

ROWLAND WATER DISTRICT

3021 South Fullerton Road
Rowland Heights, CA 91748
(562) 697-1726

RWD BOARD VISION



Our Mission:

"Bound by our core values -- Accountability, Communication and Teamwork -- we are committed to providing the highest level of service to our customers --

DEDICATED-RELIABLE-OUTSTANDING-PROFESSIONAL SERVICE"

Board of Directors Regular Meeting

November 12, 2013

6:00 p.m.



AGENDA
Regular Meeting of the Board of Directors
November 12, 2013
6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

Szu Pei Lu-Yang, President
John Bellah, Vice President
Anthony J. Lima
Robert W. Lewis
Teresa P. Rios

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items not on the Agenda within the subject matter jurisdiction of the Board should do so at this time. With respect to items on the agenda, the Board will receive public comments at the time the item is opened for discussion, prior to any vote or other Board action. A three-minute time limit on remarks is requested.

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Rose Perea, Secretary to the Board at (562) 697-1726, or writing to Rowland Water District, at P.O. Box 8460, Rowland Heights, CA 91748. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included, so that District staff may discuss appropriate arrangements. Anyone requesting a disability-related accommodation should make the request with adequate time prior to the meeting in order for the District to provide the requested accommodation.

Any member of the public wishing to participate in the meeting, who requires a translator to understand or communicate in English, should arrange to bring a translator with them to the meeting.

Materials related to an item on this Agenda submitted after distribution of the Agenda packet are available for public review at the District office, located at 3021 S. Fullerton Road, Rowland Heights, CA 91748.

Tab 1 CONSENT CALENDAR

All items under the Consent Calendar are considered to be routine matters, status reports, or documents covering previous Board instruction. The items listed on the Consent Calendar will be enacted by one motion, unless separate discussion is requested.

- 1.1 **Approval of the Minutes of Regular Board Meeting held on October 8, 2013**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.2 **Approval of the Minutes of Special Board Meeting held on October 22, 2013**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.3 **Demands on General Fund Account for October 2013**
Recommendation: The Board of Directors approve the demands on the general fund account as presented.
- 1.4 **Investment Report for October 2013**
Recommendation: The Board of Directors approve the Investment Report as presented.
- 1.5 **Water Purchases for September 2013**
For information purposes only.

Next Special Board Meeting **November 21, 2013, 5:00 p.m. (Thursday)**
Next Regular Board Meeting: **December 10, 2013, 6:00 p.m.**

Tab 2 ACTION ITEMS

This portion of the Agenda is for items where staff presentations and Board discussions are needed prior to formal Board action.

- 2.1 **Review and Approve Directors' Meeting Reimbursements for October 2013**
Recommendation: The Board of Directors approve the reimbursements as presented.
- 2.2 **Review Draft Financial Audit Report for Fiscal Year 2012-2013 Prepared by White Nelson Diehl Evans LLP**
No recommendation provided.
- 2.3 **Review and Approve Rowland Water District's Statement of Operations For Period Ending September 30, 2013**
Recommendation: The Board of Directors approve the Statement of Operations.
- 2.4 **Review Rowland Water District's Quarterly Investment Report as of September 30, 2013**
No recommendation provided.

- 2.5 **Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2012-2013 Prepared by White Nelson Diehl Evans LLP**
Recommendation: The Board of Directors approve the receipt and filing of the PWR financial audit for fiscal year 2012-2013.
- 2.6 **Review and Approve “Puente Basin Water Agency Project Agreement No. 2 Cal Domestic Water Company Project”**
Recommendation: The Board of Directors approved the Agreement as presented.
- 2.7 **Review and Discuss Public Official Gift Limitations and “Reportable Gifts” Form**
No recommendation provided.
- 2.8 **Select Voting Delegate to Vote at the ACWA Fall Conference for ACWA President and Vice President for the 2014-2015 Term**
No recommendation provided.
- 2.9 **Discuss Approval of General Services Contract Between Rowland Water District and Bellflower-Somerset Mutual Water Company**
*Recommendation: The Board Approve a General Services Contract between Rowland Water District and Bellflower-Somerset Mutual Water Company.
Intentionally left blank.*
- 2.10 **Communications Outreach/Education Update**
For information purposes only.
- 2.11 **Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
 - CUFMA Elected Officials Summit, March 4-5, 2014, Renaissance Esmeralda Hotel, Indian Wells, CA

Tab 3 LEGISLATIVE INFORMATION

- 3.1 **Updates on Legislative Issues**
Intentionally left blank.

Tab 4 REVIEW OF CORRESPONDENCE
Intentionally left blank.

Tab 5 COMMITTEE REPORTS

- 5.1 **Three Valleys Municipal Water District (Directors Lu-Yang/Lima)**
 - Action Line Regular Board Meeting held October 16, 2013

There are no tabs for the remainder of the meeting.

- 5.2 **Association of California Water Agencies** (Directors Lewis/Bellah)
- 5.3 **Puente Basin Water Agency** (Directors Lima/Lewis)
- 5.4 **Joint Powers Insurance Authority** (Director Lewis/Mr. Deck)
- 5.5 **Project Ad-Hoc Committee** (Directors Lima/Lu-Yang)
- 5.6 **Regional Chamber of Commerce** (Directors Lu-Yang/Lewis)
- 5.7 **PWR Joint Water Line Commission** (Directors Lima/Bellah)
- 5.8 **Sheriff's Community Advisory Council** (Directors Lu-Yang/Rios)
- 5.9 **Rowland Heights Community Coordinating Council** (Directors Bellah/Rios)

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

- 6.1 **Public Relations** (Mrs. Perea)
- 6.2 **Personnel Report** (Mr. Deck)
- 6.3 **Engineer's Report** (Mr. Carrera)

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Directors' and General Manager's Comments

Future Agenda Items

Late Business

No action shall be taken on any items not appearing on the posted agenda, except upon a determination by a majority of the Board that an emergency situation exists, or that the need to take action arose after the posting of the agenda.

Next Special Board Meeting

November 21, 2013, 5:00 p.m. (Thursday)

Next Regular Board Meeting:

December 10, 2013, 6:00 p.m.

ADJOURNMENT

President SZU PEI LU-YANG, Presiding

Tab

1.1



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
October 8, 2013 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Szu Pei Lu-Yang
Vice President John Bellah
Director Anthony J. Lima
Director Teresa P. Rios
Director Robert W. Lewis

ABSENT:

None.

OTHERS PRESENT:

Janet Morningstar, Legal Counsel
Joe Ruzicka, Three Valleys Municipal Water District
Dan Horan, Three Valleys Municipal Water District
Erin Gilhuly, CV Strategies
David Malkin, Resident
Teri Malkin, Resident
Tom Coleman

ROWLAND WATER DISTRICT STAFF

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Rose Perca, Director of Administrative Services
Sean Henry, Finance Officer

ADDITION(S) TO THE AGENDA

Upon motion by Director Lewis, seconded by Director Lima, and unanimously carried, the Board made a finding that the need to take action on a claim for damages from Yi-Hsiu Chen arose after the posting of the agenda. The item "Review/Decline of Claim for Damages presented by Yi-Hsiu Chen" was added to the Agenda at Tab 2.6.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Resident, Teri Malkin, thanked the District for its support and employee, Teresa Ryan, for her hard work, in connection with the Buckboard Days Parade to be held on October 19, 2013.

Tab 1 - CONSENT CALENDAR

Director Lewis asked for an explanation of item 1.6 regarding the response to questions asked by Mr. Peterson at the last Board Meeting. After review of the response, upon motion by Director Lewis, seconded by Director Lima, the Consent Calendar was approved as presented. The motion was unanimously carried.

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on September 10, 2013

1.2

Demands on General Fund Account for August 2013

1.3

Demands on General Fund Account for September 2013

1.4

Investment Report for August 2013

1.5

Investment Report for September 2013

1.6

Review Response to Questions Posed by Resident, Harry Peterson, at September Board Meeting

Quarterly President's Dinner
Next Regular Board Meeting

October 22, 2013, 5:00 p.m.
November 12, 2013, 6:00 p.m.

