



# ORO LOMA SANITARY DISTRICT

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022



2655 GRANT AVENUE, SAN LORENZO, CA 94580  
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# ORO LOMA SANITARY DISTRICT

## Annual Comprehensive Financial Report Year Ended June 30, 2023

with Comparative Financial Statements for Year Ended June 30, 2022

Presented by:



Jimmy Dang, General Manager/Treasurer

Prepared by the Finance Department:



Liliana Moreno, Finance Manager



Pearl Gonzalez, Senior Accountant

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**ORO LOMA SANITARY DISTRICT**  
**Annual Comprehensive Financial Report**  
**for Fiscal Year Ended June 30, 2023**  
With Comparative Totals for the Fiscal Year Ended June 30, 2022

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## **INTRODUCTORY SECTION**

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# ORO LOMA SANITARY DISTRICT

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December 29, 2023

## **To the Honorable Board of Directors and Customers of Oro Loma Sanitary District, San Lorenzo, California:**

State law requires that every general purpose local government publish a complete set of audited financial statements within 6 months of each fiscal year-end. This report is published in alignment with Oro Loma Sanitary District's standard for transparency while fulfilling the State's requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Cropper Accountancy Corporation has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2023. Immediately following the independent auditor's report, the Management's Discussion and Analysis (MD&A) segment provides a narrative analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **DISTRICT OVERVIEW**

Oro Loma Sanitary District was formed on August 11, 1911 to serve an 800-acre area. Today, the District encompasses 13 square miles, serving the communities of unincorporated Alameda County, including San Lorenzo, Ashland, Cherryland, Fairview, and portions of Castro Valley. The District's service area is located about 13 miles south of Oakland and 30 miles north of San Jose, on the eastern shore of the San Francisco Bay. The customer base is predominantly residential. Sewage collection and treatment services are provided to 48,114 customers, comprised of: residential 46,953 units (97.59%), commercial and light industrial 1,158 units (2.42%), and, 3 significant industrial customers (0.01%). The population served within the District's boundaries is 145,084.

Oro Loma also provides sewage treatment services for other agencies by agreement. Approximately 20,400 customers of Castro Valley Sanitary District, 800 customers of the City of San Leandro, and 170 customers of the City of Hayward are connected to the District's gravity sewer system due to topography.

The District is governed by a 5-member Board of Directors, elected in the County's general election, for alternating 4-year terms. The election is at-large and non-partisan. Directors must reside within the District's boundaries. Policy making and legislative authority are vested in the Board, which appoints the General Manager to manage and oversee the District's activities.

## **Mission Statement**

To provide the highest value in wastewater, solid waste, and recycling services to our customers and protect the San Francisco Bay and our communities.

The District's enabling legislation is the Sanitary Act of 1923 of the State Health and Safety Code, which empowers the District to provide the following services.

## **Sewage Collection**

- The District owns approximately 271 miles of underground sewer lines within its boundaries, and maintains 12 remote sewage lift stations, which are facilities for moving wastewater from lower to higher elevation, particularly where the elevation of the source is insufficient for gravity flow.
- Industrial dischargers are monitored for compliance to meet federal and state pretreatment standards, which assure treatment plant effluent quality.

## **Sewage Treatment**

- The District operates a water pollution control plant with a permitted capacity of 20 million gallons per day (MGD). The plant is jointly owned by Oro Loma Sanitary District (75%) and Castro Valley Sanitary District (25%).
- An average daily flow of 11 million gallons of sewage is treated each day.
- The plant uses primary and advanced secondary treatment processes to clean wastewater to protect human health and the environment. The treated effluent is disposed of through a discharge pipe (collectively-owned by the District and 4 other local agencies) into the San Francisco Bay.
- Each day, 13 dry tons of biosolids are produced from the treatment process. These biosolids are disposed of annually, and beneficially used on agricultural land.

## **Reuse of Treated Wastewater (Water Reclamation)**

An annual total of 10 million gallons (0.27%) of treated effluent is reused for irrigation at the Skywest Golf Course, saving fresh water for residents and businesses.

## **Other Inter-Governmental Agency Services**

The District has joint ownership of an effluent discharge system through a Joint Powers Authority (JPA) called East Bay Dischargers Authority (EBDA), with four other member agencies. The purpose of EBDA is to manage and operate common effluent transport and disposal facilities for its member agencies. EBDA also holds a National Pollutant Discharge Elimination System (NPDES) Permit from the California Regional Water Quality Control Board to discharge secondary treated wastewater from its member agencies into the San Francisco Bay. The District provides maintenance services to EBDA on a contract basis, and has cooperative support agreements with other governmental agencies in the event of disasters and emergencies.

The five member agencies of the JPA entered into an amended and restated agreement which took effect on July 1, 2020. The amendment contains changes in maximum flow rate capacity among member agencies, specifies the transport system's segment allocations, and establishes the basis for the allocation of operating and capital costs, as well as costs for planning and special studies. The District's new ownership share in EBDA is 19.14% as a result of the amendment.

## **Solid Waste (Garbage) Services**

The District contracts with Waste Management of Alameda County to provide garbage services for the unincorporated areas of Alameda County and parts of the Cities of Hayward and San Leandro.

## **Recycling Services**

The District contracts with Waste Management of Alameda County to provide recycling and green waste programs for the unincorporated areas of Alameda County and parts of the City of San Leandro. These programs are intended to reduce solid waste in accordance with the California Integrated Waste Management Act of 1989 (AB939), and the Alameda County Measure D. The District has been achieving and exceeding its AB939 mandated solid waste reduction goals since 1995.

## **ECONOMIC CONDITION**

### **Local Economy**

Oro Loma Sanitary District's service area crosses over several political jurisdictions. Of the 48,114 customers within District boundaries, approximately 62% reside in unincorporated communities of Alameda County, 30% live in the City of San Leandro, and 8% live in the City of Hayward. Economic conditions vary slightly among communities. The 2018-2022 statistics published by the U.S. Census Bureau provided the following information on median household income and occupancy: for the unincorporated areas of Alameda County, \$102,860 with 3.09 persons per household; for the City of San Leandro, \$97,141 with 2.92 persons per household; and, for the City of Hayward, \$105,371 with 3.17 persons per household. Much like the rest of the nation, the local economy experienced severe adversity from the COVID-19 pandemic in 2020, and has been recovering since. The average unemployment rate in 2022–2023 was 3.9%, a decrease of approximately 40% from the 9.8 % average in 2021-2022. Median housing sale price was \$830,000. Based on economic forecasts by the California Department of Transportation, it is anticipated that the County's population growth will be 0.4% per year.

### **Long-Term Financial Planning**

The District utilizes strategic capital spending, and utilizes in-house engineering design and construction management expertise for most pipeline projects. Consulting engineers may be engaged to assist with the design of treatment plant improvements. Staff continually updates long-term cost projections for collection system and treatment plant improvements. These projections serve as planning tools to ensure that the District's facilities, equipment, and infrastructure are in optimal condition and meet projected demands.

The District plans to spend an average of \$18.3 million annually for the next 5 years in renewal and replacement and capital improvements. Of this total, an average of \$4.5 million per year is allocated to renewing the existing collection system and facilities. Other major long-range plans in the treatment plant include; design and construction of digesters No. 8 and No. 9; upgrade of the cogeneration system; replacement of the influent pump station and barscreens; 78" plant influent pipeline inspection and lining; rehabilitation of the gravity belt thickener; and, renewal of the digester gas system flares.

The operating budget is expected to increase in line with inflation and regulatory compliance requirements without any significant staffing changes. The District is in the third year of a five-year rate plan adopted by the Board in 2021. To better position the District for significant infrastructure improvements, the Board reached a consensus on a five-year 15% annual sewer rate increase beginning FY 2024-2025, pending completion of a prop 218 notice and public hearing. Additionally, in August 2021, the District entered into two separate financial obligations to provide funding for the Sewer Collection System Pipeline Rehabilitation & Replacement Project. The State Water Resources Control Board's State Revolving Fund (SRF) allows up to \$25 million in project cost reimbursements with an annual rate of 0.9%; and, through the Water Infrastructure Finance & Innovation Act (WIFIA), a maximum principal amount of \$24.5 million has been approved at an annual rate of 1.91%. With these new sources of financing, the District can achieve its strategic goal of replacing 40 miles of sewer pipe by FY 2025-2026, originally planned for completion in 2029.

### **Relevant Financial Policies**

The Board adopted a set of financial policies and standard procedures, and regularly reviews and updates them. These policies and procedures provide a framework for the District to prudently manage its resources and to be accountable stewards for the public it serves.

- **Balanced Budget**

One of the District's fiscal responsibilities is to maintain a balanced budget in which revenues are sufficient to cover expenses required to meet planned needs. To assist in its decision-making, the Board regularly examines a 5-year cash flow projection. The District will fund capital improvements by a combination of rate increases and external financing. The Board anticipates temporary deficits due to the \$6 million cost of cart replacements mandated by SB 1383: Short-Lived Climate Pollutants. The District will recover this cost through franchise fees and progressive recycling rate increases over the next several years.

- **Budgetary Controls Policy**

The Board maintains budgetary controls by reviewing monthly financial reports to ensure compliance with the adopted budget. The General Manager has authority to reallocate up to \$50,000 between projects based on actual need, while increases in the total budget always require Board approval. The adopted budget is typically amended shortly after the year begins to carry over prior year unused appropriations for projects in progress. Subsequent budget amendments occur continuously throughout the remainder of the year as priorities are revised and new needs are identified. The District has consistently met its budgetary control requirements by managing operating expenses at between 90% to 96% of budget.

- **Investment Policy**

The Investment Policy provides the framework for investing public funds held by the District. It follows the State of California's guidelines, and defines the risks associated with investing funds, lists the authorized financial institutions and custodians, identifies the permissible instruments and maturities, and describes the internal control and reporting requirements. The Finance & Insurance Committee oversees the ongoing compliance of this policy, and the Board reviews it annually. The District diversifies its investments among Federal agency bonds and certificates of deposits.

- **Financial Reserves Policy**

The Financial Reserves Policy sets the required reserves so that there are sufficient funds to meet the needs of specifically identified purposes. This policy is reviewed by the Board as needed. If cash reserves approach the set minimum, the Board may either revise the reserve level or authorize equity transfers between component funds to ensure that the approved reserve is maintained. The current reserve level is \$8.6 million, which represents half of the District's projected sewer service revenues collected through Alameda County for the fiscal year.

- **Capital Assets Policy**

The Capital Assets Policy defines the threshold of a fixed asset to be \$10,000 with useful life of more than 1 year. It addresses the acquisition and disposal processes of an asset, as well as measures to safeguard assets through periodic inventory. Assets that meet the defined criteria are capitalized in the accounting system at fiscal year-end and depreciated over their useful lives. The assets will remain on the District's records until they are approved by the Board for disposal through annual surplus review.

- **Internal Control Policy**

The District established a framework for internal control, using the California State Controller's guidelines. It follows the standards adopted by the American Institute of Certified Public Accountants (AICPA) and the internal control framework provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The objective of this policy is to safeguard tangible and intangible assets, and to prevent and detect errors and fraud. The Board maintains internal control through committees overseeing 5 key areas – Construction; Finance and Insurance; Operations; Personnel, Safety and Public Information; and, Solid Waste. Other measures such as segregation of duties, requirement of dual signatures on payments, and limiting the possession of District credit cards are implemented as additional control.

- **Cash Management Policy**

The Cash Management Policy establishes specific procedures for collecting, depositing and disbursing District cash. It defines the role and responsibility of staff in day-to-day tasks such as cash receipts, accounts payable and petty cash disbursements, payroll processing, and bank reconciliation. The Finance & Insurance Committee reviews check registers and audits selected payments at monthly committee meetings. Bank reconciliations are performed by the Finance Manager and approved by the General Manager. Separate personnel handles cash deposits and payments, and a restricted group of designated persons is authorized to initiate fund transfers. Payroll is processed by 2 individuals and approved by the General Manager to ensure checks and balances. The District maintains a structured financial environment, in which the risks of unauthorized cash transactions are significantly reduced.



- **Purchasing Policy**

The Purchasing Policy provides guidelines for the procurement of goods and services. It defines the levels of authority and responsibilities, documentation required, and describes the competitive bidding process.

## **Major Initiatives**

The District maintains a 10-year Strategic Plan which establishes strategic goals to meet its vision in the areas of financial stability, safety and employee development, regulatory compliance, customer service, and, infrastructure.

With increasing concern for the sustainability of public employee retirement benefits, the District has taken significant steps to lower its unfunded accrued liability (UAL) by contributing over \$10 million in additional discretionary payments between 2015 and 2021. As of the last valuation date of June 30, 2022, the UAL stands at \$13.3 million. The District will pay down the liability by utilizing an accelerated 10-year amortization schedule.

The Board recognizes the critical need to maintain reliable infrastructure, in particular, to replace the District's aging sewer pipes (50-70 years old). Through its Strategic Plan, the District aims to replace 40 miles of pipe in the next two fiscal years using external financing sources.

The Board values communication and engagement with the public. A Communications Plan is updated periodically to maintain public outreach through newsletters, social media and events such as open house and plant tours. These efforts serve as learning opportunities on the District's mission and its role in protecting the environment.

In 2016, Governor Brown signed into law Senate Bill 1383: Short-Lived Climate Pollutants that went into effect on January 1, 2022. The Bill establishes organics waste reduction targets and requires jurisdictions to have policies and programs in place by the effective date. While there are multiple aspects within SB 1383, the largest cost stems from a requirement to provide color-compliant containers for the entire customer base. The District spent \$6 million to replace refuse and recycling carts in 2022. Costs of the new carts will be recovered through franchise fees from refuse revenues as well as recycling fees.

The District updates its strategic plan biennially and allocates staffing and other resources to achieve its vision and goals. In the next decade, the District plans to utilize an existing near-shore outfall for peak flow discharge, achieve energy neutrality, implement an office of the future, and replace part of its fleet with electric vehicles along with charging stations. It will continue to educate the community on protecting the environment by active involvement in community outreach through quarterly newsletters, ongoing school programs, and neighborhood events.

## **SIGNIFICANT ACCOMPLISHMENTS**

The Board has consistently maintained sound fiscal policies by closely monitoring operating expenses, capital spending, and setting strategic goals with the long term in mind. The District is committed to eliminating unnecessary costs while providing the best possible service and system reliability for its customers. It is also fully funded for its other post-employment benefit (retiree medical) obligations. Through collective bargaining changes over the past 15 years, the District has taken significant steps to reduce future liabilities by increasing eligibility requirements, increasing minimum retirement age, and limiting benefits to single party only.

Major accomplishments during the last 5 fiscal years were as follows:

- The District maintains the lowest sewer service rates in Alameda County, and one of the lowest known rates in the State of California. As of July 1, 2023, the annual single-family residential sewer rate of \$368 is 52% below the average of \$763 within the County.
- As of October 1, 2023, the monthly garbage and recycling rate for a 35-gallon container in unincorporated Alameda is \$33.27, 29% less than the average of \$46.82 within the County.
- The District has been proactive in managing its unfunded accrued liability (UAL) for pension. Between March 2015 and July 2016, the District contributed \$8.35 million in additional discretionary payments and is currently over 80% funded. In FY 2020-21, further payments of \$1.9 million towards the UAL were made.
- The District has maintained over 99% funded status on Other Post-Retirement Employee Benefits (OPEB) obligations since 2013.

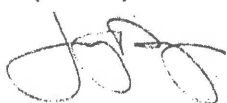
- The District won the 2019-20 and 2021-22 CSRMA Workers' Compensation Excellence Award, and was recognized for its ergonomic assessments of plant and field operations, for focusing on back injury prevention, and for keeping policies up to date on an ongoing basis.
- The District was honored with the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its Two-Year Budgets for fiscal years, 2017-19, 2019-21, 2021-23, and 2023-25.
- The District completed Phases 1 and 6 of Sewer Collection System Pipeline Rehabilitation and Replacement (SCSRR) Project resulting in added fixed assets of \$9.7 million. The SCSRR project proposed pace was establish to align with the District's 10-year strategic plan of replacing 40 miles of collection system pipe by 2029 and is ahead of schedule. This project is partially financed by \$49.5 million in SRF and WIFIA financing.
- In 2021, the District completed the \$24.7 million Nutrient Optimization Project. The upgraded facilities enhance the nutrient treatment process and provide nitrogen removal (nitrification and denitrification) that meets permit limits until at least 2040.
- In 2023, the District completed the Shoreline Adaptation Demonstration Lab project. This project's scope included reconstruction of three of twelve experimental cells on the existing horizontal levee demonstration project as well as continued monitoring. The cells were reconstructed based on knowledge obtained from the first five years of research. This project was funded by a State Revolving Fund Grant for \$1million dollars in partnership with San Francisco Estuary Partnership. The grant was awarded in 2021.
- In 2023, the District completed the construction of its consolidated operations building to promote efficiency and collaboration among work groups.

## ACFR AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oro Loma Sanitary District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 28<sup>th</sup> consecutive year that the District has received this prestigious award. The long history reflects the District's consistent culture of transparency. To be awarded a Certificate of Achievement, the governmental entity has to publish an informative, well organized, and easily readable report that satisfies both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current report exceeds the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

We wish to express our sincere appreciation to the Board of Directors, and especially to the members of the Finance & Insurance Committee – Directors Benny Lee and Fred Simon, and to the audit team of Cropper Accountancy Corporation for their support in submitting this Annual Comprehensive Financial Report. The presentation of this report could not have been accomplished without the professionalism and dedication demonstrated by the management and staff of the District. We would like to convey special thanks to all who provided input in the preparation of this report.

Respectfully submitted,



Jimmy Dang  
General Manager/Treasurer



Liliana Moreno  
Finance Manager



Pearl Gonzalez  
Senior Accountant



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Oro Loma Sanitary District  
California**

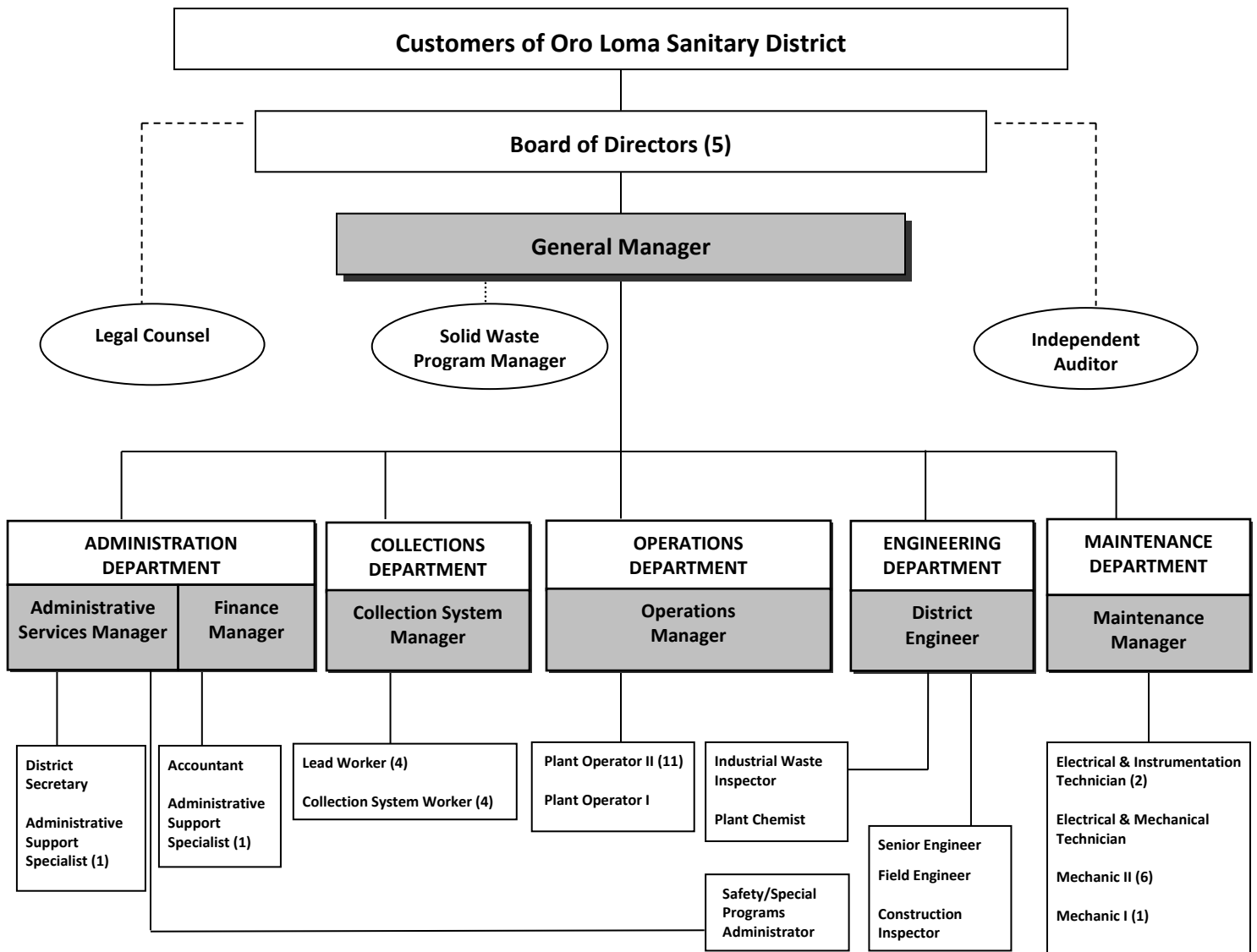
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Organization Chart



# ORO LOMA SANITARY DISTRICT

## GOVERNING BODY • BOARD OF DIRECTORS

The District is governed by a five-member Board of Directors, elected in the County's general election for alternating four-year terms. The public is welcome to attend the District's Board meetings held on the first and third Tuesdays of each month at 5:00 p.m., and Committee meetings at various times throughout the month. A listing of dates and times is available on the District's website at [www.oroloma.org](http://www.oroloma.org).



### **Fred Simon, President**

*Term Expires 2026*

*Chairperson of Operations Committee, Member of Finance & Insurance Committee, and Representative on EBDA.*

Mr. Simon is a registered Professional Engineer with over 20 years of experience in the Bay Area. He has worked for East Bay Municipal Utility District and Contra Costa Water District. He is a resident of the Heron Bay community in San Leandro. Mr. Simon has been serving on the Board since 2018.



### **Shelia Young, Vice President**

*Term Expires 2026*

*Chairperson of Construction Committee, Member of Solid Waste Committee, Representative on StopWaste, Executive Board Member of ACSDA, and Alternate Representative on EBDA.*

Ms. Young is currently a business/environmental consultant who managed her own business for 30 years prior to service as Mayor of the City of San Leandro. She was named Mayor Emeritus in 2008. Ms. Young has been serving on the Board since 2014.



### **Benny Lee, Secretary**

*Term Expires 2024*

*Chairperson of Finance & Insurance Committee, Member of Personnel/Safety/Public Information Committee, and Representative on ACSDA.*

Mr. Lee is a financial systems and information technology professional and has a B.S. Degree in Business Administration. He is active in numerous local community organizations, cultural groups and civic boards. He served as a member of the San Leandro City Council from 2012 to 2020. Mr. Lee has been serving on the Board since 2020.



### **Rita Duncan, Director**

*Term Expires 2026*

*Chairperson of Solid Waste Committee, Member of Construction Committee, Representative on HASPA, Alternate Representative on ACSDA, Alternate Representative on StopWaste, and Vice Chairperson of CASA Federal Legislative Committee.*

Ms. Duncan retired as Director of Human Resources of a Bay Area manufacturing company. She was also formerly the Director of the Math, Engineering, Achievement & Education Outreach Program for the Stanford School of Engineering. Ms. Duncan has been serving on the Board since 2016.



### **Paul Stelzmann, Director**

*Term Expires 2024*

*Chairperson of Personnel/Safety/Public Information Committee and Member of Operations Committee.*

Mr. Stelzmann has an extensive background in water treatment plant operations and possesses degrees in biology and chemistry. His responsibilities as a Senior Water Treatment Operator at East Bay Municipal Utility District include ensuring safe and efficient plant operations, regulatory compliance and operator training. Mr. Stelzmann has been serving on the Board since 2020.

Note: ACSDA – Alameda County's chapter of the California Special Districts Association

ACWMA – Alameda County Waste Management Authority, also known as StopWaste.org

CASA – California Association of Sanitation Agencies

EBDA – East Bay Dischargers Authority

HASPA – Hayward Area Shoreline Planning Agency

# ORO LOMA SANITARY DISTRICT

## MANAGEMENT TEAM

### Official



#### **Jimmy Dang, General Manager/Treasurer**

Directs, manages, and coordinates District activities in accordance with Board policies. Develops the District's Strategic Plan and keeps the Board informed on projects and programs to facilitate good decision making. As Treasurer, the General Manager also oversees the District's financial operations, investments and risk management.

### Departmental Management

#### **Administration**



#### **Zaneta Luna, Administrative Services Manager**

Manages human resources, benefits, employee relations, and labor relations functions. Oversees Board and administrative support services, information technology, and public outreach programs. Also manages the District's agreement for solid waste services with Waste Management, including contract compliance management and program oversight.



#### **Liliana Moreno, Finance Manager**

Manages the District's financial controls and reporting system, including budgeting, cash flow, investments, billings, payments, payroll, financial audits and compliance. Ensures that the District is meeting its fiduciary responsibilities. Oversees activities related to debt issuance and compliance. Assists other managers in budget monitoring and project costing.

#### **Collections**



#### **Christopher Brown, Collection System Manager**

Manages the inspection, assessment, and maintenance of the sewer collection system. Performs regulatory reporting and maintains continuous emergency response. Ensures that exemplary customer service is provided when the crew performs sewer line work throughout District neighborhoods.

# ORO LOMA SANITARY DISTRICT

## MANAGEMENT TEAM

### Engineering



#### **William Halsted, District Engineer**

Manages the Engineering Department. Administers the Capital and Renewal & Replacement programs for the District. Oversees long-term planning for the collection system and treatment facility, issuance of permits for construction, repairs, and annexations, and reviews plans and specifications.

### Treatment Plant



#### **Gene Palop, Operations Manager**

Manages continuous operations of the treatment plant and water reclamation facilities. Oversees processes for energy optimization, grease acceptance for digesters efficiency, and sludge dewatering. Maintains primary responsibility for regulatory compliance with the District's National Pollutant Discharge Elimination System (NPDES) permit.



#### **Joseph McCauley, Maintenance Manager**

Manages treatment facilities and equipment maintenance and provides support to the Operations and Collections Departments. Maintains efficient response to remote site pump station failures. Collaborates with the Engineering Department in various projects. Maintains primary responsibility for compliance with the Air Board's regulations.



## VISION OF ORO LOMA SANITARY DISTRICT

### **Safety is paramount.**

We will maintain a safety program, safety culture, safe work habits, and safe work record to reflect our practice of proactive risk identification and mitigation. Our vision is to send a generation of employees into retirement without impairment.



### **Our staff remains our key asset.**

We will practice deliberate knowledge transfer, keep the selection of extraordinary team players as our norm, foster an environment to promote professional development, and offer an appropriate compensation package. We strive to create and nurture an inclusive culture, where differences and diversity of thought contribute to exemplary customer service.

### **Our response to emerging regulations gives us a competitive advantage.**

We will perform sound planning, engage with the regulatory community, and innovate as we select optimal responses to significant emerging regulations.

### **New technologies are only implemented when worth our investment.**

We will scrutinize available technologies and implement only those that make us future-ready and increase our standard for operational resiliency while meeting our high standards for investment of public funds.

### **Measured risk taking is part of sound management.**

We will continue to take prudent business risks that improve the District's ability to respond to future challenges while maintaining our fiscal strength.

### **The public deserves that we manage with the long-term value in mind.**

Through sound management and ongoing infrastructure renewal, we will maintain our position as a reliable and low-cost service provider for generations to come.

### **Our best service starts with proactive communication.**

We will identify issues of public concern and communicate our approach to addressing these issues well in advance of any requirement for significant action.

### **Excellence is pursued over average performance.**

We will set the standard for operational resiliency, regulatory compliance, and cost-efficient operations among sanitary agencies in the State.





# ORO LOMA SANITARY DISTRICT

## LOCATION & SERVICE AREA

Oro Loma Sanitary District was originally formed to serve an 800-acre area. Today, the District encompasses 13 square miles, serving the communities of unincorporated Alameda County, including San Lorenzo, Ashland, Cherryland, Fairview, portions of Castro Valley, and designated areas of the Cities of Hayward and San Leandro. The District's service area is located about 13 miles south of Oakland and 30 miles north of San Jose on the eastern shore of the San Francisco Bay.



# DISTRICT AWARDS – LAST TEN YEARS

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## California Association of Sanitation Agencies (CASA)

Award of Excellence for Outstanding Capital Project for Small Agency (Horizontal Levee Demonstration Project)	2017
Award of Excellence for Outstanding Capital Project (Nutrient Optimization Project)	2021

## California Sanitation Risk Management Authority (CSRMA)

Safety, Health, Environment, Liability and Losses (SHELL) Award	FY 2012-13
Workers' Compensation Excellence Award	FY 2015-16, FY 2019-20 FY 2021-22

## California Water Environment Association (CWEA)

(\* denotes an award at both the San Francisco Bay Section and State levels)

Collection System of the Year (250-500 miles)	2013*, 2022, 2023
Plant Safety Award (26-75 employees)	2014*
Research Achievement Award (Zeolite-Anammox Pilot Project)	2014

## Government Finance Officers Association (GFOA)

Certificate of Achievement for Excellence in Financial Reporting	Continuously since FY 1994-95
Distinguished Budget Presentation Award (Two-Year Budget)	Continuously since FYs 2015-17

## Water Environment Federation (WEF)

George W. Burke Facility Safety Award	2015
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## Others

Special District Leadership Foundation Transparency Certificate of Excellence	2014, 2020, 2023
Friends of the San Francisco Estuary Outstanding Environment Project Award (Horizontal Levee Demonstration Project)	2017
San Francisco Bay Institute Bay Hero Award (Innovative response to sea level rise) Joint recipients: Oro Loma and Castro Valley Sanitary Boards	2017

## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Oro Loma Sanitary District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Oro Loma Sanitary District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Oro Loma Sanitary District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Oro Loma Sanitary District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oro Loma Sanitary 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Oro Loma Sanitary 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 the Oro Loma Sanitary 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, the pension's Schedule of the District's Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of Changes in Net OPEB Liability & Related Ratios, Schedule of the District's OPEB Contributions, and all other schedules presented in the required supplementary information area of the report (as shown in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oro Loma Sanitary District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023, on our consideration of the Oro Loma Sanitary 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 the Oro Loma Sanitary 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 Oro Loma Sanitary District's internal control over financial reporting and compliance.

