

AGENDA
Board of Directors Meeting
Strathmore Public Utility District
Thursday, March 13, 2025 – 6:30 P.M.
19626 Orange Belt Drive, Strathmore, CA 93267
P.O. Box 425 Strathmore, CA 93267

Meeting in person at:

Strathmore Public Utility District Office: 19626 Orange Belt Dr. Strathmore, CA 93267

ATTENDEES:

QUORUM? Y___ N___

1. **CALL TO ORDER:** _____ P.M.

2. **PUBLIC COMMENT:**

Members of the public may comment at this time. The Board President may set a time limit for the public comment period, as well as time limits for individual customer comments. This is the only time during the meeting that members of the public may make direct comments to the Board.

3. **APPROVAL OF MINUTES:**

Review of minutes from the Board's regular meeting on Thursday, February 13, 2025.

Motion to approve minutes: _____ Second: _____

4. **FINANCIAL REPORT:**

Presented by MRS. SANCHEZ.

5. **APPROVAL OF BILL AND PAYROLL PAYMENTS:**

Review of district bills and payroll through April 1, 2025.

Motion: _____ Second: _____

6. **TERMINATION AND/OR ABANDONMENT OF SERVICES:**

(a) *Review of extensions or waivers of payments requested in writing by delinquent customers.*

Account # _____

Motion to grant or deny customer request: _____ Second: _____

Description (if customer request granted): _____

(b) *Review list of customers with delinquent accounts.*

Motion to terminate services: _____ Second: _____

(c) *Review of accounts eligible for initiation of abandonment proceedings.*

Account No. _____

Motion to initiate abandonment proceedings: _____ Second: _____

7. **19715 GUTHRIE DRIVE SERVICE ABANDONMENT:**
The Board will review water and wastewater service abandonment for property 19715 Guthrie Drive. Motion to authorize or deny abandonment of services to the property.
Motion: _____ Second: _____
8. **WATER USAGE/SUPPLY 2024-2025/DROUGHT WATER BANK POLICY:**
Monthly usage: 22 acre feet 387 Year-to-date: acre feet.
Engineer Keller will update the Board with the water supply forecast for the upcoming year 2025-2026.
9. **SIERRA VIEW WATER CAPACITY RIGHT TRANSFER:**
Sierra View and Freddie Espinoza have agreed to transfer the water capacity right fee within a property located within the Strathmore PUD boundaries. The water capacity transfer will go from Sierra View to Freddie Espinoza, property 23070 Lawson Ave, Strathmore CA 93267 APN 215-071-010-000.
Authorization for the District to enter into an agreement with property Freddie Espinoza and Sierra View.
Motion: _____ Second: _____
10. **19640 ORANGE BELT DRIVE CAPACITY REQUEST:**
Property owner Victor Ceballos is requesting an approval letter for the County to be able to convert the second story into 8 apartment residences (4-1 bedroom units and 4-2 bedroom units). The bottom portion will remain as a commercial use. The property currently has 2 commercial capacity connections. The Board may or may not provide a will serve letter for the project.
Motion: _____ Second: _____
11. **APN 215-320-016 WATER SERVICE WHEELING AGREEMENT:**
Property owner Abigail Garcia, APN 215-320-016, is requesting sewer capacity rights from the District. Lindsay-Strathmore Irrigation District provides water service to that area and manager Craig Wallace has reached out to the District to discuss options for water service. He requested if it would be possible for an agreement allowing the customer connect to the waterline in the area belonging to Strathmore and Lindsay-Strathmore provide the District with the water capacity for the residence. The board may or may not approve the wheeling agreement.
Motion: _____ Second: _____
12. **WASTEWATER TREATMENT PLANT UPDATE:**
Engineer Keller will update the Board with information regarding the wastewater treatment plant upgrade. The Kick-off meeting was held on March 11 with Self-Help, Michael Taylor of P&P, State representatives and district staff.
Motion: _____ Second: _____
13. **STORAGE TANK ROOF REPAIR PROJECT:**
Engineer Keller will update the Board on the progress of the project. Superior tank came by to do a visual inspection and based on his findings, the tank will not need a full roof replacement but just the support rafters inside the tank. The district has also received a progress payment from the County in the amount of \$32,765.95.
Motion: _____ Second: _____
14. **STRATHMORE PUD AND LINDSAY-STRATHMORE IRRIGATION DISTRICT AGREEMENT DISCUSSION:**
Discussion regarding the operation and maintenance of the water treatment plant between Strathmore Public Utility District and Lindsay-Strathmore Irrigation District.
Motion: _____ Second: _____

15. **STRATHMORE MACHINERY PARTIAL PROPERTY PURCHASE:**

Jim Campbell has agreed to the sale of approximately 700 sq. ft. of property on the south-west corner of APN# 215-290-010. The purchase amount is \$3,500.00. The seller has provided the requested information and signed the sellers package. The District needs to sign the buyers package to finalize the purchase.

Motion: _____ Second: _____

16. **PERSONNEL POLICY REVIEW:**

Discussion regarding review of District personnel policy and addition of holidays. Management has requested additional holiday: Columbus Day and Juneteenth.

Motion: _____ Second: _____

17. **RESOLUTION FOR ADOPTION OF FEE SCHEDULE:**

Approval for adoption of resolution for fee schedule. Motion to approve or deny the fee schedule.

Motion: _____ Second: _____

18. **2023-2024 AUDIT:**

Jaribu Nelson has provided the 2023-2024 audit for your review. The Board may or may not approve the audit.

Motion: _____ Second: _____

19. **MUFFIN MONSTER GRINDER REPAIR:**

JWC has provided a quote for replacement of the muffin monster grinder at the wastewater plant. The Board may or may not approve the repair. Please see attached quotes.

Motion: _____ Second: _____

20. **UPDATE REPORTS / INFORMATION ONLY:**

1. Prop 218 update: district staff has provided engineer Keller with a 5 year budget proposal including staff salary, benefits, utilities, consumables, etc.
2. County dump: district counsel Lew spoke with Jennifer Flores about the agreement to return the county dump to Tulare County.

21. **CLOSED SESSION ITEM:**

Time in: _____ Time out: _____

CONFERENCE WITH LEGAL COUNSEL CONCERNING SIGNIFICANT EXPOSURE TO LITIGATION. [GC 54956.9(d)(2): Three cases, facts not known to potential plaintiff

CONFERENCE WITH LEGAL COUNSEL CONCERNING POTENTIAL INITIATION OF LITIGATION. [GC 54956.9(d)(4)] Three cases.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GC 54956.8]

Property: Water Tower, Strathmore California.

Agency Negotiator: Adrian Ordonez and Julia Lew. Negotiating Parties: Strathmore Public Utility District and TowerPoint.

Under Negotiation: Terms for purchase agreement.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GC 54956.8]

Property: 22395 Ave 196, Strathmore California.

Agency Negotiator: Adrian Ordonez. Negotiating Parties: Strathmore Public Utility District and Jim Campbell.

Under Negotiation: Terms for purchase agreement.

Action taken: _____

22. ADJOURNMENT:

Motion: _____ Second: _____

Time: _____ p.m.

Note: California Government Code § 54957.5 requires all public agencies to make available to the public any documents provided to at least a majority of the agency's elected officials or distributed to those officials within seventy-two hours of a regular meeting. Copies of such documents shall be made available to the public no later than the time they are distributed at the following address: 19626 Orange Belt Drive, Strathmore, CA 93267.

MINUTES
Board of Directors Meeting
Strathmore Public Utility District
Thursday, February 13, 2025 – 6:30 P.M.
19626 Orange Belt Drive, Strathmore, CA 93267
P.O. Box 425 Strathmore, CA 93267

Meeting in person at:

Strathmore Public Utility District Office: 19626 Orange Belt Dr. Strathmore, CA 93267

ATTENDEES:

Christina Lightner, President

Nicholas Martinez, Vice President

Allaney Briggs, Treasurer

Adrian Ordonez, Board Clerk/Manager

Adele Sanchez, Bookkeeper/Secretary

Dennis Keller, District Engineer

Julia Lew, District Counsel

QUORUM? Yes

1. **CALL TO ORDER:** 6:36 P.M.

2. **PUBLIC COMMENT:**
No public present.

3. **APPROVAL OF MINUTES:**
Review of minutes from the Board's regular meeting on Thursday, January 9, 2025.
Motion to approve minutes: LIGHTNER Second: MARTINEZ 3-0 PASSED UNANIMOUSLY

4. **FINANCIAL REPORT:**
Presented by MRS. SANCHEZ.

5. **APPROVAL OF BILL AND PAYROLL PAYMENTS:**
Approval of district bills and payroll through March 1, 2025.
Motion: LIGHTNER Second: BRIGGS 3-0 PASSED UNANIMOUSLY

6. **TERMINATION AND/OR ABANDONMENT OF SERVICES:**
(a) *Review of extensions or waivers of payments requested in writing by delinquent customers.*

Account # 10195-00

Motion to grant customer request: LIGHTNER Second: BRIGGS 3-0 PASSED UNANIMOUSLY

Description (if customer request granted):

Customer is requesting forgiveness of late penalties in the amount of \$7.46. She wrote the check out and noticed it had not cleared her bank account after receiving her most recent bill with two months of charges.

(b) Review list of customers with delinquent accounts.

Motion to terminate services: LIGHTNER Second: MARTINEZ 3-0 PASSED UNANIMOUS

(c) *Review of accounts eligible for initiation of abandonment proceedings.*

Account No. 20079M-00, 40048-00

Motion to initiate abandonment proceedings: LIGHTNER Second: BRIGGS 3-0 PASSED
UNANIMOUS

7. **WATER USAGE/SUPPLY 2024-2025:**

Monthly usage: 21 acre feet 365 Year-to-date: acre feet.

Engineer Keller updated the Board with the water supply forecast for the upcoming year 2025-2026. The Bureau will not make a allocation decision until the 22nd of the month.

8. **SIERRA VIEW WATER CAPACITY RIGHT TRANSFER:**

Sierra View and Freddie Espinoza have agreed to transfer the water capacity right fee within a property located within the Strathmore PUD boundaries. The water capacity transfer will go from Sierra View to Freddie Espinoza, property 23070 Lawson Ave, Strathmore CA 93267 APN 215-071-010-000. Freddie did receive a response from John at Sierra View that their attorney is reviewing the agreement.

9. **19640 ORANGE BELT DRIVE CAPACITY REQUEST:**

Property owner Victor Ceballos is requesting an approval letter for the County to be able to convert the second story into 8 apartment residences (4-1 bedroom units and 4-2 bedroom units). The bottom portion will remain as a commercial use. The property currently has 2 commercial capacity connections. The Board may or may not provide a will serve letter for the project. Dennis will check his files for a fixture count. The customer is allowed the water capacity that the building has historically had based on fixture counts.
Table to next month.

10. **APN 215-320-016 SEWER SERVICE REQUEST:**

Property owner Abigail Garcia, APN 215-320-016, is requesting sewer capacity rights from the District. Lindsay-Strathmore Irrigation District provides water service to that area and manager Craig Wallace has reached out to the District to discuss options for water service. He requested if it would be possible for an agreement allowing the customer connect to the waterline in the area belonging to Strathmore and Lindsay-Strathmore provide the District with the water capacity for the residence. The District will need to draft a wheeling rate for water service to the property.

11. **WASTEWATER TREATMENT PLANT UPDATE:**

Engineer Keller updated the Board with information regarding the wastewater treatment plant upgrade. Provost &Pritchard has provided Self-Help with a revised memorandum for scope, budget and schedule for the project. Direction was given to Keller to move forward with the revised memorandum.

12. **STORAGE TANK ROOF REPAIR PROJECT:**

Engineer Keller updated the Board on the progress of the project. Pacific tank will be coming to look at the storage tank followed by a second opinion to see what the estimated cost will be for the repair project. They will also be checking the cathodic protection system.

13. **STRATHMORE PUD AND LINDSAY-STRATHMORE IRRIGATION DISTRICT AGREEMENT DISCUSSION:**

Discussion regarding the operation and maintenance of the water treatment plant between Strathmore Public Utility District and Lindsay-Strathmore Irrigation District.

TABLED

14. **STRATHMORE MACHINERY PARTIAL PROPERTY PURCHASE:**
Jim Campbell has agreed to the sale of approximately 700 sq. ft. of property on the south-west corner of APN# 215-290-010. The purchase amount is \$3,500.00.
TABLED
15. **PERSONNEL POLICY REVIEW:**
Discussion regarding review of District personnel policy and addition of holidays. Management has requested additional holiday: Columbus Day and Juneteenth. Counsel Lew will review and draft an updated version of the personnel policy.
16. **PROPOSITION 218 UPDATE:**
Engineer Keller will update the Board with information on the status of the proposition 218 rate increase. District staff will provide Keller with employee salary/benefits for the rate increase.
17. **2023-2024 AUDIT:**
Jaribu Nelson has provided the 2023-2024 audit for your review. The Board may or may not approve the audit.
TABLED
18. **CONSIDERATION OF RESOLUTION(S) RENEWING SB 929 HARDSHIP FINDING REGARDING WEBSITE CREATION/MAINTENANCE:**
The Board may or may not adopt the resolution renewing SB 929 hardship finding regarding a website creation/maintenance.
Motion: LIGHTNER Second: MARTINEZ 3-0 PASSED UNANIMOUS
19. **MUFFIN MONSTER GRINDER REPAIR:**
Apex Rewinds has provided a quote for repair of the muffin monster grinder at the wastewater plant. Repairs for the grinder include a new gear box in the amount of \$28,637.43 not including shipping cost. The Board may or may not approve the repair.
TABLED
20. **CROSS CONNECTION CONTROL PLAN:**
The State Water Board adopted the Cross-Connection Control Policy which took effect on July 1, 2024. The policy requires all public water systems to submit a Cross-Connection Control Plan to their District or LPA by July 1, 2025.
21. **UPDATE REPORTS / INFORMATION ONLY:**
1. Four Creeks is requesting information in regard to the Tule Basin Management Zone. Engineer Keller will provide a written response and manager Ordonez will provide requested sample information.
 2. Mission Bank provided the District with information for consideration of banking with them. Please see attached information. If the Board would like to consider the possibility of changing banks, we can set up a meeting with Mission Bank staff for more information.
 3. LSID has provided information regarding proposed water rate increases under proposition 218.
 4. Alberto Castillo of High Value Engineering has requested sampling information from the District.
22. **CLOSED SESSION ITEM:**
Time in: 8:11 p.m. Time out: 8:48 p.m.

