

**EAST BAY DISCHARGERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**EAST BAY DISCHARGERS AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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## **East Bay Dischargers Authority**

### **Commission**

**June 30, 2025**

| <b>Member Agency and Representatives</b>                        | <b>Office</b>             |
|---|---------------------------|
| Oro Loma Sanitary District<br>Shelia Young<br>Benny Lee         | Chair<br>Alternate        |
| Castro Valley Sanitary District<br>Ralph Johnson<br>Dave Sadoff | Vice-Chair<br>Alternate   |
| City of San Leandro<br>Bryan Azevedo<br>Fred Simon              | Commissioner<br>Alternate |
| City of Hayward<br>Angela Andrews<br>Julie Roche                | Commissioner<br>Alternate |
| Union Sanitary District<br>Jennifer Toy<br>Anjali Lathi         | Commissioner<br>Alternate |

Member agencies presented in the order of the Commission chair rotation, which changes annually.

### **Management Team**

Jacqueline T. Zipkin  
General Manager/Treasurer-Controller

Howard Cin  
Operations and Maintenance Manager

Juanita Villaseñor  
Administration Manager

To the Board of Directors  
East Bay Dischargers Authority

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

### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the East Bay Dischargers Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the East Bay Dischargers Authority'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 East Bay Dischargers Authority, as of June 30, 2025, and the respective changes in financial position, and, where applicable, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the East Bay Dischargers Authority 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 East Bay Dischargers Authority'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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 East Bay Dischargers Authority'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 East Bay Dischargers Authority's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Pension and Other Post-Employment Benefits schedules 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 East Bay Dischargers Authority'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 December 11, 2025, on our consideration of the East Bay Dischargers Authority'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 East Bay Dischargers Authority'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 East Bay Dischargers Authority's internal control over financial reporting and compliance.



CROPPER ROWE, LLP

Walnut Creek, California

December 11, 2025

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## **East Bay Dischargers Authority**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025**

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This section of the Authority's Independent Audit Report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2025. It is intended to serve as an overview of the Authority's required financial statements. Please read it in conjunction with the Authority's financial statements and accompanying notes, which follow this section.

#### **ORGANIZATION AND BUSINESS**

The East Bay Dischargers Authority (Authority) is a joint powers agency that discharges the treated effluent of approximately one million Alameda County residents through a deep-water outfall to the San Francisco Bay for the protection of public health and the environment. The Authority's Member Agencies are, in alphabetical order, the Castro Valley Sanitary District, the City of Hayward, the City of San Leandro, the Oro Loma Sanitary District, and the Union Sanitary District. These Member Agencies first entered into a Joint Exercise of Powers Agreement on February 15, 1974, forming the Authority. The Agreement was amended and supplemented at several points over the years, and most recently was amended and restated effective July 1, 2020. The Authority is governed by a five-member Commission consisting of one elected official appointed by each Member Agency. The Authority owns and operates three pump stations, a transport pipeline, a dechlorination facility, and an outfall and diffuser system.

Per an Amended and Restated Master Agreement dated July 1, 2021, the Authority conveys treated effluent into the San Francisco Bay from the Livermore-Amador Valley Water Management Agency, a joint powers agency made up of the cities of Livermore and Pleasanton, and the Dublin San Ramon Services District.

On June 5, 2021, the Authority signed an agreement with the Dublin-San Ramon Services District permitting and providing the Authority with compensation for the long-term discharge of brine from the Zone 7 Water Agency. The Zone 7 Water Agency is a water wholesale utility located in Livermore and serving the Tri-Valley region's water retailers to ensure that adequate water resources are available to water customers in eastern Alameda County.

#### **KEY FINANCIAL HIGHLIGHTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- In 2025, management reviewed asset records and implemented enhanced procedures to ensure the timely identification and removal of assets that no longer provide service potential. As a result, the beginning net position has been restated to reflect the write-off of certain capital assets determined to be no longer in service. This adjustment was necessary to ensure the accuracy of reported asset values and compliance with applicable accounting standards. The restatement reduces previously reported net position by \$665,410 but does not affect current-period operations or cash flows. Please see financial statement Note 14 for additional details.
- The Authority had a total net position of \$24,917,514 on June 30, 2025, reflecting a decrease of \$1,640,842 or 6.2% from the prior year's net position of \$26,558,355.
- The Authority's total operating revenues were \$5,967,091 on June 30, 2025, 82% of which was derived from Member assessments. This reflects a slight increase over the previous

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

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year, when the Authority's total operating revenues were \$5,614,206 on June 30, 2024, 81% of which was derived from Member assessments.

- The Authority's total operating expenses were \$6,739,020 on June 30, 2025, and were comprised 13% from depreciation and 87% from operations and maintenance costs (excluding depreciation expense). This can be compared with the June 30, 2024, total operating expenses \$6,158,208, and were comprised 15% from depreciation and 85% from operations and maintenance costs (excluding depreciation expense).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report includes the Management's Discussion and Analysis report, the Independent Auditors' report, and the Basic Financial Statements of the Authority. The financial statements also include notes that explain the information in the financial statements in more detail.

## BASIC FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority's accounting methods, which are similar to those used by private sector companies. These statements have been prepared and audited using generally accepted accounting standards. These required statements offer short-term and long-term financial information about the Authority's activities and are often used to assess the financial position and health of the Authority.

The Statement of Net Position includes all of the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources. It also provides information about the nature and amounts of investments in resources and obligations to creditors, and it provides the basis for evaluating the capital structure of the Authority.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all revenues and expenses during the reporting period. This statement reflects the result of Authority operations over the past fiscal year as well as non-operating revenues, expenses, and contributed capital.

The Statement of Cash Flows provides information on the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operational, capital, and investing activities. It also identifies the sources and uses for the cash and changes in the cash balances.

## FINANCIAL ANALYSIS OF THE AUTHORITY

One of the most important questions asked about Authority finances is whether the Authority's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report on the net position of the Authority as well as related changes. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position is one of many indicators used to ascertain if its financial health is improving or

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

#### STATEMENT OF NET POSITION ANALYSIS

The composition of the Authority's net position on June 30, 2025, is presented by category and in comparison to the prior year in the following table.

| <b>Table 1 - Summary of Net Position</b> |                   |                   |                    |                |
|--|-------------------|-------------------|--------------------|----------------|
|  | 2025              | 2024 Restated     | Dollar Change      | Percent Change |
| <b>Assets</b>                            |                   |                   |                    |                |
| Current Assets                           | 4,014,555         | 4,333,191         | (318,636)          | -7.4%          |
| Noncurrent Assets                        | 22,604,586        | 23,993,135        | (1,388,549)        | -5.8%          |
| <b>Total Assets</b>                      | <b>26,619,141</b> | <b>28,326,326</b> | <b>(1,707,185)</b> | <b>-6.0%</b>   |
| Deferred outflow of resources:           |                   |                   |                    |                |
| Pension related                          | 402,462           | 611,194           | (208,732)          | -34.2%         |
| OPEB related                             | 53,670            | 32,294            | 21,376             | 66.2%          |
| <b>Liabilities</b>                       |                   |                   |                    |                |
| Current Liabilities                      | 921,339           | 1,411,739         | (490,400)          | -34.7%         |
| Noncurrent Liabilities                   | 1,014,352         | 728,395           | 285,957            | 39.3%          |
| <b>Total Liabilities</b>                 | <b>1,935,691</b>  | <b>2,140,134</b>  | <b>(204,443)</b>   | <b>-9.6%</b>   |
| Deferred inflow of resources:            |                   |                   |                    |                |
| Pension related                          | 155,163           | 169,506           | (14,343)           | -8.5%          |
| OPEB related                             | 66,906            | 101,819           | (34,913)           | -34.3%         |
| <b>Net Position</b>                      |                   |                   |                    |                |
| Net Investment in Capital Assets         | 22,604,586        | 23,993,135        | (1,388,549)        | -5.8%          |
| Restricted                               | -                 | -                 | -                  | -              |
| Unrestricted                             | 2,312,927         | 2,565,220         | (252,293)          | -9.8%          |
| <b>Total Net Position</b>                | <b>24,917,514</b> | <b>26,558,355</b> | <b>(1,640,842)</b> | <b>-6.2%</b>   |

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

The following table shows the changes in net position from fiscal year 2024 to fiscal year 2025.

| <b>Table 2 - Changes in Net Position</b> |                  |                  |                  |                |
|--|------------------|------------------|------------------|----------------|
|  | 2025             | 2024             | Dollar Change    | Percent Change |
| <b>Revenues</b>                          |                  |                  |                  |                |
| Operating Revenues:                      |                  |                  |                  |                |
| Charges for Services                     | 5,967,091        | 5,614,206        | 352,885          | 6.3%           |
| Nonoperating Revenues:                   |                  |                  |                  |                |
| Interest Income                          | 138,162          | 147,603          | (9,441)          | -6.4%          |
| Gain (loss) on disposal of fixed assets  | -                | -                | -                | -              |
| Cargill Other Revenue                    | 186,553          | 76,479           | 110,074          | 143.9%         |
| Zone 7 Brine (DSRSD)                     | 20,000           | 20,000           | -                | 0.0%           |
| Federal Grant Revenue                    | 48,423           | 271,435          | (223,012)        | -82.2%         |
| <b>Total Revenues</b>                    | <b>6,360,229</b> | <b>6,129,723</b> | <b>230,506</b>   | <b>3.8%</b>    |
| <b>Expenses</b>                          |                  |                  |                  |                |
| Operating Expenses:                      |                  |                  |                  |                |
| Discharge Services                       | 6,739,020        | 6,158,208        | 580,812          | 9.4%           |
| Nonoperating Expenses:                   |                  |                  |                  |                |
| UEPS Capital Costs                       | 420,000          | 420,000          | -                | 0.0%           |
| Cargill Other Expense                    | -                | 62,274           | (62,274)         | -100.0%        |
| Cargill Project Management               | 26,167           | 14,204           | 11,963           | 84.2%          |
| Bruce Wolfe Memorial                     | 1,000            | 1,000            | -                | 0.0%           |
| Federal Grant Expense                    | 149,473          | 271,435          | (121,962)        | -44.9%         |
| <b>Total Expenses</b>                    | <b>7,335,660</b> | <b>6,927,121</b> | <b>408,539</b>   | <b>5.8%</b>    |
| <b>Changes in Net Position</b>           | <b>(975,432)</b> | <b>(797,398)</b> | <b>(178,033)</b> | <b>-22.3%</b>  |

Interest earnings in Revenues, which reflect assets held in the State of California's Local Agency Investment Fund and in the California Asset Management Program's CAMP Pool, decreased by 6.4%. Discharge services in Expenses decreased by 9.4% in the Proprietary funds.

EBDA's work associated with the Cargill Project is fully reimbursable. Between FY 2022/2023 and FY 2023/2024, EBDA decreased its efforts related to the project significantly while Cargill reevaluates the proposed pipeline route. Corresponding reductions from year to year were seen last year in Cargill Other Revenue (-90.8%), Cargill Other Expense (-91.6%), and Cargill Project Management (-82.5%). However, activity increased again, pending Cargill's completion of the new pipeline design. Corresponding changes from year to year for the 2025 fiscal year were seen in Cargill Other Revenue (up by 143.9%), Cargill Other Expenses were zero (-100%), and Cargill Project Management were also up (84.2%).

## East Bay Dischargers Authority

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

#### FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

The Authority's Statements of Net Position reports a combined net position of \$24,917,514 which is a 3.8% decrease from last year's total of \$25,892,946. Table 3 provides an analysis of the Authority's net position by Fund and the total change from the prior fiscal year.

| <b>Table 3 - Summary of Funds Net Position</b> |                   |                   |                        |                   |
|--|-------------------|-------------------|------------------------|-------------------|
| Funds  | 2025              | 2024 Restated     | Increase<br>(Decrease) | Percent<br>Change |
| Operations and Maintenance                     | 22,226,887        | 23,412,878        | (1,185,991)            | -5.1%             |
| Water Recycling                                | 111,043           | 130,955           | (19,912)               | -15.2%            |
| Renewal and Replacement                        | 2,285,073         | 1,985,475         | 299,598                | 15.1%             |
| Planning and Special Studies                   | 154,510           | 243,637           | (89,127)               | -36.6%            |
| Brine Acceptance                               | 140,001           | 120,001           | 20,000                 | 16.7%             |
| Capital Projects                               | -                 | -                 | -                      | -                 |
| <b>Total Proprietary Funds Net Position</b>    | <b>24,917,514</b> | <b>25,892,946</b> | <b>(975,432)</b>       | <b>-3.8%</b>      |

#### CAPITAL ASSETS

The Authority's investment in capital assets for FY 2024/2025 totaled \$22,604,586 net of accumulated depreciation. This investment in capital assets includes land, a right-to-use lease, permanent easements, building and structures, sewage and disposal facilities, the data acquisition system, water recycling facilities, subsurface lines, office equipment, field equipment, and automotive equipment. This amount represents a reduction of 5.8%, or \$1,388,548, and reflects the previously mentioned \$665,410 restatement as well as the net effect of capital asset additions and depreciation.

| <b>Table 4 - Summary of Capital Assets Net of Depreciation</b> |                   |                   |                    |                   |
|--|-------------------|-------------------|--------------------|-------------------|
| Capital Asset  | 2025              | 2024 Restated     | Dollar<br>Change   | Percent<br>Change |
| Land   | 10,161            | 10,161            | -                  | 0.0%              |
| Right-to-use lease   | -                 | 6,450             | (6,450)            | -100.0%           |
| Permanent Easements  | 432,178           | 432,178           | -                  | 0.0%              |
| Construction in progress                                       | 694,429           | 674,523           | 19,906             | 0.0%              |
| Building and Structures  | 715,835           | 783,708           | (67,873)           | -8.7%             |
| Sewage and Disposal Facilities                                 | 17,372,223        | 19,014,854        | (1,642,631)        | -8.6%             |
| Data Acquisition System  | 484,844           | 602,924           | (118,080)          | -19.6%            |
| Water Recycling Facilities                                     | 671,940           | 766,680           | (94,740)           | -12.4%            |
| Subsurface Lines   | 36,191,184        | 36,369,660        | (178,476)          | -0.5%             |
| Office Equipment   | 87,693            | 189,124           | (101,431)          | -53.6%            |
| Field Equipment  | 57,912            | 71,054            | (13,142)           | -18.5%            |
| Automotive Equipment   | 42,667            | 42,667            | -                  | 0.0%              |
| Accumulated Depreciation                                       | (34,156,479)      | (34,970,848)      | 814,369            | -2.3%             |
| <b>Total Capital Assets Net</b>                                | <b>22,604,586</b> | <b>23,993,135</b> | <b>(1,388,548)</b> | <b>-5.8%</b>      |

## **East Bay Dischargers Authority**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025**

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#### **ECONOMIC FACTORS & OUTLOOK FOR THE FUTURE**

The Authority's Commission adopts an annual budget, which serves as the Authority's approved financial plan, and operational guide. The Authority's operations and capital projects are fully funded by the Member Agencies and the Livermore-Amador Valley Water Management Agency. The approved budget is used as a key management control device to establish amounts by line-item accounts, identify projects for operations and maintenance activities, and monitor expenses to ensure that approved spending levels have not been exceeded.

