

ALAMEDA COUNTY WATER DISTRICT  
Fremont, California

Popular Annual  
Financial Report  
For Fiscal Year Ended June 30, 2025



# Alameda County Water District

## Board of Directors

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General Manager

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Director of Finance & Administration

Laura J. Hidas  
Director of Water Resources

Dan Stevenson  
Director of Operations & Maintenance

Girum Awoke  
Director of Engineering & Technology Services

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*A look into your water infrastructure*



Pictures (top to bottom): 1) PFAS Groundwater Treatment System, 2) Alameda Creek Fish Passage Improvements Program, 3) Central Newark - Thornton Avenue Main Renewal Project

# Letter from the General Manager

## To Our Ratepayers and Community

On behalf of the Alameda County Water District (ACWD) Board of Directors and staff, I am pleased to present our Popular Annual Financial Report (PAFR) for the Fiscal Year Ended June 30, 2025. This report aims to provide information about the District's finances and other details that uphold our mission to deliver a reliable supply of high-quality water at a reasonable price to our customers.

The PAFR draws from the District's Annual Comprehensive Financial Report (ACFR) for Fiscal Years Ended June 30, 2025 and 2024. The ACFR is prepared in accordance with generally accepted accounting principles and has been audited by Baker Tilly, LLP, resulting in an unmodified audit opinion.

The organizational structure, ACWD-at-a-Glance, and financial data represent the District during the timeframe reflected in this report.

I hope this report helps you better understand the District's finances and our commitment to our customers. The popular annual financial report, the audited annual financial reports, and the adopted budgets are available on the District's website at [acwd.org/finance](http://acwd.org/finance).

For any questions or comments, please feel free to reach out to our Finance and Administration team.

Respectfully submitted,



Ed Stevenson, General Manager



## Our Dedication

The Alameda County Water District supplies water to the residents and businesses of southern Alameda County. As our area has grown and changed from being an important agricultural center to supporting a growing suburban population, our water system has grown and changed with it.

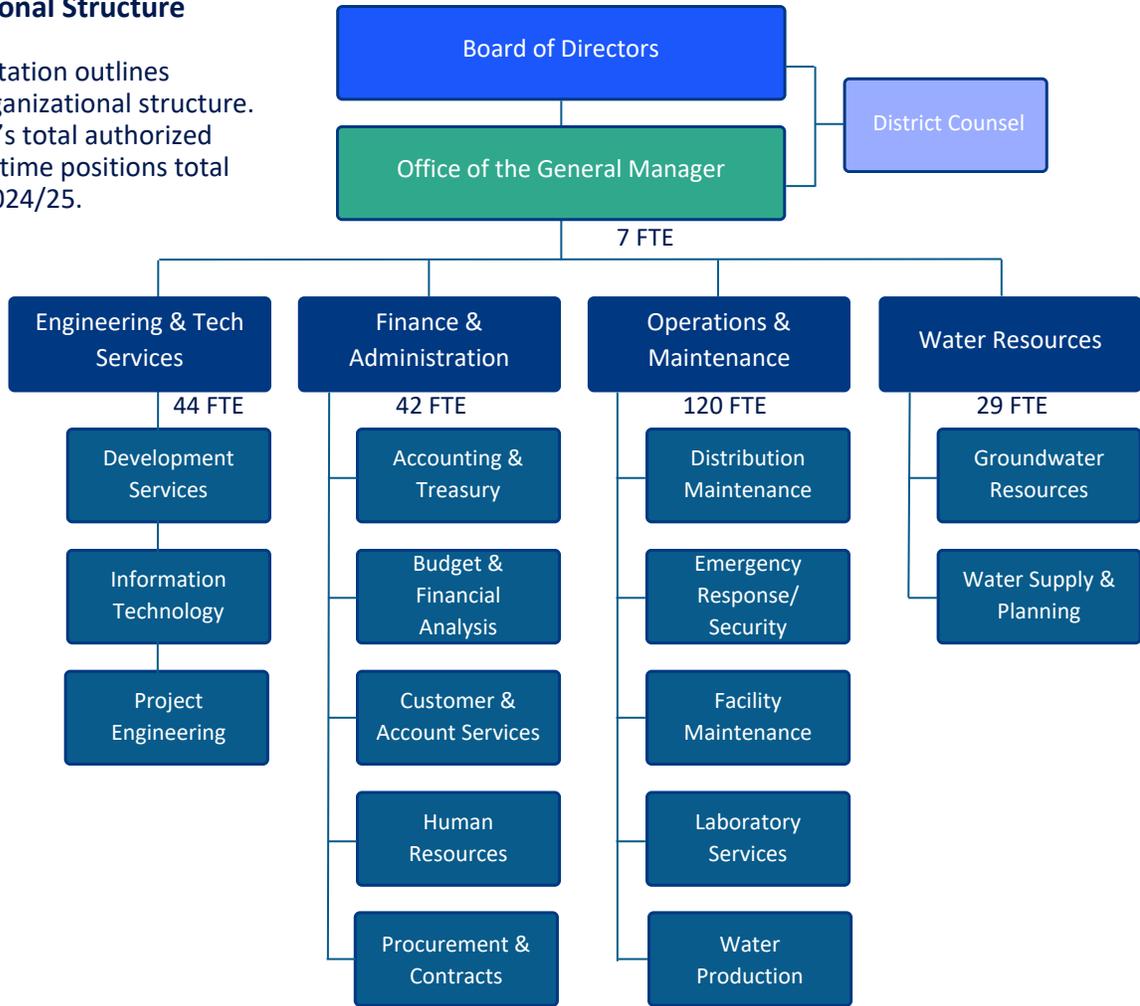
Today, we supply drinking water to approximately 348,000 people in the cities of Fremont, Newark, and Union City. The District covers approximately 105 square miles and, as of June 2025, provides water service through approximately 87,937 metered accounts.