CONFERENCE WITH LEGAL COUNSEL CONCERNING SIGNIFICANT EXPOSURE TO LITIGATION. [GC 54956.9(d)(2): Three cases, facts not known to potential plaintiff

CONFERENCE WITH LEGAL COUNSEL CONCERNING POTENTIAL INITIATION OF LITIGATION. [GC 54956.9(d)(4)] Three cases.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GC 54956.8]

Property: Water Tower, Strathmore California.

Agency Negotiator: Adrian Ordonez and Julia Lew. Negotiating Parties: Strathmore Public Utility District and TowerPoint.

Under Negotiation: Terms for purchase agreement.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GC 54956.8]

Property: 22395 Ave 196, Strathmore California.

Agency Negotiator: Adrian Ordonez. Negotiating Parties: Strathmore Public Utility District and Jim Campbell.

Under Negotiation: Terms for purchase agreement.

CONFERENCE REGARDING STAFF/PERSONNEL 54957

Appointment of additional staff. Discussion about salaries, labor.

Agency Negotiator: Adrian Ordonez. Negotiating Parties: Unrepresented positions various staff.

Action taken: No reportable action.

23. **ADJOURNMENT:**

Motion: LIGHTNER Second: MARTINEZ

Time: 8:48 p.m.

Note: California Government Code § 54957.5 requires all public agencies to make available to the public any documents provided to at least a majority of the agency's elected officials or distributed to those officials within seventy-two hours of a regular meeting. Copies of such documents shall be made available to the public no later than the time they are distributed at the following address: 19626 Orange Belt Drive, Strathmore, CA 93267.

ITEM #4 FINANCIAL REPORT

February 2025
Financial Report

Previous Month Bank / Cash Balance \$719,659.23

Deposits

Water & Sewer Service Income & Misc.	65,113.94
Billing Plainview	1,000.00
Interest Income	51.47
Grant Storage Tank Reimb	32,765.95

Total Deposits 98,931.36

Withdrawals

Checks	63,661.85
LAST BANK CARD FEE FROM (CHOICE MERCI	0.59

(63,662.44)

Bank Balance End of Month 754,928.15

Bank / Cash Balances

Cash on Hand	250.00
LAIF	3,826.52
Cash at County	0.00
Checking Citizens Business Bank	79,870.31
Money Market Account (Citizens Business Bank)	670,981.32

Total 754,928.15

Available for Use

Total End of Month Balance	754,928.15
Reserve Funds balance	(588,039.15)
Available for Use	<u>166,889.00</u>

Difference 0.00

Strathmore Public Utility District
Check/Payment Register Report (BK3030)

FINANCIAL REPORT
ITEM #4

From Bank Code [1020] To [1020]
From Payment Date [2/1/2025] To [2/28/2025]

Payment Number	Payment/ Reversal Date	Rec. Status	Payee Name	Bank Payment Amount
Bank: 1020 - Citizens Bank Checking				
Payment Type:	Check			
31989	2/13/2025	CL	BRIGGS ALLANEY	DIRECTOR FEES 205.09
31990	2/13/2025	CL	LIGHTNER CHRISTINA	DIRECTOR FEES 182.30
31991	2/13/2025	CL	MARTINEZ NICHOLAS I	DIRECTOR FEES 182.30
31992	2/14/2025	CL	Mc ELHANEY MARK A	WAGES 1,408.61
31993	2/14/2025	CL	ORDONEZ ADRIAN I	WAGES 3,326.13
31994	2/14/2025	CL	SANCHEZ ADELAIDA	WAGES 1,840.76
31995	2/14/2025	CL	VALLES ROMAN	WAGES 0.00
31996	2/14/2025	CL	AT&T Mobility	CELL & IPAD SERVICE 181.10
31997	2/14/2025	CL	Internal Revenue Service	PAYROLL TAX FOR FEBRUARY 14, 2025 2,576.37
31998	2/13/2025	CL	ALLIDE WEED CONTROL	WELLS & WATER PLANT, WEED CONTROL 1,700.00
31999	2/13/2025	CL	ANTHEM BLUE CROSS	EMPLOYEE HEALTH CARE 4,832.49
32000	2/13/2025	CL	BSK Associates	LAB FEES 1,730.80
32001	2/13/2025	CL	Cline's Business Equipment, Inc	MAINTENANCE AGREEMENT 96.12
32002	2/13/2025	CL	DEE JASPAR AND ASSOCIATES, INC	EC SPECIAL PROJECT 1,496.11
32003	2/13/2025	CL	JACK GRIGGS INC	VEHICLE & GENERATOR FUEL 723.95
32004	2/13/2025	OS	JORGENSEN COMPANY	FIRE EXTINGUISHER COMPLIANCE TESTING 378.35
32005	2/13/2025	CL	LINDER EQUIPMENT CO	TRACTOR SERVICE (ONSITE) 1,548.56
32006	2/13/2025	CL	LOWE'S	MISC REPAIRS 178.49
32007	2/13/2025	CL	McCormick, Kabot & Lew	LEGAL SERVICE 4,491.60
32008	2/13/2025	CL	National Bank of Arizona	MISC 53.52
32009	2/13/2025	CL	PRINCIPAL LIFE INSURANCE COMPAN	EMPLOYEE VISION & DENTAL CARE 355.37
32010	2/13/2025	CL	HELEN SANCHEZ	EXTRA HELP BUSINESS OFFICE 272.25
32011	2/13/2025	CL	San Joaquin Pest Control	PEST CON TROL 91.00
32012	2/13/2025	CL	Southern California Edison	UTILITY LIGHTS 4,014.76
32013	2/14/2025	CL	TCERA	EMPLOYEE RETIREMENT 2,593.01
32014	2/28/2025	OS	TCERA	EMPLOYEE RETIREMENT 2,593.01
32015	2/13/2025	CL	So Cal Gas	UTILITY GAS 152.02
32016	2/13/2025	CL	USA STAFFING INC	EXTRA HELP, OUTSIDE MAINTENANCE 2,917.20
32017	2/13/2025	OS	Waste Management	TRASH SERVICE 241.66
32018	2/13/2025	CL	Lynn S. Conley, CPA	ACCOUNTING SERVICE 3,095.05
32019	2/13/2025	CL	DEE JASPAR AND ASSOCIATES, INC	EC SPECIAL PROJECT 679.50
32020	2/12/2025	CL	DENNIS R. KELLER CONSULTING CIV	ENGINEERING FEES 2,608.90
32021	2/12/2025	OS	First American Title Company	PROPERTY PURCHASE, WATERLINE ACCESS 5,950.81
32022	2/12/2025	OS	CHARTER COMMUNICATIONS	INTERNET AND TELEPHONE SERVICE 279.95
32023	2/12/2025	OS	So Cal Gas	UTILITY GAS 159.83
32024	2/12/2025	CL	USA STAFFING INC	EXTRA HELP, OUTSIDE MAINTENANCE 729.30
32025	2/28/2025	OS	Mc ELHANEY MARK A	WAGES 1,281.71
32026	2/28/2025	OS	ORDONEZ ADRIAN I	WAGES 2,738.06
32027	2/28/2025	OS	SANCHEZ ADELAIDA	WAGES 1,701.72
32028	2/28/2025	NN	VALLES ROMAN	WAGES 0.00
32029	2/25/2025	OS	STATE WATER RESOURCES CONTR	DISTRUBITION LICENSE RENEWAL RV 55.00
32030	2/25/2025	OS	STATE WATER RESOURCES CONTR	TREATMENT LICENSE RENEWAL RV 55.00
32031	2/25/2025	OS	USA STAFFING INC	EXTRA HELP, OUTSIDE MAINTENANCE 729.30
32032	2/28/2025	CL	Internal Revenue Service	PAYROLL TAX FOR FEBRUARY 28, 2025 2,115.18
32033	2/25/2025	CL	Employment Development Department	PAYROLL TAX FOR FEBRUARY 28, 2025 1,119.61
Total for Payment Type:				63,661.85

Strathmore Public Utility District
Balance Sheet
February 28, 2025

FINANCIAL REPORT
ITEM #4

ASSETS

	<u>Total</u>	<u>Water</u>	<u>Sewer</u>	<u>WTP</u>	<u>Unallocated</u>
Cash & Cash Equivalents					
Cash on Hand	250.00	162.50	87.50	0.00	0.00
Citizen's Business Bank Checking	79,870.31	30,049.27	45,767.71	4,053.33	(0.00)
Local Agency Investment Fund	3,826.52	3,826.52	0.00	0.00	0.00
Investment Accounts	670,981.32	259,700.72	407,226.96	4,053.64	(0.00)
Total Cash & Cash Equivalents	754,928.15	293,739.01	453,082.17	8,106.97	(0.00)
Other Current Assets					
Accounts Receivable Utility Star	10,883.49	6,148.35	4,735.14	0.00	(0.00)
Accounts Receivable LSID	15,593.52	0.00	0.00	15,593.52	0.00
Receivable	(223.00)	(150.95)	(72.05)	0.00	(0.00)
Grant Receivable	(32,765.95)	(32,765.95)	0.00	0.00	0.00
Prepaid Insurance	30,825.18	8,415.64	10,500.89	11,908.65	0.00
Clearing Transfers to/from Other Services	0.00	1,304,342.24	86,583.17	(1,390,925.41)	0.00
Total Other Current Assets	24,313.24	1,285,989.33	101,747.15	(1,363,423.24)	(0.00)
Fixed Assets					
Land	56,204.54	46,798.00	9,406.54	0.00	0.00
Buildings	383,135.82	168,222.92	214,912.90	0.00	0.00
Disposal Plant	133,421.06	0.00	133,421.06	0.00	0.00
Sewer Main	383,774.83	0.00	383,774.83	0.00	0.00
Water Tank	111,570.00	111,570.00	0.00	0.00	0.00
Pumps & Sand Traps	64,570.32	5,690.57	78,879.75	0.00	0.00
Meters	7,202.52	7,202.52	0.00	0.00	0.00
Water Mains	875,022.88	875,022.88	0.00	0.00	0.00
Wells / Well Pipes & Casing	70,527.00	70,527.00	0.00	0.00	0.00
Office Equipment	44,521.24	25,626.16	18,895.08	0.00	(0.00)
Furniture & Fixtures	9,122.77	4,964.39	4,158.38	0.00	0.00
Canal Storage Project	704,545.00	704,545.00	0.00	0.00	0.00
Autos, Trucks & Trailers	104,004.80	57,285.08	46,719.72	0.00	0.00
Shop Equipment	109,105.21	19,664.00	76,166.21	13,275.00	0.00
Landscaping	1,999.83	999.92	999.91	0.00	0.00
Water Treatment Plant	2,864,496.37	2,838,376.50	0.00	26,119.87	0.00
Community Development	1,390.03	695.02	695.01	0.00	0.00
Waterline Project	1,306,275.77	1,306,275.77	0.00	0.00	0.00
Accumulated Depreciation	(4,731,263.43)	(4,045,870.00)	(668,443.23)	(16,950.20)	0.00
Total Fixed Assets	2,519,626.56	2,197,595.73	299,586.16	22,444.67	0.00
Other Assets					
Deposits Paid	9,322.73	1,840.92	3,905.52	3,576.29	0.00
Cross Valley Capacity Rights	117,000.00	62,010.00	54,990.00	0.00	0.00
Cross Valley Capacity Rights	37,194.10	37,194.10	0.00	0.00	0.00
Total Other Assets	163,516.83	101,045.02	58,895.52	3,576.29	0.00
Total Assets	3,462,384.78	3,878,369.09	913,311.00	(1,329,295.31)	0.00

LIABILITIES AND EQUITY

Current Liabilities					
Accounts Payable	8,458.85	1,334.47	1,722.63	5,401.75	0.00
Accrued Expenses	134,035.91	71,167.73	62,868.18	0.00	(0.00)
Other Current Liabilities	384,092.10	205,022.10	179,070.00	0.00	0.00
Total Current Liabilities	526,586.86	277,524.30	243,660.81	5,401.75	0.00
Long-Term Liabilities					
Davis/Grunksky Loan	242,061.70	242,061.70	0.00	0.00	0.00
Waterline Project	188,125.00	188,125.00	0.00	0.00	0.00
Canal Storage	75,951.40	75,951.40	0.00	0.00	0.00
Total Long-Term Liabilities	506,138.10	506,138.10	0.00	0.00	0.00
Fund Balances					
Closing Account	(476,875.20)	106,207.26	(55,267.25)	(527,815.21)	0.00
Prior Year Adjustment	3,460.12	795.58	1,711.96	952.58	0.00
Invested in Capital Assets	1,906,996.28	1,518,161.14	361,089.18	27,745.96	(0.00)
Restricted for Plant Expansion	725,828.23	384,825.23	341,003.00	0.00	0.00
Unreserved, Undesignated	99,076.31	693,190.54	52,313.66	(646,427.89)	0.00
Restricted for Debt Service	120,372.44	120,372.44	0.00	0.00	0.00
Profit (loss) for period	50,801.64	271,154.50	(31,200.36)	(189,152.50)	0.00
Total Equity	2,429,659.82	3,094,706.69	669,650.19	(1,334,697.06)	(0.00)
Total Liabilities & Fund Balances	3,462,384.78	3,878,369.09	913,311.00	(1,329,295.31)	(0.00)

