total cash and cash equivalents	<u>\$ 1,974,297</u>	<u>\$ 3,633,549</u>

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each participant may invest up to \$75,000,000. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Also, LAIF is overseen by the Local Agency Investment Advisory Board which consists of five members, in accordance with State statute. LAIF is not currently rated by any rating agency. LAIF allows a maximum of 15 transactions per month, with a minimum of \$5,000 per transaction. Any withdrawal of over \$10,000,000 requires a 24-hour notice.

The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS). California CLASS is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. The fair value of the District's investment in this pool is reported in the accompanying financial statements.

*Interest rate risk*

The District has adopted an investment policy which limits the weighted average maturity of the District's investments to one year as a means of managing their exposure to fair value losses arising from increasing interest rates.

*Concentration of credit risk*

During the fiscal year, the District did not hold investments in one issuer that represented 5% or more of the District's total investment portfolio. Investments issued or explicitly guaranteed by the U.S. government as well as mutual funds, external investment pools and other pooled assets are exempt from disclosure.

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 3: Cash and investments, continued**

*Investments authorized by the California Government Code and the Districts' Investment Policy*

The table on the next page identifies the investment types that are authorized by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by trustees that are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the Districts' investment policies.

Authorized Investment Type	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States treasury obligations	None	None
U.S. government sponsored securities	None	None
California State warrants/notes/bonds	None	None
Local Agency Investment Fund	None	\$75,000,000
Money market mutual funds	20%	None
Non-negotiable certificates of deposit	None	50%
District bonds	None	None

Any other investment authorized by the provisions of CGC 5922 and 53601

\* = Surplus funds (monies not expected to be expended for at least six months from the date of investment of such monies).

*Investments authorized by debt agreements*

Investments of debt proceeds held by trustees (fiscal agents) are governed by provisions of the debt agreements, rather than the provisions of the California Government Code or the Districts' investment policies. The District currently does not have any debt or cash held by trustees.

Investment maturities at June 30, 2024 were as follows:

Investment type	Fair Value	Remaining maturity	
		12 Months or Less	13 to 60 Months
<i>Water District</i>			
Local Agency Investment Fund	\$ 1,596,247	\$ 1,596,247	\$ -
Certificates of Deposit	27,345	27,345	-
California Class Pooled Investment	105,512	105,512	-
<b>Total investments - Water District</b>	<b>\$ 1,729,104</b>	<b>\$ 1,729,104</b>	<b>\$ -</b>
<i>Improvement District No. 1</i>			
Local Agency Investment Fund	\$ 1,258,456	\$ 1,258,456	\$ -
Certificates of Deposit	161,267	161,267	-
Public Funds Money Market	101,594	101,594	-
<b>Total investments - Improvement District No. 1</b>	<b>\$ 1,521,317</b>	<b>\$ 1,521,317</b>	<b>\$ -</b>



**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 3: Cash and investments, continued**

*Custodial credit risk*

Custodial credit risk for deposits is the risk that, in the event of a 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 California Government Code requires that a financial institute secure deposits made by state and local governmental units by pledging securities in an individual collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the pool must equal at least 110% of the total amount deposited by public agencies.

California law also allows financial institutions to secure the Districts' deposits by pledging first trust deed mortgage notes, having a value of 150% of the secured public deposits. At June 30, 2024, the District's deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California law.

*Fair value measurements*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments subject to the fair value hierarchy.

*Credit risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in certain investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy further limits investments in Money Market Mutual Funds to funds that carry the highest rating of at least two of the three largest national rating organizations.

Investment type	Amount	Minimum Legal Rating	Rating	Not Rated
<i>Water District</i>				
Local Agency Investment Fund	\$ 1,596,247	NA	NA	\$ 1,596,247
Certificates of Deposit	27,345	None	NA	27,345
California Class Pooled Investment	105,512	None	AAAm	-
<b>Total investments - Water District</b>	<b>\$ 1,729,104</b>			<b>\$1,623,592</b>
<i>Improvement District No. 1</i>				
Local Agency Investment Fund	\$ 1,258,456	NA	NA	\$ 1,258,456
Certificates of Deposit	161,267	None	NA	161,267
Public Funds Money Market	101,594	None	NA	101,594
<b>Total investments - Improvement District No. 1</b>	<b>\$ 1,521,317</b>			<b>\$1,521,317</b>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Note 4: Capital assets**

The investment in capital assets at June 30, 2024 consists of the following:

<b><i>Water District</i></b>	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets not being depreciated:</b>					
Construction in progress	\$ 60,505	\$ 926,575	\$ -	\$ (476,036)	\$ 511,044
Land and land improvements	580,135	-	-	-	580,135
Total capital assets not being depreciated	640,640	926,575	-	(476,036)	1,091,179
<b>Capital assets being depreciated:</b>					
Source of supply	1,395,506	-	-	-	1,395,506
Pumping plant	97,162	-	-	-	97,162
Treatment plant	872,161	-	-	-	872,161
Transmission and distribution	8,478,203	-	-	476,036	8,954,239
General plant	1,538,919	235,615	(5,528)	-	1,769,006
Total capital assets being depreciated	12,381,951	235,615	(5,528)	476,036	13,088,074
Less accumulated depreciation	(6,074,699)	(349,087)	3,949	-	(6,419,837)
Net capital assets being depreciated	6,307,252	(113,472)	(1,579)	476,036	6,668,237
Net capital assets	<u>\$ 6,947,892</u>	<u>\$ 813,103</u>	<u>\$ (1,579)</u>	<u>\$ -</u>	<u>\$ 7,759,416</u>
<b><i>Improvement District No. 1</i></b>					
<b><i>Improvement District No. 1</i></b>	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets not being depreciated:</b>					
Construction in progress	\$ 268,770	\$ 99,931	\$ -	\$ -	\$ 368,701
Land	25,966	-	-	-	25,966
Total capital assets not being depreciated	294,736	99,931	-	-	394,667
<b>Capital assets being depreciated:</b>					
Subsurface lines	1,389,330	-	-	-	1,389,330
Wastewater treatment facilities	1,121,335	5,000	(1,119)	-	1,125,216
Wastewater disposal facilities	413,024	-	-	-	413,024
General plant	241,871	73,571	-	-	315,442
Total capital assets being depreciated	3,165,560	78,571	(1,119)	-	3,243,012
Less accumulated depreciation	(2,674,216)	(53,243)	1,119	-	(2,726,340)
Net capital assets being depreciated	491,344	25,328	-	-	516,672
Net capital assets	<u>\$ 786,080</u>	<u>\$ 125,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 911,339</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 5: Net position**

The District has adopted net position reserve policies which clearly identify reserve categories and purposes while also setting target levels that are consistent with the District's mission, uniqueness and philosophy. The District believes the reserves are prudent fiscal management tools which provide a cornerstone of long-term financial management. The reserve balances are reviewed annually to ensure they meet the needs, current and long-term, of the District. At June 30, 2024, the District had the following reserves in unrestricted net position:

Net position reserves	Water	Improvement District No. 1 - Wastewater
Working capital	\$ 112,500	\$ 37,500
Emergency	150,000	50,000
Capital improvement and replacement	150,000	50,000
Vehicle and equipment replacement	75,000	25,000
Vacation/sick/annual leave liability	25,000	6,000
OPEB	486,880	162,292
Total reserves	\$ 999,380	\$ 330,792

**Note 6: Compensated absences payable**

Vested or accumulated vacation leave is recognized as an expense and liability as the benefits accrue to the employees. The change in compensated absences for the year is as follows:

	Beginning balance	Additions	Deletions	Ending Balance
Compensated absences	\$ 41,535	\$ 71,632	\$ (89,896)	\$ 23,271

**Note 7: Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the District participated in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), which was organized for the purpose of providing liability insurance for the member agencies. The JPIA is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500. The JPIA is governed by a board consisting of a representative from each member agency. The board controls the operations of the JPIA, including selections of management and approval of operating budgets. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The accounts and records of ACWA/JPIA are audited by an independent certified public accounting firm.