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for September 2013

Upon motion by Director Lima, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

2.2

Approve Resolution No. 10-2013 Requesting Appointment in Lieu of Election for the Office of Member, Board of Directors, Divisions 3, 4 and 5

The Registrar-Recorder has informed the District that Directors Bellah, Lewis and Lu-Yang were the only candidates to file a declaration of candidacy for the office of Director for Divisions 3, 4 and 5, respectively, for a full term ending December 2, 2017.

A motion was made by Director Lima, seconded by Director Lewis, to approve Resolution No. 10-2013 Requesting Appointment in Lieu of Election for the Office of Member, Board of Directors, Divisions 3, 4 and 5.

Roll call vote.

Ayes: Directors Lu-Yang, Bellah, Lima, Lewis, and Rios
Noes: None
Absent: None
Abstain: None

Motion was passed by a vote of 5-0.

2.3

Approve/Decline Claim for Damages Submitted by Dee Childs in the Amount of \$650.00

After a brief discussion and a description of the claim filed against the District by Dee Childs, it was staff's recommendation that the Board deny the claim. A motion was made by Director Lewis, seconded by Director Lima, and unanimously carried, to deny the claim for damages filed by Dee Childs. Staff was instructed to forward the appropriate Notice of Rejection of Claim to Ms. Childs with a copy to the District insurance carrier, ACWA/JPIA.

2.4

Communications/Education Outreach Update

Erin Gilhuly, CV Strategies, distributed the Directors' Information Cards and advised Board members that revisions and updates can be made as needed. She advised that the Press Release on the Buckboard Days event is being finalized and that she is working with Brittnie on the Poster Contest Press Release.

2.5

Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)

- 51st Youth Science Gala, October 25, 2013, 6:00 p.m., Misner Estate, 3752 Hollins, Claremont, CA 91711
Staff was requested to inquire as to whether there is a cost for attendance at the event before Board members made a decision to attend.

2.6

Approve/Decline Claim for Damages Submitted by Yi-Hsiu Chen

After a brief discussion and a description of the claim filed against the District by Yi-Hsiu Chen for damages sustained to his automobile and personal belongings caused by water from a broken fire hydrant which was apparently damaged in a hit-and-run accident, it was staff's recommendation that the Board deny the claim. A motion was made by Director Lewis, seconded by Director Rios, and unanimously carried, to deny the claim for damages filed by Yi-Hsiu Chen. Staff was instructed to forward the appropriate Notice of Rejection of Claim to Mr. Chen with a copy to the District insurance carrier, ACWA/JPIA. Mr. Deck advised the Board that several automobiles were affected by the water, and that he expects more claims.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Because the Legislature is out of session there was nothing to report. Director Lewis, however, gave a brief report on the status of the water bond, and AB 240 which is a bill that would subject mutual water companies to greater scrutiny.

Tab 4 REVIEW OF CORRESPONDENCE

Nothing to report.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

President Lu-Yang reported on her attendance at the September 18, 2013 Board meeting and advised that a public hearing was held in connection with their Amended Urban Water Management Plan.

5.2

Association of California Water Agencies

Nothing to Report.

5.3

Puente Basin Water Agency

Director Lima reported that the next meeting is scheduled for October 10, 2013. Staff advised that the La Habra Heights Pipeline start-up for testing is scheduled on October 15-17, 2013, that the Cal Domestic Pipe Bid has been awarded and that the Pump Station will be going out to bid shortly.

5.4

Joint Powers Insurance Authority

Nothing to report.

5.5

Project Ad-Hoc Committee

Director Lima reported that the purpose of the Committee is to review the status of the various projects and that this is an on-going process in order to keep up-to-date and monitor timelines.

5.6

Regional Chamber of Commerce

President Lu-Yang reported that the HR Forum will be held on October 10, 2013, the Chamber Mixer is scheduled for October 17, 2013, and that the Business Women's Council will meet at the Pacific Palms Resort on October 25, 2013. Director Lewis advised that the Chamber Government Affairs Committee is scheduled to meet on October 14, 2013.

5.7

PWR Joint Water Line Commission

Director Lima reported that the next meeting is scheduled for October 17, 2013.

5.8

Sheriff's Community Advisory Council

President Lu-Yang advised that a meeting has been scheduled for November 2, 2013.

5.9

Rowland Heights Community Coordinating Council

Director Bellah advised that the next meeting scheduled for October 14, 2013 will be a question-and-answer meeting for the seven candidates running for the School Board.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Public Relations

Rose Perca, Director of Administrative Services, encouraged the Board to review Brittnie's Education Update included at Tab 2.4 and noted that she has received a very favorable response from the schools on her outreach efforts and has scheduled several classroom presentations. The Teachers' Workshop which is scheduled for October 22, 2013, has had two teachers from Telesis Academy Middle School register to attend. Gina Ward, Public Relations for the Rowland Unified School District, is attempting to set up a meeting with the Assistant Superintendent of Educational Services who is very interested in learning more about the programs the District has to offer. Mrs. Perca is looking forward to a very productive school year and to having a higher degree of interaction with the schools in our District.

6.2

Personnel Report

Nothing to report.

6.3

Engineer's Report

Mr. Carrera reported that the Countrywood I and II Condominium Complex consisting of approximately 100 units will be converting its irrigation system to recycled water. The two complexes average approximately forty (40) acre feet of water each year for irrigation purposes which results in a cost of approximately \$46,000.00 for potable water. This cost will be reduced to approximately \$26,000.00 for recycled water. The District will make the modifications to their irrigation system and comply with the regulatory requirements before turning the system over to them. They will be paying for the retrofit of their system. He also reported that the Walnut Creek Energy Park Peaker Plant is considering adding one more turbine for a total of six (6) turbines. Their peak usage of recycled water since startup was forty (40) acre feet.

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Legal counsel, Janet Morningstar, reported on her attendance at the ACWA Continuing Legal Education Conference which provided information on the CEQA process and how to succeed in preparing a Mitigated Negative Declaration or Environmental Impact Report without litigation.

Tab 8 CLOSED SESSION -- It was the consensus of the Board to move this item to the end of the Agenda.

Directors' and General Manager's Comments

Directors Bellah and Lewis provided a report on their attendance at the 2013 San Gabriel Valley Water Forum which was held on October 3, 2013, and addressed issues concerning the cost of bottled water and the hazards to groundwater associated with fracking.

President Lu-Yang and Director Lima reported on their attendance at the 33rd Annual California Contract Cities Association Fall Seminar. They reported that the focus of the seminar was water issues, including the Bay-Delta and how to contract for shared services, similar to the District's arrangement with the City of Industry. Director Lima mentioned a speaker that was promoting direct re-use of recycled water for potable purposes, getting away from the "toilet to tap" stigma.

President Lu-Yang advised that although she attended the LAFCO Independent Special District Selection Committee meeting held on October 7, 2013, for the purpose of selecting a representative to complete the unexpired term of office for the position of Alternate Member representing independent special districts on the LAFCO, a quorum was not present and, therefore, a selection could not be voted on. A written ballot will be circulated to fill this unexpired term. Upon receipt of the ballots, they will be presented to the Board for review and voting.

General Manager, Ken Deck, advised that if any Board members are interested in visiting the Career and Technical Education Center (CTEC) at the Pomona Fairplex he would contact them to schedule a visit.

Future Agenda Items

None.

Tab 8 CLOSED SESSION

Legal counsel, Janet Morningstar, announced that the closed session was being held pursuant to Government Code Section 54957(b)(1). President Lu-Yang adjourned the meeting to closed session at 7:03 p.m.

- a. **Public Employee Appointment Pursuant to Government Code Section 54957 (b) (1), Title of Position to be filled – Assistant General Manager**

The closed session was adjourned and the Board resumed the meeting in open session at 7:38 p.m.