Strathmore Public Utility District					ITEM #4 FINANCIAL REPORT			
Statement of Earnings - Accrual Basis								
For The Period Ending February 28, 2025								
	Month to Date					Year to Date		
	Total	Water	Sewer	WTP	Total	Water	Sewer	WTP
Revenues								
Service Income	51,200.45	34,325.13	16,875.32	0.00	418,044.52	283,526.28	134,518.24	0.00
Penalty Income	1,435.30	988.00	447.30	0.00	9,473.67	6,521.42	2,952.25	0.00
Check Return Fee	25.00	16.25	8.75	0.00	50.00	32.50	17.50	0.00
Turn On/Turn Off Income	200.00	130.00	70.00	0.00	475.00	308.70	166.30	0.00
Hand Delivered Income Charges	325.00	195.00	130.00	0.00	1,825.00	1,170.00	655.00	0.00
Other Sales	10.00	10.00	0.00	0.00	120.00	120.00	0.00	0.00
Drought Violation	300.00	300.00	0.00	0.00	2,400.55	2,400.55	0.00	0.00
Legal Fees Billed	195.00	195.00	0.00	0.00	585.00	585.00	0.00	0.00
Billing Services for Plainview	1,000.00	1,000.00	0.00	0.00	8,000.00	8,000.00	0.00	0.00
Rental Income	10,174.73	2,203.03	7,971.70	0.00	80,594.01	17,352.58	63,241.43	0.00
LSID Water Treatment Reimb	7,243.46	0.00	0.00	7,243.46	69,649.67	0.00	0.00	69,649.67
LSID WTP Deprec Reimb	1,143.04	0.00	0.00	1,143.04	2,286.08	0.00	0.00	2,286.08
Total Revenues	73,251.98	39,362.41	25,503.07	8,386.50	593,503.50	320,017.03	201,550.72	71,935.75
Salaries & Employee Benefits								
Wages	17,667.16	3,836.68	7,535.00	6,295.48	142,525.75	30,962.14	60,797.29	50,766.32
Director Fees	625.00	208.31	208.31	208.38	5,000.00	1,666.50	1,666.50	1,667.00
Payroll Taxes	1,470.86	326.61	623.12	521.13	11,197.70	2,046.09	4,957.24	4,194.37
Health Insurance	5,187.86	1,080.94	2,165.94	1,940.98	39,521.88	8,223.44	16,491.96	14,806.48
Retirement	4,100.84	897.37	1,777.19	1,426.28	32,595.34	7,135.88	14,132.08	11,327.38
Workers Compensation Ins	1,778.91	319.22	696.67	763.02	7,805.22	1,523.45	3,120.01	3,161.76
Total Salaries & Emp Ben	30,830.63	6,669.13	13,006.23	11,155.27	238,645.89	51,557.50	101,165.08	85,923.31
Services & Supplies								
Accounting	1,782.55	594.19	594.18	594.18	4,070.05	1,387.95	1,387.93	1,294.17
Audit	0.00	0.00	0.00	0.00	8,000.00	2,666.67	2,666.66	2,666.67
Bank Charges	38.09	14.05	14.04	10.00	444.95	228.70	206.25	10.00
Chloration / Chemicals	0.00	0.00	0.00	0.00	36,793.01	0.00	0.00	36,793.01
Computer Software	0.00	0.00	0.00	0.00	4,859.99	2,278.33	2,278.33	303.33
Contracted Services	3,043.59	828.98	1,521.79	692.82	21,773.31	5,613.58	10,818.64	5,341.09
Dues & Subscriptions	0.00	0.00	0.00	0.00	5,225.02	150.00	5,075.02	0.00
Engineering	0.00	0.00	0.00	0.00	55,885.47	11,398.10	9,055.05	35,432.32
Fuel - Equipment	334.42	0.00	109.47	224.95	1,010.45	0.00	417.60	592.85
Insurance - General	2,637.25	597.83	888.25	1,151.17	18,964.81	4,247.17	6,159.85	8,557.79
Interest Expense	0.00	0.00	0.00	0.00	4,007.35	4,007.35	0.00	0.00
Janitorial Supplies	106.55	33.46	33.46	39.63	357.70	63.68	63.69	230.33
Legal	0.00	0.00	0.00	0.00	9,063.93	4,908.44	2,419.48	1,736.01
Miscellaneous	240.00	105.00	20.00	115.00	2,871.50	1,187.62	425.76	1,258.12
Office Expenses	1,228.69	592.08	586.50	50.11	6,003.89	3,183.78	2,177.21	642.90
Permits, Licenses, Fees	110.00	55.00	0.00	55.00	38,548.06	3,544.97	33,506.46	1,496.63
Professional	0.00	0.00	0.00	0.00	18,982.09	0.00	13,674.07	5,308.02
Repair & Maint - Equipment	187.68	70.66	60.29	56.73	24,898.57	960.96	7,399.49	16,538.12
Repair & Maint - Vehicles	357.72	119.24	119.24	119.24	5,938.14	1,979.36	1,979.39	1,979.39
Repair & Maint - Structures	332.66	17.00	30.00	285.66	22,438.82	1,966.54	14,496.03	5,976.25
Small Tools	527.86	0.00	223.10	304.76	3,612.98	825.59	1,898.44	888.95
Special Expenses	5,950.81	5,950.81	0.00	0.00	5,950.81	5,950.81	0.00	0.00
Telephone	461.08	130.37	130.36	200.35	3,740.23	1,060.14	1,060.11	1,619.98
Testing Fees Laboratory	2,177.09	107.12	1,106.76	963.21	11,231.88	1,999.43	4,511.78	4,720.67
Travel & Conventions	100.00	33.33	33.34	33.33	100.00	33.33	33.34	33.33
Utilities	4,057.80	96.53	684.24	3,275.03	53,019.41	3,147.15	8,610.98	41,261.28
Total Services & Supplies	23,673.84	9,347.65	6,155.02	8,171.17	367,792.42	62,789.65	130,321.56	174,681.21
Net Operating Income (Loss)	18,747.51	23,345.63	6,341.82	(10,939.94)	(12,934.81)	205,669.88	(29,935.92)	(188,668.77)
Other Income (Expense)								
Property Taxes	0.00	0.00	0.00	0.00	67,714.10	69,266.63	(1,552.53)	0.00
Property Taxes - Admin Fees	0.00	0.00	0.00	0.00	(1,100.50)	(1,100.50)	0.00	0.00
Interest Income	51.47	19.92	31.24	0.31	561.06	264.20	288.09	8.77
Temporary Distribution	711.77	435.58	276.19	0.00	(2,945.71)	(2,945.71)	0.00	0.00
Total other Income (Expenses)	763.24	455.50	307.43	0.31	64,228.95	65,484.62	(1,264.44)	8.77
Net Income (Loss)	19,510.75	23,801.13	6,649.25	(10,939.63)	51,294.14	271,154.50	(31,200.36)	(188,660.00)

Strathmore Public Utility District

ITEM #4 FINANCIAL REPORT

Cash Flow

For The Year Ending February 28, 2025

	Month to Date				Year to Date			
	Total	Water	Sewer	WTP	Total	Water	Sewer	WTP
Net Income (Loss)	19,510.75	23,801.13	6,649.25	(10,939.63)	51,294.14	271,154.50	(31,200.36)	(166,660.00)
Add Items in Operations no Requiring Cash								
Cash Provided by								
Decrease (Increase) Receivables	25,635.41	31,741.23	(6,105.82)	0.00	22,045.32	30,528.03	(8,482.71)	0.00
Decrease (Increase) Prepaids	4,416.16	917.05	1,584.92	1,914.19	(21,026.44)	(4,518.41)	(7,032.38)	(9,475.65)
Intercompany Change	0.00	(35,987.32)	19,156.94	16,830.38	0.00	(192,714.69)	60,429.11	132,285.58
Increase (Decrease) Payables	(14,293.40)	(4,870.13)	(5,671.97)	(3,751.30)	(35,680.34)	(16,649.11)	(889.70)	(18,141.53)
Increase (Decrease) Deposits from Oth	0.00	0.00	0.00	0.00	155.69	155.69	0.00	0.00
Less								
Cash Expended for								
Fixed Assets								
Loan Principal Payments								
Differed Interest Payable, Water	0.00	0.00	0.00	0.00	(539.88)	(539.88)	0.00	0.00
Davis/Grunsky Loan	0.00	0.00	0.00	0.00	(76,783.62)	(76,783.62)	0.00	0.00
Waterline Project	0.00	0.00	0.00	0.00	(7,525.00)	(7,525.00)	0.00	0.00
Canal Storage	0.00	0.00	0.00	0.00	(2,531.72)	(2,531.72)	0.00	0.00
Cash Increase (Decrease) for Period	35,268.92	15,601.96	15,613.32	4,053.64	(70,591.85)	575.79	12,823.96	(83,991.60)
Beginning Cash Balances	719,659.23	278,137.05	437,468.85	4,053.33	826,012.50	292,889.28	439,534.61	93,588.61
Ending Cash Balances	754,928.15	293,739.01	453,082.17	8,106.97	755,420.65	293,465.07	452,358.57	9,597.01
Available Cash Balance	754,928.15	293,739.01	453,082.17	8,106.97	755,420.65	293,465.07	452,358.57	9,597.01
Reserve Funds:								
Davis Grunsky	(78,967.22)	(78,967.22)	0.00	0.00	(78,967.22)	(78,967.22)	0.00	0.00
Customer Deposits	(1,416.75)	(1,416.75)	0.00	0.00	(1,416.75)	(1,416.75)	0.00	0.00
Sewer Depreciation Reserve	(48,153.51)	0.00	(48,153.51)	0.00	(48,153.51)	0.00	(48,153.51)	0.00
Capacity Rights Fees	(440,804.98)	(157,546.40)	(283,258.58)	0.00	(440,804.98)	(157,546.40)	(283,258.58)	0.00
Canal Storage	(5,063.45)	(5,063.45)	0.00	0.00	(5,063.45)	(5,063.45)	0.00	0.00
Waterline	(15,050.00)	(15,050.00)	0.00	0.00	(15,050.00)	(15,050.00)	0.00	0.00
Total Reserve Funds	(589,455.91)	(258,043.82)	(331,412.09)	0.00	(589,455.91)	(258,043.82)	(331,412.09)	0.00
Cash Balance Available for Use	165,472.24	35,695.19	121,670.08	8,106.97	165,964.74	35,421.25	120,946.48	9,597.01
Bank Balance End of Period	Total				Total			
Cash on Hand	250.00				250.00			
LAIF	3,826.52				3,826.52			
Checking - Citizen's Business Bank	79,870.31				79,870.31			
Money Market Account - Citizen's Business	670,981.32				670,981.32			
Ending Cash Balances	754,928.15				754,928.15			

Bank Reconciliation Posting Journal (BK1470)

-- Bank Reconciliation Summary --

Bank 1020 Citizens Bank Checking
Reconciliation Date 2/28/2025
Reconciliation Year-Period 2025-08
Statement Date 2/28/2025
Statement Currency USD U.S. Dollars
Reconciliation Description BANK RECONCILIATION FEB 28, 2025

Statement Balance	96,034.71	Book Balance	79,870.31
+ Deposits Outstanding	0.00	+/- Bank Entries Not Posted	0.00
- Withdrawals Outstanding	16,164.40	+/- Write-Offs	0.00
+ Deposit Bank Errors	0.00	- Credit Card Charges	0.00
- Withdrawal Bank Errors	0.00		
Adjusted Statement Balance	79,870.31	Adjusted Book Balance	79,870.31
		Out of Balance by	0.00

Bank Reconciliation Posting Journal (BK1470)

From Posting Sequence [2] To [1419]
 Reprint Previously Printed Journals [No]
 Print Deposit Details [No]
 Print G/L Summary [Yes]

Transaction Number	Srce. Appl. Date	Reconciliation Status	Outstanding Amount	Cleared Amount	Difference
Posting Sequence:	1,419				
Bank:	1020 - Citizens Bank Checking				
Deposits:					
93	AR 2/25/2025	Cleared	1,000.00	1,000.00	0.00
94	AR 2/25/2025	Cleared	1,000.00	1,000.00	0.00
TR000000000000000003464	BK 2/3/2025	Cleared	1,583.10	1,583.10	0.00
TR000000000000000003465	BK 2/3/2025	Cleared	370.99	370.99	0.00
TR000000000000000003466	BK 2/4/2025	Cleared	4,213.90	4,213.90	0.00
TR000000000000000003467	BK 2/4/2025	Cleared	449.72	449.72	0.00
TR000000000000000003468	BK 2/5/2025	Cleared	1,555.18	1,555.18	0.00
TR000000000000000003469	BK 2/5/2025	Cleared	492.87	492.87	0.00
TR000000000000000003470	BK 2/6/2025	Cleared	135.47	135.47	0.00
TR000000000000000003471	BK 2/7/2025	Cleared	2,560.00	2,560.00	0.00
TR000000000000000003472	BK 2/7/2025	Cleared	483.19	483.19	0.00
TR000000000000000003473	BK 2/8/2025	Cleared	79.60	79.60	0.00
TR000000000000000003474	BK 2/9/2025	Cleared	164.60	164.60	0.00
TR000000000000000003475	BK 2/10/2025	Cleared	8,007.90	8,007.90	0.00
TR000000000000000003476	BK 2/10/2025	Cleared	74.08	74.08	0.00
TR000000000000000003477	BK 2/11/2025	Cleared	1,842.63	1,842.63	0.00
TR000000000000000003478	BK 2/11/2025	Cleared	336.52	336.52	0.00
TR000000000000000003479	BK 2/12/2025	Cleared	3,950.92	3,950.92	0.00
TR000000000000000003480	BK 2/12/2025	Cleared	74.62	74.62	0.00
TR000000000000000003481	BK 2/13/2025	Cleared	2,135.46	2,135.46	0.00
TR000000000000000003482	BK 2/13/2025	Cleared	322.71	322.71	0.00
TR000000000000000003483	BK 2/14/2025	Cleared	1,033.02	1,033.02	0.00
TR000000000000000003484	BK 2/14/2025	Cleared	74.94	74.94	0.00
TR000000000000000003485	BK 2/15/2025	Cleared	74.33	74.33	0.00
TR000000000000000003487	BK 2/18/2025	Cleared	16,758.55	16,758.55	0.00
TR000000000000000003488	BK 2/18/2025	Cleared	72.50	72.50	0.00
TR000000000000000003489	BK 2/18/2025	Cleared	262.80	262.80	0.00
TR000000000000000003490	BK 2/19/2025	Cleared	2,361.72	2,361.72	0.00
TR000000000000000003491	BK 2/19/2025	Cleared	164.80	164.80	0.00
TR000000000000000003492	BK 2/19/2025	Cleared	218.98	218.98	0.00
TR000000000000000003493	BK 2/20/2025	Cleared	3,369.67	3,369.67	0.00
TR000000000000000003494	BK 2/20/2025	Cleared	155.52	155.52	0.00
TR000000000000000003495	BK 2/20/2025	Cleared	1,473.60	1,473.60	0.00
TR000000000000000003496	BK 2/21/2025	Cleared	3,095.26	3,095.26	0.00
TR000000000000000003497	BK 2/21/2025	Cleared	399.13	399.13	0.00
TR000000000000000003499	BK 2/22/2025	Cleared	153.71	153.71	0.00
TR000000000000000003500	BK 2/23/2025	Cleared	73.72	73.72	0.00
TR000000000000000003501	BK 2/24/2025	Cleared	32,765.95	32,765.95	0.00
TR000000000000000003502	BK 2/24/2025	Cleared	2,132.39	2,132.39	0.00
TR000000000000000003503	BK 2/24/2025	Cleared	385.64	385.64	0.00
TR000000000000000003504	BK 2/24/2025	Cleared	75.00	75.00	0.00
TR000000000000000003505	BK 2/25/2025	Cleared	515.72	515.72	0.00
TR000000000000000003506	BK 2/25/2025	Cleared	1,193.11	1,193.11	0.00
TR000000000000000003507	BK 2/26/2025	Cleared	365.73	365.73	0.00
TR000000000000000003508	BK 2/27/2025	Cleared	960.12	960.12	0.00
TR000000000000000003509	BK 2/5/2025	Cleared	80.00	80.00	0.00
Deposits Total:			99,049.37	99,049.37	0.00