  
CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California  
October 12, 2023



## **MANAGEMENT'S DISCUSSION & ANALYSIS**

# SERVICE RECOGNITIONS

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Oro Loma Sanitary District congratulates the following personnel for their dedicated years of service.

## 20 Years



**Tim Cravalho**  
Lead Worker

## 15 Years

**Christopher Brown**  
Collection System  
Manager



**Andreea Simion**  
Administrative Services  
Manager

## 10 Years



**Sam Bobbitt**  
Lead Worker



**Brian Charvet**  
Mechanic II



**Kristopher Decker**  
Senior Engineer



**Patricia Schofield**  
District Secretary

## 5 Years



**Brett Grundenmann**  
Plant Operator II

**ORO LOMA SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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Oro Loma Sanitary District was established in 1911 and subsequently reorganized in 1940. The District is empowered to own and operate sewage facilities, and to provide sewer, solid waste and recycling services to its customers. The elected Board of Directors oversees its operations, sets policies, establishes fees, and ensures that its mission in serving the public is achieved.

This financial report consists of the following sections: independent auditors' report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplementary information, other supplementary information, and other independent auditors' report.

The management discussion and analysis (MD&A) is an overview of the District's operations and financial performance during the fiscal year ended June 30, 2023. This information is presented in conjunction with the basic financial statements and the accompanying notes, which immediately follow this section.

**Financial Highlights for the Fiscal Year Ended June 30, 2023**

- The ending net position as of June 30, 2023 was \$126,750,792, reflecting an increase of \$3,297,834 (2.7%) from the prior year net position of \$123,452,958.
- Total assets were \$162,138,958, reflecting an increase of \$13,215,635 (8.9%) from \$148,923,323 in the prior year. New assets totaling \$12.9 million were capitalized and were offset by the current year depreciation of \$4.0 million. The most prominent asset additions were for pipeline replacements (\$11.3 million). Other significant capitalized assets included cogeneration engine overhaul (\$344,606), Canyon Ridge lift station standby generator replacement (\$313,761), a washer compactor (\$228,703), and 2 dump trucks (\$183,499). Construction in progress increased by \$430,763 (2.9%), a net result of \$9.6 million transferred to capitalized assets and \$10.0 million new work being added this year. Cash and cash equivalents increased by \$5.8 million (79.4%) due to proceeds from WIFIA and SRF financing (\$9.1 million), offset by increases in operational spending. Investments at fair value was \$624,803 (7.1%) lower than last year resulting from 2 investment maturities and a \$127,898 drop in overall fair market value. In addition, the Net OPEB Asset decreased by \$2.0 million based on the latest GASB Statement No. 75 actuarial valuation.
- Total liabilities were \$41,894,356, reflecting an increase of \$18,703,325 (80.6%) from \$23,191,031 in the prior year. Accounts payable decreased by \$987,095 (38.9%) from year-end payments. Customer deposits payable increased by \$239,598 (38.0%) as a result of retentions withheld from increased construction activity. Total long-term debt increased by \$8.7 million (48.6%), of which Federal and State financing was \$9.1 million, offset by a \$431,956 decrease associated with the 2018 Sewer Revenue Bonds' principal payment. Net Pension Liability increased by \$10.7 million due to a 25 basis-point drop in the discount rate and negative market returns in the measurement period of FY 2021-22.
- Deferred outflows of resources increased by \$7,164,184 (286.9%) from \$2,497,178 to \$9,661,362, and deferred inflows of resources decreased by \$1,621,340 (33.9%) from \$4,776,512 to \$3,155,172. These items represent the different components required by various GASB pronouncements. Deferred outflows reflect consumption of net assets that are applicable to a future reporting period and will increase the net position in a similar manner as assets. Deferred inflows are acquisition of net assets that are applicable to a future reporting and will decrease the net position in a similar manner as liabilities. These deferrals pertain to pension (GASB Statement No. 68), other post-employment benefits (GASB Statement No. 75), leases (GASB Statement No. 87).

**ORO LOMA SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

## Required Financial Statements

The District provides services to the public and generates revenues through fee-based business-type activities. The accounting methods used are similar to those used by private entities, utilizing an enterprise fund under a broad fund category, known as proprietary funds. Required financial statements are listed as follows:

- The Statement of Net Position presents information about assets and deferred outflows of resources, and, liabilities and deferred inflows of resources. It also provides a basis for evaluating liquidity, financial flexibility, and the capital structure.
- The Statement of Revenues, Expenses, and Changes in Net Position accounts for revenues and expenses. It shows current operations and provides a comparison to the prior year, and can be used to determine whether resources have been successfully recovered through user fees and other revenues.
- The Statement of Cash Flows provides information about cash receipts and disbursements, and net changes in cash resulting from operations, investing, and capital and non-capital financing activities. It shows various cash sources and uses, and the changes in cash and cash equivalents between years.

## Financial Analysis of the District

Total net position increased by \$3,297,834 (2.7%) during FY 2022-23. Changes affecting net position are reflected in the following table.

**Table 1: Oro Loma Sanitary District – Statement of Net Position**

Period Ended June 30	Change in 2023				Change in 2022		
	2023	2022	\$	%	2021	\$	%
Current and other assets	\$ 32,872,220	\$ 28,952,967	\$ 3,919,253	13.5%	\$ 30,885,591	\$ (1,932,624)	-6.3%
Capital assets	129,266,738	119,970,356	9,296,382	7.7%	101,472,847	18,497,509	18.2%
Total assets	<u>162,138,958</u>	<u>148,923,323</u>	<u>13,215,635</u>	<u>8.9%</u>	<u>132,358,438</u>	<u>16,564,885</u>	<u>12.5%</u>
Deferred outflows of resources	<u>9,661,362</u>	<u>2,497,178</u>	<u>7,164,184</u>	<u>286.9%</u>	<u>5,541,700</u>	<u>(3,044,522)</u>	<u>-54.9%</u>
Current liabilities	3,631,203	4,323,673	(692,470)	-16.0%	1,904,775	2,418,898	127.0%
Non-current liabilities	38,263,153	18,867,358	19,395,795	102.8%	23,546,375	(4,679,017)	-19.9%
Total liabilities	<u>41,894,356</u>	<u>23,191,031</u>	<u>18,703,325</u>	<u>80.6%</u>	<u>25,451,150</u>	<u>(2,260,119)</u>	<u>-8.9%</u>
Deferred inflows of resources	<u>3,155,172</u>	<u>4,776,512</u>	<u>(1,621,340)</u>	<u>-33.9%</u>	<u>2,648,282</u>	<u>2,128,230</u>	<u>80.4%</u>
Net position							
Net investment in capital assets	102,270,962	101,668,469	602,493	0.6%	88,059,830	13,608,639	15.5%
Unrestricted	24,479,830	21,784,489	2,695,341	12.4%	21,740,876	43,613	0.2%
Total net position	<u>\$126,750,792</u>	<u>\$123,452,958</u>	<u>\$ 3,297,834</u>	<u>2.7%</u>	<u>\$109,800,706</u>	<u>\$ 13,652,252</u>	<u>12.4%</u>

**ORO LOMA SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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This ending net position of \$126,750,792 is made up of the following components:

- \$102,270,962 – Net investment in capital assets. This amount represents investment in capital assets net of accumulated depreciation and related debt. The capital assets are used to provide a variety of services. One of the biggest components of the assets category is the wastewater pollution control plant owned jointly by the District (75%) and Castro Valley Sanitary District (CVSan) (25%). Under a long-term agreement, CVSan reimburses the District and capitalizes its share of capital assets on its own financial records. Assets that do not pertain to the operations and maintenance of the water pollution control plant are fully owned by the District.
- \$24,479,830 – Unrestricted category. This amount is comprised of:
  - \$5,423,382 Investment in effluent discharge facilities – EBDA
  - \$19,056,448 Unrestricted net position

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**ORO LOMA SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

**Table 2: Oro Loma Sanitary District - Statement of Revenues, Expenses and Changes in Net Position**

<b>Period Ended June 30</b>	<b>2023</b>	<b>2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>	<b>2021</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Operating revenues</b>							
District service charges	\$20,722,735	\$19,453,724	\$1,269,011	6.5%	\$17,740,859	\$1,712,865	9.7%
Agency treatment charges	5,449,967	4,266,940	1,183,027	27.7%	4,142,939	124,001	3.0%
Permits and inspection fees	224,974	172,991	51,983	30.0%	190,363	(17,372)	-9.1%
Sanitary truck waste charges	20,185	23,375	(3,190)	-13.6%	24,530	(1,155)	-4.7%
Grease receiving charges	171,855	176,544	(4,689)	-2.7%	128,142	48,402	37.8%
Biosolid charges	127,924	171,173	(43,249)	-25.3%	242,501	(71,328)	-29.4%
Annexation revenues	-	-	-	0.0%	39,000	(39,000)	-100.0%
Contract fees	2,481,595	2,166,182	315,413	14.6%	1,805,310	360,872	20.0%
Recycling charges-residential/green waste	3,114,310	2,845,587	268,723	9.4%	2,327,273	518,314	22.3%
Recycling charges-commercial/industrial	116,182	190,287	(74,105)	-38.9%	183,120	7,167	3.9%
Landfills fees-Measure D	377,314	368,971	8,343	2.3%	356,453	12,518	3.5%
Other	926,143	952,546	(26,403)	-2.8%	917,962	34,584	3.8%
Total operating revenues	\$33,733,184	30,788,320	2,944,864	9.6%	28,098,452	2,689,868	9.6%
<b>Operating expenses</b>							
Engineering	645,168	641,114	4,054	0.6%	687,340	(46,226)	-6.7%
Sewage collections	2,738,160	2,814,917	(76,757)	-2.7%	3,956,977	(1,142,060)	-28.9%
Sewage treatment operations	8,359,028	6,166,394	2,192,634	35.6%	5,713,335	453,059	7.9%
Sewage treatment maintenance	3,350,832	2,958,246	392,586	13.3%	2,628,968	329,278	12.5%
Effluent disposal - EBDA	792,794	688,256	104,538	15.2%	910,294	(222,038)	-24.4%
Administration and general	2,477,919	1,901,085	576,834	30.3%	1,980,341	(79,256)	-4.0%
Pension expense	5,684,453	(5,434,573)	11,119,026	204.6%	2,392,988	(7,827,561)	-327.1%
OPEB expense	(173,114)	(447,068)	273,954	61.3%	37,465	(484,533)	-1293.3%
Depreciation	4,030,193	3,672,812	357,381	9.7%	2,949,988	722,824	24.5%
Decrease in carrying value of EBDA	-	554,562	(554,562)	-100.0%	-	554,562	100.0%
Solid waste	387,260	501,808	(114,548)	-22.8%	402,049	99,759	24.8%
Recycling-residential and commercial	2,689,657	2,845,495	(155,838)	-5.5%	2,843,550	1,945	0.1%
Total operating expenses	30,982,350	16,863,048	14,119,302	83.7%	24,503,295	(7,640,247)	-31.2%
Operating income (loss)	2,750,834	13,925,272	(11,174,438)	-80.2%	3,595,157	10,330,115	-287.3%
<b>Non-operating revenues</b>							
Investment income	267,318	119,115	148,203	124.4%	144,629	(25,514)	-17.6%
Rents and leases	90,187	114,245	(24,058)	-21.1%	111,917	2,328	2.1%
Recovery of uncollectible accounts	45,034	37,038	7,996	21.6%	36,217	821	2.3%
Project grants	27,690	202,913	(175,223)	-86.4%	530,684	(327,771)	-61.8%
Other miscellaneous revenues	103,628	117,745	(14,117)	-12.0%	218,482	(100,737)	-46.1%
Total non-operating revenues	533,857	591,056	(57,199)	-9.7%	1,041,929	(450,873)	-43.3%
<b>Non-operating expenses</b>							
Decrease in the fair value of investments	124,803	504,612	(379,809)	-75.3%	67,900	436,712	643.2%
Loss on disposal of capital assets	7,528	-	7,528	100.0%	-	-	0.0%
Write-off of uncollectible accounts	1,482	944	538	57.0%	2,834	(1,890)	-66.7%
Debt issuance cost	-	377,686	(377,686)	-100.0%	-	377,686	100.0%
Bond interest expense	531,264	454,284	76,980	16.9%	443,295	10,989	2.5%
Total non-operating expenses	665,077	1,337,526	(672,449)	-50.3%	514,029	823,497	160.2%
<b>Income before contributions and transfers</b>	2,619,614	13,178,802	(10,559,188)	-80.1%	4,123,057	9,055,745	219.6%
Connection fees	678,220	473,450	204,770	43.3%	3,562,303	(3,088,853)	-86.7%
Change in net position	3,297,834	13,652,252	(10,354,418)	-75.8%	7,685,360	5,966,892	77.6%
Net position – beginning	123,452,958	109,800,706	13,652,252	12.4%	102,115,346	7,685,360	7.5%
Net position – ending	\$126,750,792	\$123,452,958	\$3,297,834	2.7%	\$109,800,706	\$13,652,252	12.4%

**ORO LOMA SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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As presented in Table 2:

**Total Operating Revenues \$33.7 million (FY 2022-23) and \$30.8 million (FY 2021-22)** – Operating revenues increased by \$2.9 million (9.6%) in FY 2022-23 and \$2.7 million (9.6%) in FY 2021-22. Highlights in revenue activities are as follows:

- **District sewer service charges** increased by \$1.3 million (6.5%) in FY 2022-23 and \$1.7 million (9.7%) in FY 2021-22, primarily from the 7.5% annual sewer rate increases adopted by the Board. Residential sewer revenues increased by \$1.2 million (7.9%). Commercial sewer revenues, billed based on water consumption, also reflected the rate increase and grew by \$170,114 (6.7%).
- **Agency treatment charges** increased by \$1.2 million (27.7%) in FY 2022-23 and \$124,001 (3.0%) in FY 2021-22. The increase almost entirely due to agency charges to CVSan from various O&M and R&R project billings. Major R&R projects in which CVSan shared costs included the shoreline adaptation demonstration laboratory project, the 2023 emergency storm response, process instrumentation replacements, and gate and valve replacements. Revenues from the Cities of Hayward and San Leandro rose by \$37,023 (7.1%). Revenues from EBDA remained stable.
- **Permits and inspection fees** increased by \$51,984 (30.1%) in FY 2022-23 and decreased by \$17,372 (9.1%) in FY 2021-22. The growth in FY 2022-23 was a result of increased engineering permits being issued, from 297 in FY 2021-22 to 329 in FY 2022-23. Revenues from industrial permits remained stable from last year.
- **Sanitary truck waste charges** decreased by \$3,190 (13.6%) in FY 2022-23 and have been stable over the years.
- **Grease receiving charges** decreased by \$4,689 (2.7%) in FY 2022-23 and increased by \$48,402 (37.8%) in FY 2021-22. The restaurant industry has returned to pre-pandemic level of operations since 2022, and the District's reception of restaurant grease has remained constant in the past year.
- **Biosolids charges** decreased by \$43,249 (25.3%) in FY 2022-23 and \$71,328 (29.4%) in FY 2021-22. The District contracts with Synagro to receive and store up to 8,000 wet tons of biosolids for drying per year. Although the volume of biosolids storage went up from 5,037 wet tons in FY 2021-22 to 6,396 wet tons in FY 2022-23, the overall amount from this revenue source decreased as the District was unable to earn the sludge-drying incentive this year. The incentive was to compensate for off-hauling biosolids material with a lower water content than when it was received. An extraordinarily wet season in Fall 2022 caused the outgoing biosolids to remain wet.
- **Contract fees** increased by \$315,774 (14.6%) in FY 2022-23 and \$360,872 (20.0%) in FY 2021-22. The District provides solid waste services to its customers under an agreement with Waste Management of Alameda County (WMAC) and receives a franchise fee from WMAC. This revenue source is largely dependent upon annual garbage rate increases established by WMAC, which were 5.2% and 3.1% for the last 2 years. On January 1, 2023, a new 15-year agreement between the District and WMAC took effect. The agreement implemented a one-time 16.7% increase to the service rates, which were reflected partially this year.
- **All remaining operating revenue categories** showed various trends. Commercial and industrial recycling revenues decreased by \$74,105 (38.9%) due to the mid-year implementation of the new WMAC agreement which eliminated commercial recycling revenues. Landfill fees - Measure D increased by \$8,343 (2.3%) from normal fluctuations in recycling levels.

**ORO LOMA SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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**Total Operating Expenses \$31.0 million (FY 2022-23) and \$16.9 million (FY 2021-22)** – Operating expenses increased by \$14.1 million (83.7%) in FY 2022-23 and decreased by \$7.6 million (31.2%) in FY 2021-22. Overall departmental expenses in operations and maintenance (O&M) reflected the economic impact from inflation and cost of various staff transitions during the year, totaling \$1.8 million (15.1%). Renewal and replacement (R&R) costs increased by \$1.2 million (54.8%) due to increases in both planned project activities and unanticipated costs associated with the New Year's Eve catastrophic storm event. Effluent disposal - EBDA increased by \$104,538 (15.2%), attributed to a comparatively lower annual credit adjustment received from EBDA. As a result of CalPERS' unfavorable investment returns of -6.1% for FY 2021-22, pension expense jumped significantly by \$11.1 million (204.6%) for the measurement period. Depreciation expense increased by \$357,381 (9.7%) primarily from the added depreciation of the \$6.5 million SB 1383 carts that were capitalized in FY 2021-22. In addition, due to a \$16,540 (0.3%) increase in EBDA's carrying value, the District recognized the change as non-operating revenue, compared to the operating expense of \$554,562 last year.

For year-to-year operational comparison in which the effects of GASB Pension and OPEB adjustments were excluded, net operating expenses were \$27.0 million in FY 2022-23 and \$24.2 million in FY 2021-22, reflecting an actual operating increase of \$2.8 million (11.7%) between years. As previously mentioned, the change consisted primarily of \$1.2 million increase in R&R spending in FY 2022-23, \$386,450 increase in various operating supplies and skyrocketing chemicals costs, and \$430,541 increase in new assets depreciation. In addition, 3 management positions had employment overlaps this year due to planned staff turnovers with cross-training. These factors were partially offset by the positive change in EBDA equity which was recorded in revenues instead of expenses.

**Total Non-operating Revenues \$533,857 (FY 2022-23) and \$591,056 (FY 2021-22)** – Non-operating revenues decreased by \$57,199 (9.7%) in FY 2022-23 and \$450,873 (43.3%) in FY 2021-22. This was attributed to a \$175,223 (86.4%) decrease in project grants, and \$24,058 (21.1%) decrease in rent and leases due to termination of the American Tower Corporation lease. These decreases were offset by the \$148,203 (124.4%) increase in investment income from the Federal Reserve's interest rate hikes and the District's new investment instrument in CAMP which offered highly favorable returns.

**Total Non-operating Expenses \$665,077 (FY 2022-23) and \$1,337,526 (FY 2021-22)** – Non-operating expenses decreased by \$672,449 (50.3%) as a result of fair market value fluctuations and the prior year's one-time \$377,686 debt issuance cost for the 2021 WIFIA bond issuance.

### **Capital Assets**

On June 30, 2023, the District had \$129.3 million (net of accumulated depreciation) invested in a broad range of capital assets, as compared to \$120.0 million on June 30, 2022. These assets include land, collection system subsurface lines and lift stations, the sewage treatment plant, machinery and equipment, vehicles, solid waste and recycling assets.

At the end of FY 2022-23, \$12.9 million was added to the capital asset inventory from completed projects. Capital assets added to the Collections system included completed sewer line replacements for a total of \$11.3 million and Canyon Ridge lift station standby generator for \$313,761. For the treatment plant, the District's cost share for capitalized items included cogeneration engine overhaul for \$344,606, a washer compactor for \$228,703, 2 dump trucks for \$183,499, and various other equipment for \$518,368. A total of \$10.0 million was added to construction in progress. Major work added this year included ongoing sewer line replacement projects for \$6.8 million, consolidated operations building construction for \$1.7 million, plant battery energy storage system for \$648,891, plant energy neutrality project for \$531,771, and various other improvements for \$405,772.



**ORO LOMA SANITARY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

The annual comparison of capital assets is shown in Table 3, reflecting a \$13.3 million (6.5%) increase in FY 2022-23 and a \$22.2 million (12.2%) increase in FY 2021-22. Assets are recorded at cost and depreciated over their useful lives.

**Table 3: Oro Loma Sanitary District – Capital Assets, at Cost**

<b>Period Ended June 30</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Land	\$ 873,234	\$ 873,234	\$ 873,234
Construction in progress	15,171,274	14,740,511	1,951,659
Subsurface lines	93,967,946	82,653,043	80,800,751
Engineering	132,336	55,450	55,450
Collections	9,231,911	8,918,150	8,597,464
Operations	82,245,749	81,823,242	81,131,611
Maintenance	4,656,988	4,103,801	4,082,426
Administration	2,145,517	2,112,721	2,112,721
District vehicles	2,994,487	2,849,143	2,811,768
Subtotal – Sewer Services	195,374,934	182,515,550	179,592,191
Subtotal – Solid Waste	-	-	-
Subtotal – Recycling	6,484,155	6,484,155	26,045
Total capital assets	\$ 217,903,597	\$ 204,613,450	\$ 182,443,129
Increase (decrease) over prior year	\$ 13,290,147	\$ 22,170,321	\$ 5,729,001

Table 4 summarizes the changes in capital assets, net of accumulated depreciation. The net increases in capital assets were \$9.3 million (7.7%) in FY 2022-23 and \$18.5 million (18.2%) in FY 2021-22. Additional information on capital assets is presented in Note 4 to the financial statements.

**Table 4: Oro Loma Sanitary District – Capital Assets, Net of Accumulated Depreciation**

<b>Period Ended June 30</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Balance at beginning of year	\$ 204,613,450	\$ 182,443,129	\$ 176,714,128
Additions	22,910,040	22,531,471	30,941,881
Retirements, write-offs and transfers	(9,619,893)	(361,150)	(25,212,880)
Total capital assets	217,903,597	204,613,450	182,443,129
Accumulated depreciation at beginning of year	(84,643,094)	(80,970,282)	(78,020,294)
Depreciation - retired assets	36,428	-	-
Annual depreciation	(4,030,193)	(3,672,812)	(2,949,988)
Accumulated depreciation at end of year	(88,636,859)	(84,643,094)	(80,970,282)
Capital assets at end of year, net of depreciation	\$ 129,266,738	\$ 119,970,356	\$ 101,472,847
Increase (decrease) over prior year	\$ 9,296,382	\$ 18,497,509	\$ 2,779,013

**ORO LOMA SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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**Debt Administration**

In October 2018, the District issued \$14.2 million of sewer revenue bonds to partially fund the \$24.4 million Nutrient Optimization Project. The bonds have an AA+ rating and 3.482% per annum interest rate and are payable over 25 years. Annual debt service (principal and interest) is approximately \$850,000. As of June 30, 2023, the 2018 bonds payable (net of premium) was \$12,584,106.

In summer 2021, the District entered into two separate financial obligations to provide funding for the Sewer Collection System Pipeline Rehabilitation & Replacement Project. The State Water Resources Control Board's State Revolving Fund (SRF) authorized up to \$25 million in project cost reimbursements with an annual rate of 0.9%; and, through the Federal Water Infrastructure Finance & Innovation Act (WIFIA), a maximum principal of \$24.5 million was approved at an annual rate of 1.91%. Both obligations are payable over 30 years. At June 30, 2023, the outstanding balances were \$8.3 million for SRF and \$6.1 million for WIFIA. Payments will commence in 2025 for SRF and 2029 for WIFIA.

Additional information on long-term debt activities is presented in Note 12 – Long Term Debt of the Notes to Financial Statements.

**Economic Factors & Outlook for the Future**

The Board and staff take pride in efficiency, accountability, customer service, entrepreneurial spirit, and an attitude of ownership. Application of these values allows the District to provide great service at a lower cost than other service providers in Alameda County. The single-family residential sewer service charge for FY 2022-23 was \$342, or 50% less than the average rate of \$681 in Alameda County.

With the goal of maintaining reliable infrastructure now and for the next generation, the Board has adopted a robust capital program to clear the backlog of sewer lines with defects. The District uses a combination of rate increases and low-cost financing to achieve its 40-mile sewer line replacement goal. Furthermore, to better position for the District's future infrastructure improvements, the Board tentatively reached consensus on a 5-year 15% annual sewer rate increase plan, to begin in FY 2024-25.

The District Board takes proactive steps to manage its pension liability. In FY 2020-21, an additional \$1.9 million was used to buy down the unfunded accrued liability (UAL) of \$10.7 million (source: 2019 CalPERS valuation). Furthermore, the Board approved an action plan based on a 10-year accelerated amortization of the accrued liability. Because of this strategic move, despite recent unfavorable market returns, the District was able to maintain an 80.4% funded ratio for its pension liability in the 2022 CalPERS valuation.

The District updates its strategic plan every 3 years and allocates staffing and other resources to achieve its vision and goals. In the next decade, the District plans to utilize an existing near-shore outfall for peak flow discharge, achieve energy neutrality, implement an office of the future, and progressively replace its fleet with electric vehicles along with charging stations. The District will continue to educate the community on protecting the environment by active involvement in community outreach through quarterly newsletters, ongoing school programs, and neighborhood events.

**Request for Information**

This report aims to provide the public with a financial overview, to maintain transparency, and to highlight the successes in fiscal responsibility. Additional information may be requested from the Finance Manager at 2655 Grant Avenue, San Lorenzo, CA 94580, or (510) 481-6979.

## **BASIC FINANCIAL STATEMENTS**

**ORO LOMA SANITARY DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022**

**ASSETS**

	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 13,095,254	\$ 7,299,081
Investments at fair value	8,206,126	8,830,929
Interest receivable	32,611	44,227
Accounts receivable	4,726,743	3,951,092
Lease receivable (current)	63,110	60,788
Prepaid and other items	110,739	128,450
<b>Total current assets</b>	<b>26,234,583</b>	<b>20,314,567</b>
<b>Non-current assets</b>		
Investment in effluent discharge facilities - EBDA	5,423,382	5,406,842
Lease receivable (non-current)	82,624	145,734
Net other post-employment benefits (OPEB) asset	1,131,631	3,085,824
Capital assets		
Land	873,234	873,234
Sewer service assets	195,374,934	182,515,550
Recycling assets	6,484,155	6,484,155
Construction in progress	15,171,274	14,740,511
Less: accumulated depreciation	(88,636,859)	(84,643,094)
Total capital assets (net of accumulated depreciation)	129,266,738	119,970,356
<b>Total non-current assets</b>	<b>135,904,375</b>	<b>128,608,756</b>
<b>Total assets</b>	<b>\$ 162,138,958</b>	<b>\$ 148,923,323</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	8,804,319	2,428,725
Other post-employment benefits related	857,043	68,453
<b>Total deferred outflows of resources</b>	<b>\$ 9,661,362</b>	<b>\$ 2,497,178</b>

The accompanying notes are an integral part of these financial statements

**ORO LOMA SANITARY DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022**

**LIABILITIES**

	<u>2023</u>	<u>2022</u>
<b>Current liabilities</b>		
Accounts payable	\$ 1,550,302	\$ 2,537,397
Accrued salaries and wages	132,092	104,292
Customer deposits payable	869,316	629,718
Accrued compensated absences (current)	409,513	501,668
Accrued interest payable	239,980	130,598
Bonds payable (current)	430,000	420,000
<b>Total current liabilities</b>	<u>3,631,203</u>	<u>4,323,673</u>
<b>Non-current liabilities</b>		
Accrued compensated absences (non-current)	188,133	206,611
Bonds payable - 2018 Sewer Bonds (non-current), net of premium	12,154,106	12,586,062
Bonds payable - 2021 WIFIA Bonds (non-current)	6,122,056	4,914,555
Loan payable - SRF (non-current)	8,289,614	381,270
Net pension liability	11,509,244	778,860
<b>Total non-current liabilities</b>	<u>38,263,153</u>	<u>18,867,358</u>
<b>Total liabilities</b>	<u>\$ 41,894,356</u>	<u>\$ 23,191,031</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	1,768,779	1,906,452
Other post-employment benefits related	1,240,659	2,663,538
Lease related	145,734	206,522
<b>Total deferred inflows of resources</b>	<u>\$ 3,155,172</u>	<u>\$ 4,776,512</u>
<b>NET POSITION</b>		
Net investment in capital assets (net of related debt)	102,270,962	101,668,469
Unrestricted	24,479,830	21,784,489
<b>Total net position</b>	<u>\$ 126,750,792</u>	<u>\$ 123,452,958</u>

The accompanying notes are an integral part of these financial statements

**ORO LOMA SANITARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating revenues</b>		
District service charges	\$ 20,722,735	\$ 19,453,724
Agency treatment charges	5,449,967	4,266,940
Permits and inspection fees	224,974	172,991
Sanitary truck waste charges	20,185	23,375
Grease receiving charges	171,855	176,544
Biosolid charges	127,924	171,173
Contract fees	2,481,595	2,166,182
Recycling charges - residential and green waste	3,114,310	2,845,587
Recycling charges - commercial and industrial	116,182	190,287
Landfills fees - Measure D	377,314	368,971
Other	926,143	952,546
<b>Total operating revenues</b>	<u>33,733,184</u>	<u>30,788,320</u>
<b>Operating expenses</b>		
Engineering	645,168	641,114
Sewage collections	2,738,160	2,814,917
Sewage treatment operations	8,359,028	6,166,394
Sewage treatment maintenance	3,350,832	2,958,246
Effluent disposal - EBDA	792,794	688,256
Administration and general	2,477,919	1,901,085
Pension expense	5,684,453	(5,434,573)
Other post-employment benefits (OPEB) expense	(173,114)	(447,068)
Depreciation	4,030,193	3,672,812
Decrease in carrying value of EBDA	-	554,562
Solid waste	387,260	501,808
Recycling - residential, green waste, commercial, industrial	2,689,657	2,845,495
<b>Total operating expenses</b>	<u>30,982,350</u>	<u>16,863,048</u>
<b>Operating income</b>	<u>\$ 2,750,834</u>	<u>\$ 13,925,272</u>

The accompanying notes are an integral part of these financial statements

**ORO LOMA SANITARY DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>2023</b>	<b>2022</b>
<b>Non-operating revenues</b>		
Investment income	\$ 267,318	\$ 119,115
Rents and leases	90,187	114,245
Recovery of uncollectible accounts	45,034	37,038
Project grants	27,690	202,913
Other miscellaneous revenues	103,628	117,745
<b>Total non-operating revenues</b>	<b>533,857</b>	<b>591,056</b>
<b>Non-operating expenses</b>		
Decrease in the fair value of investments	124,803	504,612
Write-off of capital assets	7,528	-
Write-off of uncollectible accounts	1,482	944
Debt issuance cost	-	377,686
Bond interest expense (Revenue Bonds)	418,732	431,220
Bond interest expense (WIFIA)	87,842	23,064
Loan interest expense (SRF)	24,690	-
<b>Total non-operating expenses</b>	<b>665,077</b>	<b>1,337,526</b>
<b>Income before contributions and other items</b>	<b>2,619,614</b>	<b>13,178,802</b>
Connection fees	678,220	473,450
<b>Change in net position</b>	<b>3,297,834</b>	<b>13,652,252</b>
<b>Net position - beginning</b>	<b>123,452,958</b>	<b>109,800,706</b>
<b>Net position - ending</b>	<b>\$ 126,750,792</b>	<b>\$ 123,452,958</b>

The accompanying notes are an integral part of the financial statements

**ORO LOMA SANITARY DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 32,957,533	\$ 29,138,883
Payments to suppliers	(19,139,490)	(2,525,401)
Payments to employees and employee benefit plans	(4,442,502)	(15,031,565)
<b>Net cash provided by operating activities</b>	<u>9,375,541</u>	<u>11,581,917</u>
<b>Cash flows from non-capital financing activities</b>		
Agency reimbursements	103,628	117,745
Rents and leases	5,241	114,245
Recovery of uncollectible accounts	43,552	36,094
<b>Net cash provided by non-capital and related financing activities</b>	<u>152,421</u>	<u>268,084</u>
<b>Cash flows from capital and related financing activities</b>		
Connection and other developers' fees	-	-
Additions to property, plant and equipment	(13,576,981)	(22,038,848)
Proceeds from revenue bonds	6,700,844	5,295,825
Payments for issuance of revenue bonds	-	(377,686)
Principal payments on long-term debt	1,991,090	(405,000)
Interest payments on long-term debt	(332,085)	(413,149)
Capital grants	705,910	676,363
<b>Net cash provided by (used for) capital and related financing activities</b>	<u>(4,510,723)</u>	<u>(17,262,495)</u>
<b>Cash flows from investing activities</b>		
Interest on investments	278,934	96,831
Sale or Purchases of investments	500,000	(4,060,751)
<b>Net cash provided by (used for) investing activities</b>	<u>778,934</u>	<u>(3,963,920)</u>
<b>Net increase in cash and cash equivalents</b>	5,796,173	(9,376,414)
<b>Cash and cash equivalents, beginning of year</b>	<u>7,299,081</u>	<u>16,675,495</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 13,095,254</u></u>	<u><u>\$ 7,299,081</u></u>

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



**ORO LOMA SANITARY DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>		
<b>Operating income</b>	\$ 2,750,834	\$ 13,925,272
<b>Adjustments to reconcile operating income to net cash provided by (used for) operating activities</b>		
Depreciation expense	4,030,193	3,672,812
(Increase) decrease in accounts receivables	(775,651)	(1,649,437)
(Increase) decrease in other current assets	17,711	154,102
Decrease in EBDA discharge facilities	(16,540)	554,562
(Increase) decrease in deferred outflows of resources	(7,164,184)	3,044,522
Increase (decrease) in deferred inflows of resources	(1,475,606)	1,921,708
Increase (decrease) in accounts payable	(832,558)	1,604,826
Increase (decrease) in deposits payable	239,598	514,648
Increase (decrease) in accrued salaries and compensated absences	(82,833)	124,356
Increase (decrease) in net pension liabilities	10,730,384	(9,567,382)
Increase (decrease) in OPEB liabilities (assets)	1,954,193	(2,718,072)
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 9,375,541</u>	<u>\$ 11,581,917</u>
<b>Schedule of non-cash investing and financing activities</b>		
Change in fair value of investments not held as cash equivalents	\$ (124,803)	\$ (504,612)

The accompanying notes are integral part of these financial statements

# BOARD OF DIRECTORS

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Pictured above (from left to right) is General Manager Jimmy Dang, accompanied by the Oro Loma Sanitary District Board of Directors in 2023: Rita Duncan (Director), Paul Stelzmann (Director), Shelia Young (Vice President), Fred Simon (President), Benny Lee (Secretary).