# About ACWD

## Organizational Structure

This presentation outlines ACWD’s organizational structure. The District’s total authorized regular full-time positions total 242 in FY 2024/25.



## ACWD-at-a-Glance

### SOURCES OF SUPPLY

State Water Project - 40%  
 San Francisco PUC (Hetch Hetchy) - 20%  
 Alameda Creek Watershed runoff - 40%



### MILES OF PIPE

**930**

### WATER PRODUCTION

**40.5 Acre Feet  
(FY 2024/25)**



### RESERVOIRS & TANKS

**13**

### WATER TREATMENT AND PRODUCTION FACILITIES

**3**



# District's Strategic Goals

The Board of Directors established these strategic goals to identify priority programs and projects that set the strategic direction for the future of ACWD.

1. Maintain and improve the cost effectiveness and value of District services

2. Sustain a reliable, high quality water supply for District customers

3. Improve the District's financial stability and transparency

4. Improve workforce recruitment, maintain retention, and enhance employee engagement

5. Promote clear and open communications, outreach, and engagement with customers and communities

## Highlights of Key Events and Accomplishments

The following overview highlights key events and accomplishments in FY 2024/25. Additional detail is provided in the annual comprehensive financial report.

### Finance

In 2024, the Board held five financial workshops covering the budget, rates, and long-term planning. Following these sessions, a 4% annual rate increase for service and commodity charges was approved for 2025 and 2026, keeping District rates in the bottom third of 30 surveyed Bay Area water utilities. The updates to fees, charges, and overhead rates were implemented to reflect actual costs, and the annual financial benchmark analysis showed strong performance compared to other similar Bay Area agencies. In April 2025, the District successfully issued \$46.1 million in tax-exempt bonds, resulting in \$35 million in bond proceeds that were used to reimburse key capital project expenditures including main renewals, advanced metering, reservoir roof replacement, and PFAS treatment. The remaining debt proceeds were used to refund most of the District's 2015 water system revenue bonds. The refinancing saved \$0.86 million and the District maintained AAA rating from S&P, with Moody's upgrading to Aaa. The upgrade recognizes the District's stable and diverse service area with above average income levels, robust debt service coverage and liquidity levels supported by prudent fiscal management, and a diverse water supply portfolio including local and wholesale sources with ample storage, demonstrated water supply and financial resilience during the most recent drought, and low debt burden.