Bank Reconciliation Posting Journal (BK1470)

Transaction Number	Src.	Appl. Date	Reconciliation Status	Outstanding Amount	Cleared Amount	Difference
Withdrawals:						
TR000000000000000003486	BK	2/5/2025	Cleared	0.59	0.59	0.00
TR000000000000000003498	BK	2/21/2025	Cleared	89.48	89.48	0.00
TR000000000000000003510	BK	2/7/2025	Cleared	80.00	80.00	0.00
31964	AP	1/9/2025	Cleared	765.90	765.90	0.00
31970	AP	1/31/2025	Cleared	2,593.01	2,593.01	0.00
31974	AP	1/9/2025	Cleared	450.00	450.00	0.00
31979	AP	1/9/2025	Cleared	107.70	107.70	0.00
31983	UP	1/31/2025	Cleared	1,387.65	1,387.65	0.00
31984	UP	1/31/2025	Cleared	2,877.89	2,877.89	0.00
31985	UP	1/31/2025	Cleared	1,900.00	1,900.00	0.00
31989	UP	2/13/2025	Cleared	205.09	205.09	0.00
31990	UP	2/13/2025	Cleared	182.30	182.30	0.00
31991	UP	2/13/2025	Cleared	182.30	182.30	0.00
31992	UP	2/14/2025	Cleared	1,408.61	1,408.61	0.00
31993	UP	2/14/2025	Cleared	3,326.13	3,326.13	0.00
31994	UP	2/14/2025	Cleared	1,840.76	1,840.76	0.00
31995	UP	2/14/2025	Cleared	0.00	0.00	0.00
31996	AP	2/14/2025	Cleared	181.10	181.10	0.00
31997	AP	2/14/2025	Cleared	2,576.37	2,576.37	0.00
31998	AP	2/13/2025	Cleared	1,700.00	1,700.00	0.00
31999	AP	2/13/2025	Cleared	4,832.49	4,832.49	0.00
32000	AP	2/13/2025	Cleared	1,730.80	1,730.80	0.00
32001	AP	2/13/2025	Cleared	96.12	96.12	0.00
32002	AP	2/13/2025	Cleared	1,496.11	1,496.11	0.00
32003	AP	2/13/2025	Cleared	723.95	723.95	0.00
32005	AP	2/13/2025	Cleared	1,548.56	1,548.56	0.00
32006	AP	2/13/2025	Cleared	178.49	178.49	0.00
32007	AP	2/13/2025	Cleared	4,491.60	4,491.60	0.00
32008	AP	2/13/2025	Cleared	53.52	53.52	0.00
32009	AP	2/13/2025	Cleared	355.37	355.37	0.00
32010	AP	2/13/2025	Cleared	272.25	272.25	0.00
32011	AP	2/13/2025	Cleared	91.00	91.00	0.00
32012	AP	2/13/2025	Cleared	4,014.76	4,014.76	0.00
32013	AP	2/14/2025	Cleared	2,593.01	2,593.01	0.00
32015	AP	2/13/2025	Cleared	152.02	152.02	0.00
32016	AP	2/13/2025	Cleared	2,917.20	2,917.20	0.00
32018	AP	2/13/2025	Cleared	3,095.05	3,095.05	0.00
32019	AP	2/13/2025	Cleared	679.50	679.50	0.00
32020	AP	2/12/2025	Cleared	2,608.90	2,608.90	0.00
32024	AP	2/12/2025	Cleared	729.30	729.30	0.00
32032	AP	2/28/2025	Cleared	2,115.18	2,115.18	0.00
32033	AP	2/25/2025	Cleared	1,119.61	1,119.61	0.00
Withdrawals Total:				57,749.67	57,749.67	0.00
Bank Total:				41,299.70	41,299.70	

Bank Reconciliation Posting Journal (BK1470)

-- Bank Reconciliation Summary --

Bank 1090 Citizens Business Bank Money Market
Reconciliation Date 2/28/2025
Reconciliation Year-Period 2025-08
Statement Date 2/28/2025
Statement Currency USD U.S. Dollars
Reconciliation Description MM ACCOUNT RECONCILIATION FEB 28, 2025

Statement Balance	670,981.33	Book Balance	670,981.33
+ Deposits Outstanding	0.00	+/- Bank Entries Not Posted	0.00
- Withdrawals Outstanding	0.00	+/- Write-Offs	0.00
+ Deposit Bank Errors	0.00	- Credit Card Charges	0.00
- Withdrawal Bank Errors	0.00		
	<u>0.00</u>		
Adjusted Statement Balance	<u>670,981.33</u>	Adjusted Book Balance	<u>670,981.33</u>
		Out of Balance by	<u>0.00</u>

Bank Reconciliation Posting Journal (BK1470)

From Posting Sequence [2] To [1421]
 Reprint Previously Printed Journals [No]
 Print Deposit Details [No]
 Print G/L Summary [Yes]

Transaction Number	Srce.	Appl.	Date	Reconciliation Status	Outstanding Amount	Cleared Amount	Difference
Posting Sequence:	1,421						
Bank:	1090 - Citizens Business Bank Money Market						
Deposits:							
TR000000000000000003511	BK	2/28/2025	Cleared		51.47	51.47	0.00
Deposits Total:					51.47	51.47	0.00
Bank Total:					51.47	51.47	

FRIANT WATER AUTHORITY

854 N. HARVARD AVE. LINDSAY, CA 93247-1715 (559) 562-6305 FAX (559) 562-3496

REPORT OF WATER DELIVERIES

Deliveries to Strathmore Public Utility District for the period ending

2/28/25

Date	Meters A.F.
1	0
2	2
3	0
4	1
5	0
6	2
7	1
8	0
9	1
10	1
11	0
12	1
13	1
14	1
15	0
16	1
17	1
18	1
19	1
20	0
21	1
22	1
23	1
24	0
25	1
26	1
27	1
28	1
29	0
30	0
31	0
A.F.	22

Email to : SPUD Adrian Ordonez
LSID (Craig Wallace)

Total Acre-Feet, This report	22
Acre-Feet Previously Reported	365
Total Acre-Feet Deliveries to Date	387

NO FEE PER GOVERNMENT CODE §6103

RECORDED AT THE REQUEST OF
AND RETURN TO:

STRATHMORE PUBLIC UTILITY DISTRICT
POST OFFICE BOX 425
STRATHMORE CALIFORNIA 93267

STRATHMORE PUBLIC UTILITY DISTRICT

NOTICE OF INTENT TO DECLARE SEWER AND WATER SERVICE ABANDONED

Rodney Boland
19715 Guthrie Drive
Strathmore Ca. 93267

According to the records of Strathmore Public Utility District, you have failed to use District sewer and/or water or have failed to pay District charges for more than sixty (60) days.

YOU ARE HEREBY NOTIFIED that the District intends to declare the right to sewer and water service and capacity abandoned on the property located at 19715 Guthrie, Strathmore, CA. 93267, APN: 215-108-006.

YOU ARE FURTHER NOTIFIED that a hearing will be held on the question of whether or not to declare the right to sewer and water service and capacity abandoned on March 13th 2025, at 6:30 p.m., at the Strathmore Public Utility District Board Room located at 19626 Orange Belt Drive, Strathmore, California.

If you pay all back charges, plus an amount set by Resolution of the Board of Directors to cover the estimated costs of the abandonment proceedings, before the time of the hearing the District will stop the abandonment proceedings. You currently owe \$670.41 in back charges. You also must pay \$195.00 to cover the estimated costs of these abandonment proceedings. You therefore must tender \$865.41 to the District prior to the time of hearing in order to abate the abandonment proceedings.

At the hearing the governing Board of Directors will first receive both oral and written evidence from the District staff supporting abandonment of the right to sewer and water service and capacity. The Board will then give you an opportunity to present evidence in opposition to the proposed Declaration of Abandonment of Sewer and Water Service.

If the right to sewer and water service is declared abandoned, you will no longer be allowed to utilize the District's services. If the property owner wishes to connect or reconnect to the District sewer and/or water service after right has been abandoned, the property owner shall first requalify for connection to the system and pay all applicable fees and charges for a new service connection. The new service connection fee is for both services is currently \$7,650.00, though this amount is subject to change.

STRATHMORE PUBLIC UTILITY DISTRICT

Dated: February 26, 2025

By: 

ADRIAN ORDONEZ, Clerk
Board of Directors

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

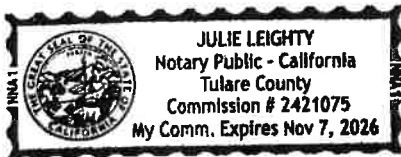
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Tulare)
 On February 26, 2025 before me, Julie Leighty, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared Adrian Ordonez
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Julie Leighty
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Notice of Intent to Declare Sewer & Water Svc. Abandoned

Document Date: February 26, 2025

Number of Pages: 2

(Not including Notary Acknowledgment(s))

Signer(s) Other Than Named Above: n/a

Capacity(ies) Claimed by Signer(s)

Signer's Name: Adrian Ordonez

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☒ Other: Chair of the Board

Signer Is Representing: Shafter

Public Utility District

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

FRIANT WATER AUTHORITY

854 N. HARVARD AVE. LINDSAY, CA 93247-1715 (559) 562-6305 FAX (559) 562-3496

REPORT OF WATER DELIVERIES

Deliveries to Strathmore Public Utility District for the period ending

2/28/25

Date	Meters A.F.
1	0
2	2
3	0
4	1
5	0
6	2
7	1
8	0
9	1
10	1
11	0
12	1
13	1
14	1
15	0
16	1
17	1
18	1
19	1
20	0
21	1
22	1
23	1
24	0
25	1
26	1
27	1
28	1
29	0
30	0
31	0
A.F.	22

Total Acre-Feet, This report	22
Acre-Feet Previously Reported	365
Total Acre-Feet Deliveries to Date	387

Email to : SPUD Adrian Ordonez
LSID (Craig Wallace)

WARRANT NO. 3560740

CKCAT

01

PV #	PV DATE	PO #	INVOICE #	DESCRIPTION	NET AMOUNT
C1E	01-10-25		1		32,765.95
01-9-2025 #12 Storage tank					
VENDOR NO. 2971000					TOTAL: \$32,765.95
					3560740

REC'D STRATHMORE PUB
FEB 24 2025 AM 10:48

REMOVE DOCUMENT ALONG THIS PERFORATION

WARNING: The face of this document reads 'Tulare County' as a microprint border. Original document has an artificial watermark on reverse side.

OFFICE OF AUDITOR-CONTROLLER/
TREASURER-TAX COLLECTOR
TULARE COUNTY
CALIFORNIAJPMorgan Chase Bank, N.A.
Columbus, OHTHIS WARRANT IS VOID SIX
MONTHS AFTER ISSUE DATE

Warrant NO. 3560740

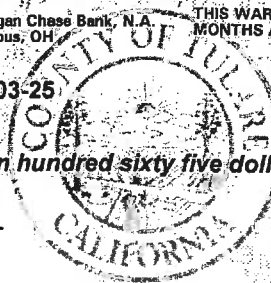
56-1544
441

DATE 02-03-25

AMOUNT \$32,765.95

THE TREASURER OF
TULARE COUNTY
STATE OF CALIFORNIA

Thirty two thousand seven hundred sixty five dollars and 95/100

PAY
TO THE
ORDER OFSTRATHMORE PUB UTILITY DIST
19626 Orange Belt Dr
Strathmore, CA 93267Cass Cook
Cass Cook

⑈3560740⑈ ⑆044115443⑆ 613859336⑈



**OFFICE OF THE COUNTY OF TULARE
ASSESSOR/CLERK-RECORDER**

221 S. Mooney Blvd. • Room 105 • Visalia, CA 93291

Tara K. Freitas, CPA
Assessor/Clerk-Recorder

REC'D STRATHMORE PUD
MAR 7 2025 AM 10:39

STRATHMORE PUBLIC UTILITY DISTRICT
19626 ORANGE BELT DRIVE
STRATHMORE, CA 93627-0425

Posting of Environmental Notices

Notice of: EXEMPTION

Receipt Number: 25-54-01172025-0008

Project Title: Tank Repair Project

Date Posted: 1/14/2025

Date Removed: 2/21/2025

If you have any questions or concerns regarding the enclosed document, please do not hesitate to call us at (559) 636-5051.