## **NOTES TO FINANCIAL STATEMENTS**



# ASHLAND CHERRYLAND FAMFEST

The District participates in several community events as part of our public outreach effort. The District participated in the Ashland Cherryland FamFest Spring Event on May 6, 2023. The festival took place on East 14th Street between 163rd Avenue and 164th Avenue in unincorporated Ashland near San Leandro. FamFest is organized by the CVEA Chamber of Commerce in partnership with Supervisor Nate Miley’s office, Alameda County and Reach Ashland Youth Center.



**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 1 – DISTRICT OVERVIEW**

Oro Loma Sanitary District was formed on August 7, 1911, and was subsequently reorganized under the Sanitary District Act of 1923 of the State Health & Safety Code. Its service area is located on the eastern shore of the San Francisco Bay, about 13 miles south of Oakland and 30 miles north of San Jose. It encompasses 13 square miles, serving the communities of unincorporated Alameda County, including San Lorenzo, Ashland, Cherryland, Fairview, portions of Castro Valley, and designated areas of the Cities of Hayward and San Leandro. Sewage collected goes through primary and secondary treatment processes at the water pollution control plant, and is subsequently disposed through East Bay Dischargers Authority (EBDA), a joint powers agency formed by five local sanitation jurisdictions. The District also provides garbage and recycling services through a long-term contract with Waste Management.

The District is governed by a five-member Board of Directors, elected in the Alameda County's general election for alternating four-year terms. The Board oversees policy decisions and appoints the General Manager to manage day-to-day operations.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to enterprise governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The GASB establishes standards for financial reporting for all State and local governmental entities, which require a management discussion and analysis section, a statement of net position, a statement of revenues, expenses and changes in net position, and, a statement of cash flows. It requires the classification of net position into three components: investment in capital assets, restricted net position, and unrestricted net position.

**Financial Reporting Entity**

For financial reporting purposes, component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable, and, other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District has determined that there are no component units that meet these criteria as of June 30, 2023, and has reported all funds that are controlled by or are dependent upon its Board of Directors. Its relationship with East Bay Dischargers Authority (EBDA) is reflected based upon its proportionate share of the investment in the discharge facilities of EBDA.

**Basis of Presentation and Accounting**

The District is accounted for as an enterprise fund under the proprietary fund type. A fund is defined as an accounting entity with a self-balancing set of accounts recording the financial position and results of operations of a specific governmental activity. An enterprise fund accounts for operations that provide services on a continuous basis and its activities are substantially financed by revenues derived from user charges. Asset acquisitions and capital improvements are financed from existing cash reserves, cash flow from operations, issuance of debt, and contributed capital.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under the District's enterprise fund are component funds that account for revenues and expenses of its three service types – sewer service, solid waste and recycling. The sewer service component fund is further divided into three fund units by functional area – operations and maintenance (O&M), renewal and replacement (R&R), and capital improvement program (CIP).

Measurement focus determines which transactions are recorded within the financial statements. The proprietary fund type utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities are reported. Fund equity is classified as net position.

Basis of accounting refers to when transactions are recorded. The District utilizes the accrual basis of accounting in which all assets and deferred outflows of resources, liabilities and deferred inflows of resources are recorded on the Statement of Net Position. Revenues are recognized when earned, and expenses are recorded when the liability is incurred.

**Budgets and Budgetary Accounting**

The District adopts a biennial budget for both operating and capital expenditures. The budget serves as a financial plan and management tool to maintain fiscal responsibility. Amendments are prepared by management staff and approved by the Board to reprioritize project spending when necessary.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, cash represents deposits that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less.

The District participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which invests a portion of the pooled funds in structured notes and asset-backed securities. Details are described in Note 3.

**Investments**

Investments are reported in the Statement of Net Position at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in fair value are recognized in the Statement of Revenues and Expenses and Changes in Net Position. Investment income includes interest earnings and any gains or losses realized upon maturity or sale of investments. See Note 3 for further disclosures.

**Inventories**

Inventories of fuel are held for consumption and are recorded at cost using the first-in-first-out (FIFO) method. Inventories are recognized as expenses when consumed rather than when purchased.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Lease Assets**

Lease assets are recorded at the amount of the initial measurement of the lease liabilities in accordance to GASB Statement No. 87. Lease assets are amortized over the lease term. See Note 5 for information on leases.

**Capital Assets**

Capital assets are defined by the District as assets with a minimum individual cost of \$10,000 and an estimated useful life of more than one year. Assets are recorded at acquisition cost on the Statement of Net Position. Capital costs for projects include salaries and overhead, contractual and professional services, materials, equipment, and other costs that contribute to the completion of the project. Costs of normal maintenance and repairs that neither add to the asset value nor materially extend useful lives are not capitalized. Capital assets for the treatment plant are owned jointly by the District (75%) and Castro Valley Sanitary District (25%) unless mutually agreed otherwise. Assets that do not pertain to the treatment plant are fully owned by the District. See Note 4 for further information on capital assets.

**Depreciation**

The purpose of depreciation is to spread the cost of capital assets over their useful lives. Depreciation is reported as an operating expense. Accumulated depreciation is the total amount of depreciation recorded over the years and is reported on the Statement of Net Position as a reduction to capital asset value. Depreciation is computed using the straight-line method based on the estimated useful lives of asset classifications ranging from 2 to 80 years. Depreciation of capital assets starts in the year following acquisition.

**Capital Contributions**

Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Examples include sewer pipelines, easements, and manholes, typically constructed in new residential developments. Other capital contributions include fees imposed on connections to the District's sewer system. These fees are reserved for the purpose of capital improvements.

**Debt Management**

The District issued \$14.2 million in Sewer Revenue Bonds in October 2018 to fund a portion of the Nutrient Optimization Project. In summer 2021, the District entered into two separate financial obligations with WIFIA and SRF to provide \$49.5 million in funding for the Sewer Collection System Pipeline Rehabilitation & Replacement Project. Payments for debt service are secured through the District's sewer revenues. The principal outstanding is a component of Net Investment in Capital Assets on the Statement of Net Position.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

Compensated absences reported in the Statement of Net Position include accumulated earned but unused vacation, floating holiday and compensated time-off. The amount is computed using current employee pay rates and carried as liability until used.

Balance at June 30, 2022		\$ 708,279
Addition for employees with accrued compensated absences earned	105,411	
Deduction for employees with accrued compensated absences used	(216,044)	
Net change in accrued compensated absences		(110,633)
Balance at June 30, 2023		<u>\$ 597,646</u>

The current portion of the compensated absences liability to be used within the next year is estimated by management to be \$409,513.

**Net Position**

The Statement of Net Position is designed to display the financial position of the District. Net position is the excess of assets and deferred outflow of resources over liabilities and deferred inflow of resources, and is classified into the following components:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of bonds attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted – consists of constraints placed on net asset use by creditors or by law and constitutional provisions. The District has no restricted net position on June 30, 2023.
- Unrestricted – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Classification of Revenues and Expenses**

Operating revenues are generally fees for providing sewer, solid waste and recycling services. Non-operating revenues include income that is not directly derived from these services, but from investments, penalty charges, rent, gain on disposal of assets and other miscellaneous sources. Revenues can be used for either operating or capital purposes, except grants that are designated for specific purposes. Operating expenses are expenditures directly related to the District's primary operations, and include costs of providing sewage collection and treatment, solid waste and recycling services, as well as non-cash expenses like depreciation and decrease in the carrying value of EBDA. All other expenses are reported as non-operating expenses.



**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 and the Required Supplementary Information section for detailed disclosures.

**Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

The District established an OPEB trust with CalPERS (CERBT) in January 2008 while maintaining an in-house account to pay for OPEB obligations. Funds in the in-house account were fully exhausted in FY 2016-17. Since then, the District began withdrawing from the CERBT to reimburse itself for OPEB payments made during the year. Based on biennial actuarial valuations performed by an independent actuary, funding has consistently been around 100%. The District's OPEB valuations follow standards established by GASB Statement No. 75. See Note 8 and the Required Supplementary Information section for detailed disclosures.

**Accounting Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

**Subsequent Events**

Management has reviewed subsequent events and transactions that occurred after the date of the financial statements through the date the audited statements were issued. The financial statements presented herein include all events and transactions required to be recognized in accordance with generally accepted accounting principles.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements**

**GASB Statement No. 91 – *Conduit Debt Obligations*.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is originally effective beginning FY 2021-22, but has been postponed by one year as a result of GASB Statement No. 95. It has no effect on the District's financial reporting.

**GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange transaction. This Statement also applies to availability payment arrangements (APAs) in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange transaction. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report and disclose assets and liabilities related to these arrangements consistently. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. This Statement is effective beginning FY 2022-23. Since the District does not have any such arrangements, this Statement has no effect on the District's financial reporting.

**GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*.** This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a non-cancellable right to use the underlying IT assets. Under this Statement, a government generally should recognize a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District has determined that the implementation of this pronouncement will not have a material impact on the District's financial reporting.

**ORO LOMA SANITARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GASB Statement No. 99 – *Omnibus 2022*.** The primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. These issues include clarifications of provisions and terminology updates in the following previous pronouncements: Statement No. 53 - *Accounting and Financial Reporting for Derivative Instruments*; Statement No. 87 - *Leases*; Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; Statement No. 96 - *Subscription-Based Information Technology Arrangements*; Statement No. 34 - *Basic Financial Statements and Management’s Discussion and Analysis—for State and Local Governments*; Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement has various effective dates for each provision and has no effect on the District's financial reporting.

**GASB Statement No. 100 – *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*.** The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. “Accounting changes” are defined in GASB Statement No. 100 as changes in accounting principles, changes in estimates, and changes to or within the financial reporting entity. Changes in accounting principles and estimates are only warranted when a new principle or methodology is determined to be preferable to that which was in use prior to the change, based on the qualitative characteristics of financial reporting. The Statement specifies whether prospective or retrospective implementation is required for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. It has minimal or no effect on the District’s financial reporting.

**GASB Statement No. 101 – *Compensated Absences*.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement applies to recognition of the following types of compensated absences (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Recognition of a liability should occur for leave that has not been used if all of the following are met (1) the leave is attributable to services already rendered by an employee, (2) the leave accumulates and is carried forward over multiple reporting periods whereby it may be used, paid or settled, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The disclosure requirements for compensated absences have been amended to require only the net change in the liability for compensated absences be disclosed rather than the gross increases and decreases as previously required. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. It has minimal or no effect on the District’s financial reporting.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District had \$21,301,380 in cash, cash equivalents and investments, which are reported at fair value as of June 30, 2023. GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy of inputs to the valuation techniques. Below is the distribution of inputs used to measure the fair value of the District's cash equivalents and investments.

- Level 1 inputs – Unadjusted, quoted prices from an active market.

U.S. Government bonds	\$ 7,738,318
Certificates of deposit	<u>467,808</u>
	<u>\$ 8,206,126</u>

The following table provides details on the District's cash, cash equivalents and investments at June 30, 2023, as reported in the Statement of Net Position of the basic financial statements:

Cash and cash equivalents	\$ 13,095,254
Investments	<u>8,206,126</u>
Total cash, cash equivalents and investments	<u>\$ 21,301,380</u>

**Cash, cash equivalents and investments as of June 30, 2023 consist of:**

Petty cash	\$ 1,500
Deposits with financial institutions	
Checking account – U.S. Bank	1,694,289
Money market account – UMB Bank	12,661
Cash with bond trustee – U.S. Bank Trust	25
California local agency investment fund – LAIF	256,770
California Asset Management - CAMP	<u>11,130,009</u>
Subtotal cash and cash equivalents	<u>\$ 13,095,254</u>
Investments	
U.S. Government bonds – UMB Bank	\$ 7,738,318
Certificates of deposit – UMB Bank	<u>467,808</u>
Subtotal investments	<u>\$8,206,126</u>
Total cash, cash equivalents and investments	<u>\$ 21,301,380</u>

**Policies, Practices and General Authorizations**

Under the constraints prescribed by the Government Code of the State of California for permissible investments, the District's investment policy allows the following investment instruments:

- Local Agency Investment Fund
- Certificates of Deposit (FDIC insured)
- U.S. Treasury instruments
- Federal Agency mortgage-backed securities and debentures
- Federal instrumentality debentures, discount notes, callable and step-up securities
- Money market mutual funds

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

- Bankers' acceptances
- Other deposits with banks, savings and loan associations, credit unions, federal investment funds
- Commercial papers
- Medium-term corporate notes

State code prohibits the District from investing in investments with a rating of less than A or equivalent. The District's investment policy follows State code, except that investments in money market mutual funds may be made only if the fund has a rating of Aaa. Limitations to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedule below:

Authorized Investment Type with Minimum Rating Requirements where applicable	State of California Limits			District Policy
	Maximum Remaining <u>Maturity</u>	Maximum of <u>Portfolio</u>	Maximum in <u>Single Issuer</u>	Maximum of Portfolio / Maximum in <u>Single Issuer</u>
U.S. Treasury obligations	5 years	None	None	None
U.S. Government <sup>1</sup> and GNMA securities	5 years	None	None	None / 30%
Banker's acceptance [A-1; A for senior debt]	180 days	40%	30%	20% / 5%
Commercial papers ["Prime"]	270 days	25%	10%	25% / 5%
Negotiable certificates of deposit <sup>2</sup>	5 years	30%	None	30%
Repurchase agreements	1 year	None	None	Not permitted
Reverse repurchase agreements	92 days	20% of base	None	Not permitted
Money market mutual funds [Aaa]	N/A	20%	10%	20% / 10%
Local Agency Investment Fund	N/A	\$50 million	None	\$50 million
Bank deposits	N/A	None	None	20%
Corporate notes, medium term [A]	5 years	30%	None	30% / 5%

<sup>1</sup> U.S. Government Securities – securities issued by agencies sponsored by the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

<sup>2</sup> All certificates of deposit must be insured by the Federal Deposit Insurance Corporation (FDIC). The bank institution must have a minimum of three stars in the Bank Stars Rating System.

The District's investment policy is that investment maturities do not exceed 5 years.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk and Credit Risk**

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following schedule provides information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation by showing the distribution by maturity. The actual ratings as of the June 30, 2023 for each investment type are shown.

(Source: Moody's)

Investment Type	Maturities of Instruments			Rating as of June 30, 2023	Total	% of Portfolio
	12 months or less	12 – 24 months	25 months or longer			
U.S. Government Bonds (FHLB/FFCB)	\$ 978,420	\$ 1,278,053	\$ 5,481,845	AAA	\$ 7,738,318	37%
Certificates of Deposit	234,338	233,470	-	FDIC Insured	467,808	2%
Total investments	<u>2,212,758</u>	<u>1,511,523</u>	<u>5,481,845</u>		<u>8,206,126</u>	<u>39%</u>
Cash and money market	1,708,475	-	-	Not required	1,708,475	8%
LAIF State investment pool	256,770	-	-	Not required	256,770	1%
CAMP investments	<u>11,130,009</u>	<u>-</u>	<u>-</u>	AAA	<u>11,130,009</u>	<u>52%</u>
Total cash and equivalents	<u>13,095,254</u>	<u>-</u>	<u>-</u>		<u>13,095,254</u>	<u>61%</u>
Total cash & investments	\$ <u>14,308,012</u>	\$ <u>1,511,523</u>	\$ <u>5,481,845</u>		<u>\$21,301,380</u>	<u>100%</u>

**Concentration of Credit Risk**

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy limits the amount that can be invested in any one issuer. As of June 30, 2023, all concentrations are within the amounts permitted.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, deposits may not be returnable. California Government Code Sections 53651.6 and 53651(p) require that a financial institution secure deposits by pledging securities in an undivided collateral pool held by a depository regulated under State law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The collateral and deposit pool balance is monitored by the Administrator of Local Security Program of the State of California. State law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits, and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2023, the ending balance in U.S. Bank was covered by the Federal Depositary Insurance Corporation (FDIC) up to \$250,000. The remaining amount was secured by collateral held in an undivided collateral pool, as described above.

**Custodial Credit Risk - Investments**

This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk. A list of approved broker-dealers is named in the District's investment policy and updated each year. The District currently works with PFM Asset Management LLC to invest and manage District funds in compliance with the requirements of the investment policy. Securities are held with UMB Bank in the District's name under a custody agreement as well as with California Asset Management Program (CAMP).

**Investment in Local Agency Investment Fund (LAIF)**

The District participates in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of investments in the pool is reported in the accompanying financial statements at amounts based on the District's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis. The LAIF balance at June 30, 2023 was \$256,770.

**Investment in California Asset Management Program (CAMP)**

The District participates in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. The Trust was later modified to provide for the investment of operating funds and capital reserves. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive of Section 53601 of the California Government Code. The District reports its investment in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 72 requirements. The CAMP balance at June 30, 2023 was \$11,130,009.

**ORO LOMA SANITARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 is summarized as follows:

	Useful Life	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
<b>Non-depreciable capital assets</b>					
Land		\$ 873,234	\$ -	\$ -	\$ 873,234
Construction in progress		14,740,511	10,006,201	(9,575,438)	15,171,274
<b>Total non-depreciable capital assets</b>		<b>15,613,745</b>	<b>10,006,201</b>	<b>(9,575,438)</b>	<b>16,044,508</b>
<b>Depreciable capital assets</b>					
<u>Sewer Service</u>					
Subsurface lines	20-80 yrs	82,653,043	11,314,903	-	93,967,946
Engineering	5-20 yrs	55,450	76,886	-	132,336
Collections	5-20 yrs	8,918,150	313,761	-	9,231,911
Operations	2-20 yrs	81,823,242	422,507	-	82,245,749
Maintenance	2-20 yrs	4,103,801	559,487	(6,300)	4,656,988
Administration	5-20 yrs	2,112,721	32,796	-	2,145,517
District vehicles	5-10 yrs	2,849,143	183,499	(38,155)	2,994,487
Subtotal - Sewer Service		182,515,550	12,903,839	(44,455)	195,374,934
<u>Solid Waste</u>					
Subtotal - Solid Waste		-	-	-	-
<u>Recycling</u>					
Subtotal - Recycling	10 yrs	6,484,155	-	-	6,484,155
<b>Total depreciable capital assets</b>		<b>188,999,705</b>	<b>12,903,839</b>	<b>(44,455)</b>	<b>201,859,089</b>
<b>Total capital assets</b>		<b>\$ 204,613,450</b>	<b>\$ 22,910,040</b>	<b>\$ (9,619,893)</b>	<b>\$ 217,903,597</b>



**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Less: accumulated depreciation				
<u>Sewer Service</u>				
Subsurface lines	\$ (33,280,562)	\$ (1,097,519)	\$ -	\$ (34,378,081)
Engineering	(50,005)	(1,815)	-	(51,820)
Collections	(5,501,065)	(230,316)	-	(5,731,381)
Operations	(38,344,563)	(2,000,385)	-	(40,344,948)
Maintenance	(3,461,979)	(109,766)	3,360	(3,568,385)
Administration	(1,957,037)	(25,572)	-	(1,982,609)
District vehicles	(2,021,838)	(134,279)	33,068	(2,123,049)
Subtotal - Sewer Service	<u>(84,617,049)</u>	<u>(3,599,652)</u>	<u>36,428</u>	<u>(88,180,273)</u>
<u>Solid Waste</u>				
Subtotal – Solid Waste	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Recycling</u>				
Subtotal – Recycling	<u>(26,045)</u>	<u>(430,541)</u>	<u>-</u>	<u>(456,586)</u>
<b>Total accumulated depreciation</b>	<b><u>(84,643,094)</u></b>	<b><u>(4,030,193)</u></b>	<b><u>36,428</u></b>	<b><u>(88,636,859)</u></b>
<b>Net depreciable capital assets</b>	<b><u>104,356,611</u></b>	<b><u>8,873,646</u></b>	<b><u>(8,027)</u></b>	<b><u>113,222,230</u></b>
<b>Net capital assets</b>	<b>\$ <u>119,970,356</u></b>	<b>\$ <u>18,879,847</u></b>	<b>\$ <u>(9,583,465)</u></b>	<b>\$ <u>129,266,738</u></b>

**Construction commitments**

The District has active construction projects as of June 30, 2023. Significant work in progress include various sewer line repairs and replacements, final phase of the Consolidated Operations Building construction, treatment plant battery storage system project, treatment plant energy neutrality project, SCADA network upgrades, and treatment unit gate replacement. As of June 30, 2023, the total outstanding construction commitments was \$8,743,381.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 5 – LEASES**

The District has lease agreements with AT&T and Verizon Wireless for the rental of the District's property at 2536 Grant Avenue, San Lorenzo, CA 94580. Both lessees utilize the property as communication sites on which their cellular reception towers are installed. AT&T's lease term ends on August 16, 2025 with annual rent adjustments based on CPI (estimated at 5% per year). Verizon Wireless' lease term ends on October 31, 2025 with annual rent adjustments set at 3% per year. The ending lease receivable and deferred inflow of resources from leases were \$145,734 at June 30, 2023.

Payments to the end of the lease terms are as follows and represent principal only. Interests are not reported as the amounts are determined to be immaterial by management.

<u>For the Year Ending June 30,</u>	<u>Future Payments</u>
2024	\$ 63,110
2025	65,567
2026	17,057

**NOTE 6 – INVESTMENT IN EAST BAY DISCHARGERS AUTHORITY (EBDA)**

East Bay Dischargers Authority (EBDA) was established in 1974 by the Cities of Hayward and San Leandro, and by the Oro Loma, Castro Valley, and Union Sanitary Districts under the Joint Exercise of Powers Act of the State of California. The purpose for creating the Authority was to plan, acquire, construct, manage and operate common use areas for effluent disposal facilities for its member agencies. The governing body of EBDA consists of five members, one appointed by each of its member agencies, all with equal vote. As a separate legal entity, EBDA exercises full power and authorities within the scope of the Joint Powers Agreement. Its obligations and liabilities are not those of its member agencies.

EBDA holds a National Pollutant Discharge Elimination System Permit No. CA 0037869 issued by the California Regional Water Quality Control Board to discharge up to 189.1 MGD of secondary treated wastewater (effluent) into the San Francisco Bay. It is EBDA's responsibility to ensure that the treatment of wastewater by each member agency is in compliance with the Federal Water Pollution Control Act (P.L. 92-500), as amended by the Clean Water Act of 1986.

The EBDA Joint Powers Agreement expired on December 31, 2019. The five member agencies of the JPA unanimously extended the current terms of the agreement until June 30, 2020, and reached an amended and restated agreement which took effect on July 1, 2020. The amendment contains changes in maximum flow rate capacity among member agencies, specifies the transport system's segment allocations, and establishes the basis for the allocation of operating and capital costs, as well as costs for planning and special studies. The District's new ownership share in EBDA is 19.140% as a result of the amendment.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 6 – INVESTMENT IN EAST BAY DISCHARGERS AUTHORITY (EBDA) (CONTINUED)**

The financial activities for EBDA are not included in the accompanying financial statements as it is administered by a Commission separate from and independent of the District. Current fiscal year transactions with, and the investment in, the Joint Powers Authority are accounted for as follows:

- The District's long-term investment in EBDA is reported as Investment in Effluent Discharge Facilities - EBDA under capital assets in the amount of \$5,423,382 for 2023 and \$5,406,842 for 2022. The 2023 increase of \$16,540 was reported as investment revenue under non-operating revenues, and the \$554,562 decrease in equity in 2022 was reported under Decrease in Carrying Value of EBDA, as operating expenses.
- The District's share of payments to EBDA is reported as Effluent Disposal - EBDA, an operating expense on the financial statements. Payments were \$792,794 and \$688,256 respectively during the fiscal years ended 2023 and 2022.

The assets of EBDA are the costs of the property, plant, and equipment used to discharge treated effluent into the San Francisco Bay. Over \$40 million of the construction costs and planning related thereto were primarily funded by federal and state sources as follows: 75% by the U.S. Environmental Protection Agency (EPA), and 12.5% by the State Water Resources Control Board (SWRCB). The remaining 12.5% was funded by EBDA's member agencies. Legal title and pertinent grant documents, and, conditions for joint-use facilities remain with EBDA. Each agency's ownership share is defined by the renewed Joint Exercise of Powers Agreement.