Upon returning to open session, President Lu-Yang reported that the Board had appointed Tom Coleman to the position of Assistant General Manager, after reviewing his qualifications and confirming that the terms of the proposed agreement were acceptable to both parties. The Board authorized the execution of the Agreement.

Late Business

None.

Quarterly President's Dinner	October 22, 2013, 5:00 p.m.
Regular Board Meeting:	November 12, 2013, 6:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned 7:43 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary

Tab

1.2



Minutes of the Special Meeting of
the Board of Directors of the Rowland Water District

1905 South Azusa Avenue, Hacienda Heights, CA 91745
October 22, 2013 – 5:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Szu Pei Lu-Yang
Vice President John Bellah
Director Anthony J. Lima
Director Robert W. Lewis
Director Teresa P. Rios

ABSENT:

None

OTHERS PRESENT:

Dr. William Mathis, Mathis Consulting Group
Janice Mathis, Mathis Consulting Group
Erin Gilhuly, CV Strategies
Tom Coleman

ROWLAND WATER DISTRICT STAFF:

Ken Deck, General Manager

PUBLIC COMMENT ON NON-AGENDA ITEMS

COMMENTS:

None.

Tab 1 ACTION ITEMS

1.1

Board Development Workshop Facilitated by Dr. William Mathis, Mathis Consulting Group

President Szu Pei Lu-Yang provided opening comments regarding the purpose of the meeting. Dr. Bill Mathis facilitated discussion on "Teaching Positive Outcomes: Look at Past and Future Activities" and together with Erin Gilhuly, CV Strategies, discussed Board accomplishments and the importance of community. The Board also discussed succession planning and its impact on staff and the need to analyze their goals, motives and the future and to focus on achieving key results.

Directors' and General Manager's Comments

None

Future Agenda Items

None.

Late Business

None

Next Regular Meeting of the Board of Directors:

November 12, 2013

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:00 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary

Tab

1.3

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17071						
10/13	10/02/2013	17071	62524	BRITTNIE VAN DE CAR	MILEAGE REIMBURSEMENT	24.86
Total 17071:						24.86
17072						
10/13	10/02/2013	17072	62439	CVSTRATEGIES	COMMUNICATION SERVICES	4,846.57
Total 17072:						4,846.57
17073						
10/13	10/02/2013	17073	2126	DANIELS TIRE SERVICE	TIRES TRUCK 12	285.65
Total 17073:						285.65
17074						
10/13	10/02/2013	17074	32	DAVID A MILLER	MILEAGE REIMBURSEMENT	22.04
10/13	10/02/2013	17074	32	DAVID A MILLER	REIMBURSEMENT-BOOT INSERTS	18.35
Total 17074:						40.39
17075						
10/13	10/02/2013	17075	22541	DOTY BROS CONSTRUCTION CO	INSTALL 2" SERVICE	26,751.58
Total 17075:						26,751.58
17076						
10/13	10/02/2013	17076	5600	G M SAGER CONSTRUCTION	CRACK SEAL AROUND RES. 8	1,100.00
Total 17076:						1,100.00
17077						
10/13	10/02/2013	17077	2600	HACH COMPANY	DPD1P1 PH PROBE	899.00
10/13	10/02/2013	17077	2600	HACH COMPANY	TAX	146.26
Total 17077:						1,045.26
17078						
10/13	10/02/2013	17078	348	HDR ENGINEERING INC	MISC ENGINEERING-ON GOING POTABLE WATER	4,555.86
Total 17078:						4,555.86
17079						
10/13	10/02/2013	17079	244	INFOSEND INC	BILLING SERVICE	3,031.58
Total 17079:						3,031.58
17080						
10/13	10/02/2013	17080	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	58.83
Total 17080:						58.83
17081						
10/13	10/02/2013	17081	62559	PODS ENTERPRISES, INC	MONTHLY RENTAL OF 16" CONTAINER	207.09

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/13	10/02/2013	17081	62559	PODS ENTERPRISES, INC	CONTAINER ONLY PROTECTION OPTION	10.00
Total 17081:						217.09
17082						
10/13	10/02/2013	17082	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES	731.25
Total 17082:						731.25
17083						
10/13	10/02/2013	17083	62447	REEB GOVERNMENT RELATIONS LLC	LOBBYIST	1,500.00
Total 17083:						1,500.00
17084						
10/13	10/02/2013	17084	62062	ROBERT LEAMY	MILEAGE REIMBURSEMENT	27.12
10/13	10/02/2013	17084	62062	ROBERT LEAMY	REIMBURSABLE EXPENSE-SCHOOL FALL 2013 PA	50.00
Total 17084:						77.12
17085						
10/13	10/02/2013	17085	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	730.94
10/13	10/02/2013	17085	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	158.04
Total 17085:						572.90
17086						
10/13	10/02/2013	17086	62557	TEKWORKS, INC	Labor & Material	59,500.85
Total 17086:						59,500.85
17087						
10/13	10/02/2013	17087	62501	TW TELECOM	INTERNET & DATA	1,168.01
Total 17087:						1,168.01
17088						
10/13	10/02/2013	17088	7700	WALNUT VALLEY WATER DISTRICT	FIVE YEAR CENTRAL BASIN GROUNDWATER LEA	114,750.00
Total 17088:						114,750.00
17089						
10/13	10/02/2013	17089	62084	WESTIN ENGINEERING INC	ENGINEERING-IT STRATEGIC PLAN	21,205.00
Total 17089:						21,205.00
17090						
10/13	10/08/2013	17090	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	51.53
Total 17090:						51.53
17091						
10/13	10/08/2013	17091	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	44.97
Total 17091:						44.97

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17094						
10/13	10/11/2013	17094	1000	ACWA/JPIA	EMPLOYEE HEALTH BENEFITS	40,843.49
10/13	10/11/2013	17094	1000	ACWA/JPIA	EMPLOYEE VISION BENEFITS	661.98
10/13	10/11/2013	17094	1000	ACWA/JPIA	EMPLOYEE ASSISTANCE PROGRAM	88.50
10/13	10/11/2013	17094	1000	ACWA/JPIA	RETIRES HEALTH BENEFITS	8,569.45
Total 17094:						50,163.42
17095						
10/13	10/11/2013	17095	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	207.12
Total 17095:						207.12
17096						
10/13	10/11/2013	17096	62308	AZ DESIGNS	PARADE SHIRTS	369.09
Total 17096:						369.09
17097						
10/13	10/11/2013	17097	82440	BNY MELLON N.A.	INVESTMENT MGMT FEE	3,160.83
Total 17097:						3,160.83
17098						
10/13	10/11/2013	17098	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	1,790.21
Total 17098:						1,790.21
17099						
10/13	10/11/2013	17099	62552	CINTAS FAS LOCKBOX 636525	FIRST AID SUPPLIES-BREAK ROOM	96.94
Total 17099:						96.94
17100						
10/13	10/11/2013	17100	229	COASTAL CHLOR & BACKFLOW	LABOR AND TRAVEL-RWD/LHHCWD	320.00
Total 17100:						320.00
17101						
10/13	10/11/2013	17101	62540	CONSOLIDATED CONTRACTING SER	Application for Payment #4 RWD/LHHCWD Interconne	13,088.87
Total 17101:						13,088.87
17102						
10/13	10/11/2013	17102	24701	GRAINGER	TOOLS & SUPPLIES	51.89
Total 17102:						51.89
17103						
10/13	10/11/2013	17103	2600	HACH COMPANY	2107169-NITRIVER 3 REAGENT 100/TEST	136.60
10/13	10/11/2013	17103	2600	HACH COMPANY	TAX	12.29
Total 17103:						148.89
17104						
10/13	10/11/2013	17104	379	HIGHROAD INFORMATION TECHNOL	DOMAIN RENEWAL FOR WWW.ROWLANDWATER.	100.00
10/13	10/11/2013	17104	379	HIGHROAD INFORMATION TECHNOL	HP ELITE SFF/ESET ENDPOINT ANTIVIRUS	1,279.66