Sincerely,

A handwritten signature in blue ink, appearing to be "Anahi", with a stylized flourish at the end.

Anahi Castillo-Morales
Deputy

Notice of Exemption

TO: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, California 95814

FROM: Lead Agency/Applicant:
Strathmore Public Utility District
19626 Orange Belt Drive
Strathmore, CA 93627-0425
(559) 568-1613

oc 3:05pm

FILED
TULARE COUNTY

☒ County Clerk, County of Tulare
Courthouse, County Civic Center
Visalia, California 92391

Attn: Mr. Adrian Ordonez

JAN 13 2025

Project Title:

Tank Repair Project

ASSESSOR / CLERK-RECORDER
BY: *[Signature]*

Project Location:

District's Water Treatment Facilities. Intersection of Avenue 196 and Wallace Road. See Figure 1.

Project Location:

Strathmore, California, Tulare County, State of California.

Description of Nature, Purpose, and Beneficiaries of Project:

The District's welded steel roof is currently experiencing deterioration that needs to be addressed for health and safety concerns. The Proposed Project consists of the construction activities to remove and replace the welded steel roof of the District's 750,000 water storage tank. The Project will include bypass pumping and on-site storage to ensure the domestic water production and supply for District customers continues during construction.

Name of Public Agency Approving Project: Strathmore Public Utility District

Name of Person or Agency Carrying Out Project: Strathmore Public Utility District

Exempt Status: (Check One)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declare Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☒ Categorical Exemption. Class 2 – "Replacement or Construction" [14 CCR § 15302]
☐ Statutory Exemptions. Feasibility and Planning Studies [14 CCR § 15260]

Reasons why project is exempt: The Proposed Project removes the welded steel roof to the District's existing 750,000 gallon water storage tank and constructs a new welded steel roof in its place to allow the District continued use of the water storage tank. All construction activities will occur on the site of the District's water treatment plant.

Lead Agency Contact Person

Dennis R. Keller, R.C.E.

Area Code
(559)

Telephone
732-7938

Extension

If filed by applicant:

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

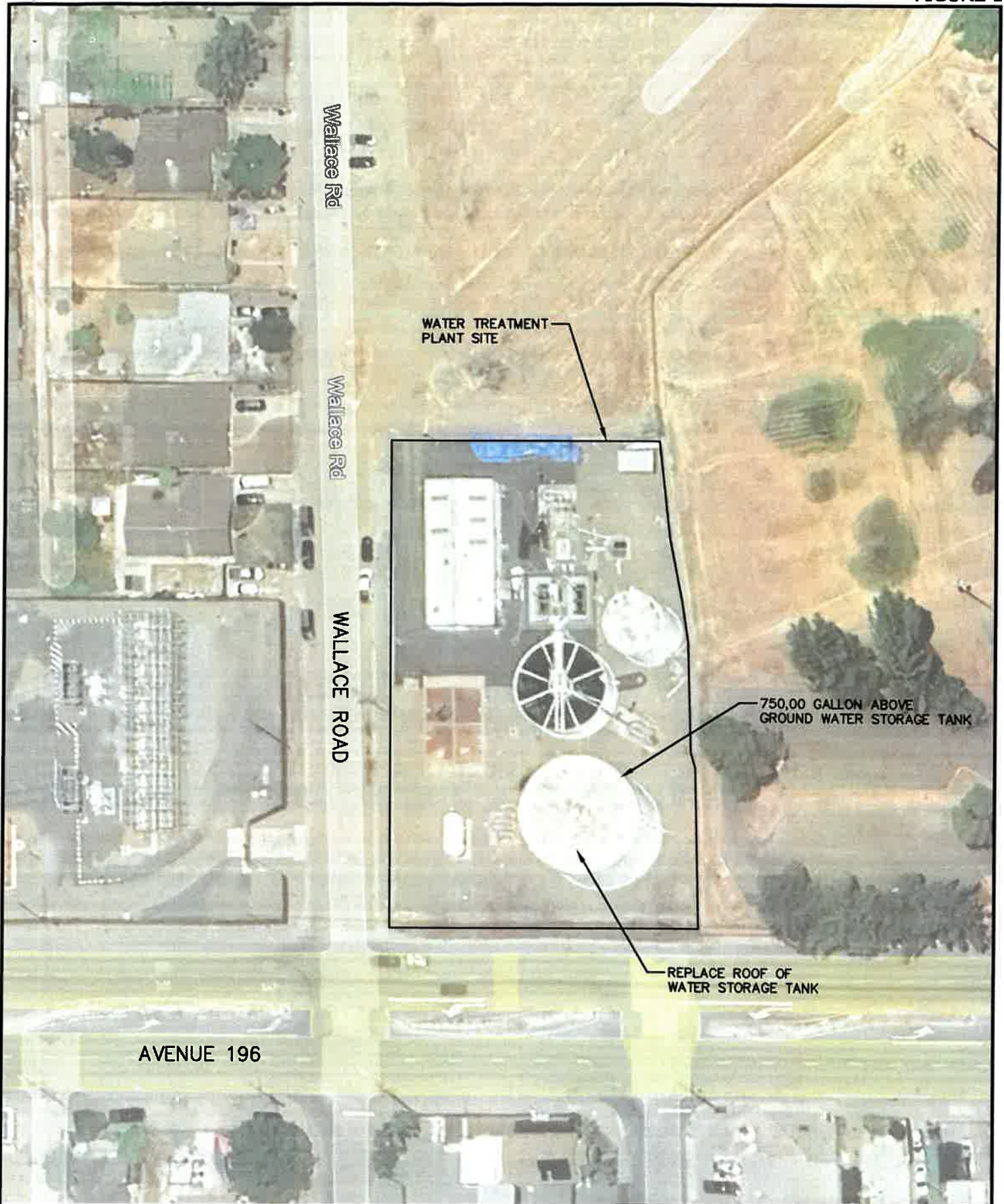
Signature: *[Signature: Dennis R. Keller]* Date: 01/09/2025 Title: District Consulting Engineer

☒ Signed by Lead Agency

Date Received for filing at OPR: _____

☐ Signed by Applicant

FIGURE 1



PLAN SCALE: NO SCALE

PROJECT LOCATION
TANK REPAIR PROJECT
STRATHMORE PUBLIC UTILITY DISTRICT

DENNIS R. KELLER CCE, INC.

FEE SCHEDULE
MATERIALS AND SERVICES
December 10, 2020

CONNECTION FEES:

Water connection, per single family dwelling:	\$5,150.00
Water connection, each additional unit - as determined by Board – fixture unit count:	
Water capacity rights for each additional non-family resident [Res. No. 4-04-1-(08)]:	115.00
Sewer connection fee, single family dwelling:	2,500.00
Sewer connection fee, each additional unit – as determined by Board – fixture unit count:	
Sewer capacity rights for each additional non-family resident [Res. No. 4-04-1-(08)]:	125.00
Water connection, industrial/commercial/institutional: As determined by the Board of Directors. [Size, water/sewer loads, number of fixture units determine the connection fee.	
Sewer connection: industrial/commercial/institutional: as with water, above.	

WATER RATES:

Single family dwelling, minimum per month:	48.15
Additional units, minimum per month:	48.15
Consumption rate per 1,000 gallons per month:	.47

SEWER RATES:

Single family dwelling, per month:	24.35
------------------------------------	-------

INDUSTRIAL USE RATE/SEWER:

High discharge customer (e.g. citrus shed, car wash, etc.) Base rate of 24.35 plus 50% of water bill.

FIRE SPRINKLER [PROTECTION] SYSTEM:

No connection fees – no monthly fees – no fire flow meter.

CONSTRUCTION RATES:

Water used for dust control, compaction and related construction [District provides meter]: per 1,000 gal 1.00
Or .50¢ per 1,000 gallons when the water is taken from backwash tank at Water Treatment Plant, in addition to a base Fee Fifty Dollars (\$50) which shall be due when an agreement is signed.

MISC CHARGES:

Late fee rate	10% of bill
Turn-on fee, each activity: [new accounts, service restoration, etc.]	25.00
Turn-off fee, each activity:	25.00
Labor, all - minimum 1 man hour/one hour:	50.00
Labor – holidays, weekends, overtime:	50.00
Call backs, minimum three hours @ \$50.00/hr.	150.00
Meter removal/reinstallation relative to service termination:	25.00
Hand-carry, phone or mail charges for 48 hour service termination:	20.00
Certified Mail notice:	7.50
Returned check [insufficient funds, closed account, etc]:	25.00
Copies	.50
Agenda requests: Agenda if mailed .50¢ per page plus postage	
Agenda only \$1.00 per month	
Note: If the agenda is picked up at the office or at the board meeting it will be free of charge.	
Agenda and packet .50¢ per page plus postage if mailed, Note no minutes are to be release until approved by board.	

COST ASSOCIATED WITH EMERGENCY REPAIRS/CONSTRUCTION:

Backhoe and operator, per hour:	90.00
Pick-up, GMC, utility, per hour:	50.00
Pick-up, Dodge, per hour:	45.00
Pick-up, Ford, per hour:	45.00
Pump, Portable, 2", per hour:	10.00
Pump, portable, 3", per hour:	10.00
Pump, portable, 4", per hour:	25.00
Welder/generator, portable, per hour:	25.00
Welder, shop, per hour:	25.00

COSTS ASSOCIATED WITH EMERGENCY REPAIRS, CONSTRUCTION:

Barricades, with flasher, per day:	1.50
Barricades, no flasher, per day:	1.00
Traffic cones, all sizes, each per day:	.50

CONSTRUCTION MATERIALS/PARTS, FITTINGS:

Cost, plus 20% handling/shipping/storage charge:

SPECIAL FEES, SCHOOLS - SEWER:

\$24.35 base charge plus five cents (0.05 cents) per student per month based on previous year's ADA. Charged August 1, billing through June 1, billing. July billing at \$24.35 base.

TESTING FEES:

Backflow prevention device testing: Backflow prevention devices *must be tested annually*. This is done by a State Certified Tester of the customer's choice. A copy of the test results *must be provided to the District prior to the last day of December, each year, for reporting purposes*. Failure to complete testing and repairs of any backflow device within 90 days of the delivery of NOTICE TO TEST by the Utility District to the affected customer will result in the District assigning the testing procedure to a Tester of the District's choice. The cost of said testing shall be included in the customer's utility bill as a part thereof.

Investigative testing, and/or sampling relative to a questionable, illegal or suspected illegal water and/or sewer use: All charges for sampling/testing procedures – including technician, laboratory and District personnel – shall be charged at cost plus 10% for handling processing and billing if a violation or violations are found to exist.

OTHER CHARGES:

Other charges and/or assessments shall be charged as directed by the Board of Directors.

ALL CHARGES shall become a part of the applicable utility bill and are subject to the same billing, service charges, termination processes and regulations as the base service(s) account and shall be treated as if a part thereof.

FEE SCHEDULE
MATERIALS AND SERVICES
MARCH 13, 2025

CAPACITY RIGHTS FEES:

Water Capacity Rights, per single family dwelling:	\$5,150.00
Water Capacity Rights, each additional unit - as determined by Board – fixture unit count:	
Water Capacity Rights for each additional non-family resident [Res. No. 4-04-1-(08)]:	115.00
Sewer Capacity Rights fee, single family dwelling:	
2,500.00	
Sewer Capacity Rights fee, each additional unit – as determined by Board – fixture unit count:	
Sewer Capacity Rights for each additional non-family resident [Res. No. 4-04-1-(08)]:	125.00
Water Capacity Rights, industrial/commercial/institutional: As determined by the Board of Directors. [Size, water/sewer loads, number of fixture units determine the Capacity Rights fee.	
Sewer Capacity Rights: industrial/commercial/institutional: as with water, above.	

WATER RATES:

Single family dwelling, minimum per month:	48.15
Additional units, minimum per month:	48.15
Consumption rate per 1,000 gallons per month:	.47

SEWER RATES:

Single family dwelling, per month:	24.35
------------------------------------	-------

INDUSTRIAL USE RATE/SEWER:

High discharge customer (e.g. citrus shed, car wash, etc.) Base rate of 24.35 plus 50% of water bill.

FIRE SPRINKLER [PROTECTION] SYSTEM:

No Capacity Rights fees – no monthly fees – no fire flow meter.

CONSTRUCTION RATES:

Water used for dust control, compaction and related construction [District provides meter]: per 1,000 gal 1.00
Or .50¢ per 1,000 gallons when the water is taken from backwash tank at Water Treatment Plant, in addition to a base Fee Fifty Dollars (\$50) which shall be due when an agreement is signed.

MISC CHARGES:

Late fee rate	10% of bill
Turn-on fee, each activity: [new accounts, service restoration, etc.]	25.00
Turn-off fee, each activity:	25.00
Labor, all - minimum 1 man hour/one hour:	50.00
Labor – holidays, weekends, overtime:	50.00
Call backs, minimum three hours @ \$50.00/hr.	150.00
Meter removal/reinstallation relative to service termination:	25.00
Hand-carry, phone or mail charges for 48 hour service termination:	25.00
Certified Mail notice:	7.50
Returned check [insufficient funds, closed account, etc]:	25.00
Copies	.50
Agenda requests: Agenda if mailed .50¢ per page plus postage	
Agenda only \$1.00 per month	
Note: If the agenda is picked up at the office or at the board meeting it will be free of charge.	
Agenda and packet .50¢ per page plus postage if mailed, Note no minutes are to be release until approved by board.	

COST ASSOCIATED WITH EMERGENCY REPAIRS/CONSTRUCTION:

Pick-up, 2020 Silverado, per hour:	45.00
Pick-up, 2007 Silverado, per hour:	45.00
Pump, Portable, 2", per hour:	10.00
Pump, portable, 3" Impeller, per hour:	25.00
Pump, portable, 3" Trash pump, per hour	25.00

COSTS ASSOCIATED WITH EMERGENCY REPAIRS, CONSTRUCTION:

Barricades, with flasher, per day:	1.50
Barricades, no flasher, per day:	1.00
Traffic cones, all sizes, each per day:	.50

CONSTRUCTION MATERIALS/PARTS, FITTINGS:

Cost, plus 20% handling/shipping/storage charge:

SPECIAL FEES, SCHOOLS - SEWER:

\$24.35 base charge plus five cents (0.05 cents) per student per month based on previous year's ADA. Charged August 1, billing through June 1, billing. July billing at \$24.35 base.