The financial statements of EBDA are available upon request from: East Bay Dischargers Authority, 2651 Grant Avenue, San Lorenzo, California 94580. Summary financial data taken from EBDA's audited financial statements for its fiscal years ended June 30, 2022 and 2021 (latest available) is as follows:

	<b>Fiscal Year Ended June 30</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Net position at beginning of year	\$ 28,248,914	\$ 31,146,310
Net income before depreciation	1,426,318	(2,070,415)
Depreciation	<u>(919,901)</u>	<u>(941,258)</u>
Changes in net position	506,417	(3,011,673)
Prior period adjustment	<u>(420,000)</u>	<u>114,277</u>
Net position at end of year	<b><u>\$ 28,335,331</u></b>	<b><u>\$ 28,248,914</u></b>
Comprised of		
Total assets	\$ 29,325,161	\$ 29,755,771
Deferred outflow of resources	883,223	559,164
Total liabilities	(1,238,289)	(1,564,429)
Deferred inflow of resources	<u>(634,764)</u>	<u>(501,592)</u>
Total net position	<b><u>\$ 28,335,331</u></b>	<b><u>\$ 28,248,914</u></b>

The District's investment in effluent discharge facilities (EBDA) is as follows:

Investment in effluent discharge facilities (EBDA) - beginning of year	5,406,842	5,961,404
Change in carrying value of effluent discharge facilities of EBDA	<u>16,540</u>	<u>(554,562)</u>
Investment in effluent discharge facilities (EBDA) - end of year (listed as a non-current asset on the Statement of Net Position)	<b><u>\$ 5,423,382</u></b>	<b><u>\$ 5,406,842</u></b>

**ORO LOMA SANITARY DISTRICT  
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**NOTE 7 – DEFINED BENEFIT PENSION PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS)**

**Plan Description**

Qualified employees are eligible to participate in one of the District’s three pension rate plans (Plans) administered by the California Public Employees’ Retirement System (CalPERS). Each Plan has a unique pension formula: 2.5% at 55 (Tier 1), 2.0% at 60 (Tier 2), and 2.0% at 62 (Tier 3, commonly known as the PEPRA Tier, as a result of the Public Employees’ Pension Reform Act of 2013). These Plans were established by Board resolutions and fall within CalPERS’ Miscellaneous Risk Pool, a cost-sharing multiple employer defined benefit pension plan for employers with less than 100 active members. Reports providing further information on the Risk Pool can be found on CalPERS’ website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided**

CalPERS administers service and disability retirement benefits, annual cost of living adjustments, and death benefits to the Plans’ members and beneficiaries, based on the pension formula of the Plans, the member’s years of service, age, and final compensation. Benefit levels are established by State statute and based on the contract between CalPERS and the District. Members may elect to retire at an earlier age with statutorily reduced benefits. Cost of living adjustments are applied as specified by the Public Employees’ Retirement Law. Eligibility for disability retirement applies after five years of service with the District. The Plans’ provisions and benefits for FY 2022-23 are summarized as follows:

<b>Plan Information</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
Date of employment	Before 11/14/2011	Between 11/15/2011 & 12/31/2012	On or After 1/1/2013
Benefit formula	2.5% @55	2.0% @60	2.0% @62
Benefits vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Eligible age for early retirement	50	50	52
Benefits as a % of eligible compensation (applied to each year of service)	2.0% (age 50) to 2.5% (age 55)	1.092% (age 50) to 2.0% (age 60)	1.0% (age 52) to 2.0% (age 62)
Required employee contributions	8%	7%	7.25%
Required employer contributions	13.020%	9.300%	7.760%

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – DEFINED BENEFIT PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS) (CONTINUED)**

**Employees Covered**

Participant Status	Number of Participants
Inactive employees receiving benefits	79
Inactive employees entitled to but not receiving benefits	24
Active members	49
Total	152

**Employer Contribution History**

Section 20814(c) of the California Public Employees’ Retirement Law requires that employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to pay for a portion of unfunded accrued liability. The amounts of employer contributions during the last three years are as follows:

Employer Contributions	Tier 1	Tier 2	Tier 3	Total
FY 2020-21	\$ 2,891,475	\$ 56,560	\$ 149,077	\$ 3,097,112
FY 2021-22	1,117,176	74,619	177,335	1,369,130
FY 2022-23	1,153,350	86,211	227,775	1,467,336

**Total and Net Pension Liabilities**

The District’s net pension liability is measured as a proportionate share of the Risk Pool’s net pension liability (NPL), measured as of June 30, 2022. The total pension liability of the Plan used to calculate the net pension liability was determined by CalPERS’ actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard actuarial roll forward methods. The proportionate share of the Risk Pool’s net pension liability was based on a projection of the District’s long-term share of contributions relative to the projected contributions of all participating employers (actuarially determined). The net pension liability has increased by \$10.7 million from last year due to the unfavorable investment return in FY 2021-22 and the lowering of the discount rate by 25 basis points by CalPERS. As of June 30, 2021 and June 30, 2022, the proportionate shares of the Risk Pool’s net pension liability and changes during the measurement period were as follows:

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – DEFINED BENEFIT PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS)  
(CONTINUED)**

<b>Net Pension Liability as of Measurement Date</b>	<b>Proportionate Share of Risk Pool’s NPL (\$)</b>	<b>Proportionate Share of Risk Pool’s NPL (%)</b>
June 30, 2021	\$ 778,860	0.01440%
<b>June 30, 2022</b>	<b>11,509,244</b>	<b>0.09964%</b>
Change	\$ 10,730,384	0.08524%

The District’s proportionate shares of the Risk Pool’s beginning and ending total pension liability, fiduciary net position and net pension liability were as follows:

	<b>Proportionate Share of Risk Pool’s</b>		
	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balance at Valuation Date June 30, 2021	\$ 64,813,058	\$ 64,034,198	\$ 778,860
<b>Balance at Measurement Date June 30, 2022</b>	<b>67,942,553</b>	<b>56,433,309</b>	<b>11,509,244</b>
Net Changes	\$ 3,129,495	\$ (7,600,889)	\$ 10,730,384

**Pension Expenses and Deferred Outflows/Inflows of Resources**

For the fiscal year ended June 30, 2023, the District recognized a pension expense of \$5,684,453, a net increase in deferred outflows of resources of \$6,375,594, and a net decrease in deferred inflows of resources of \$137,673. The detailed balances of various deferred outflows and inflows at June 30, 2022 are as follows:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 231,129	\$ 154,800
Changes in assumptions	1,179,363	-
Net differences between projected and actual earnings on plan investments	2,108,188	-
Change in employer's proportion	3,552,485	182,380
Differences between the employer's contributions and the employer's proportionate share of contributions	265,818	1,431,599
Pension contributions subsequent to measurement date	1,467,336	-
Financial statement balances at June 30, 2023	<b>\$ 8,804,319</b>	<b>\$ 1,768,779</b>

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 7 – DEFINED BENEFIT PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS)  
(CONTINUED)**

The \$1,467,336 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2024.

Other deferred outflows and inflows or resources related to pensions are recognized as pension expense in the future years as follows:

Fiscal Year Ending June 30,	Deferred Outflows (Inflows) of Resources to be Recognized as Pension Expense
2024	\$ 1,636,650
2025	1,632,869
2026	1,009,244
2027	1,289,441

**Applicable Dates and Periods**

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2022 to June 30, 2022

**Actuarial Assumptions**

Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality	Derived using CalPERS’ Membership Data for all Funds. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, refer to the 2021 experience study report that can be found on the CalPERS website.
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 7 – DEFINED BENEFIT PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS)  
(CONTINUED)**

**Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the Risk Pool’s net pension liability, calculated using the discount rate of 6.90%, as well as what it would be if the discount rate is 1% lower (5.90%) or 1% higher (7.90%). The 6.90% discount rate was from CalPERS' GASB 68 Accounting Valuation Report for June 30, 2021.

<b>Changes in Discount Rate</b>	<b>Discount Rate</b>	<b>Proportionate Share of Risk Pool’s NPL</b>
1% decrease	5.90%	\$ 20,771,039
Current discount rate	6.90%	11,509,244
1% increase	7.90%	3,889,085

**Discount Rate**

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

**Long-term Expected Rate of Return**

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are on the following page.



**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – DEFINED BENEFIT PLANS – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CALPERS) (CONTINUED)**

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10
Global equity – cap-weighted	30.0%	4.45%
Global equity – non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

**Projected Employer Contributions**

		Required Contributions		Projected Future Employer Contributions			
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Tier 1	Normal cost %	14.920%	14.990%	15.000%	15.000%	15.000%	15.000%
	UAL Payment	\$700,303	\$930,237	\$1,069,000	\$1,172,000	\$1,246,000	\$1,471,000
Tier 2	Normal cost %	10.870%	10.930%	10.900%	10.900%	10.900%	10.900%
	UAL Payment	\$0	\$3,961	\$6,800	\$9,500	\$12,000	\$15,000
Tier 3	Normal cost %	8.000%	8.180%	8.200%	8.200%	8.200%	8.200%
	UAL Payment	\$0	\$9,777	\$17,000	\$24,000	\$31,000	\$38,000

**NOTE 8 – OTHER POST-EMPLOYMENT MEDICAL BENEFITS (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 8 – OTHER POST-EMPLOYMENT MEDICAL BENEFITS (OPEB) (CONTINUED)**

**Plan Description**

The Oro Loma Sanitary District Retiree Healthcare Plan provides benefits as approved by the Board and subject to the requirements of California Government Code Section 22892. In January 2008, the District established an account with CalPERS' California Employees' Retiree Benefit Trust (CERBT) with an initial deposit of \$5 million to prefund its OPEB costs. For purposes of reporting under GASB Statements 74 and 75, the plan is an agent multiple-employer plan. The objective of this trust is to seek favorable returns through a diverse asset allocation and market exposure. Participating employers own units of the portfolio that invests in accordance with the approved strategic asset allocation. The unit value changes with market condition. The CERBT is a self-funded program. The program cost is currently 10 basis points charged to each participating employers based on average daily balance of assets. The OPEB plan reports under GASB Statement 74 as part of CalPERS' ACFR which is available here: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf>.

The District provides other post-employment benefits (OPEB) to eligible employees and Board members in accordance with various labor contracts. Employees hired before July 1, 2006 are eligible to receive 50% to 100% of Kaiser's 2-party premium, at age 55 or older and with at least 15 years of service. Employees hired between July 1, 2006 and June 26, 2011 need to be at least age 60 to be eligible for the same benefit. Coverage for those with hire dates after June 26, 2011 is further adjusted to Kaiser's 1-party premium.

**Employees Covered**

As of the measurement date June 30, 2022, the following current and retired employees were covered by the benefit terms under the OPEB plan:

Current employees	47
Retired employees or survivors currently receiving benefits	48
Retired employees or survivors entitled to, but not receiving benefits	<u>2</u>
Total	<u>97</u>

**Contributions**

The District intends to continue reimbursing pay-as-you-go benefits from the Trust. For the fiscal year ended June 30, 2023, the District's cash contributions were \$309,363 in premium payments made on behalf of retirees and implied subsidy payments of \$84,162. The District requested reimbursement of \$309,363 from the Trust, resulting in contributions of \$84,162 for the year.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 8 – OTHER POST-EMPLOYMENT MEDICAL BENEFITS (OPEB) (CONTINUED)**

**Actuarial Assumptions**

The District's net OPEB liability was measured as of June 30, 2022. It was determined in the actuarial valuation dated June 30, 2020 based on the following actuarial methods and assumptions:

Discount rate	7.00%
Inflation	2.75%
Salary Increases	3% per year
Long term rate of return on investments	7.00%
Mortality rate	From CalPERS 2017 actuarial valuation.
Pre-Retirement turnover and retirement	Retirement and termination rates from CalPERS 2017 actuarial valuation for Public Agency Miscellaneous 2% at 55.
Healthcare trend rate	CalPERS medical premium amounts are assumed to increase 5% per year
Participation	99% of eligible employees are assumed to elect coverage upon retirement, and to remain covered under District plans for life

**Discount Rate**

The assumed discount rate was set to be equal to the long-term expected rate of return (7%). The cash flows of the OPEB plan were projected to future years, assuming that the District will seek reimbursement from CERBT for retiree benefits each year. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 – OTHER POST-EMPLOYMENT MEDICAL BENEFITS (OPEB) (CONTINUED)**

**Net OPEB Liability**

The changes in the net OPEB liability for the Retiree Healthcare Plan are as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability/(Asset)</b>
Balance at June 30, 2022 (Measurement Date 6/30/21)	\$ 7,278,222	\$ 10,364,046	\$ (3,085,824)
Changes recognized for measurement period:			
Service cost	141,467	-	141,467
Interest	496,223	-	496,223
Differences between actual and expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	68,453	(68,453)
Net investment income	-	(1,382,322)	1,382,322
Benefit payments	(378,658)	(378,658)	-
Administrative expense	-	(2,634)	2,634
Net changes	259,032	(1,695,161)	1,954,193
<b>Balance at June 30, 2023 (Measurement Date 6/30/22)</b>	<b>\$ 7,537,254</b>	<b>\$ 8,668,885</b>	<b>\$ (1,131,631)</b>

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

The following presents the District's net OPEB liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022.

	<b>Discount Rate</b>		
	<b>1% Decrease 6.0 %</b>	<b>Current Rate 7.0 %</b>	<b>1% Increase 8.0 %</b>
Net OPEB Liability (Asset)	\$ (145,917)	\$ (1,131,631)	\$ (1,946,379)

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

The following presents District's the net OPEB liability if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022.

	<b>Healthcare Cost</b>		
	<b>1% Decrease 4.0 %</b>	<b>Current Trend 5.0 %</b>	<b>1% Increase 6.0 %</b>
Net OPEB Liability (Asset)	\$ (2,043,230)	\$ (1,131,631)	\$ (20,111)

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 8 – OTHER POST-EMPLOYMENT MEDICAL BENEFITS (OPEB) (CONTINUED)**

**Pension Expense, Deferred Outflows and Deferred Inflows of Resources**

For the year ended June 30, 2023, the District recognized OPEB expense of \$(173,114). At fiscal year end June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,069,786
Changes of assumptions	-	170,873
Net difference between projected and actual earnings on OPEB plan investments	772,881	-
District contributions subsequent to the measurement date	84,162	-
Total	\$ 857,043	\$ 1,240,659

The \$84,162 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<b>Fiscal Year Ended June 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2024	\$ (72,824)
2025	(86,117)
2026	(144,463)
2027	203,293
2028	(105,387)
Thereafter	(262,280)

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 – OTHER DEFERRED COMPENSATION & DEFINED CONTRIBUTION PLANS**

**Section 457(b) Deferred Compensation Plan**

The District maintains a deferred compensation plan, qualified under section 457(b) of the Internal Revenue Code, in which all full-time employees may participate. Employees and the District each contributes 0.32% of gross salary into the plan. In addition, \$0.50 for each \$1.00 of employee voluntary contributions is matched, up to a maximum of \$750 per employee per calendar year. Employees may defer additional amounts up to the Internal Revenue Code limits (from all sources). Generally, deferred compensation is available for withdrawal upon retirement, termination of employment, disability, or death. Contributions are made to, and accumulated in, a trust maintained by the administrator for the benefit of individual participants. Neither the assets nor the liabilities of this plan are those of the District. The District switched administrators from Lincoln Financial Group to T. Rowe Price in May 2019, although a portion of assets remained with Lincoln to be transferred during the subsequent four years due to fund restrictions. Changes in total plan assets for fiscal years ended June 30, 2023 and 2022 are summarized as follows:

<b>Lincoln – 457(b)</b>	<b>2023</b>	<b>2022</b>
Plan assets – beginning of year	\$ 1,024,183	\$ 1,771,386
Contributions by:		
Employer	-	-
Employee pre-tax deductions	-	-
Investment earnings	35,109	58,312
Withdrawals and fees	(12,553)	(303,552)
Plan assets transferred out to T. Rowe Price	(522,014)	(501,963)
Plan assets – end of year	<u>\$ 524,725</u>	<u>\$ 1,024,183</u>
<b>T. Rowe Price – 457(b)</b>	<b>2023</b>	<b>2022</b>
Plan assets – beginning of year	\$ 7,008,080	\$ 7,407,886
Contributions by:		
Employer	66,707	63,815
Employee pre-tax deductions	422,528	446,012
Employee Roth post-tax deductions	44,319	20,155
Investment earnings and dividends	642,332	(759,320)
Withdrawals and fees	(370,773)	(709,710)
Rollovers by employees from other plans	-	37,279
Plan assets transferred in from Lincoln	522,014	501,963
Plan assets – end of year	<u>\$ 8,335,207</u>	<u>\$ 7,008,080</u>

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 – OTHER DEFERRED COMPENSATION & DEFINED CONTRIBUTION PLANS (CONTINUED)**

**Section 457(b) Public Agency Retirement System-Alternate Retirement System (PARS-ARS)**

The PARS-ARS plan was put into effect on July 1, 2008. It is an alternative to Social Security, a qualified defined contribution plan under Section 457(b), and tax-exempt under Section 501(a) of the Internal Revenue Code, and is available to part-time employees and Board members who are not eligible for CalPERS. It is administered by Public Agency Retirement System (PARS). Enrollment in the PARS-ARS plan is mandatory for all qualified employees upon employment. The selection of investment choices for the plan resides with the District. Participating employees contribute 6.20% of salary, the District contributes 2.20%. Contributions are pre-tax. Combined annual contributions to the plan and to any other qualified 457(b) deferred compensation plans shall not exceed the limits established by the Internal Revenue Service. Neither the assets nor the liabilities of this plan are those of the District. Changes in the plan's assets for the fiscal years ended June 30, 2023 and 2022 are summarized as follows:

<b>PARS-ARS – 457(b)</b>	<b>2023</b>	<b>2022</b>
Plan assets – beginning of year	\$ 38,986	\$ 36,682
Contributions by:		
Employer	1,923	2,002
Employee (pre-tax)	5,419	5,642
Investment earnings	1,926	(5,331)
Withdrawals and fees	(8)	(9)
Plan assets – end of year	<u>\$ 48,246</u>	<u>\$ 38,986</u>

**Section 401(a) Defined Contribution Plan**

The defined contribution plan (IRS Section 401(a)) was established in 1997. Eligible participants include the General Manager, management and confidential employees, and Board members. The plan was amended in 2007 in accordance with current Internal Revenue Service regulations. The administrator of the plan is Mission Square Retirement Corporation, formerly known as ICMA. Neither the assets nor the liabilities of this plan are those of the District. Changes in the plan assets for fiscal years ended June 30, 2023 and 2022 are summarized as follows:

<b>Mission Square Retirement/ICMA – 401(a)</b>	<b>2023</b>	<b>2022</b>
Plan assets – beginning of year	\$ 2,586,522	\$ 2,959,855
Contributions by:		
Employer	140,619	126,636
Employee (pre-tax)	45,461	44,519
Employee loan repayments	-	50,585
Investment earnings	285,977	(376,842)
Withdrawals and fees	(12)	(218,231)
Plan assets – end of year	<u>\$ 3,058,567</u>	<u>\$ 2,586,522</u>

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 – RISK MANAGEMENT AND INSURANCE**

The District is exposed to various risks of loss related to torts, theft and damage of assets, errors and omissions, injuries to employees and natural disasters. It is a member of the California Sanitation Risk Management Authority (CSRMA), a joint powers authority (JPA) and a public entity risk pool currently operating as a common risk management and insurance program for its member entities. The purpose of CSRMA is to spread the adverse effects of losses among its member entities and to purchase excess insurance as a group, thereby reducing costs. The layers of coverage within the general and automobile liability program in 2023 are as follows:

Coverage Limits	Coverage Provided By
\$ 0 to \$ 750,000	CSRMA Risk Pool, with a \$250,000 Deductible.
\$ 750,001 to \$ 10,750,000	Munich Reinsurance America
\$ 10,750,001 to \$ 15,750,000	Berkley Public Entity
\$ 15,750,001 to \$ 25,750,000	Allied World Assurance Co.
\$ 25,750,001 and up	Oro Loma Self-Insurance

The District also obtains coverage for property, errors & omissions, workers' compensation insurance, public entity pollution liability, and cyber liability.

The District paid \$10,363, \$267 and \$11,592 in insurance claims during fiscal years ended June 30, 2023, 2022 and 2021 respectively, and has no outstanding claims, or carried no liabilities related thereto in its financial statements. The amount of claims paid were within the \$250,000 deductible limit.

Insurance related expenses for fiscal years ended June 30 are summarized as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Administration	\$ 222,529	\$ 233,163	\$ 379,866
Insurance premiums	419,117	372,365	309,677
Losses and settlements	10,363	267	11,592
	<u>\$652,009</u>	<u>\$ 605,795</u>	<u>\$ 701,135</u>

Since no liabilities for claims has been provided in the financial statements as of June 30, 2023, 2022, and 2021, the indicated claims paid above represent the claims experience for the last three fiscal years.

As of June 30, 2023, the District has no current or anticipated litigation.

Insurance related expenses are distributed to the following departments:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Engineering	\$ 33,753	\$ 32,239	\$ 39,914
Collections	197,584	170,523	190,532
Operations	264,646	253,274	265,928
Maintenance	110,780	106,009	137,870
Administration	45,246	43,750	66,891
	<u>\$ 652,009</u>	<u>\$ 605,795</u>	<u>\$ 701,135</u>



**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**NOTE 11 – CONTRACT FOR COLLECTION OF SOLID WASTE AND LANDFILL CLOSURE/POST-CLOSURE COSTS**

Since 1997, the District has contracted with Waste Management of Alameda (WMAC) to provide solid waste collection services. On December 8, 2022, the District and WMAC entered into a new agreement, which took effect on January 1, 2023 and has an expiration date of December 31, 2037. The District may extend this agreement for an additional 24-month period. After that, both parties will have the option to extend the agreement for up to two additional five-year periods.

Highlights of the provisions included in the agreement are as follows:

Customer-related:

- The agreement provided for an initial 16.71% increase in solid waste rates effective January 1, 2023.
- Thereafter, all solid waste rates except the per unit District Cart fee shall be adjusted every September 1<sup>st</sup> as follows:  $[0.5 \times (\text{April CPI-U for all urban consumer items in San Francisco, Oakland, and San Jose, as published by the US Department of Labor, Bureau of Statistics – Series CUURA422SA0})] + [0.5 \times (\text{Weighted average of Teamsters Wage, benefits and pension contract increases for the following year})]$ .

District-related:

- District purchased new solid waste carts for all the Oro Loma customers (residential and commercial) that use carts for their solid waste services.
- WMAC assumes full responsibility for expenses related to closure/post-closure of its landfill (Altamont Landfill).
- WMAC shall furnish a performance bond in the amount of \$8,178,431, adjusted every September 1 by a combination factor as follows:  $[0.5 \times (\text{April CPI-U for all urban consumer items in San Francisco, Oakland, and San Jose, as published by the US Department of Labor, Bureau of Statistics – Series CUURA422SA0})] + [0.5 \times (\text{Weighted average of Teamsters wage, benefits and pension contract increases for the following year})]$ .
- As part of the agreement, WMAC maintains a Public Education Account on behalf of the District. These funds are used to support public outreach, information and education campaigns – newsletters, bill inserts, Earth Day poster contests, and other events. The balance in this account as of June 30, 2023 was \$232,640.

**ORO LOMA SANITARY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – LONG-TERM DEBT**

The long-term debt obligations for the year ended June 30, 2023 are as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
2018 Bond Principal	\$ 12,965,000	\$ -	\$ 420,000	\$ 12,545,000	\$ 430,000
2018 Bond Premium (Unamortized)	41,062	-	1,956	39,106	-
2018 Sewer Revenue Bonds	13,006,062	-	421,956	12,584,106	430,000
2021 WIFIA Bond Principal	4,914,555	1,207,501	-	6,122,056	-
2021 SRF Loan Principal	381,270	7,908,344	-	8,289,614	-
Total Long-Term Debt	\$ 18,301,887	\$ 9,115,845	\$ 421,956	\$ 26,995,776	\$ 430,000

**2018 Sewer Revenue Bonds**

In October 2018, the District issued the 2018 Sewer Revenue Bonds through the California Public Finance Authority. The Bonds are AA+ rated and have an aggregate principal of \$14,160,000, payable over a 25-year term with a true interest cost of 3.482%. There was an associated bond premium of \$48,883, amortized over the life of the bonds. U.S. Bank National Association is the Trustee and Dissemination Agent. Installment payments are pledged with the District's Net Revenues. Bond interest expense for FY 2022-23 was \$420,688, of which \$104,384 was accrued at June 30, 2023. A principal payment of \$420,000 was paid on October 1, 2022. Annual debt service including principal and interest is approximately \$850,000.

Debt service requirements for the 2018 Sewer Revenue Bonds for remaining years are as follows:

Fiscal Year Ending June 30,	Bond Principal Payments	Bond Interest Payments
2024	430,000	411,088
2025	445,000	397,963
2026 -2030	2,430,000	1,778,387
2031 -2035	2,820,000	1,382,084
2036 -2040	3,315,000	877,938
2041 -2044	3,105,000	237,759
	\$ 12,545,000	\$ 5,085,219

**2021 SRF Loan & WIFIA Bond**

In summer 2021, the District entered into two separate financial obligations to provide funding for the Sewer Collection System Pipeline Rehabilitation & Replacement Project. Borrowing from both sources are on a quarterly reimbursement basis. The State Water Resources Control Board's State Revolving Fund (SRF) authorized up to \$25 million in project cost reimbursements with an annual rate of 0.9%; and, through the Federal Water Infrastructure Finance & Innovation Act (WIFIA), a maximum principal of \$24.5 million was approved at an annual rate of 1.91%. Both obligations are payable over 30 years. Payments are expected to commence in 2025 for SRF and 2029 for WIFIA. As of June 30, 2023, principal amounts for SRF and WIFIA financing were \$8,289,614 and \$6,122,056 respectively.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ORO LOMA SANITARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Pension Benefits**

Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY 2015-16, and then decreased from 7.65% to 7.15% in FY 2017-18. In It further decreased to 6.90% in FY 2022-23.

**Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability**

	<b>Fiscal Year Ended June 30</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Measurement date		6/30/2022	6/30/2021	6/30/2020	6/30/2019
District's proportion of net pension liability		0.09964%	0.01440%	0.09509%	0.08700%
District's proportionate share of net pension liability	\$ 11,509,244	\$ 778,860	\$ 10,346,242	\$ 8,914,943	
District's covered payroll	\$ 5,997,809	\$ 5,370,984	\$ 5,243,641	\$ 5,340,309	
District's proportionate share of net pension liability as a % of covered payroll	191.89%	14.50%	197.31%	166.94%	
Plan's fiduciary net position as a % of Plan's total pension liability	76.68%	88.29%	75.10%	75.26%	

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Measurement date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of net pension liability	0.07849%	0.07920%	0.08229%	0.06990%	0.13265%
District's proportionate share of net pension liability	\$ 7,563,209	\$ 7,854,489	\$ 7,120,287	\$ 4,797,739	\$ 8,254,184
District's covered payroll	\$ 4,928,629	\$ 4,590,299	\$ 4,373,734	\$ 4,332,992	\$ 3,885,932
District's proportionate share of net pension liability as a % of covered payroll	153.45%	171.11%	162.80%	110.73%	212.41%
Plan's fiduciary net position as a % of Plan's total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

**ORO LOMA SANITARY DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Schedule of the District's Contributions**

	<b>Fiscal Year Ended June 30</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially determined contribution	\$ 1,467,336	\$ 1,369,130	\$ 1,163,112	\$ 973,891	
Contributions in relation to actuarially determined contribution	\$ 1,467,336	\$ 1,369,130	\$ 3,097,112	\$ 973,891	
Contribution deficiency (excess)	\$ -	\$ -	\$ (1,934,000)	\$ -	
District's covered payroll for the fiscal year	\$ 6,574,555	\$ 5,997,809	\$ 5,370,984	\$ 5,243,641	
Contributions as a % of covered payroll	22.32%	22.83%	57.66%	18.57%	

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 834,403	\$ 640,827	\$ 561,577	\$ 496,315	\$ 727,291
Contributions in relation to actuarially determined contribution	\$ 834,403	\$ 640,827	\$ 1,561,577	\$ 1,496,315	\$ 7,075,186
Contribution deficiency (excess)	\$ -	\$ -	\$ (1,000,000)	\$ (1,000,000)	\$ (6,347,895)
District's covered payroll for the fiscal year	\$ 5,340,309	\$ 4,928,629	\$ 4,590,299	\$ 4,373,734	\$ 4,332,992
Contributions as a % of covered payroll	15.62%	13.00%	34.02%	34.21%	163.29%

**ORO LOMA SANITARY DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Other Post-Employment Benefits (OPEB)**

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Schedule of Changes in Net OPEB Liability & Related Ratios**

	Fiscal Year Ended June 30					
	2023	2022	2021	2020	2019	2018
Measurement period ended	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
<b>Total OPEB liability</b>						
Service cost	\$ 141,467	\$ 150,905	\$ 146,510	\$ 168,413	\$ 163,508	\$ 158,746
Interest on total OPEB liability	496,223	545,967	528,039	561,608	542,444	526,742
Actual and expected experience difference	-	(1,015,749)	-	(533,373)	-	-
Changes in assumptions	-	-	-	(242,069)	-	-
Changes in benefits terms	-	-	-	-	-	-
Benefits payments	(378,658)	(404,858)	(432,008)	(436,273)	(428,076)	(494,273)
Net change in total OPEB liability	\$ 259,032	\$ (723,735)	\$ 242,541	\$ (481,694)	\$ 277,876	\$ 191,215
Total OPEB liability - beginning	7,278,222	8,001,957	7,759,416	8,241,110	7,963,234	7,772,019
Total OPEB liability - ending	\$ 7,537,254	\$ 7,278,222	\$ 8,001,957	\$ 7,759,416	\$ 8,241,110	\$ 7,963,234
<b>Plan Fiduciary Net Position</b>						
Contribution - employer	\$ 68,453	\$ 77,813	\$ 94,680	\$ 104,008	\$ 110,252	\$ 407,206
Net investment income	(1,382,322)	2,324,566	297,096	510,132	631,004	766,432
Benefit payments	(378,658)	(404,858)	(432,008)	(436,273)	(428,076)	(494,273)
Administrative expenses	(2,634)	(3,184)	(4,124)	(1,771)	(4,126)	(3,726)
Net change in plan fiduciary net position	\$ (1,695,161)	\$ 1,994,337	\$ (44,356)	\$ 176,096	\$ 309,054	\$ 675,639
Plan fiduciary net position - beginning	10,364,046	8,369,709	8,414,065	8,237,969	7,928,915	7,253,276
Plan fiduciary net position - ending	\$ 8,668,885	\$ 10,364,046	\$ 8,369,709	\$ 8,414,065	\$ 8,237,969	\$ 7,928,915
<b>Net OPEB Liability - Ending</b>	\$ (1,131,631)	\$ (3,085,824)	\$ (367,752)	\$ (654,649)	\$ 3,141	\$ 34,319
Plan fiduciary net position as % of total OPEB liability	115.01%	142.40%	104.60%	108.44%	99.96%	99.57%
Covered-employee payroll	\$ 6,279,488	\$ 5,640,912	\$ 5,464,743	\$ 5,138,980	\$ 4,900,932	\$ 4,729,479
Net OPEB liability as % of covered-employee payroll	-18.02%	-54.70%	-6.73%	-12.74%	0.06%	0.73%

**Schedule of the District's Contributions**

	Fiscal Year Ended June 30					
	2023	2022	2021	2020	2019	2018
Actuarially determined contribution (ADC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,829
Contributions in relation to the ADC	84,162	68,453	77,813	94,680	104,008	110,000
Contribution deficiency (excess)	\$ (84,162)	\$ (68,453)	\$ (77,813)	\$ (94,680)	\$ (104,008)	\$ (5,171)
Covered-employee payroll	\$ 6,279,488	\$ 5,640,912	\$ 5,436,476	\$ 5,464,743	\$ 5,138,980	\$ 4,900,932
Contributions as % of covered-employee payroll	1.34%	1.21%	1.43%	1.73%	2.02%	2.24%

## **OTHER SUPPLEMENTARY INFORMATION**

**ORO LOMA SANITARY DISTRICT  
DESCRIPTION OF FUNDS UTILIZED  
JUNE 30, 2023**

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The District utilizes an enterprise fund structure. To facilitate management and budgetary control, component funds are established to account for activities in different services provided by the District. These component funds are combined to account for the financial position and results of operations reflected in the District's financial statements.

Following is a brief description of the funds by type of service:

**Sewer Services**

**Operations and Maintenance** – accounts for both general sewage activities performed by the District in the collection, treatment, and disposal of sewage, as well as for accumulation of resources for the payment of long-term sewer revenue bonds, if applicable.

**Renewal and Replacement** – accounts for scheduled major repairs and maintenance of existing collection system and water pollution control plant and equipment.

**Capital Improvement Program** – accounts for sewer system construction projects involving pipelines, building improvements, new operational facilities, and new equipment.

**Solid Waste / Garbage Services**

**Solid Waste / Garbage** – accounts for the collection and proper handling of solid waste from homes and businesses located in the District.

**Recycling Services**

**Recycling** – accounts for the collection and proper handling of recyclable materials and green waste collected from residences, and commercial recycling programs in the District's jurisdiction. Recycling programs are required by California Assembly Bill 939 (AB939) and Alameda County Measure D mandates.