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/13	10/11/2013	17104	379	HIGHROAD INFORMATION TECHNOL	HP ELITE SSF/ESET ENDPOINT ANTIVIRUS	1,279.66
Total 17104:						2,659.32
17105						
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	53.24
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	409.43
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	105.77
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	251.09
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	335.42
10/13	10/11/2013	17105	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	171.20
Total 17105:						1,326.16
17106						
10/13	10/11/2013	17106	244	INFOSEND INC	BILLING SERVICE	1,827.17
10/13	10/11/2013	17106	244	INFOSEND INC	BILLING SERVICE	48.73
Total 17106:						1,875.90
17107						
10/13	10/11/2013	17107	2120	J W D'ANGELO CO	TOOLS & SUPPLIES	37.89
Total 17107:						37.89
17108						
10/13	10/11/2013	17108	397	JANET MORNINGSTAR	LEGAL FEES	3,112.60
Total 17108:						3,112.60
17109						
10/13	10/11/2013	17109	62561	LAMOTTE COMPANY	PUBLIC RELATIONS SUPPLIES	347.36
10/13	10/11/2013	17109	62561	LAMOTTE COMPANY	PUBLIC RELATIONS SUPPLIES	47.69
Total 17109:						395.05
17110						
10/13	10/11/2013	17110	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	56.86
10/13	10/11/2013	17110	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RWD/LHHCWD INTERCONNECTIO	47.55
10/13	10/11/2013	17110	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RWD/LHHCWD INTERCONNECTIO	98.99
10/13	10/11/2013	17110	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	88.73
Total 17110:						292.13
17111						
10/13	10/11/2013	17111	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR AUTO & GENERAL LIABILITY	1,069.50
10/13	10/11/2013	17111	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES	175.00
10/13	10/11/2013	17111	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ADMINISTRATIVE FEES	1,097.49
Total 17111:						2,341.99
17112						
10/13	10/11/2013	17112	62562	RMC WATER AND ENVIRONMENT	PUENTE VALLEY OPERABLE UNIT SUPPLY FEASI	60,475.64
Total 17112:						60,475.64

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17113						
10/13	10/11/2013	17113	62188	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	54.30
Total 17113:						54.30
17114						
10/13	10/11/2013	17114	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	29,285.87
10/13	10/11/2013	17114	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,253.99
Total 17114:						32,539.86
17115						
10/13	10/11/2013	17115	3550	SOUTHERN COUNTIES FUELS	DIESEL	825.42
Total 17115:						825.42
17116						
10/13	10/11/2013	17116	143	ST JOSEPH HERITAGE HEALTHCARE	DMV EXAM-A DAVIDSON	75.00
Total 17116:						75.00
17117						
10/13	10/11/2013	17117	5900	THE GAS COMPANY	GAS UTILITY BILL	11.68
Total 17117:						11.68
17118						
10/13	10/11/2013	17118	6500	THERMALAIR INC	REMOVAL & DISPOSAL OF DEFECTIVE THERMOS	1,990.00
Total 17118:						1,990.00
17119						
10/13	10/11/2013	17119	323	UPS	POSTAGE	17.66
Total 17119:						17.66
17120						
10/13	10/11/2013	17120	62355	USA BLUE BOOK	HACH NITRIVER 3 PP FOR 10ML	164.37
Total 17120:						164.37
17121						
10/13	10/11/2013	17121	62353	VERIZON BUSINESS	PHONE SYSTEM-VOIP/VOICE LINE	895.17
Total 17121:						895.17
17122						
10/13	10/11/2013	17122	62462	VERIZON CONFERENCING	CONFERENCE CALLING	189.92
Total 17122:						189.92
17123						
10/13	10/11/2013	17123	2900	VULCAN MATERIAL COMPANY	COLD MIX	140.00
Total 17123:						140.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17124						
10/13	10/11/2013	17124	382	W A RASIC CONSTRUCTION CO INC	NOGALES GRADE SEPARATION	205,778.87
Total 17124:						205,778.87
17154						
10/13	10/17/2013	17154	750	A & B ELECTRIC	REPLACED PHASE VOLTAGE RELAY	1,553.67
Total 17154:						1,553.67
17155						
10/13	10/17/2013	17155	1050	ACWA JOINT POWERS INSURANCE A	WORKERS' COMP QUARTERLY PREMIUM	13,643.00
Total 17155:						13,643.00
17156						
10/13	10/17/2013	17156	62475	ALLEN DAVIDSON	REIMBURSABLE EXPENSE-BOOTS	106.14
Total 17156:						106.14
17157						
10/13	10/17/2013	17157	62528	AM CONSERVATION GROUP INC	HOSE NOZZLES	1,436.98
Total 17157:						1,436.98
17158						
10/13	10/17/2013	17158	224	CALIF RURAL WATER ASSOCIATION	ANNUAL MEMBERSHIP DUES	1,030.00
Total 17158:						1,030.00
17159						
10/13	10/17/2013	17159	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,166.00
Total 17159:						1,166.00
17160						
10/13	10/17/2013	17160	29	DANIEL WARREN	REIMBURSABLE EXPENSE-SCHOOL SPRING 2013	288.05
Total 17160:						288.05
17161						
10/13	10/17/2013	17161	1270	DATA QUICK INFORMATION SYSINC	PROPERTY DATA INFO	100.00
Total 17161:						100.00
17162						
10/13	10/17/2013	17162	5600	G M SAGER CONSTRUCTION	Concrete around CL2 Building	5,400.00
Total 17162:						5,400.00
17163						
10/13	10/17/2013	17163	379	HIGHROAD INFORMATION TECHNOL	SSL RENEWAL FOR CIP.ROWLANDWATER.COM 1	100.00
10/13	10/17/2013	17163	379	HIGHROAD INFORMATION TECHNOL	COST OF ORGANIZING AND CLEAN RACK SPACE	2,195.94
10/13	10/17/2013	17163	379	HIGHROAD INFORMATION TECHNOL	WIRELESS INTERNET COVERAGE TO WAREHOUS	1,990.70
Total 17163:						4,286.64

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17164						
10/13	10/17/2013	17164	244	INFOSEND INC	BILLING SERVICE	2,006.24
Total 17164:						2,006.24
17165						
10/13	10/17/2013	17165	62020	LA COUNTY DEPT OF PUBLIC WORKS	ANNUAL INDUSTRIAL WASTE INSPECTION FEE	301.00
Total 17165:						301.00
17166						
10/13	10/17/2013	17166	3625	MAINTENANCE SHACK INC	TOOL & SUPPLIES	270.36
Total 17166:						270.36
17167						
10/13	10/17/2013	17167	189	NOBEL SYSTEMS	GEOVIEWER MOBILE INTEGRATION PROJECT	17,940.00
Total 17167:						17,940.00
17168						
10/13	10/17/2013	17168	62377	OREILLY AUTOMOTIVE STORES INC	AUTO SUPPLIES	23.50
Total 17168:						23.50
17169						
10/13	10/17/2013	17169	82249	SECURE SITE SOLUTIONS INC	Alarm, Access and Video for new CL2 Building	16,497.26
Total 17169:						16,497.26
17170						
10/13	10/17/2013	17170	215	SOUTH COAST AQMD	ANNUAL OPERATING FEE-3021 S FULLERTON	410.81
10/13	10/17/2013	17170	215	SOUTH COAST AQMD	EMISSIONS FEES-3021 S FULLERTON	117.87
Total 17170:						528.68
17171						
10/13	10/17/2013	17171	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	413.80
Total 17171:						413.80
17172						
10/13	10/17/2013	17172	6500	THERMALAIR INC	REPAIRS ON AC UNIT	290.00
Total 17172:						290.00
17173						
10/13	10/17/2013	17173	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	169.50
Total 17173:						169.50
17174						
10/13	10/17/2013	17174	62154	UNITED BROTHERS MOTOR GROUP I	MAINTENANCE TRUCK 6, 18	522.38
Total 17174:						522.38