TESTING FEES:

Backflow prevention device testing: Backflow prevention devices *must be tested annually*. This is done by a State Certified Tester of the customer's choice. A copy of the test results *must be provided to the District prior to the last day of December, each year, for reporting purposes*. Failure to complete testing and repairs of any backflow device within 90 days of the delivery of NOTICE TO TEST by the Utility District to the affected customer will result in the District assigning the testing procedure to a Tester of the District's choice. The cost of said testing shall be included in the customer's utility bill as a part thereof.

Investigative testing, and/or sampling relative to a questionable, illegal or suspected illegal water and/or sewer use: All charges for sampling/testing procedures – including technician, laboratory and District personnel – shall be charged at cost plus 10% for handling processing and billing if a violation or violations are found to exist.

OTHER CHARGES:

Other charges and/or assessments shall be charged as directed by the Board of Directors.

ALL CHARGES shall become a part of the applicable utility bill and are subject to the same billing, service charges, termination processes and regulations as the base service(s) account and shall be treated as if a part thereof.

STRATHMORE PUBLIC UTILITY DISTRICT

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2024**

DRAFT

TABLE OF CONTENTS

	<u>Page</u>
BOARD OF TRUSTEES AND ADMINISTRATION	1
INDEPENDENT AUDITOR'S REPORT	2 – 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 – 8
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Activities	10
FUND FINANCIAL STATEMENTS	
Comparative Statement of Net Position – Proprietary Fund	11
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	12
Statement of Cash Flow – Proprietary Fund	13 – 14
Notes to Financial Statements	15 – 33
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability	34
Schedule of the District's Contributions	35
Notes to the Required Supplementary Information	36
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENTAL AUDITING STANDARDS</i>	37 – 38
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	39
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS	40

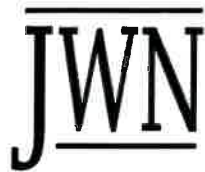
**STRATHMORE PUBLIC UTILITY DISTRICT
BOARD OF TRUSTEES AND ADMINISTRATION
JUNE 30, 2024**

Board of Trustees

Christina Lightner	President
Nicholas Martinez	Vice-President
Allaney Briggs	Treasurer
Adrian Ordonez	Clerk / Secretary

Administration

Adrian Ordonez	General Manager
Adelaida Sanchez	Secretary / Bookkeeper



Jaribu W. Nelson, CPA

P.O. Box 1105, Clovis, CA 93613 • Ph: (559) 286-7546 • Email: jaribucpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Strathmore Public Utility District

Opinion

We have audited the accompanying financial statements of the business-type activities and each major fund of the Strathmore Public Utility District (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Strathmore Public Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Strathmore Public Utility District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Strathmore Public Utility District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Strathmore Public Utility District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 5-8 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Management has omitted the budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025, on our consideration of Strathmore Public Utility District'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 Strathmore Public Utility District'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 Strathmore Public Utility District's internal control over financial reporting and compliance.

Jaribu W. Nelson, CPA

Clovis, California
February 19, 2025

DRAFT

STRATHMORE PUBLIC UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

As management of Strathmore Public Utility District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

Financial Highlights

- Assets of the District exceeded its liabilities as of June 30, 2024, by \$2,692,559. Of this amount, unrestricted net position of \$(179,155) may be used once the deficit is restored. As of June 30, 2023, assets exceeded liabilities by \$2,718,886 with unrestricted net position equaling \$26,965.
- Total net position decreased by \$26,327 for the year ended June 30, 2024. For the year ended June 30, 2023, total net position decreased by \$456,300.
- During the current year, the District's fixed assets increased by a net of \$269,701. This increase was mostly attributable to the purchase of fixed assets. Depreciation expense, the ratable amortization of the cost of fixed assets, amounted to \$135,860 for the current year. Prior year depreciation was \$126,233.
- Total debt decreased by a net of \$103,107 during the current year. The decrease was mostly attributable to the debt service payments. During the prior year, total debt decreased by a net of \$107,911. This was mostly attributable to the debt service payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Strathmore Public Utility District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expense are reported in this statement for some items that will only result in cash flow in future fiscal periods.

STRATHMORE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
YEAR ENDED JUNE 30, 2024

Financial Highlights (continued)

Both of the government-wide financial statements distinguish functions of the District that are principally proprietary in nature (business-type activities) which are functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no governmental activities.

The government-wide financial statements include only the District itself. The District has no component units.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The District has no governmental funds and three proprietary funds, the Water, Waste Disposal, and the Solid Waste Funds.

Proprietary funds. Proprietary funds are used to account for essentially the same functions reported as business-type activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2024, the District's assets exceeded liabilities by \$2,692,559. A significant portion of the District's net position (81 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to customers, and they are not available for future spending.

In addition, the District has \$677,525 in net position (25 percent) that is restricted to make improvements to water and solid waste facilities.

The following represent summaries of the District's net position and changes in net position for the current and prior years:

STRATHMORE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
YEAR ENDED JUNE 30, 2024

Strathmore Public Utility District's Net Position

	Business-Type Activities	Total	Prior Year Total
Current assets	\$ 328,838	\$ 328,838	\$ 439,583
Other assets	3,509,183	3,509,183	3,429,396
Deferred outflows of resources	180,000	180,000	117,000
Total assets and deferred outflows of resources	4,018,021	4,018,021	3,985,979
Current liabilities	302,762	302,762	165,957
Non-current liabilities	933,700	933,700	976,136
Deferred inflows of resources	89,000	89,000	125,000
Net position	2,692,559	2,692,559	2,718,886
Total liabilities, deferred inflows of resources, and net position	\$ 4,018,021	\$ 4,018,021	\$ 3,985,979

Strathmore Public Utility District's Changes in Net Position

	Business-Type Activities	Current Year Total	Prior Year Total (as restated)
REVENUE			
Operating Revenues			
Charges for services	\$ 638,355	\$ 638,355	\$ 643,045
Capacity rights	13,613	13,613	16,447
Total Operating Revenues	651,968	651,968	659,492
Non-Operating Revenues			
Intergovernmental	139,178	139,178	130,256
Property taxes	102,734	102,734	95,475
Other	118,621	118,621	112,224
Total Non-Operating Revenues	360,533	360,533	337,955
Total Revenues	1,012,501	1,012,501	997,447
EXPENSE			
Salaries and benefits	303,519	303,519	362,435
Depreciation	135,860	135,860	126,233
Repairs and maintenance	71,569	71,569	205,087
Other	522,605	522,605	368,544
Total Operating Expenses	1,033,553	1,033,553	1,062,299
Net operating income/(loss)	(21,052)	(21,052)	(64,852)
Net nonoperating (expense)			
Interest expense	(8,736)	(8,736)	(11,294)
Change in net position	(29,788)	(29,788)	(76,146)
Net position, beginning of year	2,722,347	2,722,347	2,795,032
Net position, end of year	\$ 2,692,559	\$ 2,692,559	\$ 2,718,886

STRATHMORE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
YEAR ENDED JUNE 30, 2024

Business-type activities. Business-type activities decreased the District's net position by \$29,788, accounting for 100 percent of the total decrease in net position.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Proprietary Funds. The purpose of the District's proprietary fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the District's proprietary funds reported a combined ending fund balance of \$2,692,559, an decrease of \$26,327, and a restatement of beginning net position totaling \$3,461. Of the entire ending fund balance, \$(179,155) is unrestricted and is available for spending at the District's discretion.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its business-type activities as of June 30, 2024, amounted to \$2,789,327 (net of allowance for depreciation). This investment in capital assets includes land, building, improvements, construction in progress and equipment.

Additional information on the District's capital assets can be found in note three.

Debt administration. The District's long-term debt totaled \$595,138 as of June 30, 2024. Of this total amount, \$97,438 is due and payable during the year ending June 30, 2024. The remainder, referred to as deferred liabilities, is due and payable over the next 13 years.

Additional information on the District's long-term debt can be found in notes five and six.

Requests for Information

This financial report is designed to provide a general overview of Strathmore Public Utility District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the General Manager, Strathmore Public Utility District, 19626 Orange Belt Drive, Strathmore, California 93267.

STRATHMORE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Cash and investments	\$ 290,363
Accounts receivable	3,759
Accounts receivable - related party	15,594
Prepays	18,083
Deposits	<u>1,039</u>
Total current assets	<u>328,838</u>

OTHER ASSETS

Restricted assets - cash	682,662
Capital assets, net of allowance for depreciation	2,789,327
Water rights	<u>37,194</u>
Total other assets	<u>3,509,183</u>

DEFERRED OUTFLOWS OF RESOURCES

180,000

Total assets

4,018,021

LIABILITIES

Accounts payable	191,151
Compensated absences	9,036
Customer deposits payable	5,137
Due within one year	<u>97,438</u>
Total current liabilities	<u>302,762</u>

NONCURRENT LIABILITIES

Due in more than one year	<u>933,700</u>
Total Noncurrent liabilities	<u>933,700</u>

DEFERRED INFLOWS OF RESOURCES

89,000

NET POSITION

Net investment in capital assets, net of related debt	2,194,189
Restricted	677,525
Unrestricted	<u>(179,155)</u>
Total net position	<u>2,692,559</u>
Total Liabilities and Net Position	<u>\$ 4,018,021</u>

STRATHMORE PUBLIC UTILITY DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Operating Revenue	
Charges for services	\$ 638,355
Capacity rights	13,613
Total operating revenue	<u>651,968</u>
Operating Expense	
Insurance	31,873
Permits, licenses, and fees	33,283
Depreciation	135,860
Office	23,737
Miscellaneous	9,734
Legal and professional	90,401
Engineering fees	53,730
Repairs and maintenance	71,569
Supplies - chemicals	25,389
Payroll expenses	303,519
Communications	6,565
Testing fees	18,313
Utilities	81,379
Director's fees	7,500
Total operating expense	<u>1,033,553</u>
Net operating income/(loss)	<u>(381,585)</u>
Nonoperating Revenues/(Expenses)	
Lindsay-Strathmore Irrigation District Contribution	139,178
Rental income	117,200
Taxes and assessments	102,734
Interest expense	(8,736)
Investment income	1,421
Net nonoperating revenues/(expenses)	<u>351,797</u>
Change in net position	(29,788)
Net Position - beginning of year	<u>2,718,886</u>
Prior Period Adjustment	3,461
Net Position - beginning of year (restated)	<u>2,722,347</u>
Net Position, End of Year	<u>\$ 2,692,559</u>

STRATHMORE PUBLIC UTILITY DISTRICT
COMPARATIVE STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Business-Type Activities - Enterprise Funds		
	2024		2023
	Water	Sewer	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 34,969	\$ 255,394	\$ 290,363
Accounts receivable	3,759	-	3,759
Accounts receivable - related party	15,594	-	15,594
Prepaid expense	11,207	6,876	18,083
Deposits	540	499	1,039
Total current assets	66,069	262,769	328,838
Other assets			
Restricted cash and investments	351,509	331,153	682,662
Capital assets, net of accumulated depreciation	2,434,806	354,521	2,789,327
Water rights	37,194	-	37,194
Total other assets	2,823,509	685,674	3,509,183
Deferred outflows of resources			
Items related to pension plan	95,010	84,990	180,000
Total Assets and Deferred Outflows of Resources	<u>2,984,588</u>	<u>1,033,433</u>	<u>4,018,021</u>
LIABILITIES			
Current liabilities			
Accounts payable	189,327	1,824	191,151
Payroll taxes payable	-	-	-
Compensated absences	4,918	4,118	9,036
Customer deposits payable	1,317	3,820	5,137
Current portion of long-term debt	97,438	-	97,438
Total current liabilities	293,000	9,762	302,762
Non-current liabilities			
Net pension liability	231,080	204,920	436,000
Notes payable, less current portion	497,700	-	497,700
Total non-current liabilities	728,780	204,920	933,700
Total liabilities	1,021,780	214,682	1,236,462
Deferred inflows of resources			
Items related to pension plan	47,250	41,750	89,000
NET POSITION			
Net investment in capital assets	1,839,668	354,521	2,194,189
Restricted	350,192	327,333	677,525
Unrestricted, reserved for equipment replacement	-	-	-
Unrestricted, unreserved	(274,302)	95,147	(179,155)
Total net position	1,915,558	777,001	2,692,559
Total Liabilities, Deferred Inflows Of Resources, and Net Position	<u>\$2,984,588</u>	<u>\$ 1,033,433</u>	<u>\$ 4,018,021</u>
			<u>\$ 3,985,979</u>

STRATHMORE PUBLIC UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023
	Water	Sewer	Total	Total
Operating Revenue				
Charges for services	\$ 431,232	\$ 207,123	\$ 638,355	\$ 643,045
Capacity rights	-	13,613	13,613	16,447
Total operating revenue	431,232	220,736	651,968	659,492
Operating Expense				
Insurance	21,013	10,860	31,873	33,421
Permits, licenses, and fees	1,849	31,434	33,283	32,842
Depreciation	103,254	32,606	135,860	126,233
Office	9,376	14,361	23,737	37,490
Miscellaneous	6,695	3,039	9,734	7,765
Legal and professional	52,809	37,592	90,401	40,797
Engineering fees	41,260	12,470	53,730	80,014
Repairs and maintenance	56,754	14,815	71,569	205,087
Supplies - chemicals	25,321	68	25,389	31,959
Payroll expenses	176,303	127,216	303,519	362,435
Communications	4,257	2,308	6,565	6,258
Testing fees	8,768	9,545	18,313	15,144
Utilities	69,677	11,702	81,379	75,555
Director's fees	5,000	2,500	7,500	7,299
Water purchase	140,701	-	140,701	-
Total operating expense	723,037	310,516	1,033,553	1,062,299
Net operating income/(loss)	(291,805)	(89,780)	(381,585)	(402,807)
Nonoperating Revenues/(Expenses)				
Lindsay-Strathmore Irrigation District Contribution	139,178	-	139,178	130,256
Rental income	25,403	91,797	117,200	110,981
Taxes and assessments	51,367	51,367	102,734	95,475
Other	-	-	-	-
Interest expense	(8,736)	-	(8,736)	(11,294)
Investment income	780	641	1,421	1,243
Net nonoperating revenues/(expenses)	207,992	143,805	351,797	326,661
Change in net position	(83,813)	54,025	(29,788)	(76,146)
Net Position - beginning of year	1,997,622	721,264	2,718,886	3,175,186
Prior Period Adjustment	1,749	1,712	3,461	(380,154)
Net Position - beginning of year (restated)	1,999,371	722,976	2,722,347	2,795,032
Net Position, End of Year	\$ 1,915,558	\$ 777,001	\$ 2,692,559	\$ 2,718,886