### Help on Tap - Customer Assistance Program

The District implemented an innovative customer assistance program effective March 1, 2017 for low-income customers called Help On Tap that initially provided a \$15 credit on the bi-monthly service charge. The bi-monthly service charge credit has been updated several times since inception and was last increased to cover 100% of the 3/4" or 5/8" meter bi-monthly service charge, currently \$66.30, effective March 1, 2025. As of June 30, 2025, there were 1,763 customers enrolled in the program.



## Water Supply

Given the prior two years of above-average precipitation, the District continued water supply surplus operations in FY 2024/25, which included sending some State Water Project (SWP) water supplies to the Semitropic Water Bank, which the District utilizes to store surplus SWP supplies during wet years and returns the water in dry years to meet customer demands and maintain sufficient levels in the local groundwater basin. The District's water supply conditions remained healthy throughout FY 2024/25, due to favorable hydrologic conditions providing near-normal rainfall both locally and at the state level. As a result, FY 2024/25 ended with groundwater storage remaining within normal operating ranges, no restrictions on San Francisco Public Utilities Commission (SFPUC) water supplies, and enough new water supply from the SWP allocation to meet local demands and to reserve additional supplies for future dry years.

## Drinking Water Quality

The District's State-certified laboratory continues to collect samples and conduct analyses for monitoring the quality of water as required by state and federal regulations. The District continues to meet or surpass all federal and state health-based drinking water quality and treatment regulations, including those for lead. In FY 2024/25, the District conducted sampling in compliance with EPA's Fifth Unregulated Contaminant Monitoring Rule (UCMR 5), sampling a portion of customer's homes as required by the California Lead and Copper Rule (LCR), and submitted an inventory of service line materials to Division of Drinking Water (DDW) as required by the federal Lead and Copper Rule Revisions (LCRR). The District actively monitors and maintains distribution system water quality by optimizing operations to reduce water age and proactively managing disinfectant levels at all storage facilities.



## Service Reliability

Much of the District's water infrastructure is aging and susceptible to damage as a result of ground shaking and ground failure due to regional earthquakes. Accordingly in 2013, the District embarked on a Main Renewal and Seismic Improvement Program (MRSIP), which 1) improves the overall seismic reliability of the District's distribution system by strategically making improvements in areas of potential seismic-induced earth movement; 2) improves fire flows and service reliability in the older portions of the service area; 3) reduces long term water system maintenance costs; and 4) improves the seismic reliability of the District's distribution storage and production facilities. As part of the MRSIP, the District has invested over \$70 million in water main renewals, replacements and seismic upgrades in addition to other projects including distribution storage tank replacements and upgrades and seismic improvements. In FY 2024/25, the District implemented the new SCADA system at the Water Treatment Plant No. 2 facility that will result in operational effectiveness, enhanced system security, and improved service reliability, completed construction of the PFAS treatment system and commenced treatment for PFAS, and completed the Alameda Reservoir Roof Replacement Project enhancing storage and seismic reliability of a 16 million gallon reservoir.

## Groundwater Resources

During FY 2024/25, the District accomplished the following groundwater management and protection initiatives: Adopted a replenishment assessment rate for groundwater pumping for uses other than municipal and agricultural. Issued a Survey Report on Groundwater Conditions and the 2024 Groundwater Monitoring Report in support of the replenishment assessment rate. Issued the District's annual report pursuant to requirements of the Sustainable Groundwater Management Act (SGMA). Conducted 520 inspections of drilling operations to ensure compliance with the District's Ordinance. Issued three water well destruction permits as part of the District's abandoned well search and destruction program.