**Note 7: Risk management, continued**

The District has deductibles as follows:

Buildings, fixed equipment and personal property:	\$2,500
Mobile equipment:	\$2,500
Licensed vehicles:	\$1,000
Crime	\$1,000
Boiler and machinery	various

The District pays annual premiums for the coverages, which are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and there were no instances in the past three years where a settlement exceeded the District's coverage.

**Note 8: Employees' retirement plan – defined contribution**

All permanent employees hired on or before December 31, 2013 are covered under the Idyllwild Water District Money Purchase Pension Plan (the Plan) 401(a) administered by the District through ING Pension acting as trustee. The Plan is fully funded by a contribution rate of 21.5% of eligible salaries and wages made entirely by the District. The Board of Directors of the District has the authority, in its sole discretion, to amend, reduce contributions or terminate the plan at any time.

The District adopted a new pension plan 457(b) starting January 1, 2014. For new hires on or after January 1, 2014, the District contributes 10% for each new employee and matching up to 5% if the employee elects to contribute up to 5%. The 457(b) Plan is administrated by the District through ING pension acting as trustee.

The 457(b) Plan is also available to all current employees hired before December 31, 2013 however, the District will not provide matching contributions. In addition, District employees are also covered under Social Security, funded equally by the District and the employee, or as prescribed by applicable laws.

The District's contributions to the employees' retirement plans for the year ended June 30, 2024 were \$51,363.

**Note 9: Postemployment benefits other than pensions**

*Plan description*

The District has established a single-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who reach the following: 1) age 55 and ten years of service (before 1/1/2014, closed to new entrants) or 2) age 65 with ten years of service (after 12/31/2013, open to new entrants). The healthcare coverage provided by the District meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 75. A separate financial report is not prepared for the HC Plan.

*Plan benefits*

For the closed plan, the District will pay a varied percentage (50% - 100%) of the retiree and spouses pre-Medicare medical premiums and 100% of the retiree and spouse supplemental Medicare and prescription drug coverage upon reaching Medicare age.

For the open plan, the District will only pay a varied percentage (50% - 100%) of the retiree and spouses Medicare supplement and prescription drug coverage.

**Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2024**

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**Note 9: Postemployment benefits other than pensions, continued**

*Employees covered*

As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	6
Inactive employees or beneficiaries currently receiving benefits	6
Total	<u>12</u>

*Contributions*

The HC Plan and its contribution requirements are established by the Board of Directors and may be amended by the Board of Directors. For the fiscal year ended June 30, 2024, the District's cash contributions were \$43,634 in payments to for insurance premiums not reimbursed by a trust. Implicit contributions amounted to \$8,480 for total payments of \$52,114.

*Total OPEB liability*

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

**Actuarial assumptions:**

Discount rate	4.13%
Inflation	2.50%
Salary increases	3.00% per year, used only to allocate the cost of benefits between service years
Mortality rate	CalPERS 2021 Experience Study; Projected with MacLeod Watts Scale 2022
Pre-retirement turnover healthcare trend rate	6.5% in 2025, fluctuating down to 3.9% by 2075

*Discount rate*

The discount rate used to measure the total OPEB liability was 4.13% percent. The District is currently financing its OPEB liability on a pay-as-you-go basis. The discount rate used in the valuation is based on the S&P Municipal Bond 20 Year High Grade Index.

*Changes of assumptions*

The discount rate increased from 4.09% in 2023 to 4.13% in 2024.

Base (unprojected) mortality rates and assumed rates of employee termination prior to retirement were updated from those recommended in the 2017 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021. While the District does not participate in the CalPERS retirement program, we believe these rates should be reasonably representative of the expected future experience in this plan.

Updated from Getzen Model 2022\_b to Getzen Model 2023, which was published by the Society of Actuaries.

The projection of the implicit subsidy portion of benefits projected to be provided to the enrolled spouse of one future retiree prior to Medicare, increasing the liability.

**Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2024**

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**Note 9: Postemployment benefits other than pensions, continued**

*Changes in the OPEB liability*

The changes in the total OPEB liability for the HC Plan are as follows:

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2023</b> (Measurement Date June 30, 2022)	<u>\$ 1,112,454</u>
<b>Changes during the period:</b>	
Service cost	59,173
Interest	46,869
Changes of assumptions	54,704
Plan experience differences	(24,680)
Contributions - employer	-
Net investment income	-
Benefit payments	<u>(51,363)</u>
<b>Net change in fiscal year 2023-2024</b>	<u>84,703</u>
<b>Balance at June 30, 2024</b> (Measurement Date June 30, 2023)	<u><u>\$ 1,197,157</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability of the District 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, 2023:

	Discount Rate		
	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	<u>\$ 1,388,334</u>	<u>\$ 1,197,157</u>	<u>\$ 1,046,027</u>

*Sensitivity of the total OPEB liability to changes in the health care cost trend rates*

The following presents the total OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Healthcare Cost Trend Rates		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	<u>\$ 1,032,198</u>	<u>\$ 1,197,157</u>	<u>\$ 1,412,767</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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**Note 9: Postemployment benefits other than pensions, continued**

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

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

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

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service Lifetime (EARSL) 7.29 years

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$5,568. The following is a breakdown of items impacting OPEB expense:

Service cost	\$ 59,173
Interest cost	46,869
Recognized deferred resources items	
Assumption changes	(44,554)
Plan experience	<u>(67,056)</u>
Total OPEB expense	<u>\$ (5,568)</u>

As of fiscal year ended June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 52,114	\$ -
Differences between expected and actual experience	-	232,381
Changes of assumptions	<u>90,928</u>	<u>272,518</u>
Total	<u>\$ 143,042</u>	<u>\$ 504,899</u>

Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Note 9: Postemployment benefits other than pensions, continued**

The \$52,114 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the upcoming fiscal year. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2025	\$ (105,359)
2026	(101,853)
2027	(86,801)
2028	(75,695)
2029	(48,529)
Thereafter	4,266