STRATHMORE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Activities			
Received from customers	\$ 457,396	\$ 223,458	\$ 680,854
Payments to suppliers	(306,989)	(183,864)	(490,853)
Payments to employees	(206,824)	(153,261)	(360,085)
Net cash provided by (used in) operating activities	(56,417)	(113,667)	(170,084)
Non-capital Financing Activities			
Advances (to)/from other funds	-	-	-
Property taxes and other nonoperating revenue	76,770	143,164	219,934
Net cash provided by (used in) noncapital financing activities	76,770	143,164	219,934
Capital and Related Financing Activities			
Lindsay-Strathmore Irrigation District Contribution	139,178	-	139,178
Investment income	780	641	1,421
Principal paid on notes payable	(103,107)	-	(103,107)
Interest paid on notes payable	(8,736)	-	(8,736)
Purchase of capital assets	(292,552)	(62,269)	(354,821)
Net cash provided (used) in capital and related financing activities	(264,437)	(61,628)	(326,065)
Net Change in Cash and Cash Equivalents	(244,084)	(32,131)	(276,215)
Cash and Investments			
Beginning of year	630,562	618,678	1,249,240
End of year	\$ 386,478	\$ 586,547	\$ 973,025

STRATHMORE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of Operating Income (Loss)			
to Net Cash Provided By/(Used) for Operating Activities			
Operating income (loss)	\$ (291,805)	\$ (89,780)	\$ (381,585)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities:			
Depreciation	103,254	32,606	135,860
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	28,924	2,617	31,541
(Increase) Decrease in prepaid expense	(1,882)	(2,560)	(4,442)
(Increase) Decrease in deferred outflows	(33,000)	(30,000)	(63,000)
Increase (Decrease) in accounts payable and accrued expense	157,787	(13,346)	144,441
(Increase) Decrease in deferred inflows	(19,000)	(17,000)	(36,000)
(Increase) Decrease in deposits	<u>(695)</u>	<u>3,796</u>	<u>3,101</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (56,417)</u>	<u>\$ (113,667)</u>	<u>\$ (170,084)</u>
Summary of cash balances, end of year			
Cash and cash equivalents	34,969	255,394	290,363
Restricted cash	<u>351,509</u>	<u>331,153</u>	<u>682,662</u>
	<u>\$ 386,478</u>	<u>\$ 586,547</u>	<u>\$ 973,025</u>

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies

Strathmore Public Utility District (the District) is a California Special District providing water and sewer service to approximately 500 residences in the community of Strathmore, California. It was founded in 1923 and is governed by a board of Trustees.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable).

Financial Reporting Entity

As required by generally accepted accounting principles, these general purpose financial statements present the District in conformance with GASB Statement No. 14, "The Financial Reporting Entity." Under Statement No. 14, component units are organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue include charges to customers, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The financial statements of the District are prepared in accordance with generally accepted accounting principles. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with the GASB pronouncements. The District's reporting entity does not apply FASB pronouncements of APB opinions issued after November 30, 1989.

Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow.

The District reports the following major proprietary funds:

The Sewer and Water Funds are the District's only operating funds. The Sewer and Water Funds account for the sewer and water systems operations in the community of Strathmore, County of Tulare, State of California. The District also provides solid waste disposal services to residential housing within the immediate residential area of the community of Strathmore by contracting with a third party vendor for the provision of that service.

Amounts reported as program revenue include charges to customers for goods and services, operating grants and contributions and capital grants and contributions.

Assets, Liabilities and Net Position or Equity

1. Cash and Investments

Investments are reported at fair value. Cash represents cash on hand, in banks and on deposit in the treasury of the County of Tulare and the State of California Local Agency Investment Fund. Investments made from pooled cash consist primarily of short-term investments.

2. Property, Plant and Equipment

Capital assets, which include property, plant and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from its disposal is credited or charged to operations.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 1: Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Net Position or Equity (continued)

Depreciation is recorded by using the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life in Years
Buildings and improvements	20 – 40
Equipment	10 – 20

3. Net Position

Net position comprise the various net earnings from operating income, nonoperating revenue and expense and capital contributions. Net position is classified in the following three components:

Nonspendable – Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested capital assets, net of related debt.

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

Restricted – This component of net position consists of 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 net position – This component of net position consists of net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

Budgets and Budgetary Accounting

The District established a budget for its governmental fund for the year ended June 30, 2024. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Estimates

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

Statement Reclassifications

Certain reclassifications may have been made in the prior year's amounts to conform with current year financial statement presentation.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 2: Cash and Investments

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The Board of Trustees has placed limits on District investments. District investments are limited to bank or savings and loan association accounts fully insured by the Federal Deposit Insurance Corporation, State Treasurer's Local Agency Investment Fund, and the Tulare County Investment Pool. No investment with a term in excess of five years may be made without express authority from the Board of Trustees.

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

	Water	Sewer	Total
Cash on hand	\$ 163	\$ 88	\$ 251
Cash in bank	279,101	411,532	690,633
Money Market	103,475	174,927	278,402
Local Agency Investment Fund	3,739	-	3,739
Total cash and investments	<u>\$ 386,478</u>	<u>\$ 586,547</u>	<u>\$ 973,025</u>

Restricted and unrestricted cash and cash investments at June 30, 2024 were as follows:

	Water	Sewer	Total
Restricted for Plant Expansion	\$ 251,012	\$ 331,153	\$ 582,165
Restricted for Debt Services:	-	-	-
Construction loan Under the Davis-Grunsky Act	78,967	-	78,967
Construction Loan Under the Safe Drinking Water Bond Law of 1992	-	-	-
Construction Loan Under the Safe Drinking Water Bond Law of 1984	5,063	-	5,063
Construction Loan Under the California Safe Drinking Water Revolving Fund Law of 1997	15,050	-	15,050
Restricted for Customer Deposits	1,417	-	1,417
Restricted for Equipment Reserve	-	-	-
Total Restricted Cash	351,509	331,153	682,662
Unrestricted	34,969	255,394	290,363
Total Cash and Cash Equivalents	<u>\$ 386,478</u>	<u>\$ 586,547</u>	<u>\$ 973,025</u>

The California Government Code requires California banks and savings and loan associations to collateralize a District's deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of the District's deposits. California law also allows financial institution to collateralize a District's deposits by pledging first trust deed mortgage notes having a value of 150 percent of a district's total deposits. The District may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit Insurance Corporation, which it elected to do at June 30, 2024.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 2: Cash and Investments

At June 30, 2024, the carrying amount of the District's cash deposits (general checking and money market) was \$973,025. Of this balance, \$500,000 was covered by the federal depository insurance and \$473,025 was uninsured or collateralized (i.e., collateralized with securities held by the pledging financial institution at 110 percent of deposits, in accordance with the State of California Government Code, deemed to be held in the District's name).

The District's investment in the Local Agency Investment Fund was not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

Note 3: Property, Plant and Equipment

The following is an analysis of the District's capital assets as of June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Disposals/ Adjustments</u>	<u>Ending Balance</u>
Land*	\$ 56,205	\$ -	\$ -	\$ 56,205
Buildings	383,136	-	-	383,136
Equipment	6,707,545	414,080	-	7,121,625
Vehicles	104,005	-	-	104,005
Total	7,250,891	414,080	-	7,664,971
Allowance for depreciation	(4,731,265)	(144,379)	-	(4,875,644)
	<u>2,519,626</u>	<u>269,701</u>	<u>-</u>	<u>2,789,327</u>

* Not currently being depreciated.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 4: Risk Management

The District has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; wrongful acts; injuries to employees; and employee health. Payments of premiums for these policies are recorded as expenses of the District. Insurance settlements have not exceeded insurance coverage in any of the past three years. There are no significant reductions in coverage compared to the prior years.

Note 5: Noncurrent Liabilities

The following is a summary of deferred liabilities (long-term debt) for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Classification	
					Due Within One Year	Due After One Year
Note payable						
California Department of Water Resources	\$ 393,756	\$ -	\$ (74,911)	\$ 318,845	\$ 76,784	\$ 242,061
California Department of Water Resources	2,699	-	(539)	2,160	540	1,620
California Department of Water Resources	7,543	-	(7,543)	-	-	-
State Water Resource Control Board	210,700	-	(15,050)	195,650	15,050	180,600
State Water Resource Control Board	83,547	-	(5,064)	78,483	5,064	73,419
Total long-term debt	<u>\$ 698,245</u>	<u>\$ -</u>	<u>\$ (103,107)</u>	<u>\$ 595,138</u>	<u>\$ 97,438</u>	<u>\$ 497,700</u>

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 6: Note Payables

Payable to California Department of Water Resources (water treatment construction loan under Davis-Grunsky Act) in 32 annual principal installments commencing June 1989 and due each January plus interest payable semi-annually at 2.500% each January and July, thereafter. Final principal payment due January 2028. Original loan was for \$1,825,398. Secured by the State of California's ability to cause a levy of tax or assessment within the District that would enable the continued repayment of the debt.

\$318,845

Payable to California Department of Water Resources (deferred interest on water treatment loan under the Davis-Grunsky Act) in 31 annual installments of \$540 each January. Original deferred interest was \$16,736. Final payment due January 2028. Secured by the State of California's ability to cause a levy of tax or assessment within the District that would enable the continued repayment of the debt.

2,160

Payable to California Department of Water Resources (waterline construction loan under the California Safe Drinking Water State Revolving Fund Law of 1997) in 60 semi-annual installments of \$7,525 each, with zero percent interest, due January 1 and July 1, beginning July 1, 2007. The final payment is scheduled for January 1, 2037. Original loan was for \$451,500. Secured by revenues from water user fees and the State of California's ability to cause a levy of tax or assessment within the District that would enable the continued repayment of the debt.

195,650

Payable to State of California Department of Public Health (construction loan under the California Safe Drinking Water State Revolving Fund Law of 1997) in 60 semi-annual installments of \$2,532, with zero percent interest, due January 1 and July 1, beginning July 1, 2009. Final payment is due in July 2039. Original loan was for \$151,903. Secured by revenues from user water rates and by the State of California's ability to cause a levy of tax or assessment within the District that would enable the continued repayment of the debt.

78,483

Total Notes Payable

595,138

Less Current Portion

(97,438)

Long-Term Portion

\$497,700

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 6: Note Payables (continued)

Future debt payments are as follows:

Year ending June 30,	Water	
	Principal	Interest
2025	\$ 97,438	\$ 7,971
2026	99,357	6,052
2027	101,325	4,084
2028	103,341	2,067
2029	20,114	-
Therafter	173,563	-
Total	<u>\$595,138</u>	<u>\$20,174</u>

Note 7: Related Party Transactions

Plainview Mutual Water Company

Strathmore Public Utility District provides billing and collection services for Plainview Mutual Water Company. Strathmore Public Utility District invoices Plainview Mutual Water Company \$1,000 per month, plus direct supply costs for services provided. Service revenue was \$12,399 for the year ended June 30, 2024.

Lindsay-Strathmore Irrigation District

The District has constructed a surface water treatment plant jointly owned with the Lindsay-Strathmore Irrigation District to service the customers of the two Districts. The two Districts have shared in the construction costs, financing costs, and now operation and maintenance costs, of the plant with a split of 28.20% for the Lindsay-Strathmore Irrigation District and 71.80% for Strathmore Public Utility District who then requests reimbursement for the Lindsay-Strathmore Irrigation District. Financial statements of the Lindsay-Strathmore Irrigation District are available upon request from their office located at 23260 Round Valley Road, Lindsay, California 93247.

The following is a summary of operational and maintenance costs activity for the year ended June 30, 2024:

Total cost incurred for operations and maintenance	<u>\$ 670,766</u>
Total amounts billed to Lindsay-Strathmore Irrigation District during the year ended June 30, 2023	119,921
Total amounts received as of June 30, 2024	<u>104,327</u>
Receivable from Lindsay-Strathmore Irrigation District at June 30, 2024	<u>\$ 15,594</u>

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 8: Rental Income

The District leases land under various operating leases with varying terms. Rent income under these agreements for the year ended June 30, 2024, was \$117,200 and is included in nonoperating revenue. Minimum future lease payments to be received in the aggregate and for each of the next five years are as follows:

<u>Year ending</u> <u>June 30,</u>	
2025	\$ 74,400
2026	34,000
Therafter	<u>-</u>
Total	<u>\$ 108,400</u>

DRAFT

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 9: Restricted Net Position

Capacity rights fees are established, collected and used for development of water and sewer capacity and for expenses related to the inspection and administration of physical connections to the District's water and sewer systems. The accumulation of capacity rights fees, although not actually segregated from other District assets, are legally segregated for accounting purposes and restricted for their intended use. These accumulated fees are presented as both a restricted asset and restricted net position.