Nilas Cone Groundwater Basin

### Productivity and Efficiency

In early 2025, the District began developing a new Information Technology Master Plan (ITMP). The ITMP will serve as the blueprint to guide the District’s technology investments, infrastructure upgrades, and digital initiatives over the next 5-6 years. The District continues to advance its technology systems, including enhancements to its asset management and permitting platform. Cybersecurity remains a top priority. In 2025, the District completed its annual penetration test, a critical component of the District’s ongoing cybersecurity strategy. The District continues to improve procurement efficiency and lower costs by utilizing cooperative agreements for items such as chemicals, uniform rentals, vehicles, and office supplies. The District continues to promote Advanced Metering Infrastructure (AMI) and its “My Smart Water Connect” customer portal as a powerful resource for customers with tools such as: water use tracking and monitoring, customer account access, electronic bill presentment and payment, water conservation program information, Help on Tap program application, and automatic continuous flow and high usage notifications.

### Public Awareness of Water Issues and Water Use Efficiency

The District’s public information and education programs aim to provide customers and the community with important information related to water supply, emergency preparedness, water quality, infrastructure projects, and the importance of water use efficiency, along with other issues related to the District as a service provider. The District’s School Education Program provides local schools with educational resources that stress the various facets of water science and water management, with the objective of producing citizens capable of making informed decisions regarding state and local water resources. Water use efficiency extends water supplies, benefits the environment, continues to be the most cost-effective source of supply, and allows the District to “bank” water for dry years. Water use efficiency activities this past year focused on encouraging long-term water use efficiency and best practices for all climate and water supply conditions. The District continued to follow and engage with the State on the implementation of a statewide framework that establishes water use objectives to improve water use efficiency and “Make Water Conservation a California Way of Life.”



### Environmental Stewardship

The District recognizes that water agencies must balance the needs of people and the environment to be sustainable and resilient. To ensure the reliability of the District’s water supply from Alameda Creek and restore Central California Coast Steelhead trout, a federally listed species, the District and a number of Bay Area agencies, including the Alameda County Flood Control District, have worked for more than two decades to make the creek a more fish-friendly waterway through the District’s Fish Passage Improvements Program. The Fish Passage Improvements Program, which completed its third consecutive year of passage operations in FY 2024/25, consists of design, construction, and permit compliance for implementation of improvements at the District’s groundwater management facilities within the Alameda Creek Flood Control Channel. The goal of the Program is to restore the migratory fish passage corridor past facilities owned and operated by the District as well as Alameda County.



# Financial Performance

Based on Annual Comprehensive Financial Report

## REVENUES

A significant portion of the District’s revenue is generated from water sales. The District also receives funds from property taxes, developer-related charges, grants, reimbursements, interest income, and other revenues. These revenues cover a wide range of costs, including water purchases, water treatment, capital expenditures, labor and benefits, and debt service.

The table and charts below illustrate the types of revenues for Fiscal Years Ended June 30, 2025 and 2024.

\$ In Millions

	2025	2024
<b>Operating Revenues</b>		
Water Sales	\$130.4	\$123.4
Other Operating Revenues	3.7	8.1
<b>Total Operating Revenues</b>	<b>134.1</b>	<b>131.5</b>
<b>Non-Operating Revenues</b>		
Property Taxes	16.5	15.0
Investment Income (Loss)	9.3	7.9
Other Non-Operating Revenues	22.7	0.8
Gain on disposal of capital assets	0.3	
<b>Total Non-Operating Revenues</b>	<b>48.5</b>	<b>23.7</b>
<b>TOTAL REVENUES</b>	<b>\$182.9</b>	<b>\$155.2</b>



**Water Sales** come from the commodity and service charges billed to customers. A typical residential water bill includes a commodity rate of \$5.17 per 100 cubic feet of water (around 748 gallons) plus a fixed service charge of \$66.30 every two months.