Significant economic factors affecting the Authority are as follows:

- An Amended and Restated Joint Powers Agreement (JPA) for the Authority was adopted in October 2019 and went into effect on July 1, 2020. The new JPA modified the allocation of costs among the Member Agencies. The new JPA also modified Member Agencies' financial responsibilities in the event of a failure of the treated effluent transport system; a failure could occur, for example, as a result of an earthquake. Finally, under the amended and restated JPA, ownership of the San Leandro Effluent Pump Station, pipeline, and associated assets were transferred to the City of San Leandro, and an alternate approach to funding and managing capital projects at the Union Effluent Pump Station (formerly Alvarado Effluent Pump Station) took effect.
- The Authority also executed an Amended and Restated Master Agreement with the Livermore-Amador Valley Water Management Agency (LAVWMA). The new agreement, which went into effect on July 1, 2021, extends LAVWMA's authorization to discharge through the Authority's system through June 30, 2040, and increases LAVWMA's share of O&M and certain capital costs.
- On June 5, 2021, the Authority also signed a related agreement with the Dublin-San Ramon Services District permitting and providing the Authority with compensation for the long-term discharge of brine from the Zone 7 Water Agency.
- The increasing age of the Authority's infrastructure will require increased capital spending from its Renewal and Replacement Fund. A study of EBDA's subsurface lines showed that their useful life is longer than expected, likely another 20-50 years, barring an earthquake or other uncontrollable event. EBDA completed an update of its Asset Management Plan in 2019, which lays out required investments for the renewal of non-linear assets over the next 20 years. The estimated total investment cost over 20 years is approximately \$11.3 million. Although the Authority has not performed a full condition assessment since that time, staff estimates that these values continue to be representative of the remaining useful life of its capital assets.
- Issues affecting CalPERS' investment performance have an impact on the Authority's long-term salary and benefit costs. EBDA mitigated much of that risk by making additional discretionary payments to its California Employers' Retiree Benefit Trust (CERBT) Fund and pension funds in FY 2019/2020, but additional payments may still be necessary in the future to maintain the Authority's target funding goals, depending on performance.

## **East Bay Dischargers Authority**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025**

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- The Authority is currently negotiating a long-term agreement with Cargill, Inc. regarding the discharge of mixed sea salt brine from Cargill's solar salt facility in Newark through the Authority's system. The Operating Agreement, which would likely take effect sometime between 2031 and 2033, would provide terms through which the Authority would be protected from any deleterious effects of the brine on the Authority; it would also specify compensation terms. Per a Term Sheet approved by the Authority and Cargill in July 2020, Cargill would pay the Authority a capacity fee as well as ongoing use fees.

#### **CONTACTING THE AUTHORITY**

This financial report is designed to provide the public, our JPA members, and creditors with a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

General Manager  
East Bay Dischargers Authority  
2651 Grant Avenue  
San Lorenzo, CA 94580  
(510) 278-5910

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## **BASIC FINANCIAL STATEMENTS**

**East Bay Dischargers Authority**  
**Statements of Net Position**  
**As of June 30, 2025 and 2024**

|  | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|--|------------------------|------------------------|
| <b>Assets</b>                              |                        |                        |
| Current Assets:                            |                        |                        |
| Cash and investments (Note 3)              | \$ 3,758,237           | \$ 3,815,396           |
| Interest receivable                        | 21,051                 | 21,640                 |
| Accounts receivable                        | 153,045                | 32,094                 |
| Due from other governments:                |                        |                        |
| Member Agencies                            | (109,337)              | 38,146                 |
| Other agencies                             | (13,337)               | 228,175                |
| Inventory                                  | 155,672                | 153,441                |
| Prepaid expenses                           | 46,354                 | 41,653                 |
| Deposits                                   | 2,871                  | 2,646                  |
|  | <u>4,014,555</u>       | <u>4,333,191</u>       |
| <b>Total Current Assets</b>                |                        |                        |
| Noncurrent Assets:                         |                        |                        |
| Capital assets (Note 4):                   |                        |                        |
| Land                                       | 10,161                 | 10,161                 |
| Right-to-use lease asset                   | -                      | 6,450                  |
| Permanent easements                        | 432,178                | 432,178                |
| Construction in progress                   | 694,429                | 674,523                |
| Buildings and structures                   | 715,835                | 783,708                |
| Sewage disposal facilities                 | 17,372,223             | 19,014,854             |
| Data acquisition system                    | 484,844                | 602,924                |
| Water recycling facilities                 | 671,940                | 766,680                |
| Subsurface lines                           | 36,191,184             | 36,369,660             |
| Office equipment                           | 87,693                 | 189,124                |
| Field equipment                            | 57,912                 | 71,054                 |
| Automotive equipment                       | 42,667                 | 42,667                 |
| Less: accumulated depreciation             | (34,156,479)           | (34,970,848)           |
|  | <u>22,604,586</u>      | <u>23,993,135</u>      |
| <b>Total Capital Assets - Net</b>          |                        |                        |
| Other noncurrent assets                    |                        |                        |
| Net Pension Asset                          | -                      | -                      |
| Net OPEB Asset                             | -                      | -                      |
|  | <u>-</u>               | <u>-</u>               |
| <b>Total Other Noncurrent Assets</b>       |                        |                        |
|  | -                      | -                      |
| <b>Total Noncurrent Assets - Net</b>       |                        |                        |
|  | <u>22,604,586</u>      | <u>23,993,135</u>      |
| <b>Total Assets</b>                        |                        |                        |
|  | <u>26,619,141</u>      | <u>28,326,326</u>      |
| <b>Deferred Outflow of Resources</b>       |                        |                        |
| Pension related (Note 8)                   | 402,462                | 611,194                |
| OPEB related (Note 9)                      | 53,670                 | 32,294                 |
|  | <u>456,132</u>         | <u>643,488</u>         |
| <b>Total Deferred Outflow of Resources</b> |                        |                        |

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
**Statements of Net Position**  
**As of June 30, 2025 and 2024**

|   | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|---|------------------------|------------------------|
| <b>Liabilities</b>                              |                        |                        |
| Current Liabilities:                            |                        |                        |
| Accrued claims payable                          | 386,087                | 552,155                |
| Accounts payable- contract retention            | -                      | 105,690                |
| Accrued expenses                                | 144,429                | (80)                   |
| Current portion of right-to-use lease liability | -                      | 6,450                  |
| Due to other governments:                       |                        |                        |
| Member agencies                                 | 322,307                | 657,819                |
| Other agencies                                  | 68,515                 | 89,705                 |
|   | <u>921,339</u>         | <u>1,411,739</u>       |
| Total Current Liabilities                       |                        |                        |
| Noncurrent Liabilities:                         |                        |                        |
| Right-to-use lease liability                    | -                      | -                      |
| Net pension liability (Note 8)                  | 574,305                | 587,810                |
| Net OPEB liability (Note 9)                     | 282,554                | 5,159                  |
| Compensated absences                            | 157,493                | 135,426                |
|   | <u>1,014,352</u>       | <u>728,395</u>         |
| Total Noncurrent Liabilities                    |                        |                        |
| <b>Total Liabilities</b>                        | <u>1,935,691</u>       | <u>2,140,134</u>       |
| <b>Deferred Inflow of Resources</b>             |                        |                        |
| Pension related (Note 8)                        | 155,163                | 169,506                |
| OPEB related (Note 9)                           | 66,906                 | 101,819                |
|   | <u>222,069</u>         | <u>271,325</u>         |
| <b>Total Deferred Inflow of Resources</b>       |                        |                        |
| <b>Net Position</b>                             |                        |                        |
| Net Investment in Capital Assets                | 22,604,586             | 23,993,135             |
| Restricted                                      | -                      | -                      |
| Unrestricted                                    | 2,312,927              | 2,565,220              |
|   | <u>24,917,514</u>      | <u>26,558,355</u>      |
| <b>Total Net Position</b>                       | <u>\$ 24,917,514</u>   | <u>\$ 26,558,355</u>   |

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Years Ended June 30, 2025 and 2024

|  | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|--|------------------------|------------------------|
| Operating Revenues:                          |                        |                        |
| Member assessments                           | \$ 4,897,254           | \$ 4,562,979           |
| LAVWMA assessments                           | 1,030,223              | 1,012,134              |
| Sale of reclaimed water                      | 36,000                 | 36,000                 |
| Other operating revenues                     | 3,614                  | 3,094                  |
| Total Operating Revenues                     | <u>5,967,091</u>       | <u>5,614,206</u>       |
| Operating Expenses:                          |                        |                        |
| Personnel services                           | 1,365,548              | 1,121,784              |
| Depreciation                                 | 876,021                | 912,488                |
| Professional services                        | 577,692                | 361,433                |
| Monitoring                                   | 502,349                | 505,082                |
| Contract services                            | 51,880                 | 45,696                 |
| Operating supplies                           | 465,792                | 398,820                |
| Utilities                                    | 886,544                | 908,914                |
| Insurance                                    | 86,265                 | 85,515                 |
| Commissioners' compensation                  | 38,733                 | 37,007                 |
| Rents and fees                               | 981,435                | 938,866                |
| Repairs and maintenance                      | 724,756                | 668,732                |
| Dues   | 169,174                | 162,107                |
| Travel and meetings                          | 10,397                 | 9,684                  |
| Other general administrative                 | 2,435                  | 2,081                  |
| Total Operating Expenses                     | <u>6,739,020</u>       | <u>6,158,208</u>       |
| Operating Income (Loss)                      | <u>(771,929)</u>       | <u>(544,002)</u>       |
| Nonoperating Revenues (Expenses):            |                        |                        |
| Interest income                              | 138,162                | 147,603                |
| Gain (loss) on disposal of fixed assets      | -                      | -                      |
| UEPS Capital Costs                           | (420,000)              | (420,000)              |
| Cargill other revenue                        | 186,553                | 76,479                 |
| Cargill other expense                        | -                      | (62,274)               |
| Cargill project management                   | (26,167)               | (14,204)               |
| Zone 7 Brine (DSRSD)                         | 20,000                 | 20,000                 |
| Bruce Wolfe Memorial                         | (1,000)                | (1,000)                |
| Federal grant revenue                        | 48,423                 | 271,435                |
| Federal grant expense                        | (149,473)              | (271,435)              |
| Total Nonoperating Revenues (Expenses)       | <u>(203,503)</u>       | <u>(253,396)</u>       |
| Other Financing Sources (Uses):              |                        |                        |
| Transfers in (Note 7)                        | 178,392                | 825,241                |
| Transfers out (Note 7)                       | (178,392)              | (825,241)              |
| Total Other Financing Sources (Uses)         | <u>-</u>               | <u>-</u>               |
| Change in Net Position                       | <u>(975,432)</u>       | <u>(797,398)</u>       |
| Net Position Beginning, as previously stated | 26,558,355             | 27,355,753             |
| Prior period adjustment (Note 14)            | (665,410)              | -                      |
| Net Position Beginning, as restated          | <u>25,892,946</u>      | <u>27,355,753</u>      |
| Net Position Ending                          | <u>\$ 24,917,514</u>   | <u>\$ 26,558,355</u>   |

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
**Statement of Cash Flows**  
For the Fiscal Years Ended June 30, 2025 and 2024

|  | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|--|------------------------|------------------------|
| Cash Flows from Operating Activities:                                    |                        |                        |
| Cash received from members   | \$ 4,579,957           | \$ 4,985,004           |
| Cash received from LAVWMA  | 1,119,680              | 1,106,593              |
| Cash received from others  | 168,882                | 37,828                 |
| Cash payments for personnel services                                     | (868,601)              | (828,940)              |
| Cash payments to suppliers for goods and services                        | (4,573,881)            | (3,848,111)            |
| Net Cash Provided (Used) by Operating Activities                         | <u>426,037</u>         | <u>1,452,373</u>       |
| Cash Flows from Capital and Related Financing Activities:                |                        |                        |
| Gain (loss) on sale of capital assets                                    | -                      | -                      |
| UEPS capital costs   | (420,000)              | (420,000)              |
| Federal grant revenue  | 48,423                 |                        |
| Acquisition of capital assets  | (159,331)              | (825,242)              |
| Net Cash Provided (Used) by Capital and Related Financing Activities     | <u>(530,907)</u>       | <u>(1,245,242)</u>     |
| Cash Flows from Investing Activities:                                    |                        |                        |
| Interest on investments  | 138,750                | 147,373                |
| Net Cash Provided (Used) by Investing Activities                         | <u>138,750</u>         | <u>147,373</u>         |
| Cash Flows from Non Capital and Related Financing Activities             |                        |                        |
| Cargill  | (120,951)              | 539,431                |
| Cargill other revenue  | 186,553                |                        |
| Cargill project management   | (26,167)               |                        |
| Zone 7 Brine   | 20,000                 | 20,000                 |
| Federal Grant Expense  | (149,473)              | -                      |
| Bruce Wolfe Memorial   | (1,000)                | (1,000)                |
| Net Cash Provided (Used) by Non Capital and Related Financing Activities | <u>(91,039)</u>        | <u>558,431</u>         |
| Net Increase (Decrease) in Cash and Cash Equivalents                     | (57,158)               | 912,936                |
| Cash and Cash Equivalents Beginning                                      | <u>3,815,396</u>       | <u>2,902,459</u>       |
| Cash and Cash Equivalents Ending   | <u>\$ 3,758,238</u>    | <u>\$ 3,815,396</u>    |

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
**Statement of Cash Flows**  
For the Fiscal Years Ended June 30, 2025 and 2024

|  | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|--|------------------------|------------------------|
| Reconciliation of Operating Income (Loss) to Cash Flows Provided by<br>(Used In) Operating Activities: |                        |                        |
| Operating Income (Loss)  | \$ (771,929)           | \$ (657,875)           |
| Adjustments to reconcile operating income (loss) to net cash<br>provided                               |                        |                        |
| Non Cash Revenue   | -                      | -                      |
| Depreciation   | 876,021                | 889,510                |
| (Increase) decrease in assets and deferred outflows of resources:                                      |                        |                        |
| Accounts receivable  | -                      | (9,100)                |
| Due from other agencies  | 241,512                | (178,069)              |
| Due from member agencies   | 147,483                | (36,243)               |
| Inventory  | (2,232)                | (10,325)               |
| Prepaid expenses   | (4,702)                | (993)                  |
| Deposits   | (224)                  | 2,435                  |
| Lease asset  | -                      | -                      |
| Pension related deferred outflows of resources   | 208,732                | (60,718)               |
| OPEB related deferred outflows of resources  | (21,376)               | (1,063)                |
| Increase (decrease) in liabilities and deferred inflows of resources:                                  |                        |                        |
| Accrued claims payable   | (127,250)              | 2,384                  |
| Right-to-use lease liability   | -                      | -                      |
| Member agencies  | (335,512)              | (336,479)              |
| Other agencies   | (21,190)               | (68,054)               |
| Net pension liability  | (13,505)               | 888,478                |
| Net OPEB liability   | 277,395                | 171,260                |
| Pension related deferred inflows of resources  | (14,340)               | (123,313)              |
| OPEB related deferred inflows of resources   | (34,913)               | (159,963)              |
| Compensated absences   | 22,067                 | 14,442                 |
| Net Cash Provided (Used) by Operating Activities   | <u>\$ 426,038</u>      | <u>\$ 326,314</u>      |

The notes to the financial statements are an integral part of this statement.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**1. SUMMARY OF ORGANIZATION**

East Bay Dischargers Authority (Authority) was formed on February 15, 1974, under a "joint exercise of powers agreement" entered into by the CastroValley Sanitary District, the City of Hayward, the City of San Leandro, the Oro Loma Sanitary District, and the Union Sanitary District (the Member Agencies). An Amended and Restated Joint Exercise of Powers Agreement went into effect on July 1, 2020. The Authority operates under a five-member Commission consisting of a representative from each of the five Member Agencies. Each representative appointed to the Authority's Commission fills an elected office in their member agency.