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17175						
10/13	10/17/2013	17175	7700	WALNUT VALLEY WATER DISTRICT	RECLAIMED WATER	1,466.88
Total 17175:						1,466.88
17176						
10/13	10/17/2013	17176	7960	WESTERN WATER WORKS SUPPLY	SUPPLIES FOR RES	223.56
Total 17176:						223.56
17177						
10/13	10/17/2013	17177	62084	WESTIN ENGINEERING INC	SCADA MAINTENANCE CONTRACT	1,722.50
Total 17177:						1,722.50
17178						
10/13	10/17/2013	17178	62563	CENTRAL BASIN WATER ASSOCIATIO	QUARTERLY MEMBERSHIP MEETING	50.00
Total 17178:						50.00
17179						
10/13	10/17/2013	17179	62557	TEKWORKS, INC	Change Order Board & Training Rm.	5,307.68
Total 17179:						5,307.68
17180						
10/13	10/21/2013	17180	4750	PWR JT WATER LINE COMMISSION	590.1 AC FT-AUGUST 2013 WATER	500,994.90
10/13	10/21/2013	17180	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	5,801.72
10/13	10/21/2013	17180	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	2,465.93
10/13	10/21/2013	17180	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	5,860.90
Total 17180:						515,113.45
17181						
10/13	10/25/2013	17181	4600	AIRGAS USA LLC	TANK RENTAL	60.07
Total 17181:						60.07
17182						
10/13	10/25/2013	17182	62250	AMERICAN BACKFLOW PREVENTION	MEMBERSHIP RENEWAL-DUSTY MOISIO	60.00
Total 17182:						60.00
17183						
10/13	10/25/2013	17183	1165	ANTIMITE TERMITE & PEST	PEST CONTROL-MONTHLY SERVICE	105.00
10/13	10/25/2013	17183	1165	ANTIMITE TERMITE & PEST	STINGING INSECT TREATMENT	85.00
Total 17183:						190.00
17184						
10/13	10/25/2013	17184	400	AT&T MOBILITY	MOBILE PHONES, DATA CONNECT, & NOTEBOOK	4,730.46
Total 17184:						4,730.46
17185						
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	2,915.58
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	3,951.24

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	42.46
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	161.05
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	75.00
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	42.94
10/13	10/25/2013	17185	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	126.70
Total 17185:						7,304.97
17186						
10/13	10/25/2013	17186	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 17186:						430.00
17187						
10/13	10/25/2013	17187	2180	CDPH-OCP/DEPARTMENT OF PUBLIC	T2 RENEWAL-DAVE SHUBIN	60.00
Total 17187:						60.00
17188						
10/13	10/25/2013	17188	62143	CHRISTOPHER M REYNOSO	REIMBURSABLE EXPENSE-D2 RENEWAL	55.00
Total 17188:						55.00
17189						
10/13	10/25/2013	17189	62534	CINTAS DOCUMENT MANAGEMENT	SHREDDING SERVICE	130.00
Total 17189:						130.00
17190						
10/13	10/25/2013	17190	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	24,786.41
Total 17190:						24,786.41
17191						
10/13	10/25/2013	17191	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,475.25
Total 17191:						2,475.25
17192						
10/13	10/25/2013	17192	62540	CONSOLIDATED CONTRACTING SER	Inteconnection Building	5,326.25
10/13	10/25/2013	17192	62540	CONSOLIDATED CONTRACTING SER	Interior Renovations	137,865.18
Total 17192:						143,191.43
17193						
10/13	10/25/2013	17193	2185	DEPARTMENT OF PUBLIC HEALTH	WATER SYSTEM FEES	10,079.91
Total 17193:						10,079.91
17194						
10/13	10/25/2013	17194	2263	DUKE'S LANDSCAPING INC	GARDENING SERVICE	1,695.00
Total 17194:						1,695.00
17195						
10/13	10/25/2013	17195	2300	FEDERAL EXPRESS	POSTAGE	23.77

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 17195:						23.77
17196						
10/13	10/25/2013	17196	330	FUEL PRO INC	D/O INSPECTION	170.00
10/13	10/25/2013	17196	330	FUEL PRO INC	ANNUAL MONITOR CERTIFICATION	1,325.00
Total 17196:						1,495.00
17197						
10/13	10/25/2013	17197	2600	HACH COMPANY	9385100 DR900 COLORMETER	1,240.00
10/13	10/25/2013	17197	2600	HACH COMPANY	TAX	111.60
Total 17197:						1,351.60
17198						
10/13	10/25/2013	17198	2600	HARPER & ASSOCIATES ENG.	INSTALL PAX MIXER INTO RES. 4, RES. 7 & RES. 1	2,000.00
Total 17198:						2,000.00
17199						
10/13	10/25/2013	17199	379	HIGHROAD INFORMATION TECHNOL	MANAGE SERVICE	4,416.67
10/13	10/25/2013	17199	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
Total 17199:						6,973.67
17200						
10/13	10/25/2013	17200	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	6,057.90
Total 17200:						6,057.90
17201						
10/13	10/25/2013	17201	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	241.35
Total 17201:						241.35
17202						
10/13	10/25/2013	17202	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
Total 17202:						600.00
17203						
10/13	10/25/2013	17203	62128	LEWIS ENGRAVING INC	NAME PLATE & BADGE/DIRECTOR T RIOS	55.59
Total 17203:						55.59
17204						
10/13	10/25/2013	17204	62476	NETWORKFLEET INC	MONTHLY SERVICE	399.20
Total 17204:						399.20
17205						
10/13	10/25/2013	17205	4500	PETTY CASH	MISC EXPENSE	164.89
Total 17205:						164.89

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17206						
10/13	10/25/2013	17206	62196	PRAXAIR DISTRIBUTION INC	CO2 FILL AT WELL #1	5,503.01
Total 17206:						5,503.01
17207						
10/13	10/25/2013	17207	62125	PREMIER ACCESS	EMPLOYEES' DENTAL BENEFITS	3,298.09
10/13	10/25/2013	17207	62125	PREMIER ACCESS	RETIREEES' DENTAL BENEFITS	496.53
Total 17207:						3,794.62
17208						
10/13	10/25/2013	17208	335	PUBLIC SAFETY APPREC LUNCHEON	2013 PUBLIC SAFETY LUNCHEON-TOM COLEMAN	30.00
Total 17208:						30.00
17209						
10/13	10/25/2013	17209	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEE	811.25
10/13	10/25/2013	17209	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	3,358.33
Total 17209:						4,169.58
17210						
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	IBVN3 3" BRS FIP BALL VLV W/ LH NO	358.84
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	CF3 3" DI COMP FLG F/STEEL 7-1/2" X 3"	40.00
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	IBRN3C 3" X CLOSE BRS NPL 2 5/8" IMP NO LEAD	67.42
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	IBRN33 3" X 3" BRS NPL IMP NO LEAD	69.66
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	IBRN34 3" X 4" BRS NPL IMP NO LEAD	76.02
10/13	10/25/2013	17210	62502	S & J SUPPLY COMPANY, INC	IBRN36 3" X 6" BRS NPL IMP NO LEAD	171.65
Total 17210:						763.59
17211						
10/13	10/25/2013	17211	6075	STAPLES CREDIT PLAN	OFFICE SUPPLIES	55.02
Total 17211:						55.02
17212						
10/13	10/26/2013	17212	35	TERESA M RYAN	MILEAGE REIMBURSEMENT	48.59
Total 17212:						48.59
17213						
10/13	10/25/2013	17213	62501	TW TELECOM	INTERNET & DATA	1,168.01
Total 17213:						1,168.01
17214						
10/13	10/25/2013	17214	2550	VERIZON CALIFORNIA	PHONE SERVICE	518.84
Total 17214:						518.84
17215						
10/13	10/25/2013	17215	2212	WHITE NELSON DIEHL EVANS LLP	SECOND INTERIM BILLING-FINANCIAL STATEMEN	2,800.00
Total 17215:						2,800.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
17216						
10/13	10/25/2013	17216	62485	YOUTH SCIENCE CENTER	DINNER GALA-JOHN BELLAH	100.00
Total 17216:						100.00
17217						
10/13	10/24/2013	17217	339	S C W U A	RESERVATION (4)	100.00
Total 17217:						100.00
101513						
10/13	10/15/2013	101513	62558	PUENTE BASIN WATER AGENCY	PM-22 CONNECTION	489,193.80
10/13	10/15/2013	101513	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	3,044.54
10/13	10/15/2013	101513	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	3,811.55
10/13	10/15/2013	101513	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,769.32
10/13	10/15/2013	101513	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	4,943.57
Total 101513:						502,762.78
Grand Totals:						1,954,438.10