**Idyllwild Water District**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last 10 years\***

<b>Fiscal year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Total OPEB Liability</b>					
Service Cost	\$ 59,173	\$ 107,689	\$ 108,708	\$ 101,592	\$ 111,866
Interest on the Total OPEB Liability	46,869	32,065	42,137	40,665	47,273
Plan experience differences	(24,680)	-	(247,615)	-	(211,280)
Changes in assumptions	54,704	(365,450)	39,727	31,426	(16,483)
Changes in benefit terms	-	-	-	-	-
Benefit payments	(51,363)	(50,083)	(60,235)	(48,226)	(51,602)
<b>Net change in Total OPEB Liability</b>	<b>84,703</b>	<b>(275,779)</b>	<b>(117,278)</b>	<b>125,457</b>	<b>(120,226)</b>
<b>Total OPEB Liability - beginning</b>	<b>1,112,454</b>	<b>1,388,233</b>	<b>1,505,511</b>	<b>1,380,054</b>	<b>1,500,280</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 1,197,157</b>	<b>\$ 1,112,454</b>	<b>\$ 1,388,233</b>	<b>\$ 1,505,511</b>	<b>\$ 1,380,054</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 796,265	\$ 417,225	\$ 707,862	\$ 487,181	\$ 642,100
Total OPEB liability as a percentage of covered-employee payroll	150.35%	266.63%	196.12%	309.02%	214.93%
<b>Fiscal year</b>	<b>2019</b>	<b>2018</b>			
<b>Total OPEB Liability</b>					
Service Cost	\$ 103,549	\$ 114,967			
Interest on the Total OPEB Liability	45,325	38,546			
Plan experience differences	-	-			
Changes in assumptions	32,602	(89,965)			
Changes in benefit terms	-	-			
Benefit payments	(51,445)	(33,233)			
<b>Net change in Total OPEB Liability</b>	<b>130,031</b>	<b>30,315</b>			
<b>Total OPEB Liability - beginning</b>	<b>1,370,249</b>	<b>1,339,934</b>			
<b>Total OPEB Liability - ending</b>	<b>\$ 1,500,280</b>	<b>\$ 1,370,249</b>			
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%			
Covered-employee payroll	\$ 564,056	\$ 474,999			
Total OPEB liability as a percentage of covered-employee payroll	265.98%	288.47%			

**Notes to Schedule:**

*Changes Since the Prior Valuation:*

Discount rate: Increased from 4.09% to 4.13%.

Demographic assumptions: Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. The representative mortality rates were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.

Mortality improvement: MacLeod Watts Scale 2022.

Medical trend: Getzen Model 2022\_b, which was published by the Society of Actuaries.

The District does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

\* Historical information is required only for measurement periods for which GASB 75 is applicable.

Future years' information will be displayed up to 10 years as information becomes available.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors

**From:** Bill Rojas, General Manager

**Date:** November 20, 2024

**Subject:** Item 6 – Public Hearing on the CEQA for Strawberry Creek

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### **Recommendation:**

It is recommended that the Board of Directors hold a public hearing and adopt Resolution No. 800 adopting an Initial Study / Mitigated Negative Declaration (SCH NO. 2024101200) of environmental impact and a mitigation monitoring and reporting program for the Strawberry Creek Diversion Structure Rehabilitation and Pipeline Replacement Project.

### **Background:**

For many years, the District has had an active, maintained in-stream diversion structure located within the Strawberry Creek streambed approximately 25 feet downstream of the Tahquitz Road right of way. The existing diversion structure is approximately 8 feet x 15 feet and is hand-constructed consisting of native boulders and cobble rock and hand-troweled mortar construction. Steel grate covers screen out large debris, and a discharge pipeline conveys impounded water through 700 linear feet (LF) of 6-inch steel pipe. Approximately 440 LF of the existing pipeline runs above grade along Strawberry Creek and through the back areas of private properties by spanning boulders, laying on the ground surface, or with minimal cover. The remaining portion of the pipeline is underground and traverses' private property as it runs south and connects to a pipeline in Fern Valley Road, which in turn connects to a storage reservoir on District owned property on APN 563-162-014.

### **Attachments:**

- Idyllwild Water District Board of Directors Staff Report
- Resolution No 800

**IDYLLWILD WATER DISTRICT  
BOARD OF DIRECTORS  
STAFF REPORT**

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MEETING DATE: November 20, 2024

PREPARED BY: John D. Criste, AICP, Consulting Planner

REQUEST: CONSIDERATION TO ADOPT AN INITIAL STUDY / MITIGATED NEGATIVE DECLARATION (SCH NO. 2024101200) OF ENVIRONMENTAL IMPACT AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE STRAWBERRY CREEK DIVERSION STRUCTURE REHABILITATION AND PIPELINE REPLACEMENT PROJECT AND APPROVAL OF THE PROJECT

---

**RECOMMENDATION:**

Adopt Resolution No.800 adopting an Initial Study / Mitigated Negative Declaration (SCH NO. 2024101200) of environmental impact and a mitigation monitoring and reporting program for the Strawberry Creek Diversion Structure Rehabilitation and Pipeline Replacement Project.

**BACKGROUND/ANALYSIS:**

For many years, the District has had an active, maintained in-stream diversion structure located within the Strawberry Creek streambed approximately 25 feet downstream of the Tahquitz Road right of way. The existing diversion structure is approximately 8 feet x 15 feet and is hand-constructed consisting of native boulders and cobble rock and hand-troweled mortar construction. Steel grate covers screen out large debris, and a discharge pipeline conveys impounded water through 700 linear feet (LF) of 6-inch steel pipe. Approximately 440 LF of the existing pipeline runs above grade along Strawberry Creek and through the back areas of private properties by spanning boulders, laying on the ground surface, or with minimal cover. The remaining portion of the pipeline is underground and traverses private property as it runs south and connects to a pipeline in Fern Valley Road, which in turn connects to a storage reservoir on District owned property on APN 563-162-014.

**Proposed Reconstructed Diversion Structure**

The diversion structure proposed for reconstruction will rehabilitate and replace the existing diversion structure, will be within the already disturbed area of the creek and will be the same size or slightly smaller than the existing structure. The new diversion structure will be approximately 8 feet by 12 feet and will be constructed of a mix of cast-in-place concrete and concrete block. An inclined trash rack to intercept foreign material will be installed 8± feet upstream of the diversion structure and will be 8± feet in width. The overall impact area within the creek boundary will not exceed 900 square feet (SF; 30' x 30'), and actual disturbance footprint is expected to be limited to 500± square feet (20' x 25'), consistent with the current level of disturbance. As with the current condition, the streambed approach to the diversions structure will be repaired/relined with hand-troweled concrete. The diversion structure will be fitted with an 8-inch outlet that will connect to an 8-inch PVC pipeline that will run underground south of the diversion structure and parallel to Tahquitz Road. (See discussion below and Exhibits 4a & 4b)

Diversion Pipeline – Reach 1 (Vacant Property)