**Other Operating Revenues** include developer-related charges, fees and rental.

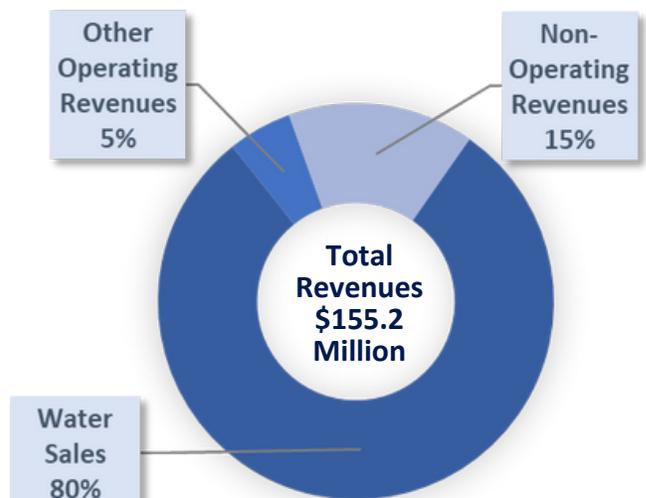
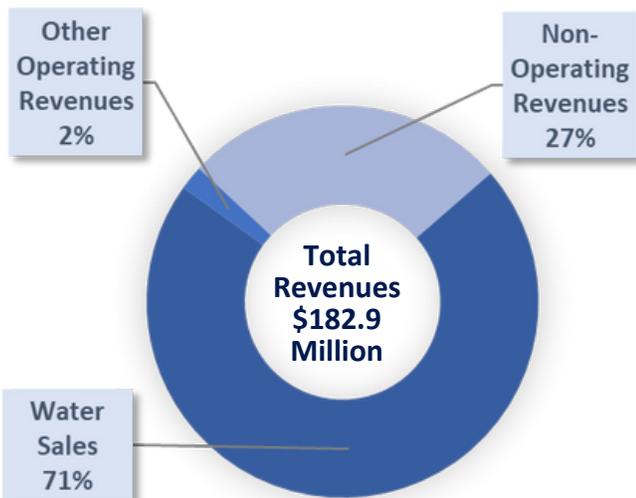


**Other Non-Operating Revenues** include the corresponding increase in settlement receivable related to ongoing litigation pursued by the District.

Non-operating revenues can be volatile from one year to the next.

FY 2024/25

FY 2023/24



# Financial Performance

Based on Annual Comprehensive Financial Report

## EXPENSES

The District is committed to provide our customers with a high quality, reliable supply of water at a reasonable cost. Costs cover water purchases, pumping, treatment, transmission and distribution, depreciation, and various administrative and general services. The table and graphic below illustrate the types of expenses for Fiscal Years Ended 2025 and 2024.

### Operating Expenses

The various expense types for every dollar the District spends for operations and maintenance include several key categories – sources of supply (water purchases, pumping, other), water treatment, transmission and distribution, administration of customer accounts, administration and general, and depreciation and amortization. These expenses are allocated to ensure the efficient use of resources.

\$ In Millions

	2025	2024
<b>Operating Expenses:</b>		
Sources of supply:		
Water purchases	\$43.6	\$41.3
Pumping	2.5	2.2
Other	13.0	13.2
Total Sources of Supply	59.1	56.6
Water Treatment	16.5	15.7
Transmission & Distribution	16.1	18.0
Administration of Customer Accounts	6.0	5.1
Administration & General	27.9	25.1
Depreciation & Amortization	20.6	17.2
<b>Total Operating Expenses</b>	<b>146.2</b>	<b>137.8</b>
<b>Non-Operating Expenses:</b>		
Gain (Loss) on disposal of capital assets	-	14.0
Cost of issuance expense	0.4	0.0
Interest expense	2.7	2.5
<b>Non-Operating Expenses</b>	<b>3.1</b>	<b>16.5</b>
<b>TOTAL EXPENSES</b>	<b>\$149.3</b>	<b>\$154.3</b>



**Sources of Supply** include costs for procuring water from the State Water Project and San Francisco Public Utilities Commission, along with expenses for pumping, power, and operating the supply system.



**Water Treatment** costs are associated with treating water to drinking quality standards.



**Transmission & Distribution** costs are for transporting water to treatment plants and storage reservoirs, and then distributing it to customers.