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11200-0	114,750.00	.00	114,750.00
11605-0	515,128.08	.00	515,128.08
222100	158.04	1,954,596.14	1,954,438.10
51310-0	990,188.70	.00	990,188.70
51410-1	7,630.22	.00	7,630.22
51410-2	5,500.47	.00	5,500.47
51410-3	3,811.55	.00	3,811.55
51410-5	10,745.29	.00	10,745.29
51510-0	28,253.27	.00	28,253.27
51810-0	6,431.57	.00	6,431.57
52210-0	7,056.68	.00	7,056.68
52310-0	35,343.77	.00	35,343.77
54211-0	140.00	.00	140.00
54212-0	1,173.02	.00	1,173.02
54213-0	2,474.65	.00	2,474.65
54214-0	53.24	.00	53.24
54216-0	1,722.50	.00	1,722.50
56210-0	1,656.95	.00	1,656.95
56211-0	3,160.83	.00	3,160.83
56214-0	828.42	158.04	670.38
56215-0	1,165.00	.00	1,165.00
56216-0	97.02	.00	97.02
56217-0	219.11	.00	219.11
56218-0	4,612.50	.00	4,612.50
56218-1	811.25	.00	811.25
56219-0	9,991.48	.00	9,991.48
56220-0	16,255.65	.00	16,255.65
56221-0	5,284.56	.00	5,284.56
56223-0	3,951.24	.00	3,951.24
56311-0	13,643.00	.00	13,643.00

GL Account	Debit	Credit	Proof
56312-0	13,694.98	.00	13,694.98
56320-0	518.05	.00	518.05
56411-0	40,843.49	.00	40,843.49
56413-0	3,298.09	.00	3,298.09
56414-0	413.80	.00	413.80
56415-0	661.98	.00	661.98
56417-0	9,065.98	.00	9,065.98
56419-0	88.50	.00	88.50
56510-0	528.68	.00	528.68
56710-0	60.07	.00	60.07
56811-0	2,800.00	.00	2,800.00
56812-0	3,876.76	.00	3,876.76
57312-0	1,051.03	.00	1,051.03
57314-0	3,894.99	.00	3,894.99
57315-0	2,475.25	.00	2,475.25
57316-0	65,031.50	.00	65,031.50
57319-0	1,438.96	.00	1,438.96
57320-0	115.00	.00	115.00
57321-0	13,035.03	.00	13,035.03
57322-0	301.00	.00	301.00
57323-0	1,325.00	.00	1,325.00
Grand Totals:	<u>1,954,754.18</u>	<u>1,954,754.18-</u>	<u>.00</u>

Report Criteria:

Report type: GL detail

Report Criteria:
Detail Report

Check Number	Date	Payee						
16798	10/14/2013	AN AN CAI						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	277541-85	VOID - DEPOSIT REFUND	22810-0	414.66-	414.66-
17125	10/11/2013	ZHENG YA JIN						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	632694-67	DEPOSIT REFUND-1916 BOLANOS AVE	22810-0	383.94	383.94
17126	10/11/2013	BYUL BBQ INC						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	491773-05	DEPOSIT REFUND-18061 GALE	22810-0	82.13	
			2	796137-75	DEPOSIT REFUND-18061 GALE-FIRE SERVICE	22810-0	174.40	256.53
17127	10/11/2013	HAIFENG ZHANG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	137084-13	DEPOSIT REFUND-16556 FERN HAVEN	22810-0	138.04	138.04
17128	10/11/2013	TURNDA INTERNATIONAL						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	317402-17	DEPOSIT REFUND-1100 JOHN REED COURT	22810-0	1,705.45	1,705.45
17129	10/11/2013	MA ZE JIAN						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	125468-39	DEPOSIT REFUND-18905 AMBERLY PL	22810-0	157.36	157.36
17130	10/11/2013	THR CALIFORNIA LLC						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	728647-93	DEPOSIT REFUND-2427 RECINTO AVE	22810-0	418.50	418.50
17131	10/11/2013	DE ANGELO BROTHERS INC						

Sequence	Source	Description	GL Account	Amount	Check Amount
1	97-00	DEPOSIT REFUND-CONSTRUCTION METER	22810-0	680.98	680.98

17132 10/11/2013 QING YUAN ZHUN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	875976-83	DEPOSIT REFUND-18973 LA GUARDIA	22810-0	94.80	94.80

17133 10/11/2013 MINHONG XU

Sequence	Source	Description	GL Account	Amount	Check Amount
1	914818-35	DEPOSIT REFUND-1800A GREENPORT	22810-0	439.86	439.86

17134 10/11/2013 LE CONG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	684193-52	DEPOSIT REFUND-3462 CASTLEFORD PL	22810-0	127.61	127.51

17135 10/11/2013 ANGELA WAN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	272346-68	DEPOSIT REFUND-2552 SIERRA LEONE	22810-0	57.66	57.66

17136 10/11/2013 INC NATIONAL PLANT SERVICES

Sequence	Source	Description	GL Account	Amount	Check Amount
1	54-00	DEPOSIT REFUND-CONSTRUCTION METER	22810-0	337.83	337.83

17137 10/11/2013 ZHAOHUL LI

Sequence	Source	Description	GL Account	Amount	Check Amount
1	107598-28	DEPOSIT REFUND-3533 HERTFORD PLACE	22810-0	232.32	232.32

17138 10/11/2013 W.L. BUTLER CONSTRUCTION

Sequence	Source	Description	GL Account	Amount	Check Amount
1	59-00	DEPOSIT REFUND-CONSTRUCTION METER	22810-0	652.80	652.80

17139 10/11/2013 TIANYOW TING

Sequence	Source	Description	GL Account	Amount	Check Amount
1	939320-14	DEPOSIT REFUND-17945 GOOSEBERRY DR	22810-0	249.54	249.54

Check Number	Date	Payee						
17140	10/11/2013	KATHERINE CASTILLO						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	248596-44	DEPOSIT REFUND-2527 LOS PADRES	22810-0	258.71	258.71
17141	10/11/2013	GUO CHEN						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	775109-33	DEPOSIT REFUND-17805 CALLE BARCELONA	22810-0	355.94	355.94
17142	10/16/2013	KUN KIM						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	683268-83	CREDIT REFUND-1709 SANTA YSABELA	15210-0	23.48	23.48
17143	10/16/2013	YIMIN ZHOU						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	329926-00	CREDIT REFUND-18916 AMBERLY PL	15210-0	189.75	189.75
17144	10/16/2013	TONG JING AN C/O SANG NING						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	92009-37	CREDIT REFUND-515 GIANO AVE	15210-0	83.77	83.77
17145	10/16/2013	SELENA KONG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	468990-42	CREDIT REFUND-1540 GOLDEN ROSE	15210-0	97.46	97.46
17146	10/16/2013	SNOW PRINCESS DESSERT HOUSE INC						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	889503-25	CREDIT REFUND-1655G AZUSA	15210-0	107.73	107.73
17147	10/16/2013	ANACLETO M DULAY						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	240616-80	CREDIT REFUND-2761 GLENHURST PL	15210-0	41.17	41.17
17147	10/25/2013	ANACLETO M DULAY						