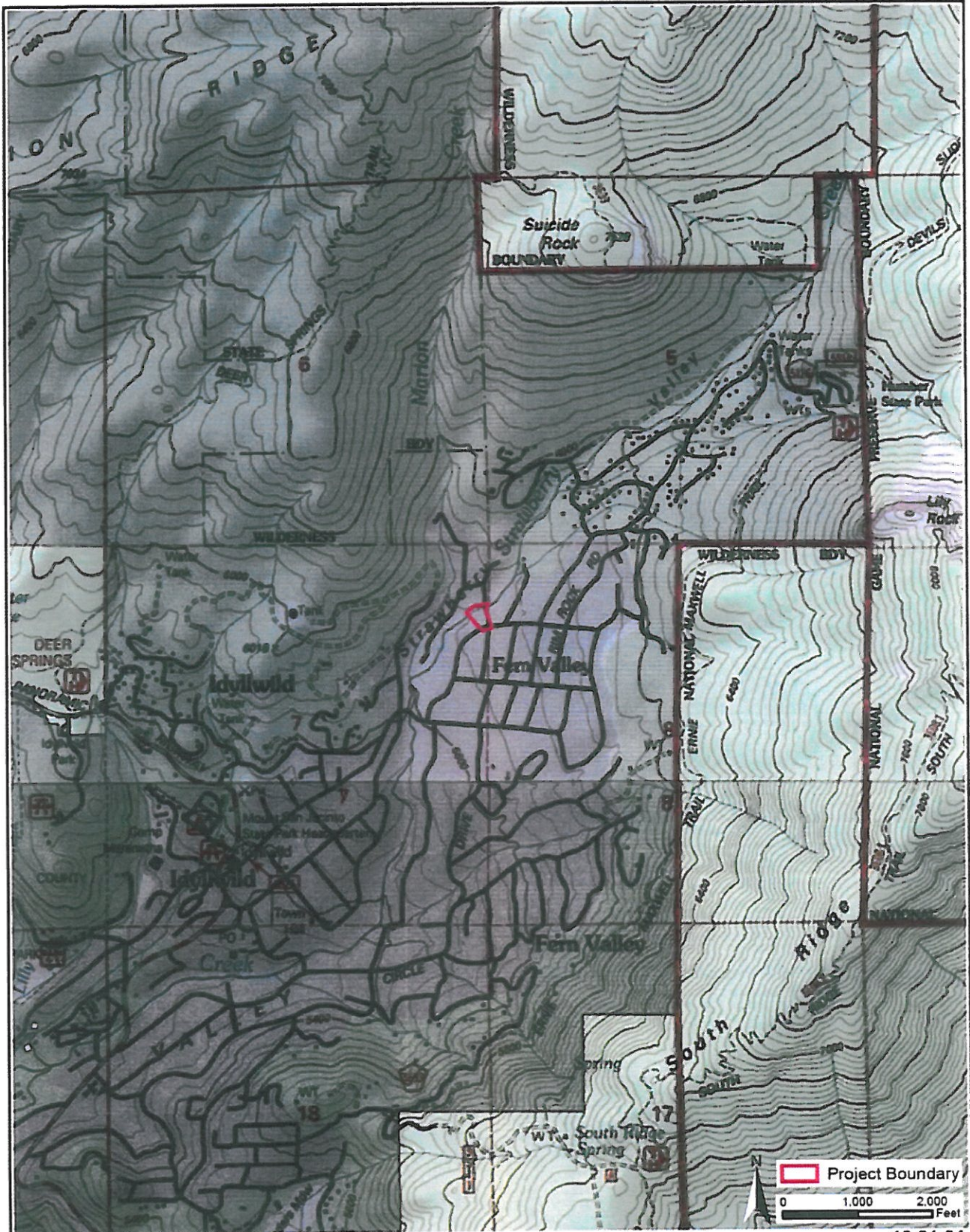
Exiting the new diversion structure, Reach 1 of the proposed pipeline will consist of 245± linear feet (LF) of 8-inch PVC pipe that will be located 5 to 9 feet underground within an irregular easement alignment on private property (APN 563-152-008) 15 to 44 feet from the existing Tahquitz Road RW and designed to avoid trees and other areas of major vegetation. The easement area is characterized by relatively undisturbed land, with a variety of trees of different sizes common to the area. Westerly and adjacent to the pipeline easement will be a 20-foot wide temporary construction easement adjacent to the existing Tahquitz Road RW, which will minimize temporary construction impacts associated with construction equipment and storage of materials during the construction phase. A large portion of the Reach 1 alignment has previously been cleared of trees and other vegetation and has been in use as a parking area by existing and past owners of the property.

Diversion Pipeline – Reach 2 (Fern Valley Road)

Reach 2 of the proposed pipeline will consist of 300± LF of 8-inch PVC pipe to be located underground within the existing 50' wide Riverside County Right-of-Way of Fern Valley Road and approximately 10 feet southerly of the centerline of Fern Valley Road. It will continue southerly on the edge of the existing 25'-30' wide paved roadway and reconnect to the 6-inch steel pipeline within the District's storage reservoir site. The entirety of the Reach 2 pipeline will occur within the Fern Valley Road RW and the District-owned reservoir site (APN 563-162-014) at a depth of approximately 5 to 8 feet.

Decommissioning of Existing Pipeline

Upon completion of the new Diversion System (structure and pipeline), the existing above-ground 6-inch steel pipeline running along Strawberry Creek and to District's property will be permanently decommissioned and taken out of service. Those portions that are at or above ground will be manually severed into manageable lengths and removed by hand from their current location. Those portions that are that are underground will be abandoned in-place by capping, plugging or filling with a cement type slurry to render inoperable. Any impacts will be minimal and limited to the location of the existing pipeline, and with little to no new disturbance.



Source: Wood, 08.31.2022

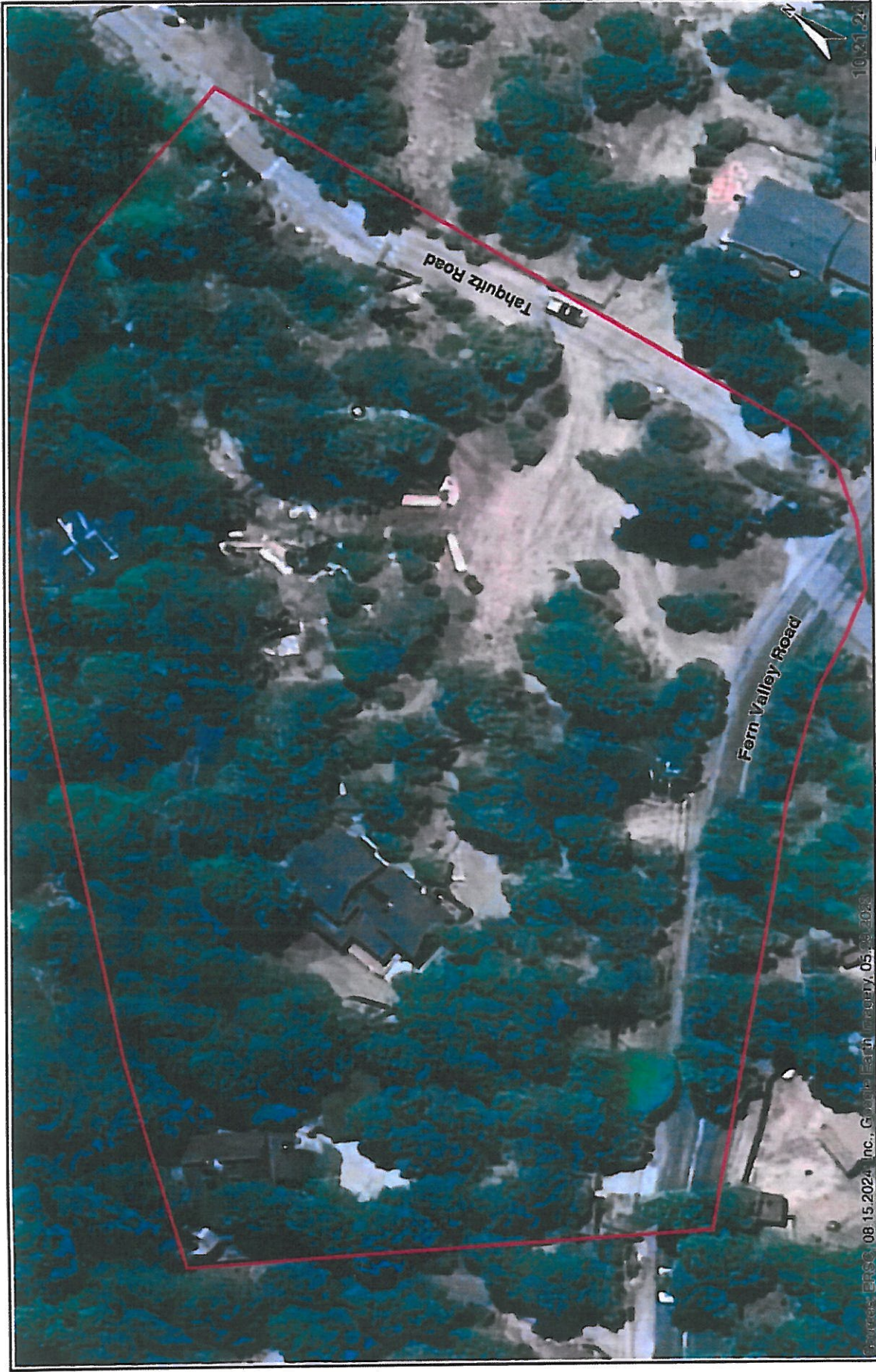
10.21.24



Vicinity Map  
 Strawberry Creek Diversion Rehabilitation Project  
 Idyllwild Water District  
 Idyllwild, California