The purpose of the agreement is to provide for the "more efficient disposal of wastewater produced in each Agency, all to the economic and financial advantage of each Agency and otherwise for the benefit of each Agency; and, each of the Agencies is willing to plan with the other Agencies for joint wastewater facilities which will protect all the Agencies."

Legal title and all pertinent grant documents and conditions for the Authority's facilities remain with the Authority. Each Agency owns an undivided portion of the facilities, equal to the percentage of capacity they use in the system. Percentages are as defined by the Amended and Restated Joint Exercise of Powers Agreement. Operations and maintenance of the facilities is the responsibility of the Authority.

The Authority operates under a National Pollutant Discharge Elimination System (NPDES) Permit No. CA 0037869 from the San Francisco Bay Regional Water Quality Control Board to discharge up to 189.1 million gallons per day (MGD) of secondary treated wastewater to San Francisco Bay. It is the Authority's responsibility to ensure that all treated wastewater discharged is in compliance with the Federal Water Pollution Control Act (P.L. 92-500) and as amended by the Clean Water Act of 1986.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation and Accounting***

The Authority is accounted for as an enterprise fund (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. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The Authority utilizes the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and, under the full-accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Proprietary fund types distinguish operating revenues and expenses from non-operating items. The operating expenses of the Authority are charged to the Member Agencies. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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Deferred outflow of resources is a consumption of net assets by the Authority that is applicable to a future reporting period. For example, prepaid items and deferred charges. Deferred inflow of resources is an acquisition of net assets by the Authority that is applicable to a future reporting period. For example, unearned revenue and advance collections.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue.

***Statement of Net Position***

The statement of net position is designed to display the financial position of the Authority. The Authority's net position is classified into three categories as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.
- Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of the net amount of the 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. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***Statement of Revenues, Expenses, and Changes in Net Position***

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income (loss). Revenues are reported by major source with operating revenues classified from the Authority's primary operating resources and all other revenue reported as nonoperating revenue. Operating expenses are those expenses that are essential to the primary operations of the enterprise. All other expenses are reported as non-operating expenses.

***Budgets and Budgetary Accounting***

The Authority's JPA requires that the Commission adopt an annual budget for the ensuing Fiscal Year prior to July 1, and that the budget include sufficient detail to constitute a fiscal control guideline, specify cash flow requirements from each Member Agency, grant reimbursements, and cash receipts



**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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and expenditures to be made for Operation and Maintenance Costs, Planning and Special Studies Costs, and Capital Costs for the Facilities, and other necessary and appropriate expenditures. The Commission adopted an annual budget for the Authority's 2024/2025 fiscal year on May 16, 2024. Formal budgetary integration is employed as a management control device during the year.

***Cash and Cash Equivalents***

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

***Investments***

If the difference between cost and fair value is deemed material and significant, investments are reported in the statement of net position at fair value. Changes in fair value that occur during the fiscal year are recognized as investment income or loss reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The Authority participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates. LAIF's maximum deposit limit as of June 30, 2025, was \$75 million (USD).

In August 2023, the Authority opened an investor account with the California Asset Management Program (CAMP) to capitalize on higher interest rates and allowing the Authority to increase its investment earnings. The Commission adopted Resolution 23-10 on September 21, 2023, authorizing the Authority to join with other public agencies pursuant to and in accordance with the Joint Exercise of Powers Act to become a Participant in the California Asset Management Trust. Becoming a CAMP participant means joining the Joint Powers Authority. The benefit of being a participant is the opportunity to contribute to decision-making. The Authority's decision-making is proportional to the amount invested compared to other participants.

***Receivables***

Receivables include amounts due from Member Agencies and other agency assessments, other assessments, and other resources. All receivables are current and reported net of an allowance for uncollectible accounts. The allowance for uncollectible accounts was zero as of June 30, 2025.

***Funding***

East Bay Dischargers Authority's capital projects and planning and special studies funds were funded by Federal, State, and Local agency grants and/or Member Agency contributions.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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The original eligible project's costs were funded under the Clean Water Grants Program, which was administered by the Environmental Protection Agency (EPA) for the federal government and the State Water Resources Control Board (SWRCB) for the state government. The federal and state governments' share of the eligible project costs were 75 percent and 12.5 percent, respectively.

The Authority's operations and maintenance expenses are funded by the Member Agencies and other local agencies on the basis of formulas established in the JPA and other service agreements.

East Bay Dischargers Authority is also funded for the future replacement of certain joint-use facilities by the Member Agencies and local agencies. Each year the Authority calculates the annual contribution required for Renewal and Replacement based upon the method adopted by the Commission. Contributions for Renewal and Replacement are made in accordance with the Amended and Restated Joint Exercise of Powers Agreement dated January 1, 2020.

***Inventories***

Inventories are valued at cost using a first in, first out (FIFO) asset management method, in which older assets or inventory is assumed to be used, consumed, or sold before new assets or inventory.

***Capital Assets***

Capital assets are defined by the Authority as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

|  |                |
|--|----------------|
| Concrete and paving                        | 40 years       |
| Pavement                                   | 20 years       |
| Structures                                 | 40 to 50 years |
| Mechanical and pump equipment              | 25 years       |
| Electrical and plumbing                    | 10 to 20 years |
| Piping – above ground                      | 20 to 40 years |
| Subsurface lines                           | 75 years       |
| Motor control units                        | 20 years       |
| Heating, ventilating, and air-conditioning | 20 years       |
| Data acquisition system                    | 5 years        |
| Equipment and furnishings                  | 5 to 20 years  |
| Automotive equipment                       | 8 years        |

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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***Compensated Absences***

*Vacation Leave* – All full-time employees earn vacation leave at the rate of 80 working hours per year from the date of employment. Full-time employees earn an additional 8 hours vacation leave allowance for each full year of continuous employment thereafter, up to a maximum of 200 working hours per year. Part-time employees earn vacation leave proportionate to their scheduled work hours. All eligible employees are permitted to accumulate unused vacation at a rate of 2½ times their annual vacation allowance.

*Sick Leave* – Employees who work 30 days or more within a year receive sick leave in accordance with the Healthy Workplace, Healthy Families Act of 2014. Regular and temporary full-time employees accrue sick leave at the rate of 4 hours per payroll period, up to 96 hours per calendar year. Part-time employees accrue sick leave proportionate to their scheduled work hours, with a minimum of 40 hours per year. Sick leave is cumulative without limit.

CalPERS' sick leave credit benefit is included in the Authority's pension contract. An employee whose effective date of retirement is within four months of separation from employment is credited with 0.004 years of CalPERS service credit for each unused day of sick leave.

Upon the death of an employee prior to separation from employment, the employee's heir(s) or beneficiary(ies) will receive compensation for sick leave earned but unused by the employee in an amount equal to 0.167% of the number of hours of sick leave times the number of whole months of continuous employment times the employee's hourly rate of pay at the time of death.

For the purposes of recognition and measurement of liabilities, compensated absences have been determined using the measurement guidelines of GASB 101 for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability has been recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash mean. Leave that accumulates is carried forward from the reporting in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The leave that is more likely than not to be settled through conversion to defined benefits postemployment benefits should not be included in the liability for compensated absences.

***Allocation of Costs***

Expenses are allocated to the various Member Agencies in accordance with the Amended and Restated Joint Exercise of Powers Agreement.

***Comparative Data***

Comparative total data for the prior fiscal year has been presented in order to provide an understanding of the changes in the financial position, operations, and cash flows of the Authority.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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***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 financial statements were issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no subsequent events that require additional adjustment or disclosure.

***Fair Value Measurements***

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***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 Authority'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 8 and the Required Supplementary Information section for detailed disclosures.

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

The Authority established a California Employers' Retiree Benefit Trust (CERBT) to prefund OPEB liabilities in May 2011. EBDA made discretionary payments to its CERBT to meet the target funding goal of 80%. Based on a biennial actuarial valuation performed by an independent actuary, the funded status is 71.1% at June 30, 2025.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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 Authority's California Employers' Retiree Benefit Trust (CERBT) Fund (the Fund), held by California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Fund'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, 2023                  |
| Measurement Date   | June 30, 2024                  |
| Measurement Period | July 1, 2023, to June 30, 2024 |

The Authority's OPEB valuations follow standards established by GASB Statement No. 75. See Note 9 and the Required Supplementary Information section for detailed disclosures.

***Implementation of Governmental Accounting Standards Board (GASB) Pronouncements***

***Implemented New Accounting Pronouncements***

**GASB Statement No. 102, Certain Risk Disclosures** – State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints.

This statement defines concentration as lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient details to enable users of financial statements to understand the nature of the circumstances disclosed and the government's

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vulnerability to the risk of a substantial impact. The disclosure should include description of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Action taken by the government prior to the issuance of the financial statements to mitigate the risk

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The Authority has determined that the implementation of this pronouncement did not have a material impact on the financial statements.

*Upcoming New Accounting Pronouncements*

**GASB Statement No. 103, Financial Reporting Model Improvements** – The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues.

Statement No. 103 continues the requirement that the basic financial statements be preceded by management’s discussion and analysis, which is presented as required supplementary information. Management’s discussion and analysis (MD&A) provides an objective and easily readable analysis of the government’s financial activities based on currently known facts, decisions, or conditions, and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) overview of the financial statements, (2) financial summary, (3) detailed analyses, (4) significant capital asset and long-term financing activity, and (5) currently known facts, decisions, or conditions. Furthermore, this statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government.

Statement No. 103 describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the proprietary fund statements of resources flows.

Statement No. 103 requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided,

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(2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Statement No. 103 requires government to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Statement No. 103 requires governments to present budgetary comparison information using a single method of communication-RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to required supplementary information.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting period thereafter. The Authority has not yet determined whether the implementation of this pronouncement will have a material impact on the financial statements.

**GASB Statement No. 104, Disclosure of Certain Capital Assets** – State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

Statement No. 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

Statement No. 104 also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is possible that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the

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established time frame. This statement requires that capital assets held for sale be evaluated each reporting period. Government should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Authority has not yet determined whether the implementation of this pronouncement will have a material impact on the financial statements.

**3. CASH AND INVESTMENTS**

***Policies***

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a value of 150% of the Authority's cash on deposit as collateral for these deposits. Under California Law, this collateral is held in an investment pool by an independent financial institution in the Authority's name and places the Authority ahead of general creditors of the institution pledging the collateral.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. In the Authority's case, fair value equals fair market value, since all Authority's investments are readily marketable.

***Classification***

The Authority's cash and investments consisted of the following at June 30:

|                                     | <u>2025</u>        | <u>2024</u>        | <u>2023</u>        |
|-------------------------------------|--------------------|--------------------|--------------------|
| Cash in banks                       | \$436,482          | \$947,610          | \$582,046          |
| California Asset Management Program | \$1,962,041        | 1,568,593          | \$0                |
| Local Agency Investment Fund        | \$1,359,714        | 1,299,193          | 2,320,413          |
| Total Cash and Investments          | <u>\$3,758,237</u> | <u>\$3,815,396</u> | <u>\$2,902,459</u> |

***Investments Authorized by the California Government Code and the Authority's Investment Policy***

The Authority's Investment Policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the



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California Government Code or the Authority's Investment Policy where it is more restrictive that address interest rate risk, credit risk, and concentration of credit risk:

| <u>Authorized Investment Type</u>           | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|---|-------------------------|-------------------------------|--|---|
| United States Treasury Obligations          | 5 years                 |                               | 100%                                   | No Limit                                |
| United States Government Agency Obligations | 5 years                 |                               | 100%                                   | No Limit                                |
| State of California Obligations             | 5 years                 |                               | 100%                                   | No Limit                                |
| Local Agency Obligations                    | 5 years                 |                               | 100%                                   | No Limit                                |
| Banker's Acceptances                        | 180 days                |                               | 40%                                    | 30%                                     |
| Commercial Paper                            | 270 days                | A-1                           | 25%                                    | 10%                                     |
| United States Medium Term Corporate Notes   | 5 years                 | A                             | 30%                                    | No Limit                                |
| Negotiable Certificates of Deposit          | 5 years                 |                               | 30%                                    | No Limit                                |
| Local Agency Investment Fund                | n/a                     |                               | \$75 million per account               | No Limit                                |
| Money Market Mutual Funds                   | n/a                     |                               | 20%                                    | No Limit                                |
| Insured savings or money market accounts    | n/a                     |                               | 100%                                   | No Limit                                |

***Local Agency Investment Fund***

The Authority is a participant 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 Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. These investments matured at an average rate as of June 30 as follows:

June 30, 2025 - 248 days  
June 30, 2024 - 217 days  
June 30, 2023 - 260 days

***California Asset Management Program***

In August 2023, the Authority opened an investor account with the California Asset Management Program (CAMP) to capitalize on higher interest rates and allowing the Authority to increase its investment earnings. The Commission adopted Resolution 23-10 on September 21, 2023, authorizing the Authority to join with other public agencies pursuant to and in accordance with the Joint Exercise of Powers Act to become a Participant in the California Asset Management Trust. Becoming a CAMP participant means joining the Joint Powers Authority. The benefit of being a participant is the opportunity to contribute to decision-making. The Authority's decision-making is proportional to the amount invested compared to other participants. Investment options offered to public agencies through CAMP are the Pool, Term and individual portfolios.