ORO LOMA SANITARY DISTRICT

COMBINING SCHEDULE OF NET POSITION

ALL DISTRICT SERVICES

AS OF JUNE 30, 2023

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

SCHEDULE 1

	Sewer Services		
	Operations and Maintenance	Renewal and Replacement	Capital Improvement
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 10,897,503	\$ 1,662,552	\$ (3,742,319)
Investments at fair value	-	467,808	7,738,318
Interest receivable	2,016	1,795	28,800
Accounts receivable	3,557,302	588,236	475,455
Lease receivable (current)	63,110	-	-
Prepaid and other items	110,739	-	-
<b>Total current assets</b>	<b>14,630,670</b>	<b>2,720,391</b>	<b>4,500,254</b>
<b>Non-current assets</b>			
Investment in effluent discharge facilities - EBDA	5,423,382	-	-
Lease receivable (non-current)	82,624	-	-
Net other post-employment benefits (OPEB) asset	1,131,631	-	-
<b>Capital assets</b>			
Land	873,234	-	-
Sewer service assets	195,374,934	-	-
Recycling assets	-	-	-
Construction in progress	-	-	15,171,274
Less: accumulated depreciation	(88,180,273)	-	-
Total capital assets	108,067,895	-	15,171,274
<b>Total non-current assets</b>	<b>114,705,532</b>	<b>-</b>	<b>15,171,274</b>
<b>Total assets</b>	<b>\$ 129,336,202</b>	<b>\$ 2,720,391</b>	<b>\$ 19,671,528</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	8,804,319	-	-
Other post-employment benefits related	857,043	-	-
<b>Total deferred inflows of resources</b>	<b>\$ 9,661,362</b>	<b>\$ -</b>	<b>\$ -</b>

COMBINING SCHEDULE OF NET POSITION  
ALL DISTRICT SERVICES  
AS OF JUNE 30, 2023  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022  
SCHEDULE 1 (continued)

Solid Waste Services		Recycling Services		Combined June 30,		\$	%
Garbage Collection & Disposal	Residential, Green Waste, Commercial & Industrial Recycling	2023	2022	Change	Change		
\$ 1,951,158	\$ 2,326,360	\$ 13,095,254	\$ 7,299,081	\$ 5,796,173	79.4%		
-	-	8,206,126	8,830,929	(624,803)	-7.1%		
-	-	32,611	44,227	(11,616)	-26.3%		
35,965	69,785	4,726,743	3,951,092	775,651	19.6%		
-	-	63,110	60,788	2,322	3.8%		
-	-	110,739	128,450	(17,711)	-13.8%		
1,987,123	2,396,145	26,234,583	20,314,567	5,920,016	29.1%		
-	-	5,423,382	5,406,842	16,540	0.3%		
-	-	82,624	145,734	(63,110)	-43.3%		
-	-	1,131,631	3,085,824	(1,954,193)	-63.3%		
-	-	873,234	873,234	-	0.0%		
-	-	195,374,934	182,515,550	12,859,384	7.0%		
-	6,484,155	6,484,155	6,484,155	-	0.0%		
-	-	15,171,274	14,740,511	430,763	2.9%		
-	(456,586)	(88,636,859)	(84,643,094)	(3,993,765)	4.7%		
-	6,027,569	129,266,738	119,970,356	9,296,382	7.7%		
-	6,027,569	135,904,375	128,608,756	7,295,619	5.7%		
\$ 1,987,123	\$ 8,423,714	\$ 162,138,958	\$ 148,923,323	\$ 13,215,635	8.9%		
-	-	8,804,319	2,428,725	6,375,594	262.5%		
-	-	857,043	68,453	788,590	1152.0%		
\$ -	\$ -	\$ 9,661,362	\$ 2,497,178	\$ 7,164,184	286.9%		

To be continued on the following pages

ORO LOMA SANITARY DISTRICT

COMBINING SCHEDULE OF NET POSITION

ALL DISTRICT SERVICES

AS OF JUNE 30, 2023

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

SCHEDULE 1 (continued)

	Sewer Services		
	Operations and Maintenance	Renewal and Replacement	Capital Improvement
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 183,355	\$ 42,789	\$ 1,280,834
Accrued salaries and wages	132,092	-	-
Customer deposits payable	67,399	30,596	771,321
Accrued compensated absences (current)	409,513	-	-
Accrued interest payable	239,980		
Bonds payable (current)	430,000	-	-
<b>Total current liabilities</b>	<b>1,462,339</b>	<b>73,385</b>	<b>2,052,155</b>
<b>Non-current liabilities</b>			
Accrued compensated absences (non-current)	188,133	-	-
Bonds payable - 2018 Sewer Bonds (non-current), net of premium	12,154,106		
Bonds payable - 2021 WIFIA Bonds (non-current)	6,122,056		
Loan payable - SRF (non-current)	8,289,614		
Net pension liability	11,509,244	-	-
<b>Total non-current liabilities</b>	<b>38,263,153</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>\$ 39,725,492</b>	<b>\$ 73,385</b>	<b>\$ 2,052,155</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	1,768,779	-	-
Other post-employment benefits related	1,240,659	-	-
Lease related	145,734	-	-
<b>Total deferred inflows of resources</b>	<b>\$ 3,155,172</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION</b>			
Net investment in capital assets (net of related debt)	81,072,119	-	15,171,274
Unrestricted	15,044,781	2,647,006	2,448,099
<b>Total net position</b>	<b>\$ 96,116,900</b>	<b>\$ 2,647,006</b>	<b>\$ 17,619,373</b>

COMBINING SCHEDULE OF NET POSITION  
ALL DISTRICT SERVICES  
AS OF JUNE 30, 2023  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022  
SCHEDULE 1 (continued)

<u>Solid Waste Services</u>		<u>Recycling Services</u>		<u>Combined June 30,</u>		<u>\$</u>	<u>%</u>
<u>Garbage</u>	<u>Residential, Green Waste,</u>	<u>2023</u>		<u>2022</u>	<u>Change</u>		<u>Change</u>
<u>Collection &amp; Disposal</u>	<u>Commercial &amp; Industrial Recycling</u>						
\$ 2,225	\$ 41,099	\$ 1,550,302	\$ 2,537,397	\$ (987,095)	-38.9%		
-	-	132,092	104,292	27,800	26.7%		
-	-	869,316	629,718	239,598	38.0%		
-	-	409,513	501,668	(92,155)	-18.4%		
-	-	239,980	130,598	109,382	83.8%		
-	-	430,000	420,000	10,000	2.4%		
<u>2,225</u>	<u>41,099</u>	<u>3,631,203</u>	<u>4,323,673</u>	<u>(692,470)</u>	<u>-16.0%</u>		
-	-	188,133	206,611	(18,478)	-8.9%		
-	-	12,154,106	12,586,062	(431,956)	-3.4%		
-	-	6,122,056	4,914,555	1,207,501	24.6%		
-	-	8,289,614	381,270	7,908,344	2074.2%		
-	-	11,509,244	778,860	10,730,384	1377.7%		
<u>-</u>	<u>-</u>	<u>38,263,153</u>	<u>18,867,358</u>	<u>19,395,795</u>	<u>102.8%</u>		
<u>\$ 2,225</u>	<u>\$ 41,099</u>	<u>\$ 41,894,356</u>	<u>\$ 23,191,031</u>	<u>\$ 18,703,325</u>	<u>80.6%</u>		
-	-	1,768,779	1,906,452	(137,673)	-7.2%		
-	-	1,240,659	2,663,538	(1,422,879)	-53.4%		
-	-	145,734	206,522	(60,788)	-29.4%		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,155,172</u>	<u>\$ 4,776,512</u>	<u>\$ (1,621,340)</u>	<u>-33.9%</u>		
-	6,027,569	102,270,962	101,668,469	602,493	0.6%		
1,984,898	2,355,046	24,479,830	21,784,489	2,695,341	12.4%		
<u>\$ 1,984,898</u>	<u>\$ 8,382,615</u>	<u>\$ 126,750,792</u>	<u>\$ 123,452,958</u>	<u>\$ 3,297,834</u>	<u>2.7%</u>		

**ORO LOMA SANITARY DISTRICT**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ALL DISTRICT SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
SCHEDULE 2**

	Sewer Services		
	Operations and Maintenance	Renewal and Replacement	Capital Improvement
<b>Operating revenues</b>			
District service charges	\$ 15,722,735	\$ 5,000,000	\$ -
Agency treatment charges	4,687,164	762,803	-
Permits and inspection fees	224,974	-	-
Sanitary truck waste charges	20,185	-	-
Grease receiving charges	171,855	-	-
Biosolid charges	127,924	-	-
Contract fees	-	-	-
Recycling charges - residential and green waste	-	-	-
Recycling charges - commercial and industrial	-	-	-
Landfills fees - Measure D	-	-	-
Other	926,143	-	-
<b>Total operating revenues</b>	<b>21,880,980</b>	<b>5,762,803</b>	<b>-</b>
<b>Operating expenses</b>			
Engineering	645,168	-	-
Sewage collections	1,859,010	879,150	-
Sewage treatment operations	6,290,795	2,068,233	-
Sewage treatment maintenance	3,060,318	290,514	-
Effluent disposal - EBDA	626,294	166,500	-
Administration and general	2,439,458	38,461	-
Pension expense	5,684,453	-	-
OPEB expense	(173,114)	-	-
Depreciation	3,599,652	-	-
Decrease in carrying value of EBDA	-	-	-
Solid waste	-	-	-
Recycling - residential, green waste, commercial and industrial	-	-	-
<b>Total operating expenses</b>	<b>24,032,034</b>	<b>3,442,858</b>	<b>-</b>
<b>Operating income (loss)</b>	<b>(2,151,054)</b>	<b>2,319,945</b>	<b>-</b>
<b>Non-operating revenues</b>			
Investment income	163,352	13,276	90,069
Rents and leases	90,187	-	-
Recovery of uncollectible accounts	-	-	-
Project Grants	-	27,690	-
Other miscellaneous revenues	79,178	-	11,748
<b>Total non-operating revenues</b>	<b>332,717</b>	<b>40,966</b>	<b>101,817</b>
<b>Non-operating expenses</b>			
Decrease in the fair value of investments	-	3,690	121,113
Loss on disposal of capital assets	7,528	-	-
Write-off of uncollectible accounts	-	-	-
Debt issuance cost	-	-	-
Bond interest expense - 2018 Sewer Revenue Bonds	418,732	-	-
Bond interest expense - 2021 WIFIA Bonds	87,842	-	-
Loan interest expense - 2021 SRF	24,690	-	-
<b>Total non-operating expenses</b>	<b>538,792</b>	<b>3,690</b>	<b>121,113</b>
<b>Income (loss) before contributions, transfers and other items</b>	<b>(2,357,129)</b>	<b>2,357,221</b>	<b>(19,296)</b>
Connection fees	-	-	678,220
Transfers in (out) of capital assets	12,903,839	-	(12,903,839)
Equity transfers in (out) for WIFIA & SRF proceeds	(9,115,844)	-	9,115,844
Equity transfers in (out)	(5,000,000)	(2,000,000)	8,000,000
<b>Change in net position</b>	<b>(3,569,134)</b>	<b>357,221</b>	<b>4,870,929</b>
<b>Net position - beginning</b>	<b>99,686,034</b>	<b>2,289,785</b>	<b>12,748,444</b>
<b>Net position - ending</b>	<b>\$ 96,116,900</b>	<b>\$ 2,647,006</b>	<b>\$ 17,619,373</b>

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ALL DISTRICT SERVICES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**SCHEDULE 2 (continued)**

<b>Solid Waste Services</b>		<b>Recycling Services</b>					
Garbage Collection & Disposal	Residential, Green Waste, Commercial & Industrial Recycling	<b>Combined June 30,</b>		<b>Change</b>	<b>Change</b>		
		<b>2023</b>	<b>2022</b>	<b>\$</b>	<b>%</b>		
\$ -	\$ -	\$ 20,722,735	\$ 19,453,724	\$ 1,269,011	6.5%		
-	-	5,449,967	4,266,940	1,183,027	27.7%		
-	-	224,974	172,991	51,983	30.0%		
-	-	20,185	23,375	(3,190)	-13.6%		
-	-	171,855	176,544	(4,689)	-2.7%		
-	-	127,924	171,173	(43,249)	-25.3%		
2,481,595	-	2,481,595	2,166,182	315,413	14.6%		
-	3,114,310	3,114,310	2,845,587	268,723	9.4%		
-	116,182	116,182	190,287	(74,105)	-38.9%		
-	377,314	377,314	368,971	8,343	2.3%		
-	-	926,143	952,546	(26,403)	-2.8%		
2,481,595	3,607,806	33,733,184	30,788,320	2,944,864	9.6%		
-	-	645,168	641,114	4,054	0.6%		
-	-	2,738,160	2,814,917	(76,757)	-2.7%		
-	-	8,359,028	6,166,394	2,192,634	35.6%		
-	-	3,350,832	2,958,246	392,586	13.3%		
-	-	792,794	688,256	104,538	15.2%		
-	-	2,477,919	1,901,085	576,834	30.3%		
-	-	5,684,453	(5,434,573)	11,119,026	204.6%		
-	-	(173,114)	(447,068)	273,954	61.3%		
-	430,541	4,030,193	3,672,812	357,381	9.7%		
-	-	-	554,562	(554,562)	-100.0%		
387,260	-	387,260	501,808	(114,548)	-22.8%		
-	2,689,657	2,689,657	2,845,495	(155,838)	-5.5%		
387,260	3,120,198	30,982,350	16,863,048	14,119,302	83.7%		
2,094,335	487,608	2,750,834	13,925,272	(11,174,438)	-80.2%		
-	621	267,318	119,115	148,203	124.4%		
-	-	90,187	114,245	(24,058)	-21.1%		
45,034	-	45,034	37,038	7,996	21.6%		
-	-	27,690	202,913	(175,223)	-86.4%		
-	12,702	103,628	117,745	(14,117)	-12.0%		
45,034	13,323	533,857	591,056	(57,199)	-9.7%		
-	-	124,803	504,612	(379,809)	-75.3%		
-	-	7,528	-	7,528	100.0%		
1,482	-	1,482	944	538	57.0%		
-	-	-	377,686	(377,686)	-100.0%		
-	-	418,732	431,220	(12,488)	-2.9%		
-	-	87,842	23,064	64,778	280.9%		
-	-	24,690	-	24,690	100.0%		
1,482	-	665,077	1,337,526	(672,449)	-50.3%		
2,137,887	500,931	2,619,614	13,178,802	(10,559,188)	-80.1%		
-	-	678,220	473,450	204,770	43.3%		
-	-	-	-	-	0.0%		
-	-	-	-	-	0.0%		
(1,000,000)	-	-	-	-	0.0%		
1,137,887	500,931	3,297,834	13,652,252	(10,354,418)	-75.8%		
847,011	7,881,684	123,452,958	109,800,706	13,652,252	12.4%		
\$ 1,984,898	\$ 8,382,615	\$ 126,750,792	\$ 123,452,958	\$ 3,297,834	2.7%		

**ORO LOMA SANITARY DISTRICT  
STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY  
JUNE 30, 2023**

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### **Budgetary Information**

The District is not required by statute to adopt a budget. However, in its commitment to maintain fiscal responsibility, the District adopts a biennial budget as follows:

- Prior to June 30 of a budget year, the General Manager submits a proposed budget to the Board of Directors.
- The Board conducts public budget work sessions and adopts the budget through resolution.
- The budget is used as a management tool during the year. A transfer of funds, not to exceed \$100,000, may be approved by the General Manager. However, the General Manager may not over-expend a departmental or fund budget without obtaining Board approval. Any revision that increases the total budget must be approved by the Board of Directors by resolution.

The Two-Year Budget for Fiscal Years 2021-22 and 2022-23 was approved by Resolution No. 3716, dated June 15, 2021. The Budget for the audit year of FY 2022-23 was amended by the following Board actions:

- Budget Amendment No. 1, dated October 4, 2022, with a net increase to Renewal & Replacement and Capital Improvement Program of \$19,530,800. This amount includes carry-overs of unspent budget from the prior fiscal year.
- Various funding allocations by Board motions during FY 2022-23, authorizing a total net increase to Renewal & Replacement and Capital Improvement Program of \$35,628,800.

These adjustments were necessary due to newly identified needs and reprioritization of projects in the Renewal and Replacement and Capital Improvement Program.

### **Budget Accounting**

- The budget provides annual provisions of revenue and expenses for the District's sewer, solid waste, and recycling services.
- The budget includes operating costs to repair and maintain District's facilities through Renewal & Replacement, as well as capital expenditures in the Capital Improvement Program. Capital expenditures have an effect on the District's net position but does not affect net income.

### **Budgetary Comparisons**

The following schedules present the District's budgetary comparison with actual revenues, expenses, and changes in net position for the year ended June 30, 2023 for each service type.

ORO LOMA SANITARY DISTRICT

SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SEWER SERVICES - OPERATIONS AND MAINTENANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SCHEDULE 3

	Budgeted Amounts	Actual Amounts	Variance with Final Budget- Favorable (Unfavorable)
<b>Operating revenues</b>			
District service charges	\$ 14,282,800	\$ 15,722,735	\$ 1,439,935
Agency treatment charges	3,415,200	4,687,164	1,271,964
Permits and inspection fees	140,000	224,974	84,974
Sanitary truck waste charges	20,000	20,185	185
Grease receiving charges	120,000	171,855	51,855
Biosolids charges	200,000	127,924	(72,076)
Other	750,000	926,143	176,143
<b>Total operating revenues</b>	<b>18,928,000</b>	<b>21,880,980</b>	<b>2,952,980</b>
<b>Operating expenses</b>			
Engineering	1,048,000	645,168	402,832
Sewage collections	2,504,600	1,859,010	645,590
Sewage treatment operations	6,126,300	6,290,795	(164,495)
Sewage treatment maintenance	3,412,400	3,060,318	352,082
Effluent disposal - EBDA	950,000	626,294	323,706
Administration and general	2,722,800	2,439,458	283,342
Pension expense	-	5,684,453	(5,684,453)
OPEB expense	-	(173,114)	173,114
Depreciation	3,836,800	3,599,652	237,148
Decrease in carrying value of EBDA	200,000	-	200,000
<b>Total operating expenses</b>	<b>20,800,900</b>	<b>24,032,034</b>	<b>(3,231,134)</b>
<b>Operating income (loss)</b>		<b>(2,151,054)</b>	
<b>Non-operating revenues</b>			
Investment income	22,700	163,352	140,652
Rents and leases	90,000	90,187	187
Other miscellaneous revenues	40,000	79,178	39,178
<b>Total non-operating revenues</b>	<b>152,700</b>	<b>332,717</b>	<b>180,017</b>
<b>Non-operating expenses</b>			
Loss on disposal of capital assets	-	7,528	(7,528)
Write-off of uncollectible accounts	10,000	-	10,000
Bond interest expense - 2018 Sewer Revenue Bonds	433,200	418,732	14,468
Bond interest expense - 2021 WIFIA Bonds	-	87,842	(87,842)
Loan interest expense - 2021 SRF	-	24,690	(24,690)
Other miscellaneous expenses	300,000	-	300,000
<b>Total non-operating expenses</b>	<b>743,200</b>	<b>538,792</b>	<b>204,408</b>
<b>Income (loss) before contributions and transfers</b>	<b>\$ (2,463,400)</b>	<b>\$ (2,357,129)</b>	<b>\$ 106,271</b>
<b>Transfers of plant and equipment from Capital Improvement Program</b>		12,903,839	
<b>Equity transfers for WIFIA and SRF proceeds</b>		(9,115,844)	
<b>Equity transfers in (out)</b>		(5,000,000)	
<b>Change in net position</b>		(3,569,134)	
<b>Net position - beginning</b>		99,686,034	
<b>Net position - ending</b>		<b>\$ 96,116,900</b>	



ORO LOMA SANITARY DISTRICT

SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL EXPENSES  
SEWER SERVICES - OPERATIONS AND MAINTENANCE  
BY ACCOUNT CATEGORIES AND DEPARTMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
SCHEDULE 4

	Budgeted Amounts	Actual Amounts by Account Category	Variance with Final Budget Favorable (Unfavorable)
<b>Operating expenses</b>			
Salaries	\$ 5,659,800	\$ 5,857,780	\$ (197,980)
Employee benefits	4,378,600	1,633,591	2,745,009
Directors' benefits and fees	254,100	202,439	51,661
Election expenses	300,000	252,829	47,171
Gasoline, oil and fuel	98,100	110,411	(12,311)
Insurance	824,600	652,009	172,591
Office and laboratory expenses	74,200	89,768	(15,568)
Operating supplies	803,100	1,388,965	(585,865)
Safety supplies	35,700	34,526	1,174
Contractual services	1,409,700	1,405,666	4,034
Professional services	224,000	305,181	(81,181)
Memberships and publications	71,800	73,173	(1,373)
Public outreach	105,000	132,755	(27,755)
Rents and leases	31,200	11,206	19,994
Repairs and maintenance	553,000	625,189	(72,189)
Research and monitoring	163,200	187,306	(24,106)
Travel, meetings and training	121,000	123,141	(2,141)
Recognition program	32,000	18,869	13,131
Utilities	675,000	1,189,945	(514,945)
<b>Departmental expenses</b>	<b>15,814,100</b>	<b>14,294,749</b>	<b>1,519,351</b>
Effluent disposal - EBDA	950,000	626,294	323,706
Pension expense	-	5,684,453	(5,684,453)
OPEB expense	-	(173,114)	173,114
Depreciation	3,836,800	3,599,652	237,148
Decrease in carrying value of EBDA	200,000	-	200,000
<b>Non-departmental expenses</b>	<b>4,986,800</b>	<b>9,737,285</b>	<b>(4,750,485)</b>
<b>Total operating expenses</b>	<b>20,800,900</b>	<b>24,032,034</b>	<b>(3,231,134)</b>
<b>Non-operating expenses</b>			
Loss on disposal of capital assets	-	7,528	(7,528)
Write-off of uncollectible accounts	10,000	-	10,000
Bond interest expense - 2018 Sewer Revenue Bonds	433,200	418,732	14,468
Bond interest expense - 2021 WIFIA Bonds	-	87,842	(87,842)
Loan interest expense - 2021 SRF	-	24,690	(24,690)
Other miscellaneous expenses	300,000	-	300,000
<b>Total non-operating expenses</b>	<b>743,200</b>	<b>538,792</b>	<b>204,408</b>
<b>Total expenses</b>	<b>\$ 21,544,100</b>	<b>\$ 24,570,826</b>	<b>\$ (3,026,726)</b>

**SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL EXPENSES  
SEWER SERVICES - OPERATIONS AND MAINTENANCE  
BY ACCOUNT CATEGORIES AND DEPARTMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
SCHEDULE 4 (continued)**

	Annual Departmental Expenses vs. Budget				
	Engineering Department	Sewage Collections Department	Sewage Treatment Operations Department	Sewage Treatment Maintenance Department	Administration and General Department
<b>Operating expenses</b>					
Salaries	\$ 321,381	\$ 1,057,041	\$ 2,251,020	\$ 1,414,516	\$ 813,822
Employee benefits	169,999	264,538	461,857	\$ 370,856	\$ 366,341
Directors' benefits and fees	-	-	-	\$ -	\$ 202,439
Election expenses	-	-	-	\$ -	\$ 252,829
Gasoline and oil	3,555	47,415	25,302	\$ 33,595	\$ 544
Insurance	33,753	197,584	264,646	\$ 110,780	\$ 45,246
Office and laboratory expenses	4,020	4,563	16,103	\$ 7,530	\$ 57,552
Operating supplies	2,428	44,827	1,292,749	\$ 48,961	\$ -
Safety supplies	890	11,593	11,402	\$ 9,977	\$ 664
Contractual services	65,032	51,681	704,496	\$ 400,871	\$ 183,586
Professional services	5,406	19,492	27,258	\$ 3,388	\$ 249,637
Memberships and publications	3,631	2,326	2,840	\$ 5,474	\$ 58,902
Public Outreach	-	-	-	\$ -	\$ 132,755
Rents and leases	-	-	-	\$ 9,236	\$ 1,970
Repairs and maintenance	1,416	13,486	7,269	\$ 600,461	\$ 2,557
Research and monitoring	-	868	186,438	\$ -	\$ -
Travel, meetings and training	16,615	15,505	20,266	\$ 27,140	\$ 43,615
Recognition program	450	556	1,725	\$ 784	\$ 15,354
Utilities	16,592	127,535	1,017,424	\$ 16,749	\$ 11,645
<b>Departmental expenses</b>	<b>\$ 645,168</b>	<b>\$ 1,859,010</b>	<b>\$ 6,290,795</b>	<b>\$ 3,060,318</b>	<b>\$ 2,439,458</b>
<b>Departmental budget</b>	<b>\$ 1,048,000</b>	<b>\$ 2,504,600</b>	<b>\$ 6,126,300</b>	<b>\$ 3,412,400</b>	<b>\$ 2,722,800</b>
<b>% of budget used</b>	<b>62%</b>	<b>74%</b>	<b>103%</b>	<b>90%</b>	<b>90%</b>
<b>Departmental expenses Prior Year</b>	<b>\$ 641,114</b>	<b>\$ 1,821,650</b>	<b>\$ 5,444,003</b>	<b>\$ 2,667,217</b>	<b>\$ 1,850,425</b>
<b>Change from prior year (\$)</b>	<b>\$ 4,054</b>	<b>\$ 37,360</b>	<b>\$ 846,792</b>	<b>\$ 393,101</b>	<b>\$ 589,033</b>
<b>Change from prior year (%)</b>	<b>0.6%</b>	<b>2.1%</b>	<b>15.6%</b>	<b>14.7%</b>	<b>31.8%</b>

ORO LOMA SANITARY DISTRICT

SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SEWER SERVICES - RENEWAL AND REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
SCHEDULE 5

		Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
		Original	Final		
<b>Operating revenues</b>					
	District service charges	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
	Agency treatment charges	283,000	805,200	762,803	(42,397)
	<b>Total operating revenues</b>	<b>5,283,000</b>	<b>5,805,200</b>	<b>5,762,803</b>	<b>(42,397)</b>
<b>Project #</b>	<b>Project costs</b>				
	<u>Collections system</u>				
100.00/01	Lift Stations - General/Trojan	100,000	128,400	43,808	84,592
104.00	Lift Stations - Asset Management	30,000	30,000	9,346	20,654
126.00	Maintenance Hole Adjustments	100,000	403,000	391,590	11,410
141.00	Collections Asset Repair and Maintenance	1,250,000	865,000	327,953	537,047
144.10	Collections System GIS & Asset Management	25,000	25,000	20,809	4,191
151.10	Easement Clearing & Road Maintenance	50,000	50,000	48,672	1,328
155.00	Collection System Equipment Repair & Maintenance	40,000	40,000	36,371	3,629
156.00	Collection System Standard Operating Procedures	-	5,000	600	4,400
	Postponed or Cancelled Projects	25,000	25,000	-	25,000
		1,620,000	1,571,400	879,150	692,250
	<u>Treatment plant</u>				
204.00	Treatment Plant GIS Updates & Asset Management Plan	10,000	10,000	5,805	4,195
213.00	Pre-Design Studies	50,000	82,000	67,602	14,398
213.05	San Francisco Bay Water Quality Improvement (Microvi Grant Funded)	-	55,600	46,903	8,697
213.07	Effluent Local Limits Reporting & Testing	30,000	30,000	12,771	17,229
213.15	Near Shore Outfall Full-Time Discharge Support	-	80,000	55,838	24,162
226.03	Belt Filter Press Conveyor Parts	50,000	50,000	34,278	15,722
239.00	Safety Improvements	30,000	54,000	9,385	44,615
242.00	Process Instrumentation Replacement	70,000	105,000	73,322	31,678
254.00	No. 1 Water Piping Replacement	-	99,000	5,171	93,829
261.00	2023 Emergency Storm Response	-	1,000,000	899,893	100,107
281.05	Digester Facilities FEMA Grant Support	-	50,000	21,736	28,264
289.00	Concrete Assessment & Rehabilitation	20,000	29,000	10,636	18,364
293.05	Shoreline Adaptation Demonstration Laboratory	-	1,254,800	824,893	429,907
301.00	Plant Security Upgrades	25,000	20,900	4,579	16,321
305.00	Gate & Valve Replacements	25,000	54,000	39,452	14,548
313.00	Grease System Rehabilitation	40,000	43,700	9,024	34,676
395.02	Roof Maintenance	25,000	19,000	556	18,444
395.06	Landscaping and Grounds	25,000	60,000	27,250	32,750
395.07	Roadway & Berm Maintenance	70,000	146,000	145,937	63
900.93	Critical Renewal and Replacements	70,000	70,000	63,715	6,285
	Postponed or Cancelled projects	475,000	414,300	-	414,300
		1,015,000	3,727,300	2,358,747	1,368,553
	<u>Administration &amp; Engineering</u>				
595.45	IT & Network Upgrades	40,000	40,000	32,461	7,539
524.00	Fiscal Agent Fees	4,500	7,000	6,000	1,000
626.00	EBDA replacement assessment	166,500	343,500	166,500	177,000
	Postponed or Cancelled projects	120,000	120,000	-	120,000
		331,000	510,500	204,961	305,539
	<b>Total project costs</b>	<b>2,966,000</b>	<b>5,809,200</b>	<b>3,442,858</b>	<b>2,366,342</b>
	<b>Operating expenses</b>				
	Engineering			-	
	Sewage collections			879,150	
	Sewage treatment operations			2,068,233	
	Sewage treatment maintenance			290,514	
	Sewage disposal - EBDA			166,500	
	Administration			38,461	
	<b>Total operating expenses</b>			<b>3,442,858</b>	
	<b>Operating income (loss)</b>			<b>2,319,945</b>	
	<b>Non-operating revenues (expenses)</b>				
	Investment income	-	12,000	13,276	1,276
	Increase (decrease) in the fair value of investments	-	-	(3,690)	(3,690)
	Grant Revenues	-	-	27,690	27,690
	<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>12,000</b>	<b>37,276</b>	<b>25,276</b>
	<b>Income before contributions and transfers</b>	<b>\$ 2,317,000</b>	<b>\$ 8,000</b>	<b>\$ 2,357,221</b>	<b>\$ 2,349,221</b>
	<b>Equity transfers in (out)</b>			<b>(2,000,000)</b>	
	<b>Change in net position</b>			<b>357,221</b>	
	<b>Net position - beginning</b>			<b>2,289,785</b>	
	<b>Net position - ending</b>			<b>\$ 2,647,006</b>	

**SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SEWER SERVICES - CAPITAL IMPROVEMENT PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30 , 2023  
SCHEDULE 6**

		Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
		Original	Final		
Project #	Project costs				
	<u>Collections system</u>				
100.15	Lift Stations - Canyon Ridge	\$ -	\$ 190,000	\$ 183,992	\$ 6,008
143.13	Pipeline Replacements (FY 2020-21-1)	-	10,000	8,800	1,200
146.00	Sewer Collection System Pipeline Replacement (General)	10,000,000	1,890,000	128,312	1,761,688
146.01	Sewer Collection System Pipeline Replacement (Phase 1)	-	4,000,000	1,606,546	2,393,454
146.02	Sewer Collection System Pipeline Replacement (Phase 2)	-	4,500,000	2,180,205	2,319,795
146.03	Sewer Collection System Pipeline Replacement (Phase 3)	-	4,600,000	3,648,738	951,262
146.04	Sewer Collection System Pipeline Replacement (Phase 4)	-	4,800,000	1,502,003	3,297,997
146.05	Sewer Collection System Pipeline Replacement (Phase 5)	-	5,000	4,500	500
146.06	Sewer Collection System Pipeline Replacement (Phase 6)	-	200,000	129,201	70,799
146.07	Sewer Collection System Pipeline Replacement (Phase 7)	-	5,000	4,264	736
	Postponed or Cancelled projects	340,000	221,000	-	221,000
		10,340,000	20,421,000	9,396,561	11,024,439
	<u>Treatment plant</u>				
213.08	Consolidated Operations Building	-	3,000,000	2,041,623	958,377
213.20	Plant Energy Neutrality	-	983,000	709,028	273,972
239.00	Safety Improvements	-	17,130	17,130	-
284.00	Washer Compactor	-	96,000	95,009	991
295.01	Pipe Trench Repairs	-	350,000	7,131	342,869
299.00	Cogeneration Engine Overhaul	180,000	351,000	211,980	139,020
311.00	Plant Battery Energy Storage System	-	1,425,300	865,188	560,112
313.00	Grease System Rehabilitation & Pump Replacement	-	59,000	58,557	443
316.00	Vehicle Replacements	50,000	422,000	244,665	177,335
319.00	SCADA Network Upgrades	100,000	245,000	167,681	77,319
328.01	Electrical System Masterplan	-	160,000	8,140	151,860
331.00	MCC Circuit Breakers Replacement	50,000	60,000	9,767	50,233
333.00	Treatment Unit Gate Replacement	150,000	382,870	173,147	209,723
335.00	West Switchgear Circuit Breaker Replacement	-	129,000	119,775	9,225
336.00	Pond Complex Lighting & Security Enhance	-	68,000	6,600	61,400
900.93	Critical Equipment - Treatment Plant	70,000	307,000	241,276	65,724
	Postponed or Cancelled projects	197,000	221,300	-	221,300
		797,000	8,276,600	4,976,698	3,299,902
	<u>Administration &amp; Engineering</u>				
900.90/.95	Critical Equipment -Administration & Engineering	20,000	102,000	95,350	6,650
	Postponed or Cancelled projects	20,000	20,000	-	20,000
		40,000	122,000	95,350	26,650
	<b>Total project costs</b>	11,177,000	28,819,600	14,468,609	14,350,991
	Less:				
	Additions to plant and equipment				(3,328,401)
	Additions to construction in progress				(10,006,201)
	Castro Valley Sanitary District capital assets				(1,134,007)
	<b>Operating income (loss)</b>				0
	<b>Non-operating revenues (expenses)</b>				
	Investment income	-	3,000	90,069	87,069
	Increase (decrease) in the fair value of investments	-	-	(121,113)	(121,113)
	Other miscellaneous revenues	-	-	11,748	11,748
	<b>Total non-operating revenues (expenses)</b>	-	3,000	(19,296)	(22,296)
	<b>Income before contributions, transfers and other items</b>	\$ -	\$ 3,000	\$ (19,296)	\$ (22,296)
	<b>Connection fees</b>				678,220
	<b>Transfer of plant and equipment to Operations &amp; Maintenance</b>				(12,903,839)
	<b>Capital Grants</b>				-
	<b>Equity transfers for WIFIA and SRF proceeds</b>				9,115,844
	<b>Equity transfers in (out)</b>				8,000,000
	<b>Change in net position</b>				4,870,929
	<b>Net position - beginning</b>				12,748,444
	<b>Net position - ending</b>				\$ 17,619,373

ORO LOMA SANITARY DISTRICT

**SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SOLID WASTE SERVICES - GARBAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
SCHEDULE 7**

	<b>Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Operating revenues</b>			
Contract fees	\$ 1,847,800	\$ 2,481,595	\$ 633,795
<b>Total operating revenues</b>	<u>1,847,800</u>	<u>2,481,595</u>	<u>633,795</u>
<b>Operating expenses</b>			
Salaries	188,300	161,896	26,404
Directors' fees	9,100	6,310	2,790
Overhead	227,000	194,046	32,954
Office expenses	3,000	2,623	377
Safety supplies	500	-	500
Contractual services	3,000	1,372	1,628
Professional services	10,000	7,400	2,600
Memberships, printing and publications	1,000	-	1,000
Public outreach	80,000	12,026	67,974
Repairs and maintenance	500	-	500
Recognition program	600	-	600
Utilities	800	1,587	(787)
Contingency and other reserves	30,000	-	30,000
<b>Total operating expenses</b>	<u>553,800</u>	<u>387,260</u>	<u>166,540</u>
<b>Operating income (loss)</b>		<u>2,094,335</u>	
<b>Non-operating revenues (expenses)</b>			
Investment income	2,000	-	(2,000)
Recovery of uncollectible accounts	20,000	45,034	25,034
Write-off of uncollectible accounts	(3,000)	(1,482)	1,518
<b>Total non-operating revenues (expenses)</b>	<u>19,000</u>	<u>43,552</u>	<u>24,552</u>
<b>Income before contributions and transfers</b>	<u>\$ 1,313,000</u>	<u>\$ 2,137,887</u>	<u>\$ 824,887</u>
<b>Equity transfers in (out)</b>		<u>(1,000,000)</u>	
<b>Change in net position</b>		<u>1,137,887</u>	
<b>Net position - beginning</b>		<u>847,011</u>	
<b>Net position - ending</b>		<u>\$ 1,984,898</u>	

**SCHEDULE OF BUDGETARY COMPARISON WITH ACTUAL  
REVENUES, EXPENSES AND CHANGES IN NET POSITION  
RECYCLING SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
SCHEDULE 8**

	<b>Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Operating revenues</b>			
Recycling charges - residential and green waste	\$ 3,059,000	\$ 3,114,310	\$ 55,310
Recycling charges - commercial and industrial	150,000	116,182	(33,818)
Landfill fees - Measure D	350,000	377,314	27,314
<b>Total operating revenues</b>	<u>3,559,000</u>	<u>3,607,806</u>	<u>48,806</u>
<b>Operating expenses</b>			
Salaries	188,300	162,044	26,256
Overhead	216,500	186,350	30,150
Office expenses	2,000	1,512	488
Contractual services	2,320,000	2,106,863	213,137
Professional services	40,000	-	40,000
Public outreach	180,000	191,383	(11,383)
San Leandro Measure D	46,000	41,505	4,495
Depreciation	-	430,541	(430,541)
Contingency reserve	10,000	-	10,000
<b>Total operating expenses</b>	<u>3,002,800</u>	<u>3,120,198</u>	<u>(117,398)</u>
<b>Operating income (loss)</b>		<u>487,608</u>	
<b>Non-operating revenues (expenses)</b>			
Investment income	300	621	321
Other miscellaneous revenues	5,000	12,702	7,702
Write-off of uncollectible accounts	(200)	-	200
<b>Total non-operating revenues (expenses)</b>	<u>5,100</u>	<u>13,323</u>	<u>8,223</u>
<b>Income (loss) before contributions and transfers</b>	<u>\$ 561,300</u>	<u>\$ 500,931</u>	<u>\$ (60,369)</u>
<b>Equity transfers in (out)</b>		-	
<b>Transfers in of capital assets</b>		-	
<b>Change in net position</b>		<u>500,931</u>	
<b>Net position - beginning</b>		<u>7,881,684</u>	
<b>Net position - ending</b>		<u>\$ 8,382,615</u>	

## **OTHER INDEPENDENT AUDITORS' REPORT**

INDEPENDENT AUDITORS' 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 Directors  
Oro Loma Sanitary District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Oro Loma Sanitary District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Oro Loma Sanitary District's basic financial statements, and have issued our report thereon dated October 12, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oro Loma Sanitary District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oro Loma Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oro Loma Sanitary 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oro Loma Sanitary 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of This Report**

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

  
CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California  
October 12, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

To the Board of Directors  
Oro Loma Sanitary District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Oro Loma Sanitary District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Oro Loma Sanitary District's major federal programs for the year ended June 30, 2023. Oro Loma Sanitary District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oro Loma Sanitary District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oro Loma Sanitary District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Oro Loma Sanitary District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Oro Loma Sanitary District's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Oro Loma Sanitary District's compliance based on our audit. 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, *Government Auditing Standards*, and the

Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Oro Loma Sanitary District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Oro Loma Sanitary District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oro Loma Sanitary District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Oro Loma Sanitary District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### ***Other Matters***

The results of our auditing procedures did not disclose any instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Oro Loma Sanitary District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Oro Loma Sanitary District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California  
October 12, 2023

**ORO LOMA SANITARY DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<i><b>Federal Grantor/Program or Cluster Title</b></i>	<i><b>Federal CFDA Number</b></i>	<i><b>Federal Expenditures(\$)</b></i>
<b><i>Other Programs</i></b>		
United States Environmental Protection Agency		
Water Infrastructure Finance and Innovation (WIFIA)	66.958	133,465
Total Water Infrastructure Finance and Innovation (WIFIA)		133,465
Capitalization Grants for Clean Water State Revolving Funds	66.458	8,941,992
Total Capitalization Grants for Clean Water State Revolving Funds		8,941,992
<i>Total United States Environmental Protection Agency</i>		9,075,457
<b><i>Total Other Programs</i></b>		9,075,457
<b><i>Total Expenditures of Federal Awards</i></b>		<u><u>\$ 9,075,457</u></u>

The accompanying notes are an integral part of this schedule

**ORO LOMA SANITARY DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2023**

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1. The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Oro Loma Sanitary District (the "District"). The District's reporting entity is defined in Note 1 to the financial statements.
2. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
3. The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. This is the same method of accounting as was used in the preparation of the District's basic financial statements.
4. The District did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2023.
5. The total amount expended for this project through June 30, 2023 was \$ 9,075,457. Total federal funds expended on this project were \$9,075,457.

**ORO LOMA SANITARY DISTRICT  
STATUS OF PRIOR AUDIT FINDINGS  
JUNE 30, 2023**

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The previous audit report for the year ended June 30, 2022 contained no audit findings

**ORO LOMA SANITARY DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2023**

**Financial Statements**

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements?	<u>No</u>

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reporting in accordance with 2 CFR Section 200.516?	<u>No</u>
Identification of major programs:	
Environmental Protection Agency	
Water Infrastructure Finance and Innovation (WIFIA)	\$ 133,465
Capitalization Grants for Clean Water State Revolving Funds	\$ 8,941,992
Total Environmental Protection Agency	<u>\$ 9,075,457</u>
Dollar threshold to distinguish between Type A and Type B programs	\$ 750,000
Auditee qualified as low risk auditee?	<u>No</u>

<b>Section II - Financial Statement Findings</b>	<u>N/A</u>
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<b>Section III - Federal Award Findings</b>	<u>N/A</u>
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## **STATISTICAL SECTION**

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## STATISTICAL SECTION OVERVIEW

This section of the Oro Loma Sanitary District's Annual Comprehensive Financial Report provides a context for interpreting the contents in the financial statements, note disclosures, and required supplementary information. It gives readers an understanding of the District's business activities and economic condition. Information presented herein aims to achieve the following objectives.

- To provide **Financial Trends** on how the District's financial performance have changed over time.
- To provide information on **Revenue Capacity** and **Expenses**.
  - **Revenue Capacity** schedules demonstrate the District's ability to generate revenues from various sources. In addition, revenue rates and principal payers are also presented.
  - **Expense** schedules are presented by category and service type.
- To provide **Debt Capacity Information** on the District's historical debt limitations, debt per customer, and debt coverage ratios.
- To provide **Demographic and Economic Information**, by service area, on population, per capita income, unemployment statistics, and ethnic distribution. In addition, major employers within the District are listed.
- To provide **Operating Information**, such as staffing trends, service indicators, and an overview of the District's capital assets.

The contents presented in this section are based on the audited financial statements, general information available from the Alameda County, water consumption reports from East Bay Municipal Utility District, statistics from the United States Census Bureau, the State of California, and East Bay Economic Development Alliance.

# ORO LOMA SANITARY DISTRICT

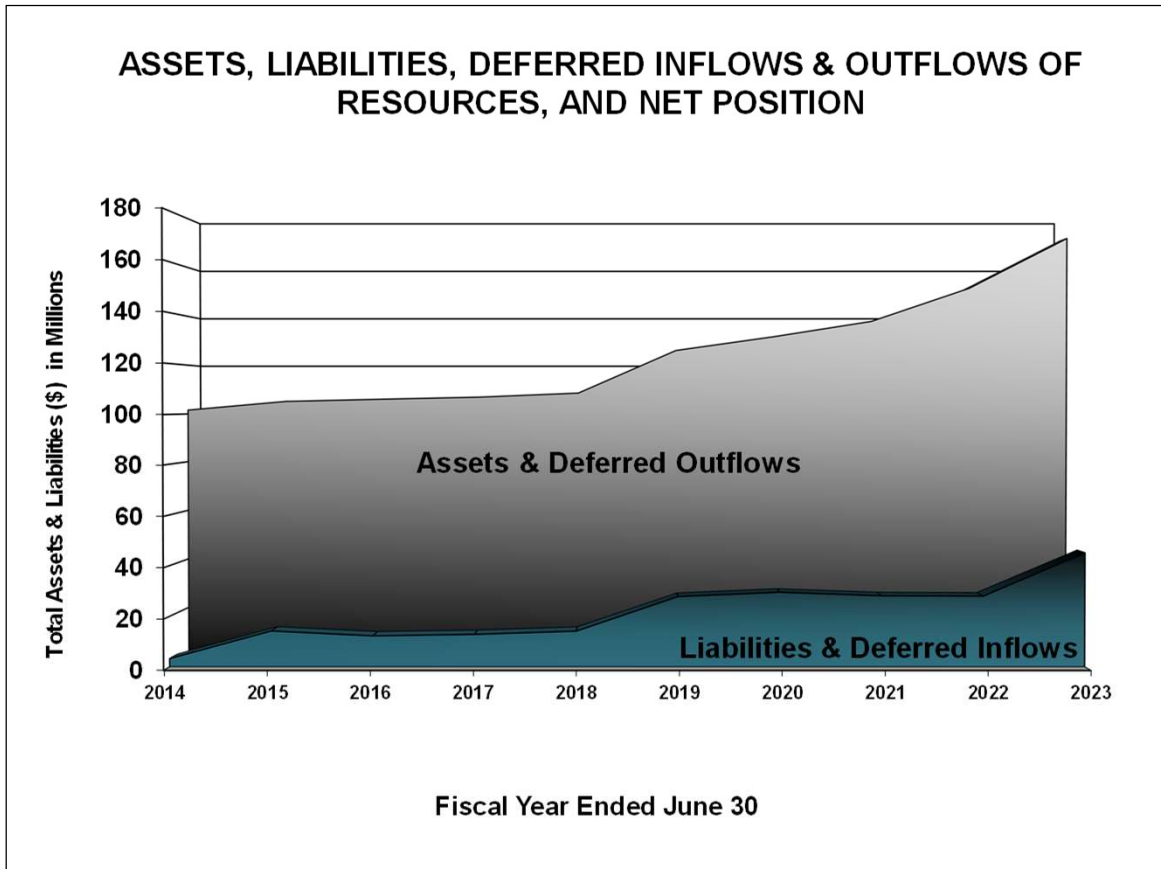
## FINANCIAL TRENDS

**TABLE 1**

### Assets, Liabilities, Deferred Inflows & Outflows of Resources, and Net Position

Fiscal Year Ended June 30	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Net Position		
					Net Investment in Capital Assets	Unrestricted	Total Net Position
2023	\$ 162,138,958	\$ 9,661,362	\$ 41,894,356	\$ 3,155,172	\$ 102,270,962	\$ 24,479,830	\$ 126,750,792
2022	148,923,323	2,497,178	23,191,031	4,776,512	101,668,469	21,784,489	123,452,958
2021	132,358,438	5,541,700	25,451,150	2,648,282	88,059,830	21,740,876	109,800,706
2020	128,134,320	3,494,342	26,449,724	3,063,592	84,883,862	17,231,484	102,115,346
2019	122,595,939	3,427,009	25,469,227	2,351,368	72,144,805	26,057,548	98,202,353
2018	103,746,253	4,806,608	10,880,384	3,282,342	77,082,443	17,307,692	94,390,135
2017	101,796,716	5,115,616	9,555,112	3,315,499	71,921,745	22,119,976	94,041,721
2016	100,346,093	5,714,923	7,460,749	4,822,803	70,176,762	23,600,702	93,777,464
2015	98,004,700	7,131,734	10,940,123	3,285,136	68,724,573	22,186,602	90,911,175
2014	101,575,687	-	3,306,407	-	66,742,699	31,526,581	98,269,280

**GRAPH A**



# ORO LOMA SANITARY DISTRICT

## FINANCIAL TRENDS

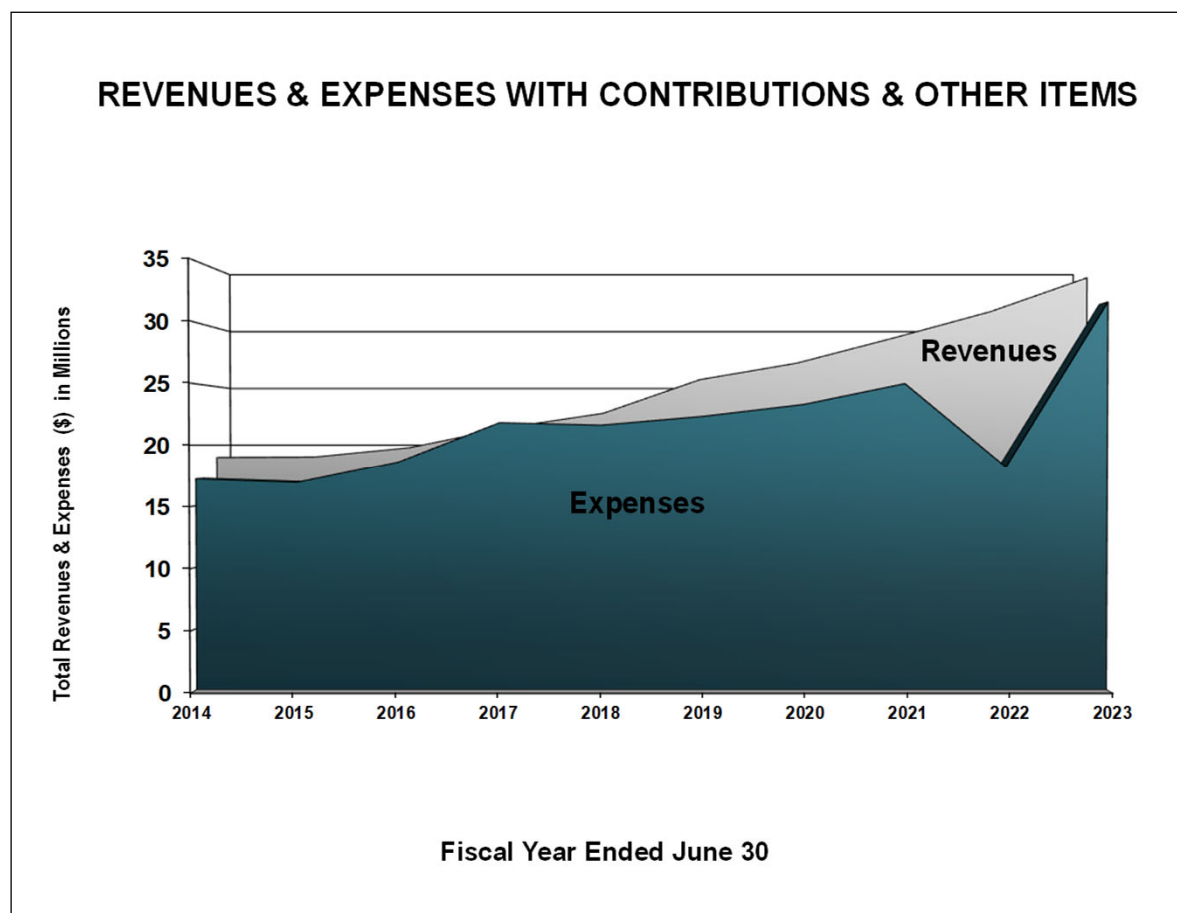
**TABLE 2**

### Revenues, Expenses & Changes in Net Position

Fiscal Year Ended June 30	Revenues	Expenses	Income before Contributions	Contributions & Other Items		Change in Net Position
				Connection & Upsizing Fees	Other Items	
2023	\$ 34,267,041	\$ 31,647,427	\$ 2,619,614	\$ 678,220	\$ -	\$ 3,297,834
2022	31,379,376	18,200,574	13,178,802	473,450	-	13,652,252
2021	29,140,381	25,017,324	4,123,057	3,562,303	-	7,685,360
2020	26,998,753	23,320,922	3,677,831	171,738	63,424	3,912,993
2019	25,598,112	22,345,909	3,252,203	560,015	-	3,812,218
2018	22,727,187	21,634,562	1,092,625	399,277	-	1,491,902
2017	21,489,812	21,834,890	(345,078)	609,335	-	264,257
2016	19,788,984	18,616,756	1,172,228	298,612	1,202,580	2,673,420
2015	18,979,747	16,921,335	2,058,412	1,076,699	-	3,135,111
2014	18,944,945	17,195,227	1,749,718	135,600	637	1,885,955

\* In 2016, the District received \$1,202,580 in capital grants from State Water Resources Control Board to partially fund the Wetweather Equalization / Horizontal Levee Demonstration project.

**GRAPH B**



# ORO LOMA SANITARY DISTRICT

## FINANCIAL TRENDS

**TABLE 3**

### Statement of Revenues and Expenses & Changes in Net Position (2023 - 2019)

	2023	2022	2021	2020	2019
<b>OPERATING REVENUES:</b>					
District service charges	\$20,722,735	\$19,453,724	\$17,740,859	\$16,668,779	\$14,991,385
Agency treatment charges	5,449,967	4,266,940	4,142,939	3,674,605	3,575,995
Permits & inspection fees	224,974	172,991	190,363	296,034	209,602
Sanitary truck waste charges	20,185	23,375	24,530	22,275	22,385
Grease receiving charges	171,855	176,544	128,142	125,388	121,363
Biosolid charges	127,924	171,173	242,501	103,022	-
Annexation revenues	-	-	39,000	-	-
Contract fees	2,481,595	2,166,182	1,805,310	1,196,785	1,139,812
Recycling charges-residential & green waste	3,114,310	2,845,587	2,327,273	2,337,684	2,321,406
Recycling charges-commercial & industrial	116,182	190,287	183,120	180,804	149,230
Landfill fees-Measure D	377,314	368,971	356,453	406,663	406,137
Other	926,143	952,546	917,962	963,658	740,607
Total operating revenues	33,733,184	30,788,320	28,098,452	25,975,697	23,677,922
<b>OPERATING EXPENSES:</b>					
Engineering	645,168	641,114	687,340	687,567	757,699
Sewage collections	2,738,160	2,814,917	3,956,977	2,422,749	3,101,658
Sewage treatment operations	8,359,028	6,166,394	5,713,335	5,766,944	5,249,511
Sewage treatment maintenance	3,350,832	2,958,246	2,628,968	2,577,149	2,371,879
Effluent disposal-EBDA	792,794	688,256	910,294	1,013,998	894,676
Administration and general	2,477,919	1,901,085	1,980,341	1,603,194	1,721,349
Pension expense	5,684,453	(5,434,573)	2,392,988	2,362,927	976,624
OPEB expense	(173,114)	(447,068)	37,465	44,479	88,206
Depreciation	4,030,193	3,672,812	2,949,988	2,875,500	2,869,793
Decrease in carrying value of EBDA	-	554,562	-	64,505	176,110
Solid waste	387,260	501,808	402,049	531,647	401,896
Recycling-all services	2,689,657	2,845,495	2,843,550	2,856,088	2,715,545
Total operating expenses	30,982,350	16,863,048	24,503,295	22,806,747	21,324,946
<b>OPERATING INCOME (LOSS)</b>	<b>2,750,834</b>	<b>13,925,272</b>	<b>3,595,157</b>	<b>3,168,950</b>	<b>2,352,976</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	267,318	119,115	144,629	427,791	464,539
Increase in the fair value of investments	-	-	-	59,729	306,494
Rents & leases	90,187	114,245	111,917	109,152	105,588
Gain on disposal of capital assets	-	-	-	3,340	-
Recovery of uncollectible accounts	45,034	37,038	36,217	18,432	21,113
Other miscellaneous revenues	103,628	117,745	218,482	110,615	139,858
EBDA agreement and other refunds	-	-	-	-	882,598
Grant revenues	27,690	202,913	530,684	293,997	-
Total non-operating revenues	533,857	591,056	1,041,929	1,023,056	1,920,190
<b>NON-OPERATING EXPENSES:</b>					
Decrease in the fair value of investments	124,803	504,612	67,900	-	-
Loss on disposal of capital assets	7,528	-	-	-	-
Write-off of capital assets	-	-	-	57,284	412,470
Write-off uncollectible accounts	1,482	944	2,834	1,762	1,055
Debt issuance cost	-	377,686	-	-	271,552
Bond interest - 2018 Sewer Revenue Bonds	418,732	431,220	443,295	455,129	335,886
Bond interest - 2021 WIFIA Bonds	87,842	23,064	-	-	-
Loan interest expense - 2021 SRF	24,690	-	-	-	-
Grant expenses	-	-	-	-	-
Total non-operating expenses	665,077	1,337,526	514,029	514,175	1,020,963
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>2,619,614</b>	<b>13,178,802</b>	<b>4,123,057</b>	<b>3,677,831</b>	<b>3,252,203</b>
Connection fees	678,220	473,450	3,562,303	171,738	560,015
CVSD contribution for transferred vehicle	-	-	-	-	-
Capital grants	-	-	-	63,424	-
<b>CHANGES IN NET POSITION</b>	<b>3,297,834</b>	<b>13,652,252</b>	<b>7,685,360</b>	<b>3,912,993</b>	<b>3,812,218</b>
<b>NET POSITION-BEGINNING</b>	<b>123,452,958</b>	<b>109,800,706</b>	<b>102,115,346</b>	<b>98,202,353</b>	<b>94,390,135</b>
Prior period adjustment - GASB 68 pension	-	-	-	-	-
Prior period adjustment - OPEB	-	-	-	-	-
<b>NET POSITION-ENDING</b>	<b>126,750,792</b>	<b>123,452,958</b>	<b>109,800,706</b>	<b>102,115,346</b>	<b>98,202,353</b>

# ORO LOMA SANITARY DISTRICT

## FINANCIAL TRENDS

**TABLE 3 (continued)**

### Statement of Revenues and Expenses & Changes in Net Position (2018 - 2014)

	2018	2017	2016	2015	2014
<b>OPERATING REVENUES:</b>					
District service charges	\$13,974,088	\$12,961,082	\$11,949,883	\$11,678,040	\$11,583,176
Agency treatment charges	3,094,690	2,933,967	2,430,769	2,190,362	2,206,459
Permits & inspection fees	280,541	169,390	162,898	170,994	126,143
Sanitary truck waste charges	68,214	129,725	90,621	56,454	48,815
Grease receiving charges	102,208	117,403	163,827	142,005	120,927
Biosolid charges	-	-	-	-	-
Annexation revenues	-	-	-	-	-
Contract fees	1,062,218	1,010,999	937,750	791,397	755,676
Recycling charges-residential & green waste	2,321,208	2,309,444	2,306,542	2,295,385	2,286,977
Recycling charges-commercial & industrial	132,934	118,694	110,721	102,060	87,783
Landfill fees-Measure D	385,751	346,349	319,719	329,606	327,570
Other	646,413	599,721	586,197	682,873	763,138
Total operating revenues	22,068,265	20,696,774	19,058,927	18,439,176	18,306,664
<b>OPERATING EXPENSES:</b>					
Engineering	752,469	562,048	684,704	698,221	712,859
Sewage collections	3,471,954	3,100,122	2,637,991	2,897,622	2,727,099
Sewage treatment operations	4,657,149	4,447,483	3,483,009	3,507,420	3,768,468
Sewage treatment maintenance	2,387,698	2,204,710	2,498,881	2,155,643	1,951,508
Effluent disposal-EBDA	1,011,446	836,969	779,476	684,638	645,786
Administration and general	1,481,993	1,549,379	1,256,629	1,332,934	1,206,450
Pension expense	1,553,814	2,976,128	1,192,396	(547,141)	-
OPEB expense	129,848	(258,069)	(315,916)	(182,991)	-
Depreciation	2,825,630	3,326,930	3,351,201	3,329,414	3,179,437
Decrease in carrying value of EBDA	93,247	54,155	165,735	89,455	95,162
Solid waste	353,546	304,471	306,213	305,189	296,535
Recycling-all services	2,690,932	2,591,833	2,574,922	2,591,742	2,599,618
Total operating expenses	21,409,726	21,696,159	18,615,241	16,862,146	17,182,922
<b>OPERATING INCOME (LOSS)</b>	<b>658,539</b>	<b>(999,385)</b>	<b>443,686</b>	<b>1,577,030</b>	<b>1,123,742</b>
<b>NON-OPERATING REVENUES:</b>					
Investment income	344,043	231,096	128,479	216,318	217,367
Increase in the fair value of investments	-	-	86,020	-	53,279
Rents & leases	92,795	83,465	79,956	92,741	84,856
Gain on disposal of capital assets	6,140	-	-	-	14,643
Recovery of uncollectible accounts	11,902	16,276	17,203	11,343	11,702
Other miscellaneous revenues	124,671	326,580	339,028	140,798	177,063
EBDA agreement and other refunds	79,371	79,371	79,371	79,371	79,371
Grant revenues	-	56,250	-	-	-
Total non-operating revenues	658,922	793,038	730,057	540,571	638,281
<b>NON-OPERATING EXPENSES:</b>					
Decrease in the fair value of investments	223,552	137,921	-	58,326	-
Loss on disposal of capital assets	-	-	-	-	-
Write-off of capital assets	-	-	-	-	78
Write-off uncollectible accounts	1,284	810	1,515	863	1,502
Debt issuance cost	-	-	-	-	-
Bond interest - 2018 Sewer Revenue Bonds	-	-	-	-	-
Bond interest - 2021 WIFIA Bonds	-	-	-	-	-
Loan interest expense - 2021 SRF	-	-	-	-	-
Grant expenses	-	-	-	-	10,725
Total non-operating expenses	224,836	138,731	1,515	59,189	12,305
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>1,092,625</b>	<b>(345,078)</b>	<b>1,172,228</b>	<b>2,058,412</b>	<b>1,749,718</b>
Connection fees	399,277	609,335	298,612	1,076,699	135,600
CVSD contribution for transferred vehicle	-	-	-	-	637
Capital grants	-	-	1,202,580	-	-
<b>CHANGES IN NET POSITION</b>	<b>1,491,902</b>	<b>264,257</b>	<b>2,673,420</b>	<b>3,135,111</b>	<b>1,885,955</b>
<b>NET POSITION-BEGINNING</b>	<b>94,041,721</b>	<b>93,777,464</b>	<b>90,911,175</b>	<b>98,269,280</b>	<b>96,383,325</b>
Prior period adjustment - GASB 68 pension	-	-	192,869	(10,768,191)	-
Prior period adjustment - OPEB	(1,143,488)	-	-	274,975	-
<b>NET POSITION-ENDING</b>	<b>94,390,135</b>	<b>94,041,721</b>	<b>93,777,464</b>	<b>90,911,175</b>	<b>98,269,280</b>