Exhibit  
 2



Copyright © 2024, 08/15/2024, Inc., Google Earth Imagery, 05/29/2023

10/21/24

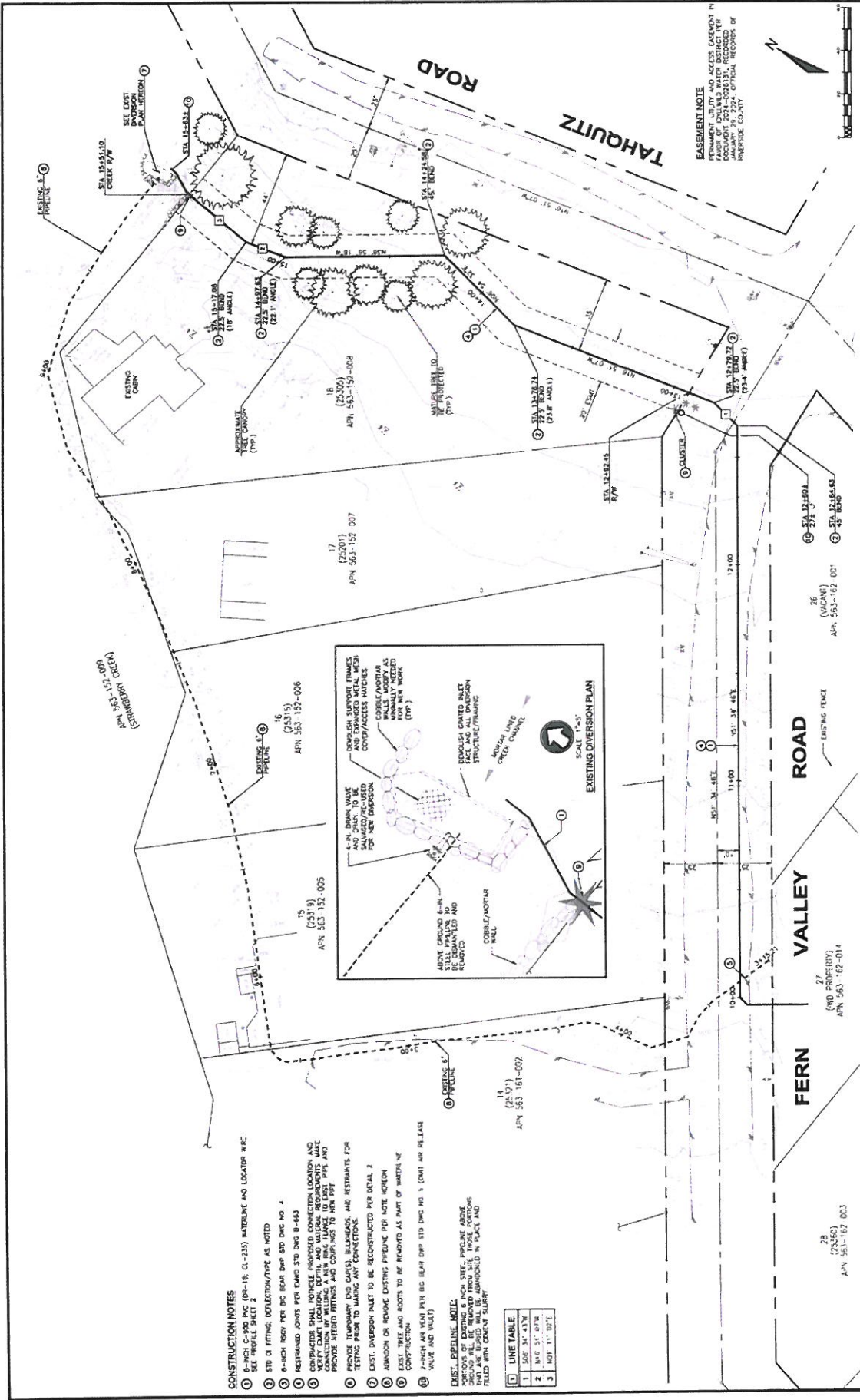
Exhibit

3



**Project Site**  
**Strawberry Creek Diversion Rehabilitation Project**  
**Idyllwild Water District**  
**Idyllwild, California**





**EASEMENT NOTE**  
 PERMANENT UTILITY AND ACCESS EASEMENT IN  
 FAVOR OF THE DISTRICT, RECORDED UNDER  
 DOCUMENT 2014-028131, RECORDED  
 JANUARY 29, 2014. OFFICIAL RECORDS OF  
 SUTTER COUNTY.



10.25.24

Exhibit

4a



**Project Plan (Sheet 1)**  
**Strawberry Creek Diversion Rehabilitation Project**  
**Idyllwild Water District**  
**Idyllwild, California**