Sequence	Source	Description	GL Account	Amount	Check Amount
1	240616-80	VOID - CREDIT REFUND-2761 GLENHURST PL	15210-0	41.17-	41.17-

17148 10/16/2013 ANGELA WAN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	272346-66	CREDIT REFUND-2552 SIERRA LEONE	15210-0	69.67	69.67

17149 10/16/2013 SAMUEL SHIH-HSUIING KUO

Sequence	Source	Description	GL Account	Amount	Check Amount
1	953855-34	CREDIT REFUND-1774 TURNPOST LANE	15210-0	58.58	58.58

17150 10/18/2013 PIK SHAN YIP

Sequence	Source	Description	GL Account	Amount	Check Amount
1	655453-36	DEPOSIT REFUND-1830 WIDSON COURT	15210-0	50.00	50.00

17151 10/18/2013 ERNEST M ARREDONSO SR

Sequence	Source	Description	GL Account	Amount	Check Amount
1	601776-92	CREDIT REFUND-2314 DONOSA DR	15210-0	128.10	128.10

17152 10/16/2013 MA ZEJIAN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	125468-39	CREDIT REFUND-18905 AMBERLY PL	15210-0	99.08	99.08

17153 10/16/2013 AN AN CAI

Sequence	Source	Description	GL Account	Amount	Check Amount
1	277541-85	DEPOSIT REFUND-1652 SUMMER LAWN WAY	22810-0	414.66	414.66

Grand Totals:

7,455.39

Tab

1.4



Rowland Water District Memorandum

To: Kenneth Deck, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: November 4, 2013

Subject: Investment Update – October 2013

Economic Review: The next meeting of the Federal Reserve is scheduled for December 17th. The last meeting was held on October 29th. The Fed Funds rate remains at a target range of 0 to ¼ percent. At the meeting, the Federal Reserve stated that “economic activity has been expanding at a moderate pace. Some indicators of labor market conditions have shown further improvement in recent months, but the unemployment rate remains elevated. Household spending and business fixed investment advanced, and the housing sector slowed somewhat in recent months. Fiscal policy is restraining economic growth. Apart from fluctuations due to changes in energy prices, inflation has been running below the Committee’s longer-run objective, but longer-term inflation expectations have remained stable.” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 0.7 for the month of September. The previous reading was 0.9 in August.

LAIF Update: LAIF ended the month of October with a yield of 0.26%. This represents a .01 basis point increase from the month of September. A comparison with last year shows LAIF .08 basis points lower than October 2012 when the yield stood at 0.34%.

RWD Investments: Rowland Water District’s bond portfolio carries an average yield of 1.61%, no change from the month of September. This represents a 1.35 basis point premium to LAIF. The District had one bond purchase in the month of October. It was a five year US Treasury Note with an effective yield of 1.38%. The District’s CD Placement Program has an effective yield of 0.43% with an average maturity of 652 days.

Rowland Water District
3021 South Fullerton Road
Rowland Heights, CA 91748
Tel (562) 697-1726

ROWLAND WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
FOR MONTH ENDED OCTOBER 31, 2013



CASH	
Citizens Business Bank	520,407.83
Comerica Bank MMIA	356,295.63
TOTAL CASH	876,703.46

COMERICA SECURITIES CD PLACEMENT	NA	1mth - 2 Years	NA	NA	NA	0.43%	652	1,821,000.00	10.14%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	NA	NA	0.26%	NA	2,766,047.03	15.40%

**BNY MELLON INVESTMENTS
(UNION BANK CUSTODIAN)**

Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio	
Fed Natl Mtg Assn	4 Year	250,000.00	101.968	100.310	12/11/13	2.41%	NA	250,775.00	1.40%
Fed Home Loan Mtg Corp	5 Year	250,000.00	99.758	100.445	01/07/14	2.50%	NA	251,112.50	1.40%
Fed Natl Mtg Assn	5 Year	250,000.00	100.531	100.689	02/05/14	2.42%	NA	251,722.50	1.40%
Fed Natl Mtg Assn	5 Year	250,000.00	99.749	100.967	03/13/14	2.49%	NA	252,417.50	1.41%
Fed Farm Credit Bank	5 Year	250,000.00	99.782	101.152	04/17/14	2.63%	NA	252,880.00	1.41%
Fed Home Loan Mtg Corp	5 Year	250,000.00	100.012	101.145	04/23/14	2.50%	NA	252,862.50	1.41%
Fed Natl Mtg Assn	5 Year	250,000.00	99.594	101.268	05/15/14	2.50%	NA	253,170.00	1.41%
Fed Natl Mtg Assn	5 Year	100,000.00	101.835	102.603	11/20/14	2.63%	NA	102,603.00	0.57%
Fed Home Loan Mtg Corp	5 Year	250,000.00	100.898	103.344	02/09/15	2.88%	NA	258,260.00	1.44%
US Treasury Note	5 Year	250,000.00	99.489	103.207	03/31/15	2.50%	NA	258,017.50	1.44%
US Treasury Note	5 Year	250,000.00	102.016	103.358	04/30/15	2.50%	NA	258,495.00	1.44%
Fed Natl Mtg Assn	5 Year	250,000.00	102.061	103.570	07/28/15	2.38%	NA	258,925.00	1.44%
US Treasury Note	5 Year	250,000.00	100.266	104.453	03/31/16	2.25%	NA	261,132.50	1.45%
US Treasury Note	5 Year	250,000.00	101.219	102.688	07/31/16	1.50%	NA	256,720.00	1.43%
US Treasury Note	5 Year	250,000.00	101.231	101.888	10/31/16	1.00%	NA	252,970.00	1.41%
Fed Natl Mtg Assn	5 Year	250,000.00	100.639	102.084	11/15/16	1.38%	NA	255,210.00	1.42%
US Treasury Note	5 Year	250,000.00	99.942	100.727	11/30/17	0.88%	NA	251,817.50	1.40%
Fed Natl Mtg Assn	5 Year	200,000.00	101.194	101.585	01/30/17	1.25%	NA	203,170.00	1.13%
Fed Natl Mtg Assn	5 Year	250,000.00	100.083	99.325	08/29/17	0.88%	NA	248,312.50	1.38%
US Treasury Note	5 Year	250,000.00	99.599	98.750	09/30/17	0.63%	NA	246,875.00	1.37%
Fed Natl Mtg Assn	5 Year	250,000.00	100.019	98.644	12/20/17	0.88%	NA	246,610.00	1.37%
Fed Home Loan Mtg Corp	5 Year	200,000.00	99.289	98.107	01/12/18	0.75%	NA	196,214.00	1.09%
US Treasury Note	5 Year	200,000.00	99.742	98.523	02/28/18	0.75%	NA	187,046.00	1.10%
Fed Natl Mtg Assn	5 Year	250,000.00	100.300	97.733	05/21/18	0.88%	NA	488,665.00	2.72%
US Treasury Note	5 Year	250,000.00	99.727	100.398	09/30/18	1.38%	NA	250,995.00	1.40%
Cash Reserve Account						0.00%		52,364.81	0.29%
Total BNY Mellon Investments								6,309,432.81	35.12%