# ORO LOMA SANITARY DISTRICT

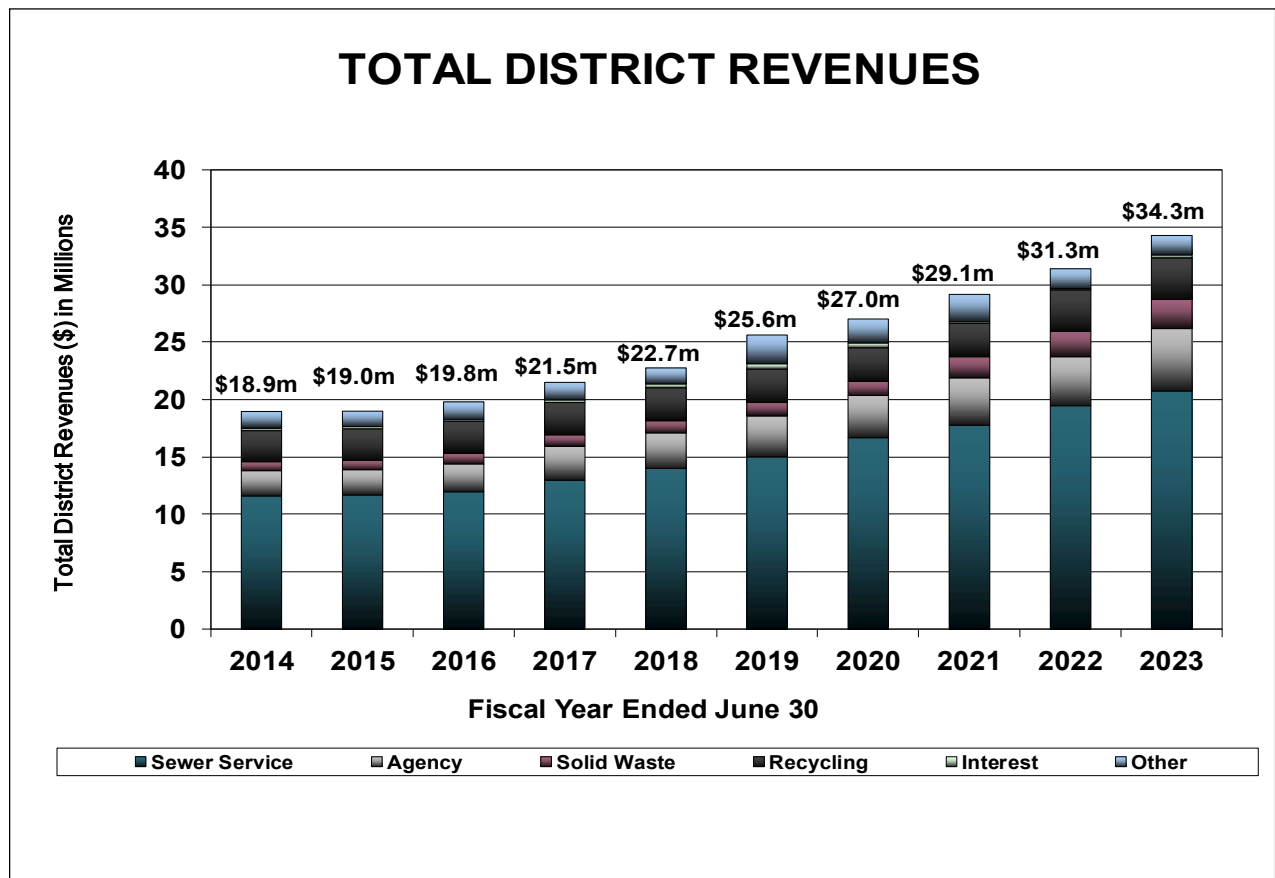
## REVENUE CAPACITY

**TABLE 4**

### Major Revenue Components

Fiscal Year Ended June 30	Sewer Service Revenues	Agency Service Revenues	Solid Waste Service Revenues	Recycling Service Revenues	Interest Income	Other Revenues	Total Revenues
% of 2023 Total	60.5%	15.9%	7.4%	10.6%	0.8%	4.9%	100.0%
2023	\$ 20,722,735	\$ 5,449,967	\$ 2,526,629	\$ 3,620,508	\$ 267,318	\$ 1,679,884	\$ 34,267,041
2022	19,453,724	4,266,940	2,203,220	3,609,116	119,115	1,727,261	31,379,376
2021	17,740,859	4,142,939	1,841,527	2,876,080	144,629	2,394,347	29,140,381
2020	16,668,779	3,674,605	1,215,248	2,937,319	427,791	2,075,011	26,998,753
2019	14,991,385	3,575,995	1,167,315	2,887,472	464,539	2,511,406	25,598,112
2018	13,974,088	3,094,690	1,074,311	2,855,507	344,043	1,384,548	22,727,187
2017	12,961,082	2,933,967	1,027,485	2,792,774	231,096	1,543,408	21,489,812
2016	11,949,883	2,430,769	955,173	2,748,570	128,479	1,576,110	19,788,984
2015	11,678,040	2,190,362	803,007	2,743,838	216,318	1,348,182	18,979,747
2014	11,583,176	2,206,459	767,501	2,721,425	217,367	1,449,017	18,944,945

**GRAPH C**





# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY

~ SIGNIFICANT SINGLE SOURCE REVENUES ~

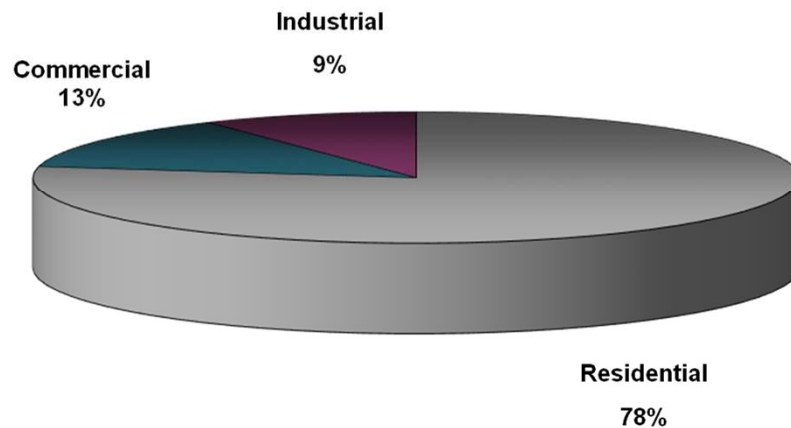
**TABLE 5**

### Sewer Service Revenues by Customer Type

Fiscal Year Ended June 30	Customer Type						Total Sewer Service Revenues
	Residential	% of Total	Commercial	% of Total	Industrial	% of Total	
2023	\$ 16,106,378	78%	\$ 2,724,330	13%	\$ 1,892,027	9%	\$ 20,722,735
2022	14,897,979	77%	2,484,853	13%	2,070,892	10%	19,453,724
2021	13,843,931	78%	2,208,030	12%	1,688,898	10%	17,740,859
2020	12,757,951	77%	2,151,083	13%	1,759,745	10%	16,668,779
2019	11,844,190	79%	2,154,833	14%	992,362	7%	14,991,385
2018	11,025,892	79%	1,968,822	14%	979,374	7%	13,974,088
2017	10,175,503	79%	1,711,673	13%	1,073,906	8%	12,961,082
2016	9,479,050	79%	1,576,268	13%	894,565	8%	11,949,883
2015	9,223,995	79%	1,693,427	16%	760,618	7%	11,678,040
2014	8,959,561	77%	1,782,630	15%	840,985	7%	11,583,176

**GRAPH D**

### SEWER SERVICE REVENUES BY CUSTOMER TYPE FY 2022-23



The District's customer base is predominantly residential customers.

# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY

~ REVENUE RATES ~

**TABLE 6**

### Annual Sewer Service Rates & Customer Base

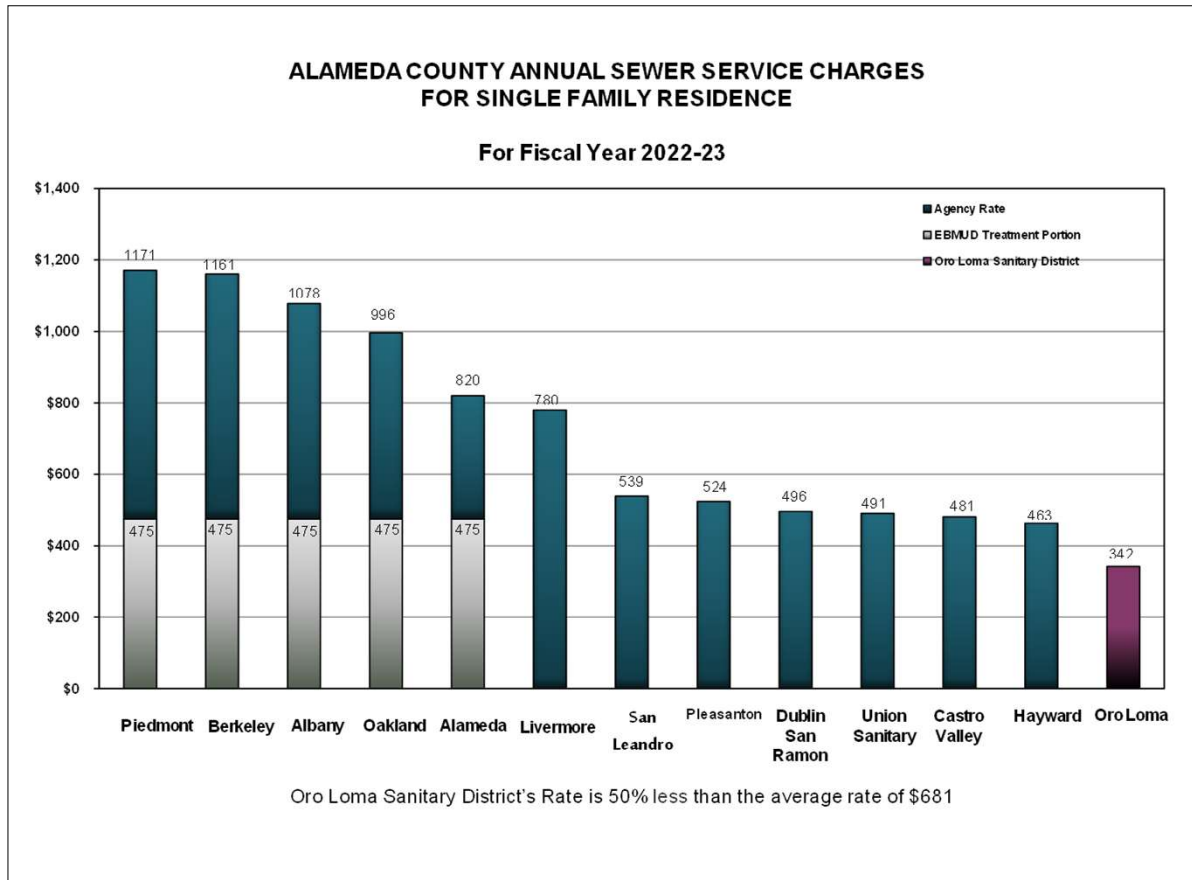
Ordinance 37 with Resolution #3713

Fiscal Year Ended June 30	Ord. #	Residential						Commercial & Significant Industrial Users		Total Customer Base
		Single Family Dwellings		Apartment Units		Mobile Homes		# of customers	per 100 cf	
		# of units	Annual Rate	# of units	Annual Rate	# of units	Annual Rate		of water used	
2023	R#3713	30,878	\$342.00	14,852	\$342.00	1,223	\$278.00	1,161	\$5.051	48,114
2022	R#3713	30,663	318.00	14,895	318.00	1,223	259.00	1,164	4.699	47,945
2021	R#3627	30,117	296.00	14,911	296.00	1,223	241.00	1,141	4.371	47,392
2020	R#3627	30,025	275.00	14,921	275.00	1,439	224.00	1,151	4.066	47,536
2019	R#3627	29,944	256.00	14,927	256.00	1,236	209.00	1,155	3.782	47,262
2018	R#3627	29,896	238.00	14,937	238.00	1,229	194.00	1,167	3.518	47,229
2017	R#3627	29,861	221.00	14,820	221.00	1,229	181.00	1,194	3.273	47,104
2016	R#3536	29,779	206.00	14,849	206.00	1,229	168.00	1,247	3.045	47,104
2015	R#3536	29,762	200.00	14,845	200.00	1,229	163.00	1,259	2.956	47,095
2014	R#3536	29,739	195.00	14,848	195.00	1,245	158.00	1,274	2.870	47,106

Residential sewer services charges are collected annually through the County of Alameda property tax roll.

Commercial and light industrial customers are charged bi-monthly on their water bills through East Bay Municipal Utility District.

**GRAPH E**



# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY ~ PRINCIPAL REVENUE PAYERS ~

### Commercial and Industrial Sewer Service Customers

- Residential sewer customers are billed on the Alameda County tax roll, using flat rates per residential category.
  - Commercial sewer customers are billed through East Bay Municipal Utility District, based on water consumption.
  - Significant industrial users are billed by the District, based on water consumption, suspended solids and biochemical oxygen demand.
- Below are some vital statistics on revenues derived from commercial and industrial customers in Fiscal Year 2022-23.

**22.3%** ← **\$4,616,357** out of **\$20,722,735** total sewer service revenues were derived from commercial (\$2,724,330) and industrial (\$1,892,027) customers

**14.3%** ← **\$ 2,954,502** out of **\$20,722,735** total sewer service revenues were derived from the twenty largest commercial and industrial customers

**64.0%** ← **\$2,954,502** out of **\$4,616,357** total commercial and industrial sewer service revenues were derived from the twenty largest commercial and industrial customers.

**TABLE 7**

### Twenty Largest Commercial Customers

Source: 2022 East Bay Municipal Utility District water consumption and billing report and significant industrial users invoices.

Customer	Type of Business	Sewer Charges	% of Sewer Revenues
Santini Foods	Food manufacturing	\$ 1,445,562	7.0%
Ghirardelli Chocolate	Food manufacturing	222,951	1.1%
The Hillshire Brands	Food manufacturing	180,135	0.9%
Fairmont Hospital Complex	Hospital, medical clinics and correctional facilities	161,810	0.8%
Madison Bayfair	Shopping mall	161,475	0.8%
Hayward Area Recreation & Park District	Recreation and parks	120,458	0.6%
San Lorenzo Unified School District	School District	110,018	0.5%
KRC Property Management	Retail businesses	89,343	0.4%
County of Alameda General Services	Government services	62,657	0.3%
Hayward Unified School District	School District	59,657	0.3%
San Leandro Hospital (SLCO)	Hospital	51,495	0.2%
Quick Quack Car Wash	Car Wash	36,852	0.2%
Save Mart Supermarket	Grocery store	36,467	0.2%
Vista Post Acute	Nursing home	36,102	0.2%
San Leandro Unified School District	School District	33,625	0.2%
Launderworld	Laundry mat	31,131	0.2%
Lorenzo Manor Shopping Center	Retail businesses	30,358	0.1%
Church of Jesus Christ of Latter-day Saints	Church	29,450	0.1%
Heritage Inn Express	Hotel	28,859	0.1%
Revolution Foods	Food distribution	26,097	0.1%
<b>Total</b>		<b>\$ 2,954,502</b>	<b>14.3%</b>

Note: Due to a very stable customer/revenue base, there were no significant changes in the information provided for the Twenty Largest Commercial Customers. Therefore, data from the previous nine years are not presented.

# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY

~ SIGNIFICANT SINGLE SOURCE REVENUES ~

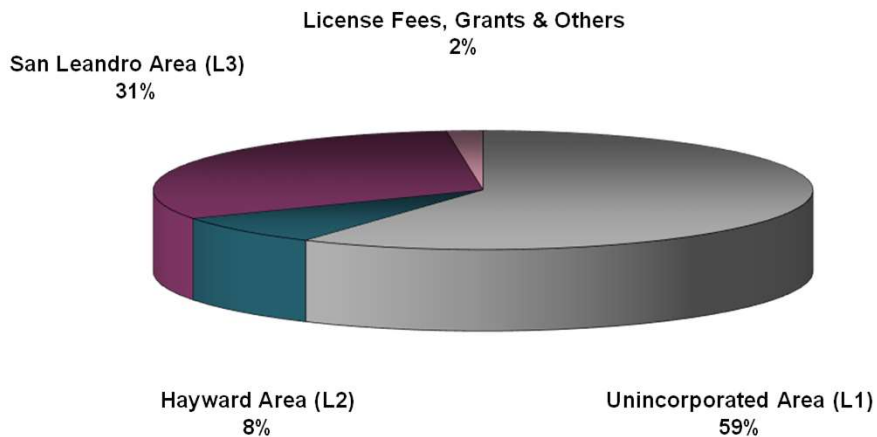
**TABLE 8**

### Solid Waste Revenues by Service Area & Source

Fiscal Year Ended June 30	Unincorporated Area (L1)	Hayward Area (L2)	San Leandro Area (L3)	License Fees, Grants & Others	Total
2023	\$ 1,490,618	\$ 202,755	\$ 788,223	\$ 45,033	\$ 2,526,629
2022	1,309,527	178,814	677,841	37,038	2,203,220
2021	1,081,105	136,486	587,719	36,217	1,841,527
2020	709,538	88,866	398,380	18,464	1,215,248
2019	674,382	83,351	382,079	27,503	1,167,315
2018	628,058	79,063	355,097	12,093	1,074,311
2017	600,390	76,177	334,432	16,486	1,027,485
2016	549,788	71,216	316,746	17,423	955,173
2015	467,799	52,194	270,764	12,250	803,007
2014	442,829	49,122	263,393	12,157	767,501

**GRAPH F**

### SOLID WASTE REVENUES BY SERVICE AREA & SOURCE FY 2022-23



# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY

~ SIGNIFICANT SINGLE SOURCE REVENUES ~

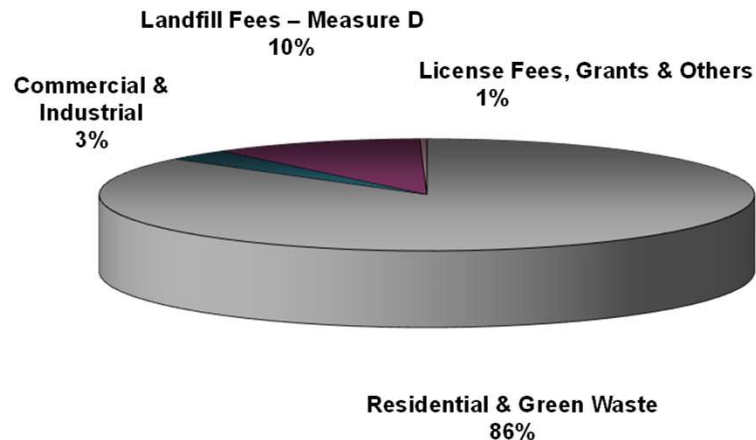
**TABLE 9**

### Recycling Revenues by Source

Fiscal Year Ended June 30	Recycling Charges		Landfill Fees   Measure D	License Fees, Grants & Others	Total
	Residential & Green Waste	Commercial & Industrial			
2023	\$ 3,114,310	\$ 116,182	\$ 377,314	\$ 12,702	\$ 3,620,508
2022	2,845,587	190,286	368,971	204,272	3,609,116
2021	2,327,273	183,120	356,453	9,234	2,876,080
2020	2,337,684	180,804	406,663	12,168	2,937,319
2019	2,321,406	149,230	406,137	10,699	2,887,472
2018	2,321,208	132,934	385,751	15,614	2,855,507
2017	2,309,444	118,694	346,349	18,287	2,792,774
2016	2,306,542	110,721	319,719	11,588	2,748,570
2015	2,295,385	102,060	329,606	16,787	2,743,838
2014	2,286,977	87,783	327,570	19,095	2,721,425

**GRAPH G**

### RECYCLING REVENUES BY SOURCE FY 2022-23



# ORO LOMA SANITARY DISTRICT

## REVENUE CAPACITY

~ REVENUE RATES ~

**TABLE 10**

### Solid Waste Rates

Ordinance 34

Rate Change Effective *	Ord. #	Trash Rates								Recycling and Organics Rates			
		Residential (Monthly)						Commercial ** (Monthly)		Residential (Monthly)		Commercial ** (Monthly)	
		20-gallon cart		35-gallon cart		65-gallon cart		1-cubic yard bin		Single Family	Multi-Family	Recycle Only	
		L1 & L2	L3	L1 & L2	L3	L1 & L2	L3	L1 & L2	L3	L1, L2, L3	L1, L2, L3	L1 & L2	L3
2023, Sept 1	34-49	\$13.36	\$15.42	\$26.67	\$30.94	\$53.39	\$61.77	\$174.41	\$201.85	\$ 6.60	\$ 6.32	\$ 74.89	\$ 78.72
2023, Jan 1	34-48	12.67	14.62	25.29	29.34	50.63	58.57	165.37	191.41	6.10	5.82	71.01	74.64
2022	34-47	10.86	11.91	21.67	25.14	43.38	50.18	141.71	164.01	6.10	5.82	60.84	63.95
2021	34-46	10.32	11.91	20.59	23.89	41.22	47.68	134.67	155.83	5.60	5.32	57.81	60.75
2020	34-45	10.01	11.55	19.97	23.17	39.98	46.25	130.61	151.12	4.60	4.32	56.07	58.93
2019	34-44	9.42	10.87	18.79	21.80	37.62	43.52	122.92	142.19	4.60	4.32	52.78	55.47
2018	34-43	9.10	10.50	18.15	21.06	36.35	42.05	118.76	137.37	4.60	4.32	51.01	53.61
2017	34-42	8.84	10.20	17.64	20.46	35.32	40.86	115.40	133.47	4.60	4.32	49.58	52.09
2016	34-41	8.54	9.85	17.04	19.76	34.11	39.46	111.45	128.93	4.60	4.32	47.89	50.31
2015	34-40	8.32	9.60	16.60	19.25	33.24	38.45	108.59	125.63	4.60	4.32	46.68	49.02
2014	34-39	8.02	9.25	15.99	18.55	32.02	37.04	104.63	121.01	4.60	4.32	44.98	47.23

All areas receive weekly trash and organics collection services. L1 and L3 receive bi-weekly recycling collection service, L2 receives weekly service.

L1 includes San Lorenzo and other unincorporated areas within the District.

L2 includes the area of the District within the City of Hayward.

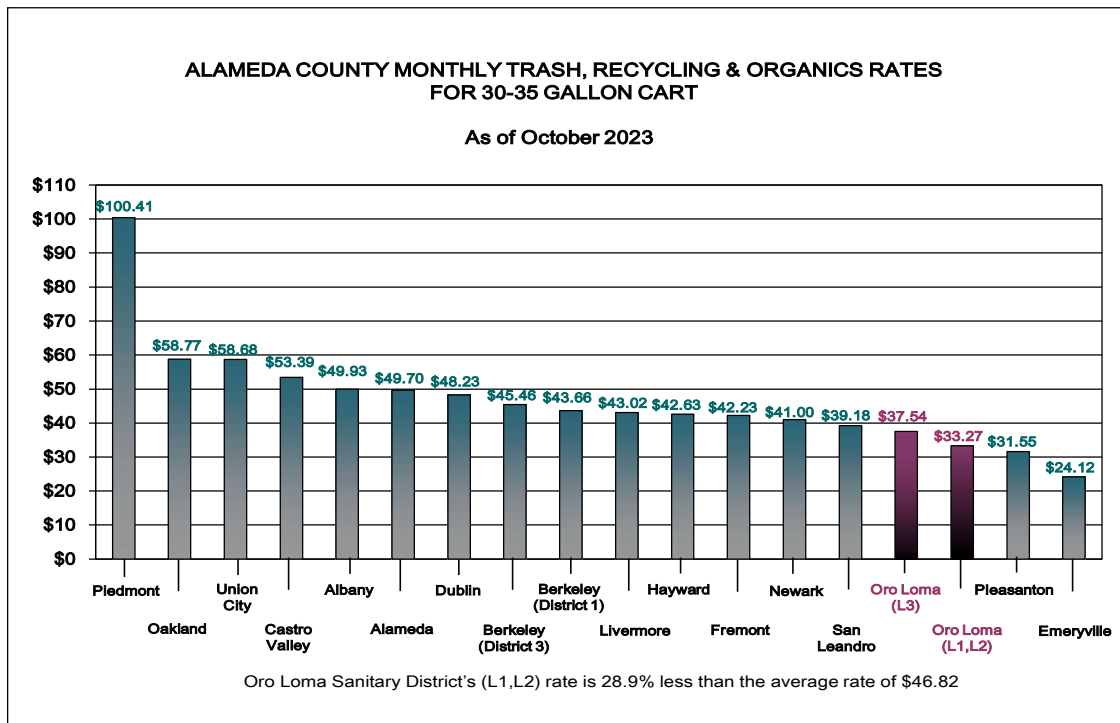
L3 includes the area of the District within the City of San Leandro.

New solid waste franchise agreement, effective January 1, 2023. Previous franchise agreement 2012-2022.

\* Solid waste rate changes are effective September 1 of each year, except for the residential recycling and organics rate which changes July 1.

\*\* Commercial trash and recycling rates shown are based on a 1-cubic yard bin with 1 weekly pickup. Charges for organics collection services and other container sizes and pickup frequencies are listed in full in Ordinance 34, Exhibits A, B & D, available at [www.oroloma.org](http://www.oroloma.org).

### GRAPH H



# ORO LOMA SANITARY DISTRICT

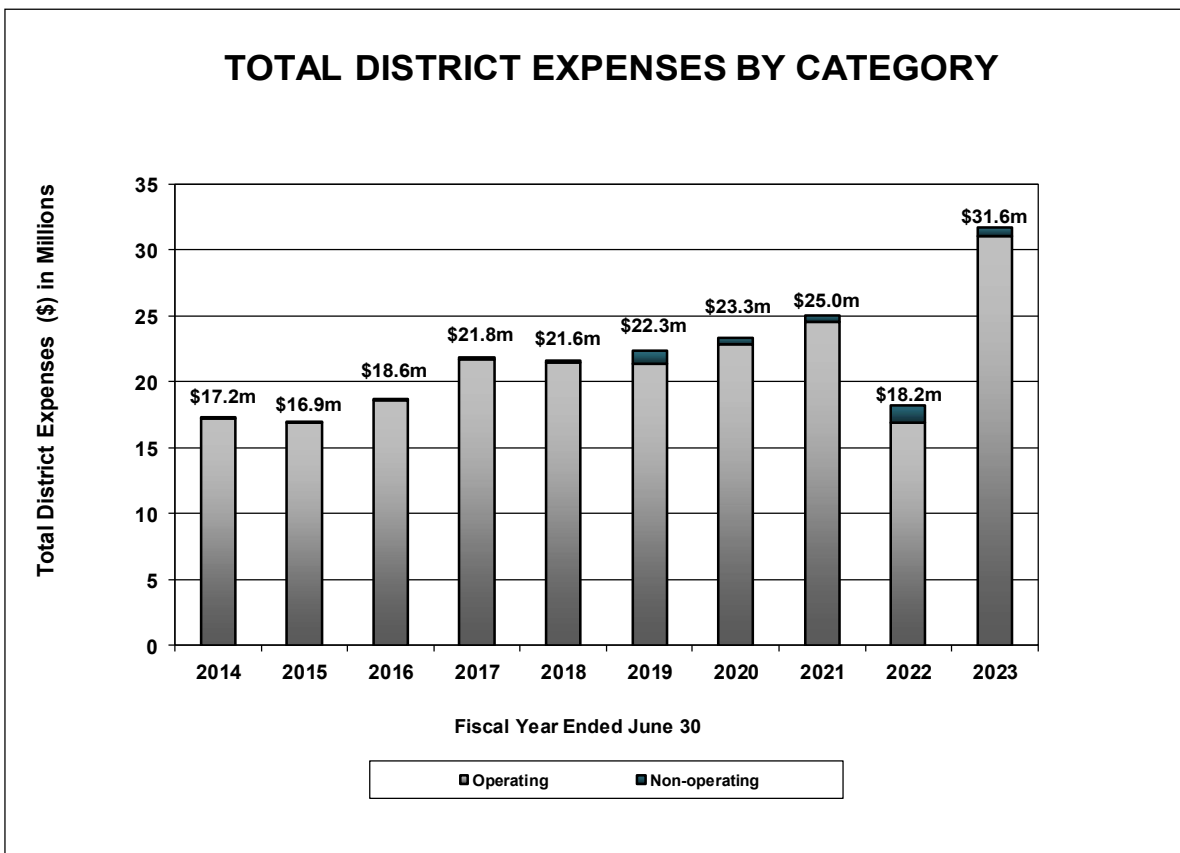
## EXPENSES

**TABLE 11**

### Total Expenses by Category

Fiscal Year Ended June 30	Operating Expenses	Non-operating Expenses	Total Expenses
2023	\$ 30,982,350	\$ 665,077	\$ 31,647,427
2022	16,863,048	1,337,526	18,200,574
2021	24,503,295	514,029	25,017,324
2020	22,806,747	514,175	23,320,922
2019	21,324,946	1,020,963	22,345,909
2018	21,409,726	224,836	21,634,562
2017	21,696,159	138,731	21,834,890
2016	18,615,241	1,515	18,616,756
2015	16,862,146	59,189	16,921,335
2014	17,182,922	12,305	17,195,227

**GRAPH I**



# ORO LOMA SANITARY DISTRICT

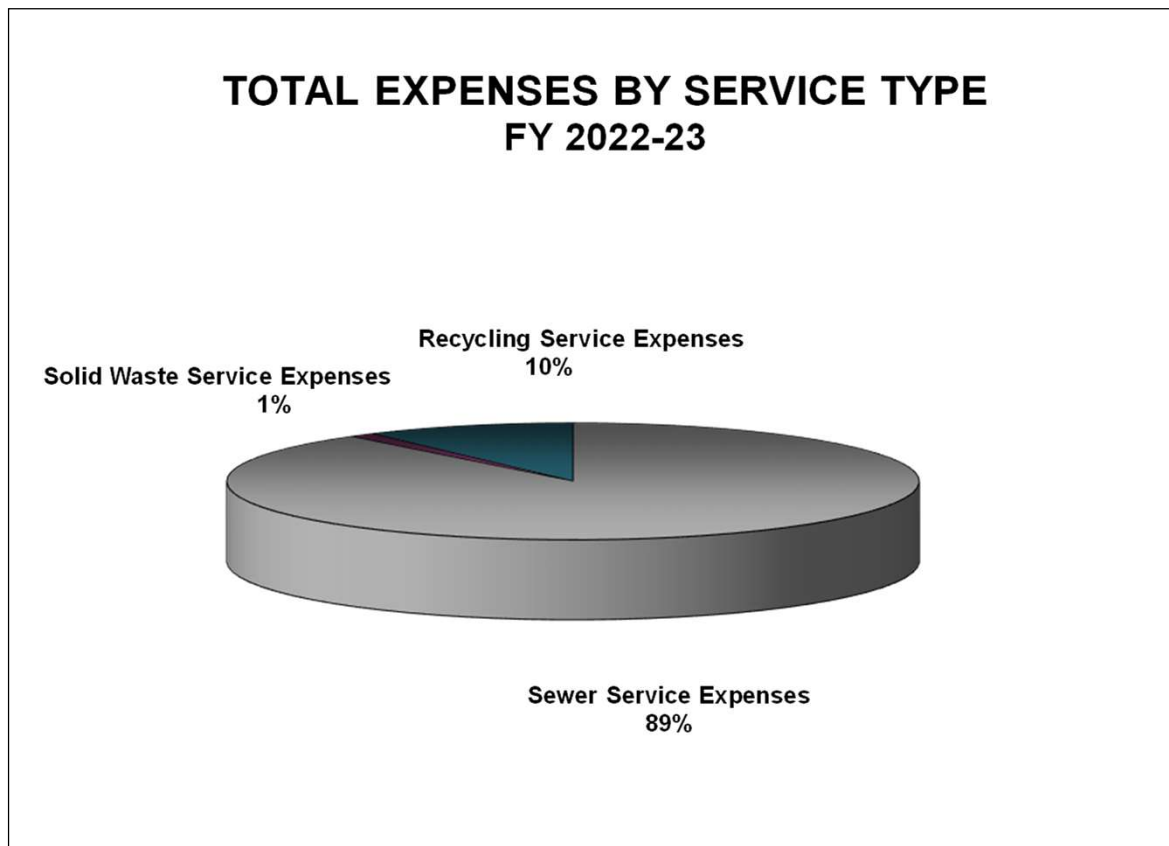
## EXPENSES

**TABLE 12**

### Total Expenses by Service Type

<b>Fiscal Year Ended June 30</b>	<b>Sewer Service Expenses</b>	<b>Solid Waste Service Expenses</b>	<b>Recycling Service Expenses</b>	<b>Total Expenses</b>
2023	\$ 28,138,487	\$ 388,742	\$ 3,120,198	\$ 31,647,427
2022	14,852,327	502,752	2,845,495	18,200,574
2021	21,770,570	403,204	2,843,550	25,017,324
2020	19,931,425	533,409	2,856,088	23,320,922
2019	19,227,413	402,951	2,715,545	22,345,909
2018	18,588,800	354,830	2,690,932	21,634,562
2017	18,937,776	305,281	2,591,833	21,834,890
2016	15,734,106	307,728	2,574,922	18,616,756
2015	14,023,541	306,052	2,591,742	16,921,335
2014	14,284,243	298,037	2,612,947	17,195,227

**GRAPH J**





# ORO LOMA SANITARY DISTRICT

## DEBT CAPACITY

Sewer Revenue Bonds for \$12 million were issued in 1991, and subsequently refinanced by the Sewer Revenue Refunding Bonds in 2003 for \$7.665 million. These Bonds were redeemed by the District in September 2009. In October 2018, the District issued new bonds with a face value of \$14.2 million for the Nutrient Optimization Project. The bonds have a 25-year term and true interest cost of 3.482%.