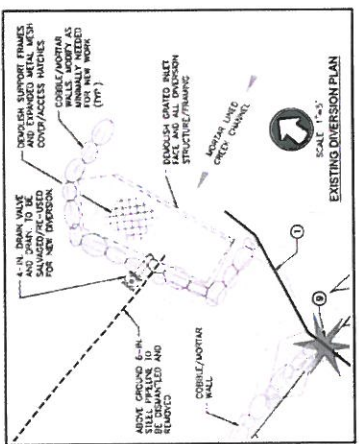
Source: ERSC, Inc., 08.24.2024

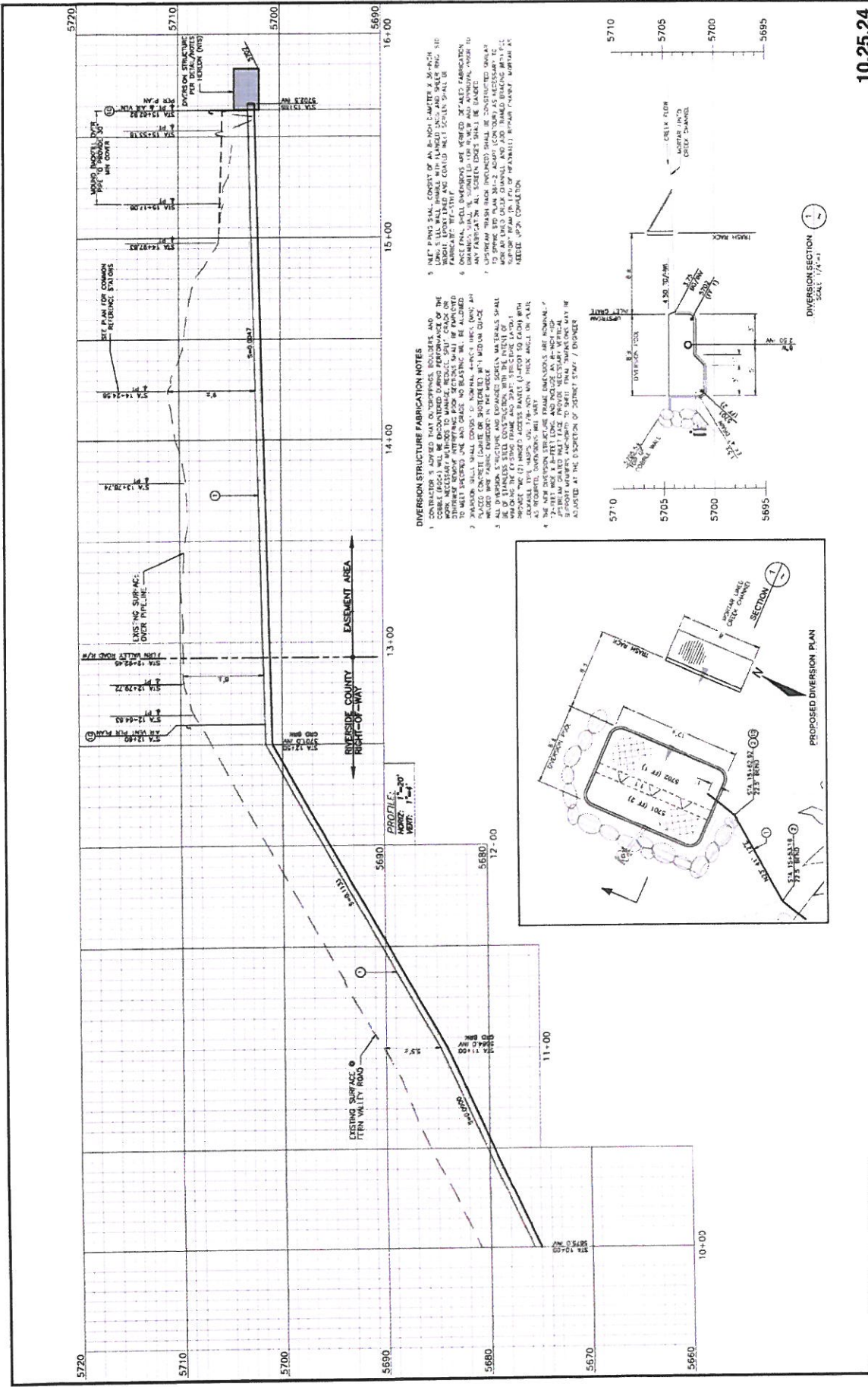
**TERRA NOVA**  
 PLANNING & RESEARCH, INC.

- CONSTRUCTION NOTES**
- 6-INCH C-900 PVC (DR-16, CL-233) MATERIAL AND LOCATOR W/RE SEE PROJECT SHEET 2
  - STD 18 FITTING, REFLECTION/TYPE AS NOTED
  - 8-INCH RIGID PVC BEAR BWP STD DWG NO 4
  - RETRACTED JOINTS PER DWG STD DWG B-483
  - CONTRACTOR SHALL PROVIDE PROPOSED CONNECTION LOCATION AND VERIFY EXIST. LOCATION, DEPTH, AND MATERIAL REQUIREMENTS. MAKE PROPOSED MATERIALS, FITTINGS, AND CONNECTIONS TO NEW PIPE AND PROVIDE WITNESSED FITTINGS AND CONNECTIONS TO NEW PIPE
  - PROVIDE TEMPORARY END CAPS. BLOCKS, AND RESTRAINTS FOR TESTING PRIOR TO MAKING ANY CONNECTIONS.
  - EXIST. DIVERSION INLET TO BE RECONSTRUCTED PER DETAIL 2
  - ABANDON OR REMOVE EXISTING PIPELINE PER NOTE SECTION 2
  - EXIST. MANHOLE AND ROOTS TO BE REMOVED AS PART OF MATERIAL W/RE CONNECTIONS.
  - REPAIR AND PATCH PER BIG BEAR BWP STD DWG NO 5 (CONC. AIR RELEASE VALVE AND MANHOLE)

**EXIST. PIPELINE NOTE:**  
 PORTIONS OF EXISTING 6 INCH STD. PIPELINE ARE NOTED THAT ARE DAMAGED WILL BE DEMOLISHED IN PLACE AND FILLED WITH CEMENT SLURRY

LINE TABLE
1 200' 30" 019'
2 110' 30" 019'
3 101' 11" 021'





**DIVERSION STRUCTURE FABRICATION NOTES**

1. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
2. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
3. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
4. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
5. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
6. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
7. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
8. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
9. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).
10. ALL FABRICATION SHALL BE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR CONCRETE AND REINFORCED CONCRETE (SECTION 05100) AND THE STANDARD SPECIFICATIONS FOR STRUCTURAL STEEL (SECTION 05110).

10.25.24  
Exhibit  
4b



**Project Plan (Sheet 2)**  
**Strawberry Creek Diversion Rehabilitation Project**  
**Idyllwild Water District**  
**Idyllwild, California**

Source: ERSC, Inc., 08.24.2024





**CEQA Review Process**

The attached Draft Initial Study/Mitigated Negative Declaration (“IS/MND”) has been prepared in accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et seq.) and the State CEQA Guidelines (California Code of Regulations Title 14, Section 15000 et seq.). It was determined that the project does not involve “waters of the United States” (WOTUS) and is therefore not subject to the federal Clean Water Act (CWA) or the National Environmental Policy Act (NEPA). The full range of environmental analysis categories were evaluated in the IS/MND. Areas of analysis where mitigation measures were prepared include Biological Resources, Cultural Resources, Hydrology and Water Quality, Tribal Resources, and Wildfire. No project alternatives were evaluated.

The Draft IS/MND and technical appendices were posted on the District’s web site. A Notice of Intent (NOI) to adopt the IS/MND included a web link to these documents and was advertised in the local newspaper and was posted at the Riverside County Clerk’s office and the Governor’s Office of Planning & Research - State Clearinghouse. The NOI was also emailed to numerous state and local agencies and two Native American Tribes. A 20-day public review period for the Draft Mitigated Negative Declaration began at 8:00 a.m. on October 28, 2024, and ended on November 18, 2024, at 5:00 p.m. The NOI also advertised the November 20, 2024 Board meeting.

**CEQA Draft IS/MND Response to Comments**

As of this writing, no individuals or public agencies have submitted written comments on the document.

**Legal Review:**

This report has not been reviewed by the District’s Legal Counsel

**Environment Review:**

The environmental review is summarized in the attached Draft Resolution.

**ATTACHMENTS:**

1. Draft Resolution
2. Draft Initial Study / Mitigated Negative Declaration and Technical Appendices
3. IS/MND Comment Letters

**IDYLLWILD WATER DISTRICT**

**BOARD OF DIRECTORS**

**RESOLUTION NO. 800**

**A RESOLUTION OF THE IDYLLWILD WATER DISTRICT BOARD OF DIRECTORS ADOPTING AN INITIAL STUDY / MITIGATED NEGATIVE DECLARATION (SCH NO. 2024101200) OF ENVIRONMENTAL IMPACT AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE STRAWBERRY CREEK DIVERSION STRUCTURE REHABILITATION AND PIPELINE REPLACEMENT PROJECT, AND APPROVAL OF THE PROJECT**

WHEREAS, the Idyllwild Water District ("District") proposes to reconstruct/rehabilitate improvements to the existing Strawberry Creek Diversion Structure and replace a segment of associated pipeline located generally west of Tahquitz Road and within the Fern Valley Road right-of-way in the Fern Valley neighborhood of the community of Idyllwild, Riverside County, California, and

WHEREAS, under Section 21067 of the Public Resources Code, Section 15367 of the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), and the District CEQA Guidelines, the District is the lead agency for the Project; and

WHEREAS, in accordance with State CEQA Guidelines Section 15063, the District prepared an Initial Study to determine if the Project may have a significant effect on the environment and to evaluate whether an Environmental Impact Report (EIR) was required; and