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The Pool is a short-term cash reserve portfolio and cash management vehicle. The Pool aims to provide public agencies with same-day liquidity, interest paid monthly, and sweep capability. The Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NPV) per share of \$1.00. The Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligation of U.S. companies and financial institutions. The Pool is a permitted investments for all local agencies under California Government Code Section 53601 (p).

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity or earliest call dates at June 30:

| Type                                      | 12 Months<br>or less | 2025               | 2025<br>Concentration | 2024               | 2024<br>Concentration | 2023               | 2023<br>Concentration |
|---|----------------------|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| Cash in bank                              | \$ 436,482           | \$ 436,482         | 11.61%                | \$ 947,610         | 24.84%                | \$582,046          | 20.05%                |
| California Asset<br>Management<br>Program | 1,962,041            | 1,962,041          | 52.21%                | 1,568,593          | 41.11%                | -                  | 0.00%                 |
| Local Agency<br>Investment Fund           | 1,359,715            | 1,359,715          | 36.18%                | 1,299,193          | 34.05%                | 2,320,413          | 79.95%                |
| Total Cash and<br>Investments             | <u>\$3,758,237</u>   | <u>\$3,758,237</u> | <u>100.00%</u>        | <u>\$3,815,396</u> | <u>100.00%</u>        | <u>\$2,902,459</u> | <u>100.00%</u>        |

***Credit Risk***

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the Authority's investments were invested in specific securities. All monies in the LAIF are not evidenced by specific securities and therefore are not subject to custodial credit risk.

Bank balances are insured up to \$250,000 per bank by the Federal Deposit Insurance Company ("FDIC"). None of the Authority's deposits with financial institutions in excess of FDIC limits were held in uncollateralized accounts.

***Concentration Risk***

The Authority's investment policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. As of June 30, 2025, 52.21% of the Authority's cash was invested in CAMP, 36.18% of the Authority's cash was invested in LAIF, and 11.61% was deposited in banks. The Authority held no investments in certificates of

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deposit at June 30, 2025. LAIF, cash in banks and certificates of deposit do not have maximum portfolio requirements under the California Government code.

***Fair Value Hierarchy***

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Cash in bank and certificates of deposit are measured at cost. The California Local Agency Investment Fund is an external investment pool measured at fair value, and exempt in the fair value hierarchy under GASB 72.

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**4. CAPITAL ASSETS**

| Capital Assets - Cost                       | Prior Year<br>Restated Balance<br>June 30, 2024 | Additions  | Retirements  | Balance at<br>June 30, 2025 |
|---|---|------------|--------------|-----------------------------|
| Capital assets not being depreciated:       |   |            |              |                             |
| Land  | \$ 10,161                                       | \$ -       | \$ -         | \$ 10,161                   |
| Land - Right of Use                         | \$ 6,450  |            | (6,450)      | \$ -                        |
| Permanent easements                         | \$ 432,177                                      |            |              | \$ 432,177                  |
| Construction in progress                    | \$ 674,523                                      | 207,487    | (187,581)    | \$ 694,429                  |
| Total capital assets not being depreciated: | 1,123,311                                       | 207,487    | (194,031)    | 1,136,767                   |
| Capital assets being depreciated:           |   |            |              |                             |
| Buildings and structures:                   |   |            |              |                             |
| Operations center                           | \$ 715,835                                      |            |              | \$ 715,835                  |
| Sewage disposal Facilities:                 | \$ -  |            |              | \$ -                        |
| San Leandro pump station                    | \$ -  |            |              | \$ -                        |
| Oro Loma pump station                       | \$ 8,626,924                                    | \$ 115,444 |              | \$ 8,742,368                |
| Marina dechlorination facility              | \$ 1,963,054                                    |            |              | \$ 1,963,054                |
| Hayward pump station                        | \$ 3,805,991                                    | \$ 23,982  |              | \$ 3,829,973                |
| Union pump station                          | \$ 2,836,830                                    |            |              | \$ 2,836,830                |
| Data acquisition system                     | \$ 484,843                                      |            |              | \$ 484,843                  |
| Water recycling facilities:                 | \$ -  |            |              | \$ -                        |
| Skywest golf course irrigation facilities   | \$ 671,939                                      |            |              | \$ 671,939                  |
| Subsurface lines:                           | \$ -  |            |              | \$ -                        |
| Bay outfall                                 | \$ 19,483,837                                   |            |              | \$ 19,483,837               |
| San Leandro to Marina force main            | \$ -  |            |              | \$ -                        |
| Marina to Oro Loma force main               | \$ 5,507,298                                    |            |              | \$ 5,507,298                |
| Oro Loma to Hayward force main              | \$ 2,748,322                                    |            |              | \$ 2,748,322                |
| Hayward to Alvarado force main              | \$ 8,440,080                                    |            |              | \$ 8,440,080                |
| Seismic design                              | \$ 11,647                                       |            |              | \$ 11,647                   |
| Office equipment                            | \$ 87,693                                       |            |              | \$ 87,693                   |
| Field equipment                             | \$ 57,912                                       |            |              | \$ 57,912                   |
| Automotive equipment                        | \$ 42,667                                       |            |              | \$ 42,667                   |
| Total capital assets being depreciated:     | \$ 55,484,872                                   | \$ 139,426 | \$ -         | \$ 55,624,298               |
| Total cost of capital assets                | \$ 56,608,183                                   | \$ 346,913 | \$ (194,031) | \$ 56,761,065               |

| Accumulated Depreciation                              | Prior Year<br>Restated Balance<br>June 30, 2024 | Additions    | Retirements  | Balance at<br>June 30, 2025 |
|---|---|--------------|--------------|-----------------------------|
| Buildings and structures:                             |   |              |              |                             |
| Operations center                                     | \$ (453,804)                                    | \$ (14,973)  | \$ -         | \$ (468,777)                |
| Sewage disposal Facilities:                           |   |              |              |                             |
| Oro Loma pump station                                 | \$ (6,161,850)                                  | (176,871)    |              | \$ (6,338,720)              |
| Marina dechlorination facility                        | \$ (1,683,393)                                  | (35,364)     |              | \$ (1,718,757)              |
| Hayward pump station                                  | \$ (917,311)                                    | (91,822)     |              | \$ (1,009,133)              |
| Union pump station                                    | \$ (2,174,706)                                  | (47,766)     |              | \$ (2,222,472)              |
| Data acquisition system                               | \$ (449,929)                                    | (9,760)      |              | \$ (459,689)                |
| Water recycling facilities:                           | \$ -  |              |              | \$ -                        |
| Skywest golf course irrigation facilities             | \$ (608,331)                                    | (7,456)      |              | \$ (615,787)                |
| Subsurface lines:                                     | \$ -  |              |              | \$ -                        |
| Bay outfall   | \$ (11,112,300)                                 | (482,478)    |              | \$ (11,594,778)             |
| San Leandro to Marina force main                      | \$ -  |              |              | \$ -                        |
| Marina to Oro Loma force main                         | \$ (3,127,343)                                  |              |              | \$ (3,127,343)              |
| Oro Loma to Hayward force main                        | \$ (1,581,115)                                  |              |              | \$ (1,581,115)              |
| Hayward to Alvarado force main                        | \$ (4,855,835)                                  |              |              | \$ (4,855,835)              |
| Seismic design  | \$ (11,647)                                     |              |              | \$ (11,647)                 |
| Office equipment                                      | \$ (80,716)                                     | (998)        |              | \$ (81,714)                 |
| Field equipment                                       | \$ (57,912)                                     |              |              | \$ (57,912)                 |
| Automotive equipment                                  | \$ (4,267)                                      | (8,533)      | -            | \$ (12,800)                 |
| Total accumulated depreciation:                       | \$ (33,280,457)                                 | \$ (876,021) | \$ -         | \$ (34,156,479)             |
| Total capital assets, net of accumulated depreciation | \$ 23,327,726                                   | \$ (529,108) | \$ (194,031) | \$ 22,604,586               |

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**5. COMPENSATED ABSENCES**

The Authority's compensated absences consisted of the following as of June 30:

|                     | 2025      | 2024      | 2023      |
|---------------------|-----------|-----------|-----------|
| Beginning balance   | \$135,426 | \$102,357 | \$87,913  |
| Net change          | 29,628    | 33,069    | 14,444    |
| Ending balance      | \$165,054 | \$135,426 | \$102,357 |
| Current portion     | \$0       | \$0       | \$0       |
| Non-Current portion | \$165,054 | \$135,426 | \$102,357 |

**6. LEASES**

The Authority has a long-term operating lease with Oro Loma Sanitary District. The lease terms are reviewed and may be modified every five years. Future obligations are based on an original lease agreement dated April 12, 1979, which was amended on July 1, 2025. The current land lease agreement expires on June 30, 2030, unless both parties agree to extend it. The total lease obligation is \$40,500, with five annual payments of \$8,100.

|                               |          |
|-------------------------------|----------|
| Base Annual Payment           | \$8,100  |
| Discount Rate                 | 4.00%    |
| Receivable Present Value (PV) | \$29,402 |

**Schedule of Future Lease Payments Receivable and Deferred Inflow of Resources:**

| Period    | Payment           | Interest Revenue | Receivable Reduction | Lease Receivable | Lease Revenue | Deferred Inflow of Resources | Total Revenue |
|-----------|-------------------|------------------|----------------------|------------------|---------------|------------------------------|---------------|
|           | Beginning Balance |                  |                      | \$29,402         |               | \$29,402                     |               |
| July-2026 | \$8,100           | \$1,176          | \$6,924              | \$22,478         | \$7,351       | \$22,052                     | \$8,527       |
| July-2027 | \$8,100           | \$899            | \$7,201              | \$15,277         | \$7,351       | \$14,701                     | \$8,250       |
| July-2028 | \$8,100           | \$611            | \$7,489              | \$7,789          | \$7,351       | \$7,351                      | \$7,962       |
| July-2029 | \$8,100           | \$312            | \$7,789              | \$0              | \$7,351       | \$0                          | \$7,662       |

**7. INTERFUND TRANSACTIONS**

***General***

Interfund transactions are reported as either services provided, reimbursements, or transfers. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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***Interfund Transfers***

Interfund transfers consist of transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the year ended June 30, 2025, were as follows:

| <u>Fund Receiving Transfer</u> | <u>Fund Making Transfers</u> | <u>Amount</u> |
|--------------------------------|------------------------------|---------------|
| Operations and Maintenance     | Renewal and Replacement      | \$ 178,392    |

**8. DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (the System or CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

The Plan was established to provide retirement, death, and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C members are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plans are listed in the respective rate plan's June 30, 2023, Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members; plan members must be public employees or beneficiaries. Benefits are based on years of credited service, age at retirement, and a plan member's highest salary for a 1-year period. Members are eligible to retire at an earlier age with statutorily reduced benefits. Disability retirement is available to vested members. The cost-of-living adjustments for each plan are applied as specified by Public Employees' Retirement Law.

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The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

| Plan Information                                 | Tier 1 (Classic)   | Tier 2 (PEPRA)       |
|--|--------------------|----------------------|
| Date of Employment                               | Before 12/31/2012  | On or after 1/1/2013 |
| Benefit formula                                  | 2.5% at 55         | 2.0% at 62           |
| Benefit vesting formula                          | 5 years of service | 5 years of service   |
| Benefit payments                                 | Monthly for life   | Monthly for life     |
| Retirement age                                   | 50 – 67 years old  | 52 – 67 years old    |
| Monthly benefits as a % of eligible compensation | 2% to 2.5%         | 1% to 2.5%           |
| Required employee contribution rates             | 8.00%              | 7.75%                |
| Required employer contribution rates             | 14.13%             | 7.87%                |

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan 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 fiscal year, with an additional amount to fund any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

***Net Pension Liability Assumptions\****

The collective total pension liability for the June 30, 2024, measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

|                                  |  |
|----------------------------------|--|
| Discount rate                    | 6.9%   |
| Inflation                        | 2.3%   |
| Projected salary increase        | 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, please refer to the 2021 experience study report that can be found on the CalPERS website. |
| Post-retirement benefit increase | Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.  |

\* These assumptions are from the CalPERS report: <https://www.calpers.ca.gov/documents/gasb-68-public-agency-schedules-2024/download>

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NOTES TO FINANCIAL STATEMENTS  
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*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 as follows:

| <u>Asset Class</u>             | <u>Assumed Asset Allocation</u> | <u>Real Return Years 1 – 10<sup>1,2</sup></u> |
|--------------------------------|---------------------------------|---|
| Global equity – cap-weighted   | 30.00%                          | 4.54%   |
| Global equity non-cap-weighted | 12.00%                          | 3.84%   |
| Private Equity                 | 13.00%                          | 7.28%   |
| Treasury                       | 5.00%                           | 0.27%   |
| Mortgage-backed Securities     | 5.00%                           | 0.50%   |
| Investment Grade Corporates    | 10.00%                          | 1.56%   |
| High Yield                     | 5.00%                           | 2.27%   |
| Emerging Market Debt           | 5.00%                           | 2.48%   |
| Private Debt                   | 5.00%                           | 3.57%   |
| Real assets                    | 15.00%                          | 3.21%   |
| Leverage                       | -5.00%                          | -0.59%  |

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Asset Liability Management study.