In summer 2021, the District entered into two separate financial obligations with WIFIA and SRF to provide \$49.5 million in funding for the Sewer Collection System Pipeline Rehabilitation & Replacement Project. Payments for debt service are secured through the District's sewer revenues. Both obligations are payable over 30 years. Payments are expected to commence in 2025 for SRF and 2029 for WIFIA.

The California Health and Safety Code, Section 6651 Bonded Indebtedness Limit, limits the District's maximum general obligation bonding capacity to 15% of the assessed value of the real and personal property of the District, established by the County of Alameda as follows.

**TABLE 13**

### Debt Limitations

Fiscal Year Ended June 30	Total Asset Valuation at Full Value	Assessed Valuation at 25% of Full Value	Debt Limitations (15% thereof)	Less: General Obligation Bonds Authorized and		Remaining Bonding Capacity	Tax Rate for General Oblig. Bonds
				Outstanding	Unissued		
2023	\$ 17,760,123,178	\$ 4,440,030,795	\$ 666,004,619	none	(\$600,000)	\$ 665,404,619	N/A
2022	16,531,466,780	4,132,866,695	619,930,004	none	(600,000)	619,330,004	N/A
2021	15,847,475,328	3,961,868,832	594,280,325	none	(600,000)	593,680,325	N/A
2020	14,965,166,298	3,741,291,575	561,193,736	none	(600,000)	560,593,736	N/A
2019	14,178,242,472	3,544,560,618	531,684,093	none	(600,000)	531,084,093	N/A
2018	13,367,683,794	3,341,920,949	501,288,142	none	(600,000)	500,688,142	N/A
2017	12,681,845,778	3,170,461,445	475,569,217	none	(600,000)	474,969,217	N/A
2016	12,128,474,619	3,032,118,655	454,817,798	none	(600,000)	454,217,798	N/A
2015	11,076,435,677	2,769,108,919	415,366,338	none	(600,000)	414,766,338	N/A
2014	10,370,178,948	2,592,544,737	388,881,711	none	(600,000)	388,281,711	N/A

**TABLE 14**

### Ratio of Outstanding Debt to Number of Sewer Service Customers

Fiscal Year Ended June 30	Outstanding Debt by Type			Total Outstanding Debt	Number of Sewer Service Customers	Debt Per Customer
	2018 Wastewater Revenue Bonds	2021 WIFIA Bonds	California State Revolving Funds			
2023	\$ 12,584,106	\$ 6,122,056	\$ 8,289,614	\$ 26,995,776	48,114	\$ 561
2022	13,006,062	4,914,555	381,270	18,301,887	47,945	382
2021	13,413,017	-	-	13,413,017	47,392	283
2020	13,809,972	-	-	13,809,972	47,536	291
2019	14,206,927	-	-	14,206,927	47,262	301

**TABLE 15**

### Debt Coverage Ratio

Fiscal Year Ended June 30	Gross Revenues	Operating & Maintenance Costs (excl. depreciation and debt service)	Net Revenues	Debt Service (All Types)			Debt Coverage Ratio
				Principal	Interest	Total	
2023	\$ 34,267,041	\$ 27,085,970	\$ 7,181,071	\$ 420,000	\$ 423,837	\$ 843,837	8.51
2022	31,379,376	13,518,916	17,860,460	405,000	454,284	859,284	20.79
2021	29,140,381	21,624,041	7,516,340	395,000	443,295	838,295	8.97
2020	26,998,753	19,990,293	7,008,460	395,000	455,129	850,129	8.24
2019	25,598,112	19,140,230	6,457,882	-	335,886	335,886	19.23

## ORO LOMA SANITARY DISTRICT

### DEMOGRAPHIC & ECONOMIC INFORMATION

#### ~ DEMOGRAPHIC & ECONOMIC INDICATORS ~

Oro Loma Sanitary District was formed in 1911. The District's enabling legislation is the Sanitary Act of 1923 of the State Health & Safety Code, which empowers the District to provide sewer solid waste, and recycling services as a special district of local government.

The District encompasses 13 square miles, serving the communities of unincorporated Alameda County such as San Lorenzo, Ashland, Cherryland, Fairview, and designated areas in the Cities of Hayward and San Leandro.

It is located about 13 miles south of Oakland, and 30 miles north of San Jose, on the east shore of the San Francisco Bay.

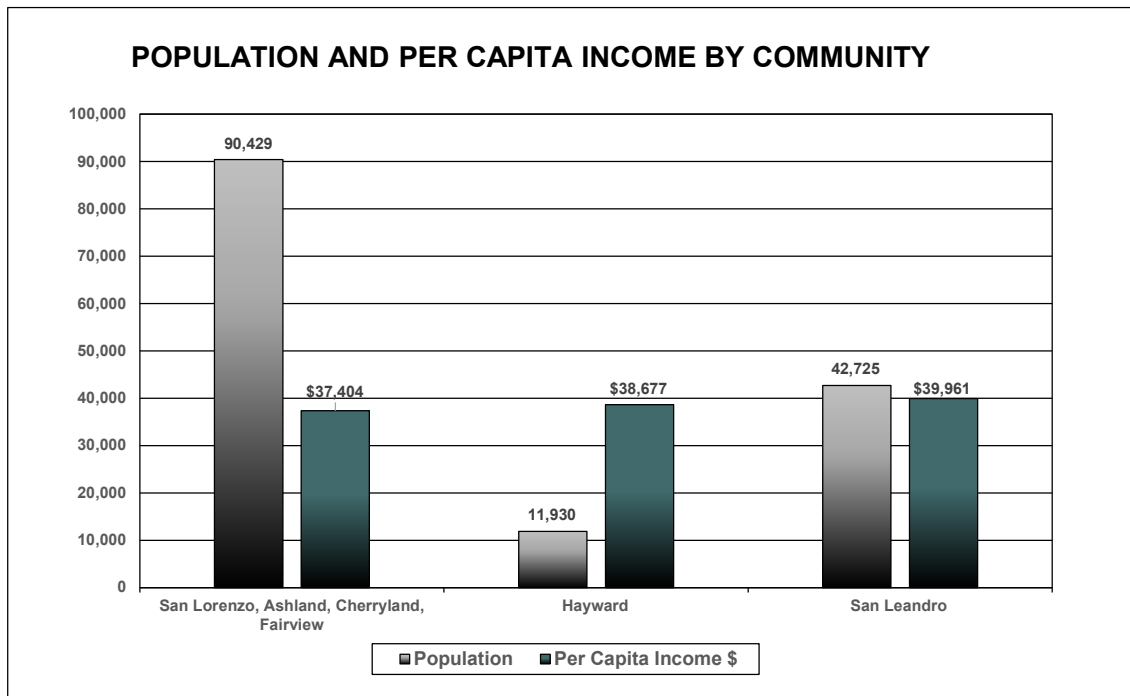
**TABLE 16**

#### Population, Per Capita Income & Unemployment Statistics

Source: U.S. Census Bureau 2017-2021; EDD Labor Market Information Division FY 2022-23

Indicator	Communities within the District's Boundaries Located in			All Areas
	San Lorenzo, Ashland, Cherryland, Fairview	Hayward	San Leandro	
Population	90,429	11,930	42,725	145,084
Per Capita Income	\$37,404	\$38,677	\$39,961	\$38,262
Unemployment rate	4.0%	3.8%	3.6%	3.9%

**GRAPH K**



# ORO LOMA SANITARY DISTRICT

## DEMOGRAPHIC & ECONOMIC INFORMATION ~ PRINCIPAL EMPLOYERS ~

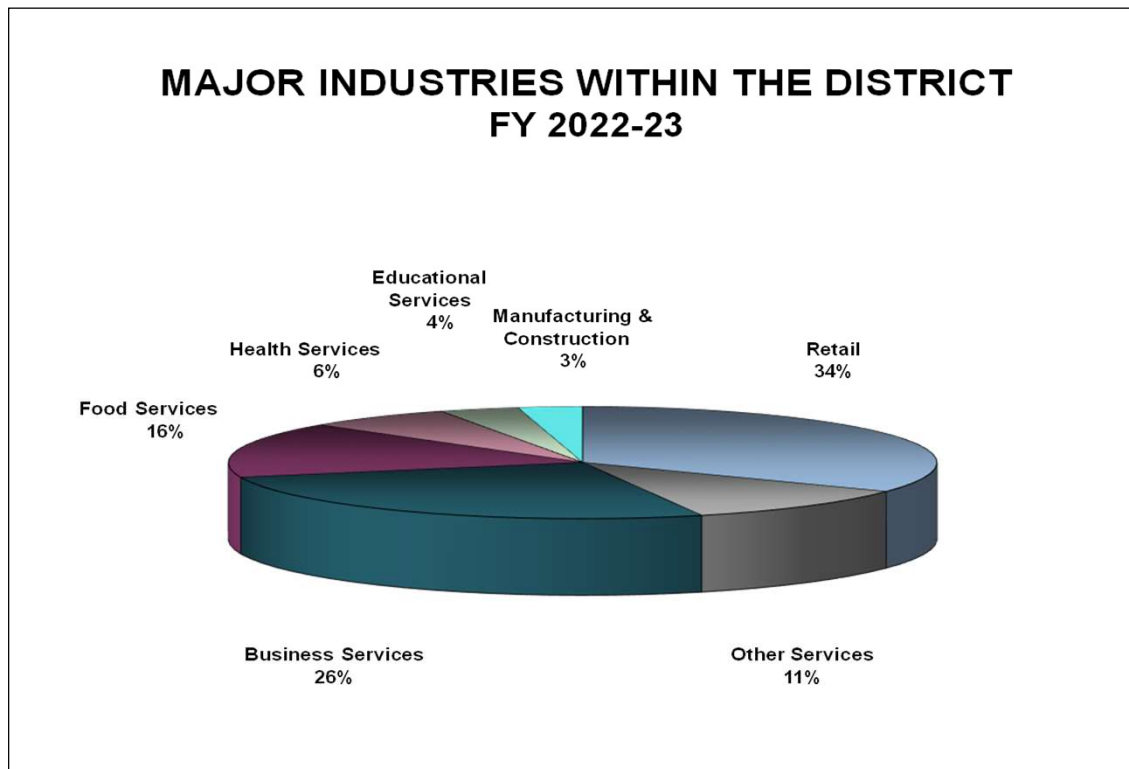
**TABLE 17**

### Major Employers Within the District

Source: Buzzfile company information database.

Employer	Type of Business	Number of Employees
Alameda Health System	Hospital	1144
San Lorenzo Unified School District	School district	1018
The Hillshire Brands	Food manufacturing	900
Ghirardelli Chocolate	Food manufacturing	378
Hayward Unified School District	School district	284
Save Mart	Grocery store	263
County of Alameda	Government services	232
Target	Department store	200
Kaiser Foundation Health Plan	Medical clinic	167
Santini	Food manufacturing	143
Safeway	Grocery store	140
Oakland Pallet	Pallet manufacturing	130
San Leandro Unified School District	School district	102
Washington Center	Rehabilitation services	100

**GRAPH L**



Source: 2022 East Bay Municipal Utility District water consumption and billing report.

# ORO LOMA SANITARY DISTRICT

## OPERATING INFORMATION

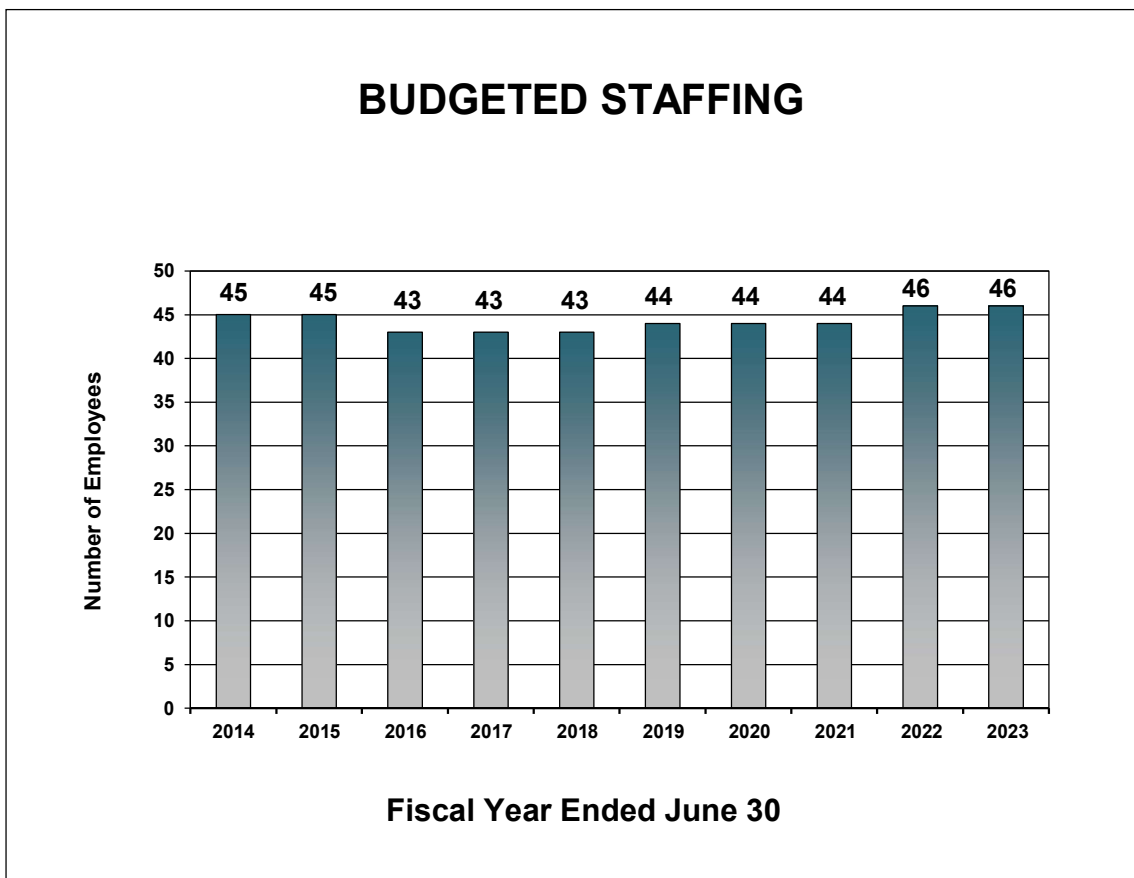
~ EMPLOYEE BASE ~

**TABLE 18**

### Budgeted Staffing by Department

Fiscal Year Ended June 30	Engineering	Collections	Operations	Maintenance	Administration	Solid Waste	Total
2023	5.0	9.0	15.0	10.0	7.0	0.0	46.0
2022	5.0	9.0	15.0	10.0	7.0	0.0	46.0
2021	4.0	8.0	15.0	10.0	7.0	0.0	44.0
2020	4.0	8.0	15.0	10.0	7.0	0.0	44.0
2019	4.0	8.0	15.0	10.0	7.0	0.0	44.0
2018	6.0	7.0	13.5	10.0	5.5	1.0	43.0
2017	6.0	7.0	13.5	10.0	5.5	1.0	43.0
2016	6.0	7.0	13.5	10.0	5.5	1.0	43.0
2015	5.0	8.0	15.5	10.0	5.5	1.0	45.0
2014	5.0	8.0	15.5	10.0	5.5	1.0	45.0

**GRAPH M**



# ORO LOMA SANITARY DISTRICT

## OPERATING INFORMATION

~ SERVICE INDICATORS ~

**TABLE 19**

### Proactive Sewer Line Maintenance and Results 2003-2022

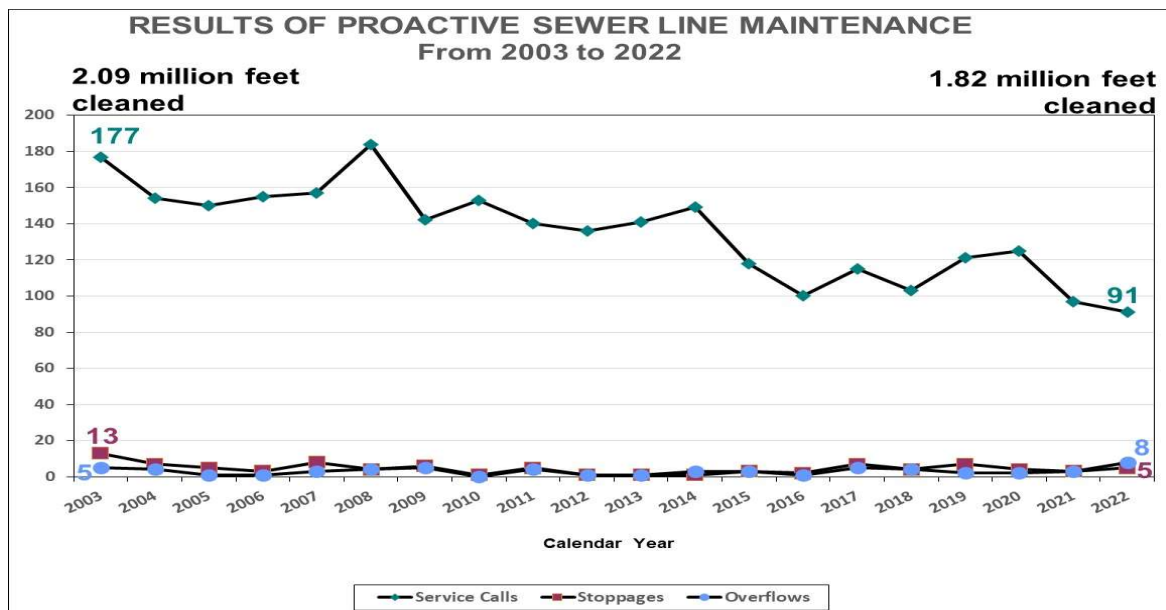
Calendar Year	Total Cleaned & CCTV'd (ft)	Monthly Average (ft)	Service Calls	Stoppages	Overflows
2022	1,817,997	151,499	91	5	*8
2021	1,842,012	153,501	97	3	3
2020	1,339,938	111,666	125	4	2
2019	1,783,992	148,666	121	7	2
2018	1,578,653	131,554	103	4	4
2017	1,873,595	156,133	115	7	5
2016	2,092,466	174,372	100	2	1
2015	2,006,671	167,223	118	3	3
2014	2,017,473	168,123	149	**1	3
2013	2,217,645	184,804	141	1	1
2012	2,103,762	175,314	136	1	1
2011	2,105,110	175,426	140	5	4
2010	2,200,451	183,371	153	1	-
2009	2,157,948	179,829	142	6	5
2008	2,170,078	180,840	***184	4	4
2007	2,092,457	174,371	157	8	3
2006	2,171,583	180,965	155	3	1
2005	2,189,737	182,478	150	5	1
2004	2,000,385	166,699	154	7	4
2003	2,092,140	174,345	177	13	5

\* 2022 Increased overflows occurred due to atmospheric storms.

\*\* 2014 - 2 overflows occurred on Blackstone Ct. Forcemain (no stoppage).

\*\*\* 2008 service calls showed a slight increase from 2007, as a result of the District's newsletter encouraging customers to report water leaks on the street to reduce sewer overflow response time and duration.

**GRAPH N**



# ORO LOMA SANITARY DISTRICT

## OPERATING INFORMATION

~ SERVICE INDICATORS ~

**TABLE 20**

### Sewer Connections & Construction Inspection Permits

Ordinance 35

Fiscal Year Ended June 30	Reso.	Number of Connections Made	Connection Base Fee	Connection Fee Revenues	Number of Construction Permits Issued*	Permit & Inspection Base Fee	Permit & Inspection Revenues*
2023	3713	96	\$ 6,919	\$ 678,221	335	\$ 280	\$ 159,956
2022	3713	60	6,919	473,450	314	280	109,432
2021	3627	500***	6,919	3,562,303	339	280	125,294
2020	3627	24	6,919	171,739	310	280	228,816
2019	3627	81	6,919	560,015	351	280	143,756
2018	3627	39	6,919	399,277	378	280	220,686
2017	3627	51	6,919	609,335	322	280	107,678
2016	3536	43	6,919	298,612	289	280	105,735
2015	3536	164**	6,555	1,076,699	286	280	120,624
2014	3536	21	6,555	135,600	257	280	75,691

\* The information presented in this table excludes industrial waste permits.

\*\* In 2015, two major housing developments contributed a total of \$900,944 in connection fees (140 connections).

\*\*\* In 2021, a mixed-use development contributed a total of \$3,321,120 in connection fees (6 commercial and 474 residential connections).

**TABLE 21**

### Treatment Plant Flow

Calendar Year	Average Daily (MGD)*					Maximum Daily (MGD)*			
	Annual Rainfall (inches)***	Total Plant Flow	Plant Flow	Plant Flow	% of Total Plant Flow	Total Plant Flow	Plant Flow From OLSD	Plant Flow From CVSD	% of Total Plant Flow From CVSD
			From OLSD	From CVSD**	From CVSD				
2022	10.5	10.1	6.7	3.4	33.7%	68.5	57.3	31.7	46.3%
2021	19.0	12.0	8.7	3.2	27.5%	40.1	24.7	15.4	38.3%
2020	17.8	11.0	7.9	3.1	28.2%	18.4	12.5	5.9	31.9%
2019	19.8	13.3	9.6	3.7	27.8%	35.9	23.7	12.2	34.1%
2018	11.1	12.1	8.6	3.5	28.9%	40.0	24.7	15.3	38.3%
2017	18.0	14.8	10.6	4.2	28.4%	56.1	37.2	18.9	33.7%
2016	14.4	12.9	9.6	3.3	25.6%	43.6	28.8	14.8	33.9%
2015	7.8	11.3	8.5	2.8	24.3%	28.6	19.5	9.1	31.7%
2014	14.5	12.5	9.3	3.2	25.6%	50.1	35.8	14.3	28.5%
2013	2.7	12.3	9.1	3.2	26.0%	16.9	12.0	4.9	29.0%

\*MGD stands for millions gallons per day

\*\*Oro Loma Sanitary District (OLSD) provides treatment services for Castro Valley Sanitary District (CVSD) based on agreement. These flows are measured separately. CVSD is billed for Agency Treatment Charges quarterly, based on the share of total plant flow it contributes.

# ORO LOMA SANITARY DISTRICT

## OPERATING INFORMATION

~ SERVICE INDICATORS ~

**TABLE 22**

### Sewage Treatment Plant Performance Reporting

Calendar Year	Effluent* Quality (Average Monthly)				Plant Electrical Demand (Average Monthly)		
	CBOD** (mg/l)	CBOD % of Removal	TSS** (mg/l)	TSS % of Removal	Generated*** (By OLSD)	Purchased (Other Sources)	% Produced
2022	6	98%	5	99%	478,966	184,295	72%
2021	5	98%	6	98%	564,468	145,092	74%
2020	5	98%	6	98%	571,236	90,114	86%
2019	6	98%	8	97%	545,338	72,928	88%
2018	4	98%	5	99%	494,200	71,022	89%
2017	5	98%	7	98%	487,085	60,391	88%
2016	4	99%	5	99%	516,044	38,565	93%
2015	5	98%	6	99%	497,971	53,102	87%
2014	4	98%	6	99%	496,260	35,634	94%
2013	5	98%	6	99%	541,967	36,158	94%

\* Effluent is the water discharged at the end of the treatment process. Standards are mandated by the EPA and Clean Water Act, to ensure that the contents of the effluent do not pose any environmental hazards.

\*\* CBOD = Carbonaceous Biochemical Oxygen Demand; TSS = Total Suspended Solids

\*\*\* Generated value equals Co-Gen & Solar as of 2011.

### Solid Waste, Recycling & Green Waste Services

The District contracts with Waste Management to provide trash, recycling and organics collection services to its customers. The District and Waste Management entered into a new agreement effective January 1, 2023, with an expiration date of December 31, 2037. Highlights of the agreement are included below.

**TABLE 23**

### Highlights of Solid Waste, Recycling & Green Waste Services

Residential Trash Routes per day	9
Residential Recycle Routes per day	5
Residential Organics Routes per day	6
Other Services Provided:	
<ul style="list-style-type: none"> <li>Residential single-family properties entitled to two bulky collections per year at no cost.</li> <li>Curbside collection of household batteries, motor oil, and motor oil filters for residential single-family properties at no cost.</li> <li>Public schools within the District receive recycling and organics collection services at no cost.</li> <li>Public schools within the L3 area of the District receive trash collection service at no cost.</li> <li>Dedicated full-time WM Recycling Education Representative for the District's commercial and multi-family customers.</li> <li>Public education funds budgeted to promote proper sorting education and environmental awareness.</li> <li>Community clean-up collections of bagged litter up to five times per week, up to two cubic yards per collection, at no cost.</li> <li>120 cubic yards of collection services for District Sponsored Events per year, at no cost.</li> <li>District facilities and properties receive collection services, at no cost.</li> <li>Collection service for public street cans located within the District, at no cost.</li> <li>Businesses receive 1-95 organics cart with 1x week collection, at no cost.</li> </ul>	

# ORO LOMA SANITARY DISTRICT

## OPERATING INFORMATION

~ CAPITAL ASSETS ~



**TABLE 24**

### Sewage Treatment Facilities

Sewage treatment plant with 20 mgd permitted capacity, consisting of but not limited to the following structures and equipment.

- 2 Barscreens and 1 Grit Chamber
- 2 Influent Pump Units
- 3 Primary Clarifiers
- 24 Fine Bubble Diffuser Systems and 4 Aeration Basins
- 3 High Speed Blowers and 1 Hybrid Blower
- 3 Secondary Clarifiers
- 1 Gravity Belt Thickener
- 6 Sludge Digesters
- 2 Belt Filter Presses
- 1 Cogeneration System, consisting of:
  - 2 Digester Gas Engines - 360 kW each
  - 1 Siloxane Gas Filtration System
  - 1 Heat Recovery System
- 1 Boiler
- 1 RAS/WAS Pumping Station
- 1 Disinfection System
- 1 Waste Grease Receiving System
- Solar Sludge Drying Beds
- Equalization Basin
- Fleet of service vehicles and other equipment, including:
  - 1 Pretreatment Van
  - 10 Plant Service Vehicles
  - 3 Dump Trucks
  - 1 Dozer
  - 1 Water Truck
  - 7 Electric Carts
  - 1 Backhoe
  - 1 Tractor
  - 1 Wheel Loader
  - 1 Forklift

### Sewage Collection Facilities

- 271.4 miles of sewer lines
- 12 remote lift stations
- 6104 manholes
- Fleet of service vehicles, consisting of:
  - 3 Hydrojetter Trucks
  - 1 Rodder
  - 1 Vacuum Truck
  - 2 CCTV Vans
  - 7 Collection/Engineering Service Trucks
  - 2 Lift Station Service Trucks