**Administration of Customer Accounts** expenses include billing services, printing, mailing, and payment processing.



**Administration & General (A&G)** expenses are for the overall management of the operations including district-wide employee benefits, insurance, financial management, human resources, information technology, emergency services, public information, and automotive maintenance. A&G costs can vary significantly from year-to-year based on recognition of pension plan earnings or losses.



**Depreciation & Amortization** expenses are related to the use of capital assets over time.

### Non-Operating Expenses

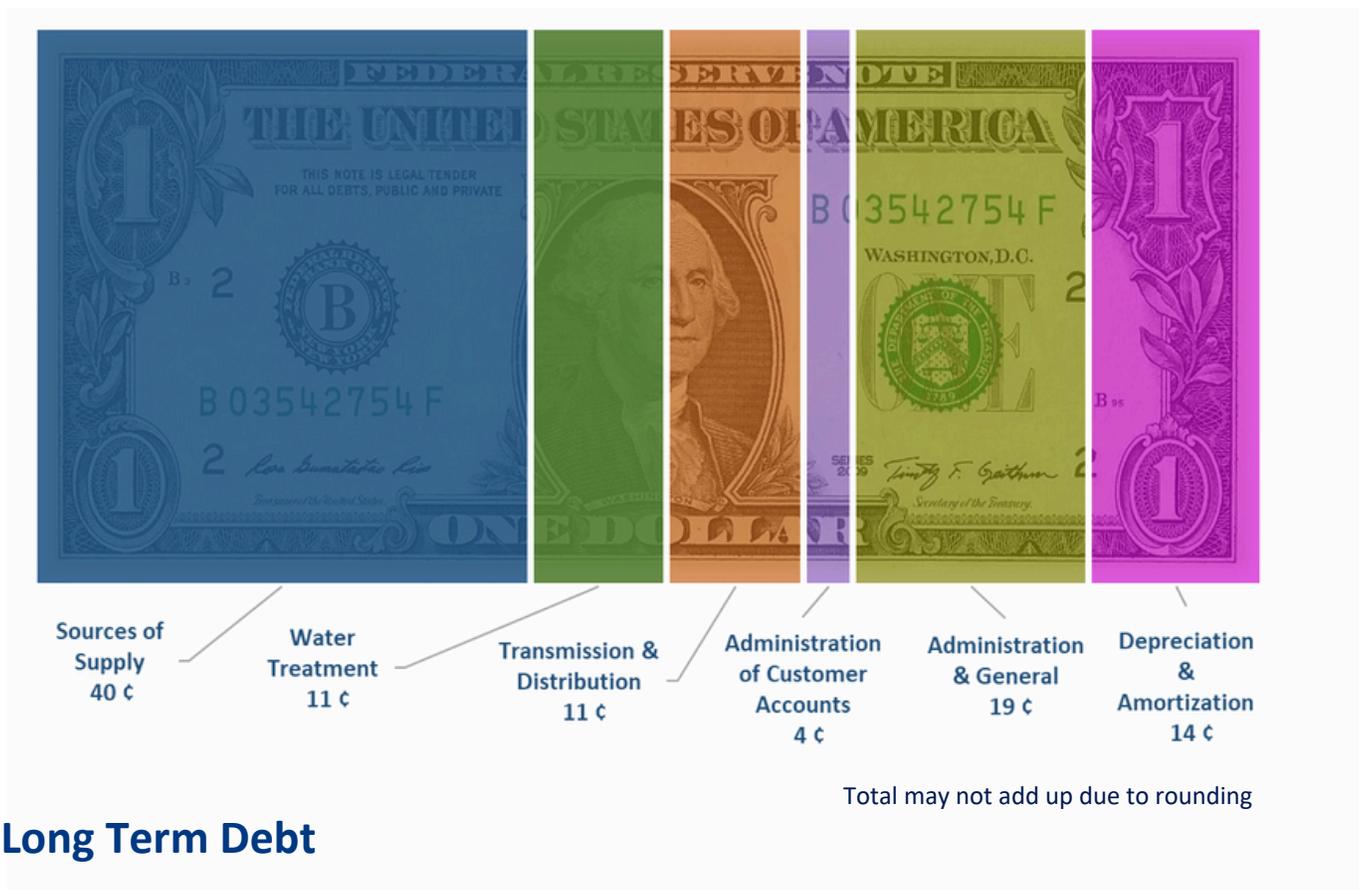
Non-Operating Expenses include gains and losses resulting from the disposal of capital assets, the cost of debt issuance expense, and interest expense.