*Discount Rate\**

The discount rate used to measure the total pension liability for PERF C was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

\* This description is from the CalPERS report: <https://www.calpers.ca.gov/documents/gasb-68-public-agency-schedules-2024/download>

*Proportionate Share of Net Pension Liability/(Asset)*

|                           | <b>Fiscal Year Ending</b> |                  |
|---------------------------|---------------------------|------------------|
| <b>■ Fiscal Year End</b>  | <b>6/30/2025</b>          | <b>6/30/2024</b> |
| <b>■ Measurement Date</b> | 6/30/2024                 | 6/30/2023        |
| <b>■ Total</b>            | \$574,305                 | \$587,810        |



**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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*Proportionate Share of Net Pension Liability (Asset)*

|                                      | Percentage Share of Plan |           | Change:<br>Increase/<br>(Decrease) |
|--------------------------------------|--------------------------|-----------|------------------------------------|
| ■ Fiscal Year End                    | 6/30/2025                | 6/30/2024 |                                    |
| ■ Measurement Date                   | 6/30/2024                | 6/30/2023 |                                    |
| ■ Percentage of Plan<br>(PERF C) NPL | 0.00474%                 | 0.00471%  | 0.00003%                           |

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

|                         | Discount Rate           |                         |                         |
|-------------------------|-------------------------|-------------------------|-------------------------|
|                         | 5.90%<br>(1% Decrease ) | 6.90%<br>(Current Rate) | 7.90%<br>(1% Increase ) |
| ■ Measurement Date      | 6/30/2024               |                         |                         |
| ■ Fiscal Year End       | 6/30/2025               |                         |                         |
| ■ Net Pension Liability | \$1,341,413             | \$574,305               | (\$57,137)              |

*Pension Expense (Income) for Fiscal Year*

|  | 2023/2024 |
|--|-----------|
| ■ Total pension expense (income) for fiscal year | \$291,725 |

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**EAST BAY DISCHARGERS AUTHORITY  
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*Deferred Outflows/Inflows Balances at June 30, 2025*

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| ■ Differences between expected and actual experience   | \$ 49,654                                     | (1,937)                                      |
| ■ Changes of assumptions   | 14,761  | -  |
| ■ Net differences between projected and actual earnings on plan investments                                | 33,062  | -  |
| ■ Change in employer's proportion  | 194,144                                       | -  |
| ■ Differences between the employer's contributions and the employer's proportionate share of contributions | -   | (153,226)                                    |
| ■ Pension contributions subsequent to measurement date   | 110,841                                       | -  |
| ■ Total  | 402,462                                       | (155,163)                                    |

*Recognition of Deferred Outflows and Inflows of Resources in Future Pension Expense*

|                                      | <b>Deferred<br/>Outflows/(Inflows)<br/>of Resources</b> |
|--------------------------------------|---|
| ■ <b>Fiscal Year Ending June 30:</b> |   |
| • 2026                               | \$ 102,639  |
| • 2027                               | 52,493  |
| • 2028                               | (7,344)   |
| • 2029                               | (11,330)  |
| • 2030                               | -   |
| • Thereafter                         | -   |

**9. OTHER POST EMPLOYMENT BENEFITS**

***Plan Description***

The Authority provides medical benefits to its eligible retirees through the CalPERS PEMHCA program. The Authority paid up to \$502 per month in fiscal year 2024/2025, or the PEMHCA minimum contribution, if greater, toward the cost of the monthly medical premiums for the retired employee and dependents. Four retired employees are eligible for full reimbursement of their medical premiums in excess of the PEMHCA contribution for as long as the retiree or surviving spouse lives.

In addition, the Authority incurs an “implicit subsidy” since the per capita healthcare costs (expected claims) are higher for pre-Medicare retirees than the premium charged by PEMHCA. Actuarial

**EAST BAY DISCHARGERS AUTHORITY  
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Standards of Practice No. 6 requires the implicit subsidy be valued for agencies participating in pooled plans such as PEMHCA.

The Authority's funding policy is to fully prefund the Actuarially Determined Contribution (ADC).

| <b>Benefit Summary</b>     |  |
|----------------------------|--|
| ■ Eligibility              | <ul style="list-style-type: none"> <li>■ Retire directly from the Authority under CalPERS (age 50 for Classic, 52 for PEPRA employees) with a minimum of 5 years of service or</li> <li>■ Disability retirement</li> </ul>   |
| ■ Retiree Medical Benefit  | <ul style="list-style-type: none"> <li>■ Authority pays retiree and their eligible dependent medical premiums up to the medical cap (\$502 per month in 2024/2025 fiscal year)</li> <li>■ Four retirees are eligible for full reimbursement of medical premiums that exceed the set PEMHCA for as long as the retiree or surviving spouse lives</li> </ul> |
| ■ Surviving Spouse Benefit | <ul style="list-style-type: none"> <li>■ Retiree medical benefit continues to surviving spouse if retiree elects survivor annuity under the CalPERS retirement plan</li> </ul>   |
| ■ Other OPEB               | <ul style="list-style-type: none"> <li>■ No Authority paid retiree dental, vision, life insurance or Medicare Part B reimbursement</li> </ul>  |

***Applicable Dates and Periods***

|                            | <b>Fiscal Year Ended<br/>June 30, 2025</b> |
|----------------------------|--|
| ■ Measurement date         | June 30, 2024                              |
| ■ Measurement period       | July 1, 2023 to June 30, 2024              |
| ■ Actuarial valuation date | June 30, 2023                              |

***Plan Information***

|                                      | <b>Fiscal Year Ended<br/>June 30, 2025</b> |
|--------------------------------------|--|
| ■ Plan type                          | Agent Multiple Employer                    |
| ■ OPEB Trust                         | Yes  |
| ■ Special funding situation          | No   |
| ■ Non-employer contributing entities | No   |

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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***Covered Participants***

At June 30, 2024, the measurement date, the following numbers of participants were covered by the benefit terms:

|  | <b>Number of<br/>Covered<br/>Participants</b> |
|--|---|
| ■ Inactives currently receiving benefits               | 5   |
| ■ Inactives entitled to but not yet receiving benefits | 1   |
| ■ Active employees                                     | 3   |
| ■ Total  | 9   |

***Significant Actuarial Assumptions Used for Total OPEB Liability***

| <b>Actuarial Assumption</b>                                     | <b>June 30, 2024 Measurement Date</b>  |
|---|--|
| ■ Actuarial Valuation Date                                      | ■ June 30, 2023  |
| ■ Contribution Policy   | ■ The Authority's target funding level is 80% or higher. The Authority shall make annual contributions to the Trust based on the actuarially determined contributions  |
| ■ Discount Rate and Long-Term Expected Rate of Return on Assets | ■ 6.25% at June 30, 2024<br>■ 6.25% at June 30, 2023<br>■ Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust   |
| ■ General Inflation   | ■ 2.50% annually   |
| ■ Mortality, Retirement, Disability, Termination                | ■ CalPERS 2000-2019 Experience Study   |
| ■ Mortality Improvement   | ■ Mortality projected fully generational with Scale MP-2021  |
| ■ Salary Increases  | ■ Aggregate - 2.75% annually<br>■ Merit - CalPERS 2000-2019 Experience Study   |
| ■ Medical Trend   | ■ Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076<br>■ Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076<br>■ Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076 |
| ■ PEMHCA Minimum Increases                                      | ■ 3.50% annually   |
| ■ Healthcare Participation for Future Retirees                  | ■ 80%  |

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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***Expected Long-Term Rate of Return***

|  | <b>Target-Allocation<br/>CERBT Strategy 1</b> | <b>Expected Real<br/>Rate of Return</b> |
|--|---|---|
| ■ Asset Class Component                          |   |   |
| ■ Global Equity                                  | 49%   | 4.56%                                   |
| ■ Fixed Income                                   | 23%   | 1.56%                                   |
| ■ Treasury Inflation Protected Securities        | 5%  | (0.08%)                                 |
| ■ Commodities                                    | 3%  | 1.22%                                   |
| ■ REITs  | 20%   | 4.06%                                   |
| ■ Assumed Long-Term Rate of Inflation            |   | 2.50%                                   |
| ■ Expected Long-Term Net Rate of Return, Rounded |   | 6.25%                                   |

***Net OPEB Liability/(Asset)***

|                                | <b>Fiscal Year Ended</b>            |                                     |
|--------------------------------|-------------------------------------|-------------------------------------|
|                                | <b>6/30/2024</b>                    | <b>6/30/2025</b>                    |
|                                | <b>Measurement Date<br/>6/30/23</b> | <b>Measurement Date<br/>6/30/24</b> |
| ■ Total OPEB Liability (TOL)   | \$ 691,704                          | \$ 977,823                          |
| ■ Fiduciary Net Position (FNP) | <u>686,545</u>                      | <u>695,269</u>                      |
| ■ Net OPEB Liability (NOL)     | 5,159                               | 282,554                             |
| ■ Funded status (FNP/TOL)      | 99.3%                               | 71.1%                               |

**EAST BAY DISCHARGERS AUTHORITY  
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***Changes in Net OPEB Liability/(Asset)***

|  | <b>Total OPEB Liability</b> | <b>Fiduciary Net Position</b> | <b>Net OPEB Liability</b> |
|--|-----------------------------|-------------------------------|---------------------------|
| ■ Balance at 6/30/2024<br>(6/30/23 measurement date) | \$691,704                   | \$686,545                     | \$5,159                   |
| ■ Changes for the year                               |                             |                               |                           |
| ● Service Cost                                       | 23,491                      | -                             | 23,491                    |
| ● Interest   | 42,618                      | -                             | 42,618                    |
| ● Changes of benefit terms                           | 286,618                     | -                             | 286,618                   |
| ● Actual vs. expected experience                     | -                           | -                             | -                         |
| ● Assumption changes                                 | -                           | -                             | -                         |
| ● Contributions – employer                           | -                           | 189                           | (189)                     |
| ● Contributions - employee                           | -                           | -                             | -                         |
| ● Net investment income                              | -                           | 75,558                        | (75,558)                  |
| ● Benefit payments                                   | (66,608)                    | (66,608)                      | -                         |
| ● Administrative expenses                            | -                           | (415)                         | 415                       |
| ■ Net Changes  | 286,119                     | 8,724                         | 277,395                   |
| ■ Balance at 6/30/2025<br>(6/30/24 measurement date) | \$977,823                   | \$695,269                     | \$282,554                 |

***Sensitivity to Net OPEB Liability/(Asset)***

**Changes in the Discount Rate**

|                      | <b>Discount Rate</b>           |                                 |                                |
|----------------------|--------------------------------|---------------------------------|--------------------------------|
|                      | <b>1% Decrease<br/>(5.25%)</b> | <b>Current Rate<br/>(6.25%)</b> | <b>1% Increase<br/>(7.25%)</b> |
| ■ Net OPEB Liability | \$ 389,992                     | \$ 282,554                      | \$ 191,796                     |

**Changes in the Healthcare Trend Rate**

|                      | <b>Healthcare Trend Rate</b> |                      |                    |
|----------------------|------------------------------|----------------------|--------------------|
|                      | <b>1% Decrease</b>           | <b>Current Trend</b> | <b>1% Increase</b> |
| ■ Net OPEB Liability | \$ 176,418                   | \$ 282,554           | \$ 408,586         |

***OPEB Expense/(Income) for Fiscal Year***

|                         | <b>2024/2025</b>                      |
|-------------------------|---------------------------------------|
|                         | <b>Measurement Period<br/>2023/24</b> |
| ■ OPEB Expense/(Income) | \$ 266,700                            |

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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***Deferred Outflows/Inflows Balances at June 30, 2025***

|  | <b>June 30, 2025</b>                  |                                      |
|--|---------------------------------------|--------------------------------------|
|  | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| ■ Differences between expected and actual experience                       | \$ -                                  | \$ 56,665                            |
| ■ Changes in assumptions   | -                                     | 10,241                               |
| ■ Net difference between projected and actual earnings on plan investments | 8,076                                 | -                                    |
| ■ Employer contributions made subsequent to the measurement date           | 45,594                                | -                                    |
| ■ Total  | 53,670                                | 66,906                               |

***Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense***

| <b>FYE June 30</b> | <b>Deferred Outflows/(Inflows) of Resources</b> |
|--------------------|---|
| ■ 2026             | \$ (31,368)                                     |
| ■ 2027             | 570   |
| ■ 2028             | (13,668)  |
| ■ 2029             | (13,060)  |
| ■ 2030             | (1,304)   |
| ■ Thereafter       | -   |

***Significant Actuarial Assumptions Used for Total OPEB Liability***

| <b>Actuarial Assumption</b>                                     | <b>June 30, 2024 Measurement Date</b>   |
|---|---|
| ■ Actuarial Valuation Date                                      | ■ June 30, 2023   |
| ■ Contribution Policy   | ■ The Authority's target funding level is 80% or higher. The Authority shall make annual contributions to the Trust based on the actuarially determined contributions |
| ■ Discount Rate and Long-Term Expected Rate of Return on Assets | ■ 6.25% at June 30, 2024<br>■ 6.25% at June 30, 2023<br>■ Expected Authority contributions projected to keep sufficient plan assets to pay all benefits from trust    |
| ■ General Inflation   | ■ 2.50% annually  |
| ■ Mortality, Retirement, Disability, Termination                | ■ CalPERS 2000-2019 Experience Study  |
| ■ Mortality Improvement   | ■ Mortality projected fully generational with Scale MP-2021   |

**EAST BAY DISCHARGERS AUTHORITY  
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***Significant Actuarial Assumptions Used for Total OPEB Liability***

| <b>Actuarial Assumption</b>                    | <b>June 30, 2024 Measurement Date</b>  |
|--|--|
| ■ Salary Increases                             | <ul style="list-style-type: none"> <li>■ Aggregate - 2.75% annually</li> <li>■ Merit - CalPERS 2000-2019 Experience Study</li> </ul>   |
| ■ Medical Trend                                | <ul style="list-style-type: none"> <li>■ Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076</li> <li>■ Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076</li> <li>■ Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076</li> </ul> |
| ■ PEMHCA Minimum Increases                     | ■ 3.50% annually   |
| ■ Healthcare Participation for Future Retirees | ■ 80%  |

***Changes Since June 30, 2023 Measurement Date***

|                            | <b>June 30, 2024 Measurement Date</b>  |
|----------------------------|--|
| ■ Changes of assumptions   | ■ None   |
| ■ Changes of benefit terms | <ul style="list-style-type: none"> <li>■ Effective July 1, 2024, the Authority changed its OPEB policy of paying retiree premiums up to \$502/month to the following: <ul style="list-style-type: none"> <li>● Hired &lt; 1/1/2013: 100% of Kaiser Region 1 Single rate</li> <li>● Hired ≥ 1/1/2013: percent of Kaiser Region 1 Single rate (50% with 10 years of CalPERS service, increasing 5% for each additional year of service, up to 100% at 20 years). 5 years of Authority's service required.</li> </ul> </li> </ul> |

**10. JOINT POWERS ASSOCIATION**

The Authority participates in a joint venture activity through a formally organized and separate entity, the Bay Area Clean Water Agencies (BACWA), established under the Joint Exercise of Powers Act of the State of California. As a separate legal entity, BACWA exercises full power and authority within the scope of the related Joint Powers Agreement including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the separate entity are not those of the Authority. BACWA was established by Central Contra Costa Sanitary District, East Bay Municipal Utility District, East Bay Dischargers Authority, the City and County of San Francisco, and the City of San Jose for the purpose of coordinating the water quality activities of the members, to jointly contract for consulting services that are of joint benefit and to interpret data collected by BACWA and by others, in order to assess the effects of pollution and other factors on the San Francisco Bay system. A summary of BACWA's most recently available financial statements, June 30, 2025, and June 30, 2024, is as follows:



**EAST BAY DISCHARGERS AUTHORITY  
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|                    | 2025         | 2024         |
|--------------------|--------------|--------------|
| Total assets       | \$ 3,481,418 | \$ 3,413,982 |
| Total liabilities  | 173,313      | 133,919      |
| Total equity       | 3,308,105    | 3,280,063    |
| Total revenue      | 3,836,659    | 3,132,831    |
| Total expenditures | 4,035,903    | 3,343,536    |

**11. SELF INSURANCE**

The Authority has limited pollution legal liability insurance coverage as provided by the California Sanitation Risk Management Authority (CSRMA). As of the audit date, the Authority had no open claims. The possibility of an incurred but not reported claim is remote, as the Authority only discharges disinfected secondary treated effluent. The Authority is exposed to various other risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. There were no settled claims in any of the past five fiscal years.