WHEREAS, pursuant to the requirements of the CEQA, the State Guidelines for Implementation of CEQA (State CEQA Guidelines), and the District CEQA Implementation Requirements, a Mitigated Negative Declaration (MND), SCH No. 2024101200 was prepared for the project with Mitigation measures that avoid or mitigate the potentially significant impacts to a point where no significant impacts will occur and a Mitigation Monitoring and Reporting Program (MMRP) was prepared for the Project attached as "EXHIBIT A" to this resolution; and

WHEREAS, in accordance with State CEQA Guidelines section 15072, a Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) was prepared and filed with the County Clerk of the County of Riverside on October 28, 2024, and the District provided and publicly posted the NOI in the manner required by CEQA on October 28, 2024; and

WHEREAS, the NOI commenced a 20-day public review and comment period on the Initial Study, as required by CEQA; and

WHEREAS, during the public comment period, the Initial Study and technical appendices were available for review and inspection at the Idyllwild Water District Offices, 25945 Highway 243, Idyllwild, CA 92549-0397 and online; and

WHEREAS, during the public comment period, the District consulted with and requested comments from all responsible and trustee agencies, other regulatory agencies, and others pursuant to State CEQA Guidelines section 15073; and

WHEREAS, all adverse impacts were fully analyzed in the Initial Study; and

**IDYLLWILD WATER DISTRICT RESOLUTION NO. 800**

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WHEREAS, as contained herein, the District has endeavored in good faith to set forth the basis for its decision on the Project; and

WHEREAS, all the requirements of the CEQA have been satisfied by the District in connection with the preparation of the Initial Study, which is fully detailed so that all of the potentially significant environmental effects of the Project have been fully evaluated; and

WHEREAS, the Initial Study prepared in connection with the Project fully analyzes both the feasible mitigation measures necessary to avoid or substantially lessen the Project's potential environmental impacts; and

WHEREAS, all of the findings and conclusions made by the District pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and the entirety of the administrative record for the Project, which are incorporated herein by reference, not based solely on the information provided in this Resolution; and

WHEREAS, on November 20, 2024, the Board of Directors (Board) conducted a duly noticed public meeting on this Resolution, at which time all persons wishing to testify were heard and the Project was fully considered; and

WHEREAS, prior to taking action, the District has heard, been presented with, reviewed and considered all of the information and data in the administrative record, including the Initial Study, and all oral and written evidence presented to it during all meetings; and

WHEREAS, the Initial Study reflects the independent judgment of the District and is fully adequate for purposes of making decisions on the merits of the Project and

WHEREAS, no comments submitted during the public review period, or made during the public hearing conducted by the Board of Directors, and no additional information submitted to the District require substantial revisions to the MND necessitating recirculation or additional environmental review of the Project under State CEQA Guidelines section 15073.5; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, as follows:

SECTION 1. Recitals. The Board hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Resolution.

SECTION 2. Project Description. The Strawberry Creek diversion structure and pipeline have been in place for several decades and were constructed to intercept portions of creek flows and deliver them to the Idyllwild Water District system to recharge the local groundwater basins from which IWD provides domestic water service to local consumers. The existing diversion structure will be reconstructed/rehabilitated in its current location and a new underground pipeline will replace an existing above ground line

SECTION 3. Findings. The Board makes the following findings:

- a. The proposed Project is consistent and in conformity with the District's plans and policies specifically relating to the development of water supply facilities.

**IDYLLWILD WATER DISTRICT RESOLUTION NO. 800**

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- b. The subject property is and has been demonstrated to be suitable for the planned uses, in terms of access, size of parcel, relationship to similar or complementary uses, and other relevant considerations, including the surrounding land uses and public streets, and applicable policies of the District.
- c. The proposed Project is necessary and proper and is not likely to be detrimental to adjacent property or residents.

SECTION 4. Adoption of Initial Study/Mitigated Negative Declaration. The Board hereby Adopts the Initial Study/Mitigated Negative Declaration, subject to the mitigation measures set forth in the Initial Study/Mitigated Negative Declaration, Project staff report and the attached "EXHIBIT A".

SECTION 5. Adoption of Mitigation Monitoring and Reporting Program. Pursuant to Public Resources Code section 21081.6, the Board hereby adopts the Mitigation Monitoring and Reporting Program attached to this Resolution as "EXHIBIT A" Implementation of the Mitigation Measures contained in the Mitigation Monitoring and Reporting Program is hereby made a condition of approval of the Project. In the event of any inconsistencies between the Mitigation Measures set forth herein and the Mitigation Monitoring and Reporting Program, the Mitigation Monitoring and Reporting Program shall control. In the event of any inconsistencies between the Mitigation Monitoring and Reporting Program and State, federal, and local laws, the State, federal, and local laws shall control.

SECTION 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the District's office at 25945 Highway 243, Idyllwild, CA 92549-0397. Bill Rojas, the District General Manager, is the custodian of the record of proceedings.

SECTION 6. Execution of Resolution. The President of the Board signs this Resolution, and the Secretary to the Board shall attest and certify to the passage and adoption thereof.

SECTION 7. Notice of Determination. District staff shall cause a Notice of Determination to be filed and posted with the County of Riverside Registrar-Recorder/County Clerk and the State Clearinghouse within five (5) working days of the Board's final Project approval.

ADOPTED ON November 20, 2024.

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DR. CHARLES SCHELLY  
PRESIDENT

ATTEST:

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BILL ROJAS  
SECRETARY

**IDYLLWILD WATER DISTRICT RESOLUTION NO. 800**

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I, BILL ROJAS, Secretary of the Board of the Idyllwild Water District, hereby certify that Resolution No. 800 is a full, true, and correct copy, and was duly adopted at a regular meeting of the District Board of Directors on November 20, 2024, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Idyllwild Water District, Idyllwild, California, on November 20, 2024.

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BILL ROJAS  
SECRETARY

EXHIBIT A

ENVIRONMENTAL INITIAL STUDY

Strawberry Creek Diversion Structure Rehabilitation  
and  
Pipeline Replacement Project

CEQA

Mitigation Monitoring and Reporting Program

Biological Resources

**BIO-1** Migratory Bird Treaty Act

If ground disturbance or tree or plant removal is proposed between February 1st and August 31st, a qualified avian biologist shall conduct a nesting bird survey within three (3) days of initiation of grading onsite, focusing on MBTA covered species. Surveys shall focus on both direct and indirect evidence of nesting, including nest locations and nesting behavior. The qualified avian biologists will make every effort to avoid potential nest predation as a result of survey and monitoring efforts. If active nests are reported, then species-specific measures shall be prepared. At a minimum, grading in the vicinity of a nest shall be postponed until the young birds have fledged. For construction that occurs between September 1st and January 31st, no pre-construction nesting bird survey is required. In the event active nests are found, exclusionary fencing shall be placed around the nests until such time as nestlings have fledged. Avoidance buffers shall be 100 to 300 feet from the nests of unlisted songbirds, and 500 feet from the nests of birds-of-prey and listed species. If nests are detected, a smaller or larger buffer may be determined by the qualified avian biologist.

**Monitoring and Reporting:**

**BIO-A** If a nesting bird survey is required, the Project biologist shall provide the District with a letter report of findings regarding the occurrence of nesting birds and any prescribed exclusionary fencing and monitoring. The report shall be attached to the grading permit for the Project.