Non-operating expenses can be volatile from one year to the next.

# Financial Performance

Based on Annual Comprehensive Financial Report

## Operating Expenses: Every \$1 Pays For



## Long Term Debt

As of June 30, 2025, the District had \$98.7 million in outstanding debt compared to \$68.5 million on June 30, 2024 and \$72.0 million on June 30, 2023. The increase is a result of the issuance of the 2025 Water System Revenue Bonds, which refunded a portion of the 2015 Water System Revenue Bonds and also provided \$35 million in new money to finance other capital projects.

Description	True Interest Cost (TIC)*	Fiscal Year Maturity	\$ In Thousands	
			Original Amount	Ending Balance June 30, 2025
2015 Water System Revenue Bonds	3.48%	2045	\$ 27,810	\$ 5,905
2022 Water System Revenue Bonds	2.66%	2042	43,575	36,350
2025 Water System Revenue Bonds	3.96%	2055	46,100	46,100
<b>Total Long-term Debt</b>			<b>\$ 117,485</b>	<b>\$ 88,355</b>

\*All-in aggregate true interest cost (TIC) is the weighted average interest cost paid by the District in consideration of all aspects of the bond issuance.

### Credit Ratings

The District continues to maintain a AAA rating by Standard & Poor’s and received a credit rating upgrade to Aaa by Moody’s Investor Services - both representing the highest possible ratings.

These ratings reflect the District’s stable and diverse service area with above average income levels, strong debt service coverage and liquidity, a diverse water supply portfolio, and a low overall debt burden.

The strong credit ratings help ensure the District can minimize borrowing costs and preserve access to future financing.

# Statement of Net Position & Statement of Revenues, Expenses and Changes in Net Position (Condensed)

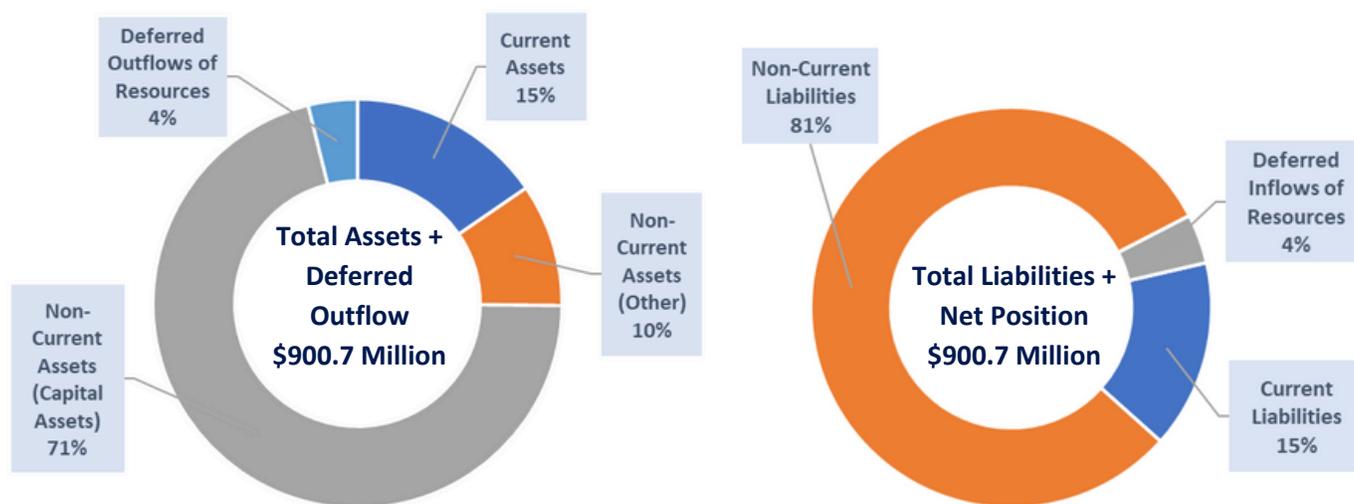
**Statement of Net Position - Condensed**  
For Fiscal Years Ended June 30, 2025 and 2024  
(\$ In Millions)