The following is a summary of the insurance policies in force carried by the Authority as of June 30, 2025:

|                        | Limits        | Deductibles |
|------------------------|---------------|-------------|
| General liability      | \$ 15,750,000 | \$ 100,000  |
| Excess liability       | 10,000,000    | 100,000     |
| Pollution              | 25,000,000    | 250,000     |
| Storage tank pollution | 1,000,000     | 5,000       |

**12. LEASE OF ADDITIONAL CAPACITY**

The Authority signed an agreement with Livermore-Amador Valley Water Management Agency (LAVWMA) dated February 1, 1978, and as amended on March 26, 1981, June 20, 1985, February 18, 1993, and March 18, 1998. The purpose of the agreement is to allow LAVWMA to use the facilities of the Authority to discharge wastewater. The agreement provides for a reasonable method of allocating costs to LAVWMA that are incurred as a result of the discharge rights. The 1998 Agreement also included a capital buy-in fee of \$7,000,000, which LAVWMA paid in full as of August 3, 2018.

On April 26, 2007, the Authority and LAVWMA signed a new Master Agreement that superseded all previous agreements. The purpose of the Master Agreement was to incorporate all applicable items from the previous agreements into a single document.

The Authority and LAVWMA entered into a new Amended and Restated Master Agreement that supersedes all previous agreements, effective July 1, 2021. The Amended and Restated Master Agreement amended the fixed cost percentage that LAVWMA is responsible for and extended the term to June 30, 2040, so that it expires coincident with the Authority's Amended and Restated Joint Exercise of Powers Agreement.

**EAST BAY DISCHARGERS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**13. COMMITMENTS AND CONTINGENCIES**

The Authority has no pending claims or litigation. Per the Amended and Restated Joint Powers Agreement effective July 1, 2020, the Authority committed to pay Union Sanitary District \$420,000 per year in fiscal years 2020/2021 through 2029/2030 for capital costs associated with the Union Effluent Pump Station.

**14. PRIOR PERIOD ADJUSTMENT – CAPITAL ASSETS**

During the fiscal year ended June 30, 2025, management identified a prior period adjustment concerning the capital assets, which resulted in a restatement of the beginning net position as of June 30, 2025. The impact of the restatement is summarized below:

| <b>Statement of Net Assets</b>                                    | <b>6/30/2024<br/>Original Balance</b> | <b>Prior Period<br/>Adjustment</b> | <b>6/30/2024<br/>Restated Balance</b> |
|---|---------------------------------------|------------------------------------|---------------------------------------|
| <b>Capital Assets</b>   |                                       |                                    |                                       |
| Land  | 10,161                                | -                                  | 10,161                                |
| Right-to-use lease asset  | 6,450                                 | -                                  | 6,450                                 |
| Permanent easements   | 432,178                               | -                                  | 432,178                               |
| Construction in progress  | 674,523                               | -                                  | 674,523                               |
| Buildings and structures  | 783,708                               | (67,873)                           | 715,835                               |
| Sewage disposal facilities  | 19,014,854                            | (1,782,057)                        | 17,232,797                            |
| Data acquisition system   | 602,924                               | (118,080)                          | 484,844                               |
| Skywest golf course irrigation facilities                         | 766,680                               | (94,741)                           | 671,939                               |
| Subsurface lines  | 36,369,660                            | (178,476)                          | 36,191,184                            |
| Office equipment  | 189,124                               | (101,431)                          | 87,693                                |
| Field equipment   | 71,054                                | (13,142)                           | 57,912                                |
| Automotive equipment  | 42,667                                | -                                  | 42,667                                |
| <b>Total Capital Assets</b>                                       | <b>58,963,983</b>                     | <b>(2,355,800)</b>                 | <b>56,608,183</b>                     |
| <b>Accumulated Depreciation</b>                                   |                                       |                                    |                                       |
| Buildings and structures:   |                                       |                                    |                                       |
| Operations center   | (493,361)                             | 39,557                             | (453,804)                             |
| Sewage disposal Facilities:                                       |                                       |                                    |                                       |
| San Leandro pump station  | -                                     | -                                  | -                                     |
| Oro Loma pump station   | (6,167,262)                           | 5,412                              | (6,161,850)                           |
| Marina dechlorination facility                                    | (2,615,906)                           | 932,513                            | (1,683,393)                           |
| Hayward pump station  | (1,107,797)                           | 190,487                            | (917,311)                             |
| Union pump station  | (2,272,824)                           | 98,119                             | (2,174,706)                           |
| Data acquisition system   | (563,205)                             | 113,276                            | (449,929)                             |
| Water recycling facilities:                                       |                                       |                                    |                                       |
| Skywest golf course irrigation facilities                         | (665,515)                             | 57,185                             | (608,331)                             |
| Subsurface lines:   |                                       |                                    |                                       |
| Bay outfall   | (11,251,792)                          | 139,492                            | (11,112,300)                          |
| San Leandro to Marina force main                                  | -                                     | -                                  | -                                     |
| Marina to Oro Loma force main                                     | (3,127,343)                           | -                                  | (3,127,343)                           |
| Oro Loma to Hayward force main                                    | (1,581,115)                           | -                                  | (1,581,115)                           |
| Hayward to Alvarado force main                                    | (4,855,835)                           | -                                  | (4,855,835)                           |
| Seismic design  | (11,647)                              | -                                  | (11,647)                              |
| Office equipment  | (181,925)                             | 101,209                            | (80,716)                              |
| Field equipment   | (71,054)                              | 13,142                             | (57,912)                              |
| Automotive equipment  | (4,267)                               | -                                  | (4,267)                               |
| <b>Total Accumulated Depreciation</b>                             | <b>(34,970,848)</b>                   | <b>1,690,391</b>                   | <b>(33,280,457)</b>                   |
| <b>Total Capital Assets - Net</b>                                 | <b>23,993,135</b>                     | <b>(665,410)</b>                   | <b>23,327,726</b>                     |
| <b>Net Investment in Capital Assets</b>                           | <b>23,993,135</b>                     | <b>(665,410)</b>                   | <b>23,327,726</b>                     |
| <b>Unrestricted</b>   | <b>2,565,220</b>                      | <b>-</b>                           | <b>2,565,220</b>                      |
| <b>Total Net Position</b>   | <b>26,558,355</b>                     | <b>(665,410)</b>                   | <b>25,892,946</b>                     |
| <b>Statement of Revenues, Expenses and Change in Net Position</b> |                                       |                                    |                                       |
| Operating Expenses  | 6,158,208                             | 665,410                            | 6,823,618                             |
| Changes in Net Position   | (797,398)                             | (665,410)                          | (1,462,808)                           |
| Net Position - Beginning  | 27,355,753                            | -                                  | 27,355,753                            |
| Net Position - Ending   | 23,993,135                            | (665,410)                          | 23,327,726                            |

## **REQUIRED SUPPLEMENTARY INFORMATION**

**EAST BAY DISCHARGERS AUTHORITY**  
Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years\*

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

| Measurement Date  | 6/30/2024  | 6/30/2023  | 6/30/2022  | 6/30/2021    | 6/30/2020  | 6/30/2019  | 6/30/2018  | 6/30/2017  | 6/30/2016  | 6/30/2015  | 6/30/2014  |
|---|------------|------------|------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| Plan's proportionate share of the Net Pension Liability (Asset)   | 0.00474%   | 0.00471%   | 0.00410%   | -0.00767%    | 0.00214%   | 0.00771%   | 0.70700%   | 0.00806%   | 0.007595%  | 0.007340%  | 0.00416%   |
| Plan's proportion share of the Net Pension Liability (Asset)  | \$ 574,305 | \$ 587,810 | \$ 473,485 | \$ (414,993) | \$ 232,381 | \$ 790,191 | \$ 681,137 | \$ 799,111 | \$ 657,244 | \$ 503,886 | \$ 258,711 |
| Plan's covered payroll  | \$ 622,013 | \$ 618,275 | \$ 572,475 | \$ 539,152   | \$ 504,651 | 492,850    | 533,854    | 422,884    | 377,037    | 393,451    | 399,793    |
| Plan's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll | 92.33%     | 95.07%     | 82.71%     | -76.97%      | 46.05%     | 160.33%    | 127.59%    | 188.97%    | 174.32%    | 128.07%    | 64.71%     |
| Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability  | 78.08%     | 76.21%     | 76.68%     | 88.29%       | 75.10%     | 75.26%     | 75.26%     | 73.31%     | 74.06%     | 78.40%     | 79.82%     |

**EAST BAY DISCHARGERS AUTHORITY**  
Cost-Sharing Multiple-Employer Defined Pension Plan  
Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

|   | 6/30/2025  | 6/30/2024  | 6/30/2023  | 6/30/2022  | 6/30/2021  | 6/30/2020    | 6/30/2019  | 6/30/2018    | 6/30/2017  | 6/30/2016    | 6/30/2015  |
|---|------------|------------|------------|------------|------------|--------------|------------|--------------|------------|--------------|------------|
| Actuarially determined contribution                                   | \$ 110,841 | \$ 87,386  | \$ 103,770 | \$ 89,828  | \$ 80,563  | \$ 95,632    | \$ 76,851  | \$ 72,580    | \$ 55,390  | \$ 43,419    | \$ 37,170  |
| Contributions in relation to the actuarially determined contributions | (110,841)  | (87,386)   | (103,770)  | (89,828)   | (80,563)   | (740,632)    | (76,851)   | (172,580)    | (55,390)   | (143,419)    | (37,170)   |
| Contribution deficiency (excess)                                      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ (645,000) | \$ -       | \$ (100,000) | \$ -       | \$ (100,000) | \$ -       |
| Covered payroll   | \$ 637,463 | \$ 622,013 | \$ 618,275 | \$ 572,475 | \$ 539,152 | \$ 504,651   | \$ 492,850 | \$ 533,854   | \$ 422,884 | \$ 377,037   | \$ 393,451 |
| Contributions as a percentage of percentage of covered payroll        | 17.39%     | 14.05%     | 16.78%     | 15.69%     | 14.94%     | 146.76%      | 15.59%     | 32.33%       | 13.10%     | 38.04%       | 9.45%      |

**Actuarially determined contribution assumptions**

|                                |  |
|--------------------------------|--|
| Valuation date                 | June 30, 2022  |
| Actuarial cost method          | Entry age normal cost method   |
| Amortization method            | Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.  |
| Remaining amortization periods | Differs by employer rate plan  |
| Asset valuation method         | Market value of assets   |
| Inflation                      | 2.30%  |
| Salary increases               | Varies by category, entry age, and service   |
| Discount rate                  | 6.80% (net of investment and administrative expenses)  |
| Mortality                      | Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020. |

\*Fiscal year 2015 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

**EAST BAY DISCHARGERS AUTHORITY**  
Other Post-Employment Benefits (OPEB) Plan  
Last 10 Years\*

**Schedule of Changes in the Net OPEB Liability and Related Ratios**

|   | 2025              | 2024              | 2023              | 2022               | 2021              | 2020              | 2019              | 2018              |
|---|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total OPEB liability</b>   |                   |                   |                   |                    |                   |                   |                   |                   |
| Service cost  | \$ 23,491         | \$ 9,087          | \$ 8,822          | \$ 20,840          | \$ 20,233         | \$ 16,166         | \$ 15,695         | \$ 15,238         |
| Interest  | 42,618            | 45,292            | 45,184            | 48,046             | 46,988            | 50,242            | 49,626            | 48,858            |
| Changes of benefit terms  | 286,618           |                   |                   |                    |                   |                   |                   |                   |
| Differences between expected and actual experience                      | -                 | (63,216)          | -                 | (51,849)           | -                 | (60,853)          | -                 | -                 |
| Change in assumptions   | -                 | (15,764)          | -                 | -                  | -                 | (5,731)           | -                 | -                 |
| Benefit payments, including refunds of employee contributions           | (66,608)          | (58,949)          | (63,622)          | (65,861)           | (33,335)          | (74,777)          | (35,331)          | (67,246)          |
| Net change in total OPEB liability                                      | 286,119           | (83,550)          | (9,616)           | (48,824)           | 33,886            | (74,953)          | 29,990            | (3,150)           |
| <b>Total OPEB liability - beginning</b>                                 | <u>691,704</u>    | <u>775,254</u>    | <u>784,870</u>    | <u>833,694</u>     | <u>799,808</u>    | <u>874,761</u>    | <u>844,771</u>    | <u>847,921</u>    |
| <b>Total OPEB liability - ending (a)</b>                                | <u>\$ 977,823</u> | <u>\$ 691,704</u> | <u>\$ 775,254</u> | <u>\$ 784,870</u>  | <u>\$ 833,694</u> | <u>\$ 799,808</u> | <u>\$ 874,761</u> | <u>\$ 844,771</u> |
| <b>OPEB fiduciary net position</b>                                      |                   |                   |                   |                    |                   |                   |                   |                   |
| Contributions - employer  | \$ 189            | \$ 180            | \$ -              | \$ -               | \$ 525,666        | \$ 74,777         | \$ 82,651         | \$ 80,635         |
| Contributions - employee  | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 |
| Net investment income   | 75,558            | 45,069            | (117,029)         | 204,297            | 30,864            | 12,914            | 11,389            | 12,876            |
| Benefit payments, including refunds of employee contributions           | (66,608)          | (58,949)          | (63,622)          | (65,861)           | (33,335)          | (74,777)          | (35,331)          | (67,246)          |
| Administrative expense  | (415)             | (384)             | (225)             | (281)              | (135)             | (102)             | (81)              | (64)              |
| Other changes   | -                 | -                 | -                 | -                  | -                 | -                 | -                 | -                 |
| Net change in plan fiduciary net position                               | 8,724             | (14,084)          | (180,876)         | 138,155            | 523,060           | 12,812            | 58,628            | 26,201            |
| <b>Fiduciary net position - beginning</b>                               | <u>686,545</u>    | <u>700,629</u>    | <u>881,505</u>    | <u>743,350</u>     | <u>220,290</u>    | <u>207,478</u>    | <u>148,850</u>    | <u>122,649</u>    |
| <b>Fiduciary net position - ending (b)</b>                              | <u>\$ 695,269</u> | <u>\$ 686,545</u> | <u>\$ 700,629</u> | <u>\$ 881,505</u>  | <u>\$ 743,350</u> | <u>\$ 220,290</u> | <u>\$ 207,478</u> | <u>\$ 148,850</u> |
| <b>Net OPEB Liability - ending (a)-(b)</b>                              | <u>\$ 282,554</u> | <u>\$ 5,159</u>   | <u>\$ 74,625</u>  | <u>\$ (96,635)</u> | <u>\$ 90,344</u>  | <u>\$ 579,518</u> | <u>\$ 667,283</u> | <u>\$ 695,921</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 71.1%             | 99.3%             | 90.37%            | 112.31%            | 89.16%            | 27.54%            | 23.72%            | 17.62%            |
| Covered-employee payroll  | \$ 670,929        | \$ 572,475        | \$ 572,475        | \$ 539,152         | \$ 504,651        | \$ 492,850        | \$ 533,854        | \$ 422,884        |
| Net OPEB Liability as a percentage of covered payroll                   | 42.1%             | 0.9%              | 13.04%            | -17.92%            | 17.90%            | 117.59%           | 124.99%           | 164.57%           |