**Responsible Parties:** Project Biologist, District Project Manager

**Schedule:** If required, prior to issuance of any permits that result in ground disturbance

Cultural & Tribal Resources

**CUL-1** If buried cultural materials are discovered during grubbing, grading, trenching, excavation, or any other earth-moving activities on the Project site, all work in the area must be halted until a qualified archaeologist can evaluate the nature and significance of the finds.

**Monitoring and Reporting:**

**CUL-A** A report of findings shall be filed with the City, including an itemized inventory of the identified cultural materials, and upon completion of the field and laboratory work, an analysis of any recovered artifacts.

**Responsible Parties:** Project applicant, Project archaeologist, Public Works Department, Development Services Department, City Engineer.

**Schedule:** Within 30 days of the completion of ground disturbing activities on the Project site.

**Hydrology and Water Quality Resources**

**Mitigation Measures:**

The planned reconstruction of the subject diversion structure and installation of a new 700-foot pipeline segment has taken into consideration the relationship to and potential impacts on the existing and long-term water quality in the creek and surrounding lands. Overall, the Project will have a significant beneficial impact on the provision of a safe, clean and dependable domestic water supply to residents in the community, providing substantial improvements to essential facilities. The following measures are set forth to ensure that Project impacts are below levels of significance.

**HYD-1 Project Plan Review**

Prior to finalizing the Project design and engineering plans, said plans shall be reviewed and approved by the District Engineer to ensure that these improvements do not interfere with or adversely affect creek capacity or the ability of the District to manage and maintain these facilities.

**HYD-2 NPDES Requirements**

The Project shall comply with the requirements of the National Pollution Discharge Elimination System (NPDES).

**HYD-3 General BMPs**

The implementation of BMPs during construction activities shall ensure that erosion and siltation from excavation, earthmoving and other construction activities is limited. Exposed soil from excavated areas, stockpiles, and other areas where ground cover is removed shall be stabilized by wetting or other approved means to avoid or minimize the inadvertent transport by wind or water. Temporary construction BMPs considered and incorporated into the project, as appropriate, would include:

- Soil stabilization (erosion control) techniques such as on-going site watering, soil binders, etc.;
- Sediment control methods such as detention basins, silt fences, and dust control;
- Temporary de-silting basins may be constructed incrementally along the pipeline alignment, as needed, to store construction runoff, and will be backfilled as pipeline installation progresses;
- Contractor training programs;

- Material transfer practices;
- Waste management practices such as providing designated storage areas and containers for specific waste for regular collection;
- Concrete washout slurry shall be discharged and disposed of in an approved manner;
- Work area cleaning/tracking control practices;
- Vehicle and equipment cleaning and maintenance practices; and
- Fueling practices.

**HYD-4 Petroleum BMPs**

To prevent petroleum products from contaminating soils and water bodies in the creek, the following BMPs shall be implemented:

- a) Motorized construction equipment shall not be placed within or cross the creek or creek bed, with all in-creek work to be accomplished by hand and extension-supported equipment, including (if needed) pneumatic hammer hose or concrete pump hose.
- b) Construction equipment and vehicles shall be properly maintained to prevent leakage of petroleum products.
- c) Vehicle maintenance fluids and petroleum products shall be stored, and/or changed in staging areas established at least 100 feet from delineated streams and other drainages. These products must be discarded at disposal sites in accordance with state and federal laws, rules, and regulations.
- d) Drip pans and tarps or other containment systems shall be used when changing oil or other vehicle/equipment fluids.
- e) Areas where discharge material, overburden, fuel, and equipment are stored shall be designed and established at least 100 vegetated (permeable) feet from the edge of delineated streams.
- f) Any contaminated soils or materials shall be disposed of off-site in proper receptacles at an approved disposal facility.
- g) All erosion control measures shall be inspected and repaired after each rainfall event that results in overland runoff. The Project contractor shall be prepared year-round to deploy and maintain erosion control BMPs associated with the Project.

**Monitoring and Reporting:**

**HYD-A** Project Plans shall be reviewed and approved by the District Engineer to ensure that these improvements do not interfere with or adversely affect creek capacity or the ability of District to manage and maintain these facilities.

**Responsible Parties:** Project Design Engineer, District Engineer

**Schedule:** Prior to finalizing the hydraulic design and engineering plans.

**HYD-B** The Project shall comply with the requirements of the National Pollution Discharge Elimination System (NPDES).

**Responsible Parties:** District Engineer, Contractor

**Schedule:** Prior to and during construction activities.



## **IDYLLWILD WATER DISTRICT RESOLUTION NO. 800**

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**HYD-C** Implement BMPs during construction activities by approved means to avoid or minimize the inadvertent transport by wind or water.

**Responsible Parties:** District Engineer, Contractor

**Schedule:** Prior to and during construction activities.

**HYD-D** To prevent petroleum products from contaminating soils and water bodies in the creek, the HYD-5 BMPs shall be implemented.

**Responsible Parties:** District Engineer, Contractor

**Schedule:** Prior to and during construction activities.

### **Wildfire**

#### **Mitigation Measures:**

**WF-1** The Project contractor shall create a daily pre-task wildfire assessment tool including the following:

- Assessment and delineation of the Project work area,
- Identification of escape routes and muster points,
- Check and communicate short-term and long-term weather predictions for humidity levels, temperature, wind speed and direction
- Identify vegetation types and their current condition (i.e. dry) and terrain
- Identify proximity to closest staffed fire station and phone number for calls for assistance if needed.

**WF-2** Clear brush and other combustible materials from immediate work area and pre-wet areas where there are known potential ignition sources.

**WF-3** Ensure quick access to appropriate fire suppression hand tools and fire suppression equipment, including fire extinguishers, water trucks, and water tank trailers.

**WF-4** Perform equipment checks to reduce potential for a malfunction that could create an ignition source. Lock out faulty equipment for repair prior to use onsite.

**WF-5** Reduce run time of common ignition sources such as trucks, heavy equipment, generators and welders, using them only as much as needed to complete the job.

**WF-6** Keep construction equipment and materials on vegetated, in fire prone areas of site as little as possible. This will reduce loss if the construction storage area is affected by nearby fire. This includes removing equipment during weekends or off work hours.

#### **Monitoring and Reporting**

**WF-A** Prior to issuance of authorization to proceed, the Project contractor shall provide the District with a fire prevention and suppression plan that implements the elements set forth in Mitigation Measures FW-1 through 6, and any other appropriate plans to prevent and suppress the outbreak of fire at the Project site.

**Responsible Part:** Project Contractor, District

**Schedule:** Prior to issuance of authorization to proceed.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Bill Rojas, General Manager  
**Date:** November 20, 2024  
**Subject:** Item 7– Grant Writing

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### **Recommendation:**

The Board of Directors will consider selecting a company to obtain a grant for the wastewater treatment plant.

### **Potential Companies:**

California Rural Water Association

Best Best & Krieger

Dudek



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Bill Rojas, General Manager  
**Date:** November 20, 2024  
**Subject:** Item 8– Employee Recognition

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### Background:

- Management would like to recognize Tyla Wheeler for her dedication and Loyalty. She always shows up on time and has a positive attitude toward Idyllwild Water District management and team. Also, we encouraged her to keep going with her efforts and continuing education which impacted the District's Goals
- Mrs. Wheeler will be sworn in to be the Board Secretary.

# OATH

for the office of Idylliwd Water Distirct

I, Tyla Wheeler, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature \_\_\_\_\_

Term Expires with term expiring \_\_\_\_\_

State of California

County of Riverside

Subscribed and sworn to (or affirmed) before me on,  
this Twentieth day of November, 2024

by \_\_\_\_\_

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(seal)

Signature \_\_\_\_\_