	2025	2024
<b>ASSETS</b>		
Current	\$139.0	\$124.0
Non-Current (Other)	87.6	78.6
Non-Current (Capital Assets)	639.1	606.8
DEFERRED OUTFLOWS OF RESOURCES	35.0	44.8
<b>TOTAL</b>	<b>900.7</b>	<b>854.2</b>
<b>LIABILITIES</b>		
Current	33.3	42.5
Non-Current	176.5	161.0
DEFERRED INFLOWS OF RESOURCES	8.7	6.5
<b>TOTAL</b>	<b>218.6</b>	<b>210.0</b>
<b>NET POSITION</b>	<b>\$682.1</b>	<b>\$644.2</b>

**Statement of Revenues, Expenses, and Changes in Net Position - Condensed**  
For Fiscal Years Ended June 30, 2025 and 2024  
(\$ In Millions)

	2025	2024
Operating Revenues	\$134.1	\$131.5
Operating Expenses	146.2	137.8
Operating Income (Loss)	(12.1)	(6.3)
Non-Operating Revenues (Expenses)	45.7	7.1
Net Income before Capital Contributions	33.6	0.8
Capital Contributions	4.3	13.9
Change in Net Position	37.9	14.7
<b>Net Position, Beginning of Year</b>	<b>644.2</b>	<b>633.5</b>
Prior Period Adjustments		(4.0)
<b>Net Position, End of Year</b>	<b>\$682.1</b>	<b>\$644.2</b>

End of year net position is the beginning of year net position plus change in net position for the year. The information presented in the charts below applies to Fiscal Year Ended June 30, 2025.



# Terms & Definitions

## Current Assets



Cash and cash equivalents, customer utility receivables, inventory, prepaid expenses, and other liquid assets that can be readily converted to cash.

## Investment (Non-Current)



Investments that are set aside for future use and not expected to be converted into cash or sold within one year.

## Capital Assets (Non-Current)



Includes land, buildings, equipment, vehicles, inventory, treatment plants, pipeline, and water distribution systems.

## Deferred Outflow of Resources



Represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

## Current Liabilities



Present obligations and payments due including, payments to vendors, payroll, and employee benefits.

## Non-Current Liabilities



Long-term financial obligations including payments for loans, bonds, and employee retirement benefits.

## Deferred Inflow of Resources



Represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## Net Position



Represents the District's fiscal position after liabilities and deferred inflows are taken out from assets, and deferred outflow.

## Operating Revenues



Money earned from the core activities of the District, primarily from the sale of water and related services, as well as developer fees.

## Operating Expenses



Costs incurred in the day-to-day operations of the District, including expenses for employee salaries, maintenance, and utilities.

## Non-Operating Revenue



Income not related to the primary operations of the District, such as property taxes, investment income, and gains from the sale of assets.

## Non-Operating Expenses



Costs not related to the primary operations of the District, such as interest expenses, losses from the sale of assets, and cost of issuance.

## Capital Contributions



Funds received by the District from external sources, such as grants or customer capital contributions, specifically for the purpose of funding infrastructure projects and capital improvements.

## Stay Connected to the District

Alameda County Water District  
43885 S. Grimmer Blvd.  
Fremont, CA 94538  
510.668.4200

Business Hours:  
8 a.m. to 5 p.m.  
Lobby Hours:  
9 a.m. to 4 p.m.  
Monday - Friday (except holidays)