\*Fiscal year 2018 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

**EAST BAY DISCHARGERS AUTHORITY**  
Other Post-Employment Benefits (OPEB) Plan  
Last 10 Years\*

**Schedule of Contributions**

|   | 2025               | 2024             | 2023            | 2022            | 2021             | 2020                | 2019            | 2018               |
|---|--------------------|------------------|-----------------|-----------------|------------------|---------------------|-----------------|--------------------|
| Actuarially determined contribution                                   | \$ 26,836          | \$ 26,181        | \$ -            | \$ -            | \$ 33,335        | \$ 74,777           | \$ 66,000       | \$ 66,000          |
| Contributions in relation to the actuarially determined contributions | (45,594)           | (189)            | (180)           | (144)           | (156)            | (548,842)           | (57,097)        | (97,873)           |
| Contribution deficiency (excess)                                      | <u>\$ (18,758)</u> | <u>\$ 25,992</u> | <u>\$ (180)</u> | <u>\$ (144)</u> | <u>\$ 33,179</u> | <u>\$ (474,065)</u> | <u>\$ 8,903</u> | <u>\$ (31,873)</u> |
| Covered payroll   | 637,463            | 670,929          | 572,475         | 539,152         | 504,651          | 492,850             | 533,854         | 422,884            |
| Contributions as a percentage of percentage of covered payroll        | 7.2%               | 0.0%             | 0.03%           | 0.03%           | 0.03%            | 111.36%             | 10.70%          | 23.14%             |

\*Fiscal year 2018 was the first year of implementation; additional years will be presented until 10 years' worth of information is shown.

Methods and Assumptions for 2024/25 Actuarially Determined Contribution

|                         |   |
|-------------------------|---|
| -Valuation Date         | - June 30, 2023   |
| -Actuarial Cost Method  | - Entry Age Normal, Level % of pay  |
| -Amortization Method    | - Level % of pay  |
| -Amortization Period    | - 9-year fixed period for 2024/25   |
| -Asset Valuation Method | - Market value of assets  |
| -Discount Rate          | - 6.25%   |
| -General Inflation      | - 2.50%   |
| -Medical Trend          | - Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076          |
|                         | - Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 |
|                         | - Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076     |
| -Mortality              | - CalPERS 2000-2019 Experience Study  |
| -Mortality Improvement  | - Mortality projected fully generational with Scale MP-2021                               |

## **OTHER SUPPLEMENTARY INFORMATION**

**East Bay Dischargers Authority**  
Combining Statement of Net Position  
June 30, 2025  
With Comparative Totals as of June, 30 2024

|   | Business-type Activities - Enterprise Funds |                    |                               |                                    |                     | Total                | Total                |
|---|---|--------------------|-------------------------------|------------------------------------|---------------------|----------------------|----------------------|
|   | Operations<br>and<br>Maintenance            | Water<br>Recycling | Renewal<br>and<br>Replacement | Planning<br>and Special<br>Studies | Brine<br>Acceptance | June 30, 2025        | June 30, 2024        |
| <b>Assets</b>                                   |   |                    |                               |                                    |                     |                      |                      |
| Current Assets:                                 |   |                    |                               |                                    |                     |                      |                      |
| Cash and investments (Note 3)                   | 1,064,311.47                                | 56,104.62          | 2,163,279.69                  | 431,145.35                         | 43,396.11           | \$ 3,758,237         | \$ 3,815,396         |
| Interest receivable                             | -   | -                  | 21,051                        | -                                  | -                   | \$ 21,051            | 21,640               |
| Accounts receivable                             | 8   | -                  | -                             | -                                  | 153,037             | \$ 153,045           | 32,094               |
| Due from other governments:                     |   |                    |                               |                                    |                     | \$ -                 |                      |
| Member Agencies                                 | -   | -                  | 565                           | (109,902)                          | -                   | \$ (109,337)         | 38,146               |
| Other agencies                                  | (258)                                       | -                  | 258                           | (13,337)                           | -                   | \$ (13,337)          | 228,175              |
| Inventory                                       | 155,672                                     | -                  | -                             | -                                  | -                   | \$ 155,672           | 153,441              |
| Prepaid expenses                                | 43,971                                      | -                  | -                             | 2,382                              | -                   | \$ 46,354            | 41,653               |
| Deposits  | 2,871                                       | -                  | -                             | -                                  | -                   | \$ 2,871             | 2,646                |
| <b>Total Current Assets</b>                     | <b>1,266,576</b>                            | <b>56,105</b>      | <b>2,185,154</b>              | <b>310,288</b>                     | <b>196,433</b>      | <b>4,014,555</b>     | <b>4,333,191</b>     |
| Noncurrent Assets:                              |   |                    |                               |                                    |                     |                      |                      |
| Capital assets (Note 4):                        |   |                    |                               |                                    |                     |                      |                      |
| Land  | 10,161                                      | -                  | -                             | -                                  | -                   | 10,161               | 10,161               |
| Right-to-use lease                              | -   | -                  | -                             | -                                  | -                   | -                    | 6,450                |
| Permanent easements                             | 429,458                                     | 2,720              | -                             | -                                  | -                   | 432,178              | 432,178              |
| Construction in progress                        | 694,429                                     | -                  | -                             | -                                  | -                   | 694,429              | 674,523              |
| Buildings and structures                        | 715,835                                     | -                  | -                             | -                                  | -                   | 715,835              | 783,708              |
| Sewage disposal facilities                      | 17,372,223                                  | -                  | -                             | -                                  | -                   | 17,372,223           | 19,014,854           |
| Data acquisition system                         | 484,844                                     | -                  | -                             | -                                  | -                   | 484,844              | 602,924              |
| Water recycling facilities                      | -   | 671,940            | -                             | -                                  | -                   | 671,940              | 766,680              |
| Subsurface lines                                | 36,191,184                                  | -                  | -                             | -                                  | -                   | 36,191,184           | 36,369,660           |
| Office equipment                                | 87,693                                      | -                  | -                             | -                                  | -                   | 87,693               | 189,124              |
| Field equipment                                 | 57,912                                      | -                  | -                             | -                                  | -                   | 57,912               | 71,054               |
| Automotive equipment                            | 42,667                                      | -                  | -                             | -                                  | -                   | 42,667               | 42,667               |
| Less: accumulated depreciation                  | (33,540,692)                                | (615,786)          | -                             | -                                  | -                   | (34,156,479)         | (34,970,848)         |
| <b>Total Capital Assets - Net</b>               | <b>22,545,713</b>                           | <b>58,873</b>      | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>22,604,586</b>    | <b>23,993,135</b>    |
| Other noncurrent assets                         |   |                    |                               |                                    |                     |                      |                      |
| Pension related (Note 8)                        | -   | -                  | -                             | -                                  | -                   | -                    | -                    |
| OPEB related (Note 9)                           | -   | -                  | -                             | -                                  | -                   | -                    | -                    |
| <b>Total Other Noncurrent Assets</b>            | <b>-</b>                                    | <b>-</b>           | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>-</b>             | <b>-</b>             |
| <b>Total Noncurrent Assets - Net</b>            | <b>22,545,713</b>                           | <b>58,873</b>      | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>22,604,586</b>    | <b>23,993,135</b>    |
| <b>Total Assets</b>                             | <b>23,812,289</b>                           | <b>114,978</b>     | <b>2,185,154</b>              | <b>310,288</b>                     | <b>196,433</b>      | <b>26,619,141</b>    | <b>28,326,326</b>    |
| <b>Deferred Outflow of Resources</b>            |   |                    |                               |                                    |                     |                      |                      |
| Pension related (Note 8)                        | 402,462                                     | -                  | -                             | -                                  | -                   | 402,462              | 611,194              |
| OPEB related (Note 9)                           | 53,670                                      | -                  | -                             | -                                  | -                   | 53,670               | 32,294               |
| <b>Total Deferred Outflow of Resources</b>      | <b>456,132</b>                              | <b>-</b>           | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>456,132</b>       | <b>643,488</b>       |
| <b>Liabilities</b>                              |   |                    |                               |                                    |                     |                      |                      |
| Current Liabilities:                            |   |                    |                               |                                    |                     |                      |                      |
| Accounts payable- contract retention            | -   | -                  | -                             | -                                  | -                   | -                    | 105,690              |
| Accrued claims payable                          | 351,850                                     | 3,936              | (72,580)                      | 86,821                             | 16,060              | 386,087              | 552,155              |
| Accrued expenses                                | 75,471                                      | -                  | -                             | 68,958                             | -                   | 144,429              | (80)                 |
| Current portion of right-to-use lease liability | -   | -                  | -                             | -                                  | -                   | -                    | 6,450                |
| Due to other governments:                       |   |                    |                               |                                    |                     |                      |                      |
| Member agencies                                 | 292,472                                     | -                  | -                             | -                                  | 29,835              | 322,307              | 657,819              |
| Other agencies                                  | 85,317                                      | -                  | (27,339)                      | -                                  | 10,537              | 68,515               | 89,705               |
| <b>Total Current Liabilities</b>                | <b>805,111</b>                              | <b>3,936</b>       | <b>(99,918)</b>               | <b>155,779</b>                     | <b>56,432</b>       | <b>921,338</b>       | <b>1,411,739</b>     |
| Noncurrent Liabilities:                         |   |                    |                               |                                    |                     |                      |                      |
| Right-to-use lease liability                    | -   | -                  | -                             | -                                  | -                   | -                    | -                    |
| Net pension liability (Note 8)                  | 574,305                                     | -                  | -                             | -                                  | -                   | 574,305              | 587,810              |
| Net OPEB liability (Note 9)                     | 282,554                                     | -                  | -                             | -                                  | -                   | 282,554              | 5,159                |
| Compensated absences                            | 157,493                                     | -                  | -                             | -                                  | -                   | 157,493              | 135,426              |
| <b>Total Noncurrent Liabilities</b>             | <b>1,014,352</b>                            | <b>-</b>           | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>1,014,352</b>     | <b>728,395</b>       |
| <b>Total Liabilities</b>                        | <b>1,819,463</b>                            | <b>3,936</b>       | <b>(99,918)</b>               | <b>155,779</b>                     | <b>56,432</b>       | <b>1,935,690</b>     | <b>2,140,133</b>     |
| <b>Deferred Inflow of Resources</b>             |   |                    |                               |                                    |                     |                      |                      |
| Pension related (Note 8)                        | 155,163                                     | -                  | -                             | -                                  | -                   | 155,163              | 169,506              |
| OPEB related (Note 9)                           | 66,906                                      | -                  | -                             | -                                  | -                   | 66,906               | 101,819              |
| <b>Total Deferred Inflow of Resources</b>       | <b>222,069</b>                              | <b>-</b>           | <b>-</b>                      | <b>-</b>                           | <b>-</b>            | <b>222,069</b>       | <b>271,325</b>       |
| <b>Net Position</b>                             |   |                    |                               |                                    |                     |                      |                      |
| Net Investment in Capital Assets                | 22,545,713                                  | 58,873             | -                             | -                                  | -                   | 22,604,586           | 23,993,135           |
| Restricted                                      | -   | -                  | -                             | -                                  | -                   | -                    | -                    |
| Unrestricted                                    | (318,826)                                   | 52,170             | 2,285,073                     | 154,510                            | 140,001             | 2,312,927            | 2,565,220            |
| <b>Total Net Position</b>                       | <b>\$ 22,226,887</b>                        | <b>\$ 111,043</b>  | <b>\$ 2,285,073</b>           | <b>\$ 154,510</b>                  | <b>\$ 140,001</b>   | <b>\$ 24,917,514</b> | <b>\$ 26,558,355</b> |

The notes to the financial statements are an integral part of this statement.