Restricted for Plant Expansion

Water Fund	\$251,012
------------	-----------

Sewer Fund	331,153
------------	---------

Total Restricted for Plant Expansion	<u>\$582,165</u>
--------------------------------------	------------------

The loans that have preceded funding for construction of the District's water treatment plant, the waterline replacement project, and the canal storage project all require that reserve funds be established to proceed assurance that principal and interest payments can be made when due. The accumulation of these cash reserves all in the water fund are legally segregated for accounting purposes and restricted for their intended use. The accumulated cash reserves are presented as both a restricted asset and a restriction for debt service in the net position section of the balance sheet. Details to these restrictions are as follows:

Water Treatment Plant:

Construction Loan under the Davis-Grunsky Act.	\$ 78,967
--	-----------

Waterline Replacement Project:

Construction loan under the California Safe Drinking Water Revolving Fund Law of 1997 (requires funding in two semi-annual payments in the first ten years of the loan).	5,063
--	-------

Canal Storage Project:

Construction loan under the California Safe Drinking Water Revolving Fund Law of 1997.	15,050
--	--------

Total Restricted for Debt Service	<u>\$ 99,080</u>
-----------------------------------	------------------

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System

General Information About the Pension Plan

Plan Description

The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945 under the provisions of the County Employees Retirement Act of 1937 (California Government Code Sections 31450 et seq.). TCERA operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability, and death benefits for qualified employees of the County, Tulare County Superior Courts, Strathmore Public Utility District, and Tulare County Association of Governments. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate Annual Comprehensive Financial Report (ACFR) which may be obtained from TCERA at 136 North Akers Street, Visalia, California 93291 or by going to their website at <https://tcera.org/news-publications/financial-reports/>.

Funding Policy

TCERA oversees four County pension plans, which provide retirement, disability, and death benefits. The passage of the California Public Employees' Act of 2012 resulted in the establishment of Tier 4 which has two rate tiers for both general and safety members. The Public Employees' Act created limits on pensionable compensation tied to Social Security Taxable wage base. The aggregate effect of the Public Employees' Act will ultimately decrease the County's retirement cost. The eligibility of membership for the four tiers is as follows:

Summary of Plans and Eligible Participants

Open for new enrollment:

General & Safety – Tier 4	General and Safety members who have a membership date on or after January 1, 2013, and who are not eligible for reciprocity with another qualified pension plan, may continue in plan
---------------------------	---

Closed to New Enrollment:

General & Safety – Tier 3	General and Safety members who have a membership date on or between January 1, 1990 through December 31, 2012, may continue in plan.
General & Safety – Tier 2	General and Safety members who have a membership date on or between January 1, 1980 through December 31, 1989, may continue in plan.
General & Safety – Tier 1	General and Safety members who have a membership date on or before December 31, 1979, may continue in plan.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Summary of Plans and Eligible Participants (continued)

Tier 1 - Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living increase annually after retirement. Tier 1 general members with service earned on or after July 1, 2005, are now subject to Internal Revenue Service (IRS) Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 – Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2.0% COLA annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRC Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 - Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% cost-of-living increase annually after retirement. All employees who joined TCERA on or after January 1, 1990, are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 - Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% cost-of-living increase annually after retirement. All employees who joined TCERA on or after January 1, 1990, are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Benefits Provided

Tiers 1, 2, and 3

The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement. Due to the fact that TCERA is integrated with Social Security, the benefit is reduced by 1/3 of the percentage multiplied by the first \$350 of monthly final average salary, per year of service credited after January 1, 1956. Benefits partially vest at five years of service and full vesting requires ten years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. General members with 30 years of service and safety members with 20 years of service are eligible for retirement benefits at any age. Members who reach age 70, regardless of years of service, are eligible for retirement benefits.

Tier 4

The benefit is a percentage of monthly final average salary per year of service, depending on the age at retirement. Benefits fully vest at five years of service and a minimum age of 52 for general members and 50 for safety members.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Benefits Provided continued

Disability Benefit

Service related disability benefits are based upon the greater amount of 50% of final average salary, or service retirement benefit, if the member is eligible.

Non-service connected disability, in accordance with Section 31727.7, in lieu of any other allowance, a member who has five years or more of credited service share receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years in the following table:

<u>Years of service</u>	<u>Percentage of Final Compensation</u>
Five years, but less than six years	20%
Six years, but less than seven years	22%
Seven years, but less than eight years	24%
Eight years, but less than nine years	26%
Nine years, but less than ten years	28%
Ten years, but less than eleven years	30%
Eleven years, but less than twelve years	32%
Twelve years, but less than thirteen years	34%
Thirteen years, but less than fourteen years	36%
Fourteen years, but less than fifteen years	38%
Fifteen or more years	40%

Termination Benefit

Upon Termination, members' accumulated contributions are refundable with interest accrued through the prior interest crediting period (June 30 and December 31).

Death Benefit

If a member dies before retirement, the return of contributions with interest, along with a death benefit, is payable to the member's beneficiary or estate in the amount of one month's salary for each completed year of service under the retirement system, but not to exceed six months' salary. In lieu of the basic death benefit, if a member dies after becoming eligible for service retirement or non-service-connected disability, an eligible spouse or minor child may elect to receive 60.0% of the allowance that the member would have received for retirement as of the day of their death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50.0% of the member's final average salary. If the member dies after retirement, then the benefits depend upon the type of retirement, the member's employment status at retirement, and the retirement option selected.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Benefits Provided (continued)

Death Benefit (continued)

If the retirement was for service-connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service-connected disability, and the unmodified option was selected at the time of retirement, 60.0% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of five-thousand dollars is paid to the beneficiary or estate.

Specific details for the retirement benefit calculations for each tier, including benefit factors, are available in TCERA's ACFR.

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the Board of Retirement.

Member

The basic member rates are based on a formula reflecting the member's age of entry into TCERA. The rates are set to provide a retirement amount that is equal to a fractional part of the highest year's salary, based on membership and tier. For members integrated with Social Security (Tiers 1 – 3), the contributions are reduced by one-third of such contribution payable with respect to the first three hundred and fifty dollars of monthly salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50% of the contributions required for active Tier 1 plan members. The rates reflected for Tier 1 members do not reflect the County "pickup." Employees contribute 5% to 20% of their annual pay based on their date of entrance into the plan, age at entry, and membership type (General or Safety).

Employer

The employer rates are actuarially determined annually to provide for the balance of the contributions needed to fund the promised benefits as set forth in the County Employees' Retirement Act of 1937. Employer contribution rates consist of two components: the normal cost and the Unfunded Actuarial Liability (UAL). The UAL is being amortized over a declining 19-year period. The amortization method is level percentage of payroll. Contribution levels are recommended by the actuary and adopted by the Board of Retirement each year. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of members. The County's contributions to the plan for the fiscal year ended June 30, 2024, were \$43,000 and the District's contributions were \$39,000.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Net Pension Liability

At June 30, 2024, the District reported a liability of \$436,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2023, the District's proportion was 0.0863%, which was an decrease of 0.0028% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized a pension expense of \$72,000. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,000	\$ 45,000
Changes in assumptions	13,000	29,000
Investment return	59,000	-
Net difference between projected and actual earnings on retirement plan investments	29,000	15,000
	<u>\$ 180,000</u>	<u>\$ 89,000</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$180,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of the net pension liability but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent reporting period rather than the current reporting period.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Net Pension Liability (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ending June 30,	Amount
2024	\$ 36,000
2025	13,000
2026	32,000
2027	9,000
Total	<u>\$ 90,000</u>

Actuarial Assumptions

The total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of employee service. A summary of the significant actuarial assumptions used to calculate the total pension liability measured as of June 30, 2023 is provided below (Note: These assumptions may differ from those used and reported in TCERA's ACFR due to different reporting requirements).

Inflation	2.75%
Expected Return on Assets	7.15% net of Investment expenses
Salary Increases	3.0% plus promotion component based on employee classification and years of service, ranging from 0.5% to 8.0% for general members and 1.0% to 9.0% for safety members
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 and 2.0% per year for Tiers 2-4
Mortality Rates – Healthy Lives	General Members: Based on the sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2019, increased by 2.2% for males and 8.0% for females to reflect plan experience Safety Members: Based on the sex distinct RP 2014 Combined Healthy Tables with blue-collar adjustment, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2019, increased by 4.5% for males to reflect plan experience

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Actuarial Assumptions (continued)

Mortality Rates – Disabled Lives	All Members: Based on the sex distinct RP 2014 Disabled Retiree Mortality Table, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2019
Discount Rate	7.08% blended discount rate, net of pension plan investment expense, including inflation
Municipal Bond Rate	3.65% net of investment expenses
Date of Last Experience Study	July 1, 2020 through June 30, 2023

Between the June 30, 2022 and June 30, 2023 measurement dates, the rate of inflation did not change as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate decreased from 7.09% to 7.08% due to the results of the crossover test. The municipal bond rate increased from 3.54% to 3.65% and is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2023. The last date of the experience study was updated to July 1, 2020 through June 30, 2023. There were no other assumption changes as of the June 30, 2023 valuation date.

The long-term expected rate of return, measured as of June 30, 2023, on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap equity	20%	4.0%
Small mid cap equity	6%	2.9%
Non-U.S. equity (developed and emerging)	16%	6.6%
Global equity	3%	4.9%
U.S. fixed income	17%	2.1%
Emerging market debt	3%	5.5%
Core real estate	3%	3.3%
Value-add real estate	4%	5.3%
Opportunistic real estate	4%	6.3% *
Infrastructure	4%	5.3% *
Real estate debt	3%	2.7%
Private credit	5%	5.7%
Private equity	12%	6.7%
Total	100%	

* Indicates new asset class for the fiscal year

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.08%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2089, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.65% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2024 was 7.08%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and No. 68 and may differ from the methodology used and reported in TCERA's ACFR.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 10: Employee Retirement System (continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.08%, as well as the County's proportionate share of the net pension liability if it were calculated using a discount rate that is one-percentage point lower (6.08%) or one-percentage point higher (8.08%) than the current rate:

	1% Decrease 6.08%	Discount Rate 7.08%	1% Increase 8.08%
District's Proportionate share of the net pension liability	\$728,000	\$436,000	\$197,000

Pension Fund Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in TCERA's ACFR.

Note 11: Restatement

The following prior period adjustments were made to correct the beginning net position balances:

	Water	Sewer	Total
Beginning net position	\$1,997,622	\$ 721,264	\$2,718,886
Prior period adjustments			
Adjustments to correct payroll liabilities paid	1,749	1,712	3,461
Beginning net position, as restated	<u>\$1,999,371</u>	<u>\$ 722,976</u>	<u>\$2,722,347</u>

Note 12: Subsequent Events

In compliance with accounting standards, subsequent events were evaluated through February 19, 2025, which is the date the financial statements were available to be issued. Management has determined that no events require disclosure in accordance with the accounting standards subsequent to June 30, 2024.

STRATHMORE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2024

Measurement Date Fiscal Year	6/30/2023 2024	6/30/2022 2023	6/30/2021 2022	6/30/2020 2021	6/30/2019 2020	6/30/2018 2019	6/30/2017 2018	6/30/2016 2017	6/30/2015 2016	6/30/2014 2015
District's proportion of the net pension liability	0.0863%	0.0891%	0.0925%	0.0708%	0.0687%	0.0957%	0.0559%	0.0504%	0.0601%	0.0688%
District's proportionate share of the net pension liability	\$ 436,000	\$381,000	\$251,000	\$311,000	\$204,000	\$ 289,578	\$ 265,920	\$ 211,420	\$ 184,670	\$ 107,742
District's Covered Payroll	\$ 191,000	\$180,000	\$165,000	\$123,000	\$117,000	\$ 134,254	\$ 139,029	\$ 136,201	\$ 148,045	\$ 158,008
District's proportionate share of the net pension liability as a % of it's covered payroll	228.3%	211.7%	152.1%	252.8%	174.4%	215.7%	191.3%	155.2%	124.7%	68.2%
Plan fiduciary net position as a % of the total pension liability	79.0%	81.0%	87.9%	78.7%	84.7%	84.0%	86.1%	73.5%	79.8%	87.6%

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

**STRATHMORE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024**

Measurement Date Fiscal Year	6/30/2023 2024	6/30/2022 2023	6/30/2021 2022	6/30/2020 2021	6/30/2019 2020	6/30/2018 2019	6/30/2017 2018	6/30/2016 2017	6/30/2015 2016	6/30/2014 2015
Actuarially determined contribution	\$ 39,000	\$ 36,000	\$ 34,000	\$ 25,000	\$ 23,000	\$ 19,000	\$ 18,790	\$ 15,778	\$ 18,629	\$ 17,847
Contributions in relation to the actuarially determined contribution	39,000	36,000	34,000	25,000	23,000	19,000	18,790	15,778	18,629	17,847
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 191,000	\$ 180,000	\$ 165,000	\$ 123,000	\$ 117,000	\$ 134,254	\$ 139,029	\$ 136,201	\$ 148,045	\$ 158,008
Contributions as a % of covered payroll	20.4%	20.0%	20.6%	20.3%	19.7%	14.2%	13.5%	11.6%	12.6%	11.3%

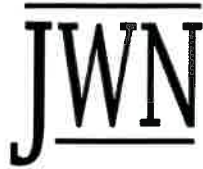
The accompanying notes are an integral part of the financial statements.

STRATHMORE PUBLIC UTILITY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

Note 1: Changes of Assumptions

Between the June 30, 2021 and June 30, 2023 measurement dates, the rate of inflation remained at 2.75% as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate increased from 7.09% to 7.08% due to the results of the crossover test. The municipal bond rate (net of investment expenses) increased from 3.54% to 3.65% and is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2023. There were no other assumption changes as of the June 30, 2023 valuation date.

DRAFT



Jaribu W. Nelson, CPA

P.O. Box 1105, Clovis, CA 93613 • Ph: (559) 286-7546 • Email: jaribucpa@gmail.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Strathmore Public Utility District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Strathmore Public Utility District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Strathmore Public Utility District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Jaribu W. Nelson, CPA

February 19, 2025

DRAFT

STRATHMORE PUBLIC UTILITY DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiency(ies) identified?

☐

Yes

☒

No

☐

Yes

☒

No

Non-compliance material to financial statements noted?

☐

Yes

☒

No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings to be reported in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

SECTION III – FEDERAL AWARDS FINDINGS

There are no federal award findings in accordance with *GAGAS* and the Compliance Supplement.

DRAFT

STRATHMORE PUBLIC UTILITY DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENT FINDINGS

No prior year findings

DRAFT