**East Bay Dischargers Authority**  
Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2025  
With Comparative Totals for the Fiscal Year Ended June 30, 2024

|  | Business-type Activities - Enterprise Funds |                    |                               |                                    |                     |                        |                        |
|--|---|--------------------|-------------------------------|------------------------------------|---------------------|------------------------|------------------------|
|  | Operations<br>and<br>Maintenance            | Water<br>Recycling | Renewal<br>and<br>Replacement | Planning<br>and Special<br>Studies | Brine<br>Acceptance | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
| Operating Revenues:                          |   |                    |                               |                                    |                     |                        |                        |
| Member assessments                           | \$ 3,098,267                                | \$ -               | \$ 750,565                    | \$ 1,048,422                       | \$ -                | \$ 4,897,254           | \$ 4,562,979           |
| LAVWMA assessments                           | 706,783                                     | -                  | 27,339                        | 296,101                            | -                   | 1,030,223              | 1,012,134              |
| Sale of reclaimed water                      | -   | 36,000             | -                             | -                                  | -                   | 36,000                 | 36,000                 |
| Other operating revenues                     | 3,614                                       | -                  | -                             | -                                  | -                   | 3,614                  | 3,094                  |
| Total Operating Revenues                     | 3,808,665                                   | 36,000             | 777,904                       | 1,344,523                          | -                   | 5,967,091              | 5,614,206              |
| Operating Expenses:                          |   |                    |                               |                                    |                     |                        |                        |
| Personnel services                           | 1,345,495                                   | 13,808             | -                             | -                                  | 6,246               | 1,365,548              | 1,121,784              |
| Depreciation                                 | 868,565                                     | 7,456              | -                             | -                                  | -                   | 876,021                | 912,488                |
| Professional services                        | 382,678                                     | -                  | -                             | 40,874                             | 154,140             | 577,692                | 361,433                |
| Monitoring                                   | 202,611                                     | 3,125              | -                             | 296,613                            | -                   | 502,349                | 505,082                |
| Contract services                            | 51,880                                      | -                  | -                             | -                                  | -                   | 51,880                 | 45,696                 |
| Operating supplies                           | 465,792                                     | -                  | -                             | -                                  | -                   | 465,792                | 398,820                |
| Utilities                                    | 885,286                                     | 1,258              | -                             | -                                  | -                   | 886,544                | 908,914                |
| Insurance                                    | 81,265                                      | 5,000              | -                             | -                                  | -                   | 86,265                 | 85,515                 |
| Commissioners' compensation                  | 38,733                                      | -                  | -                             | -                                  | -                   | 38,733                 | 37,007                 |
| Rents and fees                               | 13,837                                      | 1,500              | -                             | 966,098                            | -                   | 981,435                | 938,866                |
| Repairs and maintenance                      | 682,915                                     | 23,765             | 18,075                        | -                                  | -                   | 724,756                | 668,732                |
| Dues   | 141,158                                     | -                  | -                             | 28,015                             | -                   | 169,174                | 162,107                |
| Travel and meetings                          | 10,397                                      | -                  | -                             | -                                  | -                   | 10,397                 | 9,684                  |
| Other general administrative                 | 2,435                                       | -                  | -                             | -                                  | -                   | 2,435                  | 2,081                  |
| Total Operating Expenses                     | 5,173,048                                   | 55,912             | 18,075                        | 1,331,600                          | 160,385             | 6,739,020              | 6,158,208              |
| Operating Income (Loss)                      | (1,364,383)                                 | (19,912)           | 759,828                       | 12,923                             | (160,385)           | (771,929)              | (544,002)              |
| Nonoperating Revenues (Expenses)             |   |                    |                               |                                    |                     |                        |                        |
| Interest income                              | -   | -                  | 138,162                       | -                                  | -                   | 138,162                | 147,603                |
| Gain (loss) on disposal of fixed assets      | -   | -                  | -                             | -                                  | -                   | -                      | -                      |
| UEPS Capital Costs                           | -   | -                  | (420,000)                     | -                                  | -                   | (420,000)              | (420,000)              |
| Cargill other revenue                        | -   | -                  | -                             | -                                  | 186,553             | 186,553                | 76,479                 |
| Cargill other expense                        | -   | -                  | -                             | -                                  | -                   | -                      | (62,274)               |
| Cargill project management                   | -   | -                  | -                             | -                                  | (26,167)            | (26,167)               | (14,204)               |
| Zone 7 Brine (DSRSD)                         | -   | -                  | -                             | -                                  | 20,000              | 20,000                 | 20,000                 |
| Bruce Wolfe Memorial                         | -   | -                  | -                             | (1,000)                            | -                   | (1,000)                | (1,000)                |
| Federal grant revenue                        | -   | -                  | -                             | 48,423                             | -                   | 48,423                 | 271,435                |
| Federal grant expense                        | -   | -                  | -                             | (149,473)                          | -                   | (149,473)              | (271,435)              |
| Total Nonoperating Revenues (Expenses)       | -   | -                  | (281,838)                     | (102,050)                          | 180,385             | (203,503)              | (253,396)              |
| Other Financing Sources (Uses)               |   |                    |                               |                                    |                     |                        |                        |
| Transfers in (Note 7)                        | 178,392                                     | -                  | -                             | -                                  | -                   | 178,392                | 825,241                |
| Transfers out (Note 7)                       | -   | -                  | (178,392)                     | -                                  | -                   | (178,392)              | (825,241)              |
| Total Other Financing Sources (Uses)         | 178,392                                     | -                  | (178,392)                     | -                                  | -                   | -                      | -                      |
| Change in Net Position                       | (1,185,991)                                 | (19,912)           | 299,598                       | (89,127)                           | 20,000              | (975,432)              | (797,398)              |
| Net Position Beginning, as previously stated | 24,040,731                                  | 168,511            | 1,985,475                     | 243,637                            | 120,001             | 26,558,355             | 27,355,753             |
| Prior period adjustment (Note 14)            | (627,853)                                   | (37,556)           | -                             | -                                  | -                   | (665,410)              | -                      |
| Net Position Beginning, as restated          | 23,412,878                                  | 130,955            | 1,985,475                     | 243,637                            | 120,001             | 25,892,946             | 27,355,753             |
| Net Position Ending                          | \$ 22,226,887                               | \$ 111,043         | \$ 2,285,073                  | \$ 154,510                         | \$ 140,001          | \$ 24,917,514          | \$ 26,558,355          |

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2025 and 2024

|   | Business-type Activities - Enterprise Funds |                    |                               |                                    |                     | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|---|---|--------------------|-------------------------------|------------------------------------|---------------------|------------------------|------------------------|
|   | Operations<br>and<br>Maintenance            | Water<br>Recycling | Renewal<br>and<br>Replacement | Planning<br>and Special<br>Studies | Brine<br>Acceptance |                        |                        |
| Cash Flows from Operating Activities:                                       |   |                    |                               |                                    |                     |                        |                        |
| Cash received from members  | \$ 2,743,417                                | \$ -               | \$ 768,780                    | \$ 1,048,422                       | \$ 19,338           | \$ 4,579,957           | \$4,985,004            |
| Cash received from LAVWMA   | 706,103                                     | -                  | 110,647                       | 296,101                            | 6,829               | 1,119,680              | 1,106,593              |
| Cash received from others   | 3,614                                       | 36,000             | -                             | 129,268                            | -                   | 168,882                | 37,828                 |
| Cash payments for personnel services  | (854,793)                                   | (13,808)           | -                             | -                                  | -                   | (868,601)              | (828,940)              |
| Cash payments to members  | -   | -                  | -                             | -                                  | -                   | -                      | -                      |
| Cash payments to suppliers for goods and services                           | (3,046,206)                                 | (36,752)           | (228,582)                     | (1,113,509)                        | (148,832)           | (4,573,881)            | (3,848,111)            |
| Net Cash Provided (Used) by Operating Activities                            | (447,864)                                   | (14,560)           | 650,845                       | 360,282                            | (122,666)           | 426,037                | \$1,452,373            |
| Cash Flows from Capital and Related<br>Financing Activities:                |   |                    |                               |                                    |                     |                        |                        |
| Federal grant revenue   |   |                    |                               | 48,423                             |                     | 48,423                 |                        |
| Gain (loss) on sale of capital assets                                       | -   | -                  | -                             |                                    |                     | -                      |                        |
| UEPS capital costs  | -   | -                  | (420,000)                     |                                    |                     | (420,000)              | (420,000)              |
| Acquisition of capital assets   | (159,331)                                   | 0                  | -                             | -                                  | -                   | (159,331)              | (825,242)              |
| Net Cash Provided (Used) by Capital and Related<br>Financing Activities     | (159,331)                                   | 0                  | (420,000)                     | 48,423                             | -                   | (530,908)              | (1,245,242)            |
| Cash Flows from Investing Activities:                                       |   |                    |                               |                                    |                     |                        |                        |
| Interest on investments   | -   | -                  | 138,750                       |                                    | -                   | 138,750                | 147,373                |
| Net Cash Provided (Used) by Investing Activities                            | -   | -                  | 138,750                       | -                                  | -                   | 138,750                | 147,373                |
| Cash Flows from Non Capital and Related<br>Financing Activities:            |   |                    |                               |                                    |                     |                        |                        |
| Cargill   | -   | -                  | -                             | -                                  | (120,951)           | (120,951)              | 539,431                |
| Zone 7 Brine  |   |                    |                               |                                    | 20,000              | 20,000                 | 20,000                 |
| Federal Grant Expense   | -   | -                  | -                             | (149,473)                          | -                   | (149,473)              | -                      |
| Bruce Wolfe Memorial  |   |                    |                               | (1,000)                            |                     | (1,000)                | (1,000)                |
| Cargill other revenue   |   |                    |                               |                                    | 186,553             | 186,553                |                        |
| Cargill project management  |   |                    |                               |                                    | (26,167)            | (26,167)               |                        |
| Interfund transfers   | 178,392                                     | -                  | (178,392)                     | -                                  | -                   | -                      | -                      |
| Net Cash Provided (Used) by Non Capital and<br>Related Financing Activities | 178,392                                     | -                  | (178,392)                     | (150,473)                          | 59,435              | (91,039)               | 558,431                |
| Net Increase (Decrease) in Cash and Cash Equivalents                        | (428,803)                                   | (14,559)           | 191,203                       | 258,232                            | (63,231)            | (57,158)               | 912,935                |
| Cash and Cash Equivalents Beginning   | 1,493,115                                   | 70,664             | 1,972,077                     | 172,913                            | 106,627             | 3,815,396              | 2,902,459              |
| Cash and Cash Equivalents Ending  | \$ 1,064,312                                | \$ 56,105          | \$ 2,163,280                  | \$ 431,145                         | \$ 43,396           | \$ 3,758,238           | \$3,815,394            |

(Continued)

The notes to the financial statements are an integral part of this statement.

**East Bay Dischargers Authority**  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2025 and 2024

|   | Business-type Activities - Enterprise Funds |                    |                               |                                    |                     | Total<br>June 30, 2025 | Total<br>June 30, 2024 |
|---|---|--------------------|-------------------------------|------------------------------------|---------------------|------------------------|------------------------|
|   | Operations<br>and<br>Maintenance            | Water<br>Recycling | Renewal<br>and<br>Replacement | Planning<br>and Special<br>Studies | Brine<br>Acceptance |                        |                        |
| Reconciliation of Operating Income (Loss)<br>to Cash Flows Provided (Used) by<br>Operating Activities:      |   |                    |                               |                                    |                     |                        |                        |
| Operating Income (Loss)   | \$ (1,364,383)                              | \$ (19,912)        | \$ 759,828                    | \$ 12,923                          | \$ (160,385)        | \$ (771,929)           | \$ (657,875)           |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash Provided (Used) by<br>Operating Activities: |   |                    |                               |                                    |                     |                        |                        |
| Non Cash Revenue  |   |                    |                               |                                    |                     |                        |                        |
| Cargill other revenue   |   |                    |                               |                                    |                     |                        |                        |
| Depreciation  | 868,565                                     | 7,456              | -                             | -                                  | -                   | 876,021                | 889,510                |
| (Increase) decrease in assets and deferred outflows of resources:   |   |                    |                               |                                    |                     |                        |                        |
| Accounts receivable   | -   | -                  | -                             | -                                  | -                   | -                      | (9,100)                |
| Due from other agencies   | 66,866                                      | -                  | 83,308                        | 91,338                             | -                   | 241,512                | (178,069)              |
| Due from member agencies  | -   | -                  | 18,215                        | 129,268                            | -                   | 147,483                | (36,243)               |
| Inventory   | (2,232)                                     | -                  | -                             | -                                  | -                   | (2,232)                | (10,325)               |
| Prepaid expenses  | (4,668)                                     | -                  | -                             | (34)                               | -                   | (4,702)                | (993)                  |
| Deposits  | (224)                                       | -                  | -                             | -                                  | -                   | (224)                  | 2,435                  |
| Lease asset   |   |                    |                               |                                    |                     |                        |                        |
| Pension related deferred outflows of resources  | 208,732                                     | -                  | -                             | -                                  | -                   | 208,732                | (60,718)               |
| OPEB related deferred outflows of resources   | (21,376)                                    | -                  | -                             | -                                  | -                   | (21,376)               | (1,063)                |
| Increase (decrease) in liabilities and deferred inflows of resources:                                       |   |                    |                               |                                    |                     |                        |                        |
| Accrued claims payable  | (80,319)                                    | (2,103)            | (183,168)                     | 126,787                            | 11,553              | (127,250)              | 2,384                  |
| Right-to-use lease liability  |   |                    |                               |                                    |                     |                        |                        |
| Member agencies   | (354,850)                                   | -                  | -                             | -                                  | 19,338              | (335,512)              | (336,479)              |
| Other agencies  | (680)                                       | -                  | (27,339)                      | -                                  | 6,829               | (21,190)               | (68,054)               |
| Net pension liability   | (13,505)                                    | -                  | -                             | -                                  | -                   | (13,505)               | 888,478                |
| Net OPEB liability  | 277,395                                     | -                  | -                             | -                                  | -                   | 277,395                | 171,260                |
| Pension related deferred inflows of resources   | (14,340)                                    |                    |                               |                                    |                     | (14,340)               | (123,313)              |
| OPEB related deferred inflows of resources  | (34,913)                                    |                    |                               |                                    |                     | (34,913)               | (159,963)              |
| Compensated absences  | 22,067                                      | -                  | -                             | -                                  | -                   | 22,067                 | 14,442                 |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ (447,864)</u>                         | <u>\$ (14,560)</u> | <u>\$ 650,845</u>             | <u>\$ 360,282</u>                  | <u>\$ (122,666)</u> | <u>\$ 426,038</u>      | <u>\$ 326,314</u>      |

The notes to the financial statements are an integral part of this statement.

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

To the Board of Directors  
East Bay Dischargers Authority

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 East Bay Dischargers Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise East Bay Dischargers Authority's basic financial statements, and have issued our report thereon dated December 11, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered East Bay Dischargers Authority'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 East Bay Dischargers Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of East Bay Dischargers Authority'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in internal control to be a material weakness:

### Fixed Asset Subledger

During the current year audit, management worked to clean up the fixed asset subledger. It was expected that the old assets would be removed along with the corresponding accumulated depreciation which would decrease the fixed assets. In reviewing the fixed asset register, staff determined that certain assets had been incorrectly characterized as non-depreciating. As part of the clean-up, a prior period adjustment was developed to write off the depreciation not previously taken, which has an effect on net income by increasing depreciation expense. The total assets removed amounted to \$2,355,800. The total reduction in accumulated depreciation was \$1,690,391 or a change to net position of \$665,409. For more details, please see Note 14.

*We have discussed the preceding with management, and they believe this was a one-time issue. They have already implemented new policies and procedures that will help prevent this from occurring in the future.*

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether East Bay Dischargers Authority'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 ROWE, LLP

Walnut Creek, California

December 11, 2025