**MERRILL LYNCH INVESTMENTS
(UNION BANK CUSTODIAN)**

Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio	
Fed Home Loan Bank	5 Year	495,000.00	100.901	100.353	12/13/13	3.13%	NA	496,747.35	2.77%
Fed Home Loan Bank	4 Year	240,000.00	100.441	101.040	09/12/14	1.38%	NA	242,456.00	1.35%
Fed Home Loan Bank	5 Year	300,000.00	100.687	102.878	12/12/14	2.75%	NA	308,634.00	1.72%
Fed Home Loan Bank	4 Year	245,000.00	99.270	101.040	12/12/14	1.25%	NA	247,906.80	1.38%
Fed Natl Mtg Assn	5 Year	480,000.00	100.625	101.799	09/28/16	1.25%	NA	488,635.20	2.72%
Fed Natl Mtg Assn	5 Year	500,000.00	100.898	102.084	11/15/16	1.38%	NA	510,420.00	2.84%
Fed Home Loan Mtg Corp	5 Year	465,000.00	100.427	100.688	03/08/17	1.00%	NA	468,199.20	2.61%
Fed Home Loan Mtg Corp	5 Year	250,000.00	102.124	101.270	05/12/17	1.25%	NA	253,175.00	1.41%
Fed Home Loan Mtg Corp	5 Year	250,000.00	100.793	100.010	06/29/17	1.00%	NA	250,025.00	1.39%
Fed Natl Mtg Assn	5 Year	485,000.00	101.342	99.325	08/28/17	0.88%	NA	481,726.25	2.68%
Fed Natl Mtg Assn	5 Year	495,000.00	100.650	98.644	12/20/17	0.88%	NA	488,287.80	2.72%
Fed Home Loan Mtg Corp	5 Year	495,000.00	100.096	98.107	01/12/18	0.75%	NA	495,629.65	2.70%
Fed Natl Mtg Assn	5 Year	495,000.00	100.448	98.429	02/08/18	0.88%	NA	487,223.55	2.71%
Fed Home Loan Mtg Corp	5 Year	495,000.00	100.392	98.308	03/07/18	0.88%	NA	485,624.60	2.71%
Fed Natl Mtg Assn	5 Year	500,000.00	100.530	97.733	05/21/18	0.88%	NA	488,665.00	2.72%
ML Bank Deposit (Cash Account)						0.00%		5,916.44	0.03%
Total Merrill Lynch Investments								6,190,011.84	34.46%

**TOTAL INVESTMENTS
TOTAL CASH AND INVESTMENTS**

								17,086,491.68	100%
								17,963,195.14	

Weighted Average Yield of Total Investment Portfolio: **1.10%**

Market values determined by last business day of month values.
All listed investments comply with the District's Statement of Investment Policy as established in Resolution 2-2007.
The District's available cash and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations for at least a six-month period of time.
NOTE: All interest values shown above are based on annual rates of return.

Sean S. Henry, Finance Officer



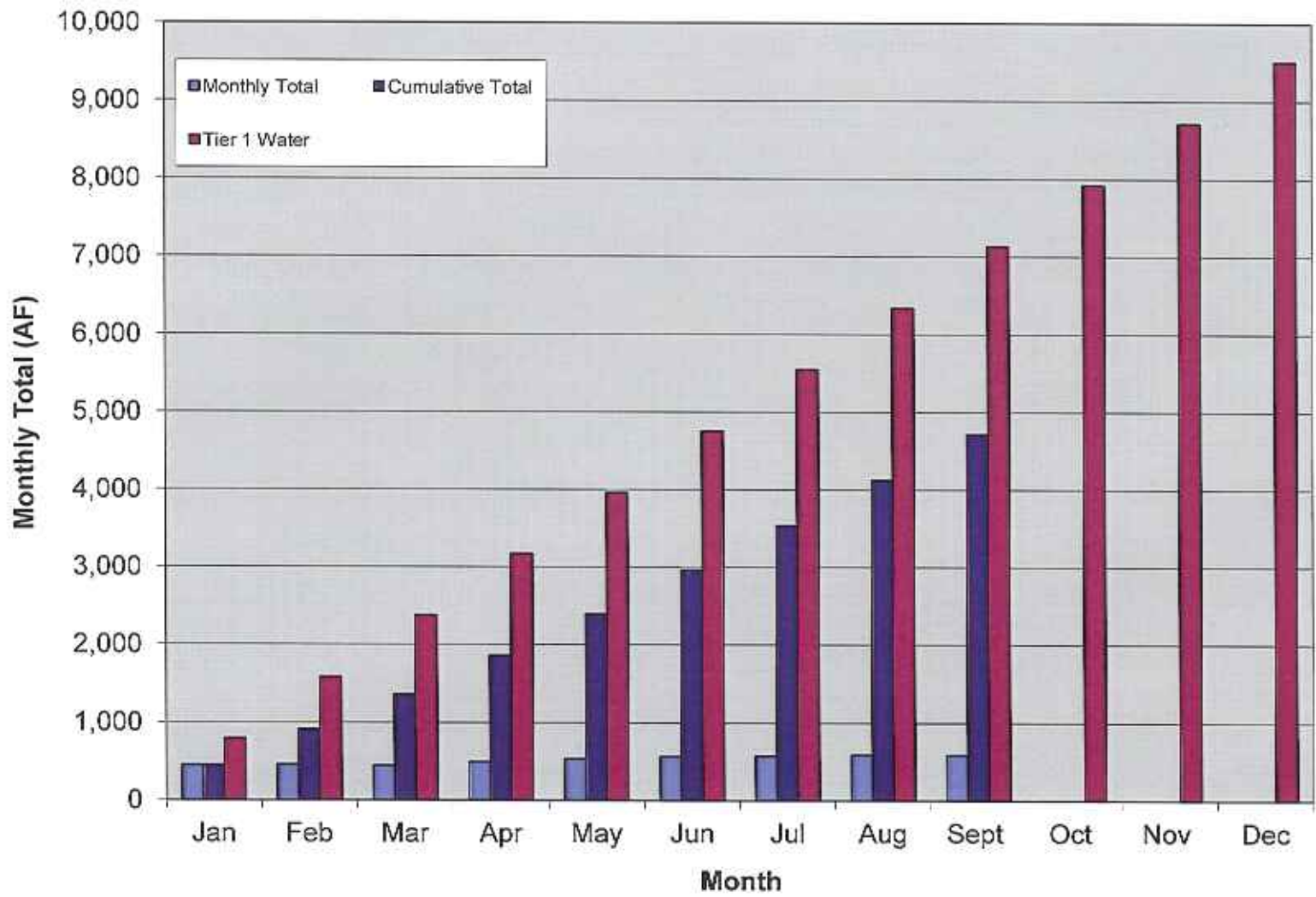
**COMPARATIVE PURCHASED WATER REPORT
FOR THE MONTH OF SEPTEMBER 2013**

SOURCE / DESCRIPTION	2013			2012		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
WATER CHARGES:						
POTABLE WATER						
PUENTE BASIN WATER AGENCY / TVMWD	523.6	444,536.40	849.00	477.9	378,974.70	793.00
PWR	588.2	499,381.80	849.00	639.0	506,727.00	793.00
	1111.8	943,918.20		1116.9	885,701.70	
RECLAIMED WATER	108.1	26,253.27	242.86	43.2	10,375.71	240.18
TOTAL WATER CHARGES	1,219.9	970,171.47		1,160.1	896,077.41	
FIXED CHARGES:						
TVMWD--						
CAPACITY RESERVATION		4,943.57			5,022.18	
CONNECTED CAPACITY		3,044.54			3,044.54	
WATER USE CHARGE		1,769.32			1,625.55	
EQUIV. SMALL METER		3,811.55			3,780.68	
SUBTOTAL		13,568.98			13,472.95	
PWR--						
CAPACITY RESERVATION		5,801.72			9,302.44	
CONNECTED CAPACITY		2,455.93			2,455.93	
WATER USE CHARGE		5,826.17			5,761.12	
DEPRECIATION		1,389.00				
REPLACEMENT		1,910.00				
PWR BUDGET ASSESSMENT		7,797.00				
SUBTOTAL		25,179.82			17,519.49	
TOTAL FIXED CHARGES		38,748.80			30,992.44	
TOTAL PURCHASED WATER CHARGES		1,008,920.27			927,069.85	
AVERAGE WATER CHARGE:		\$ 827.05			\$ 799.13	

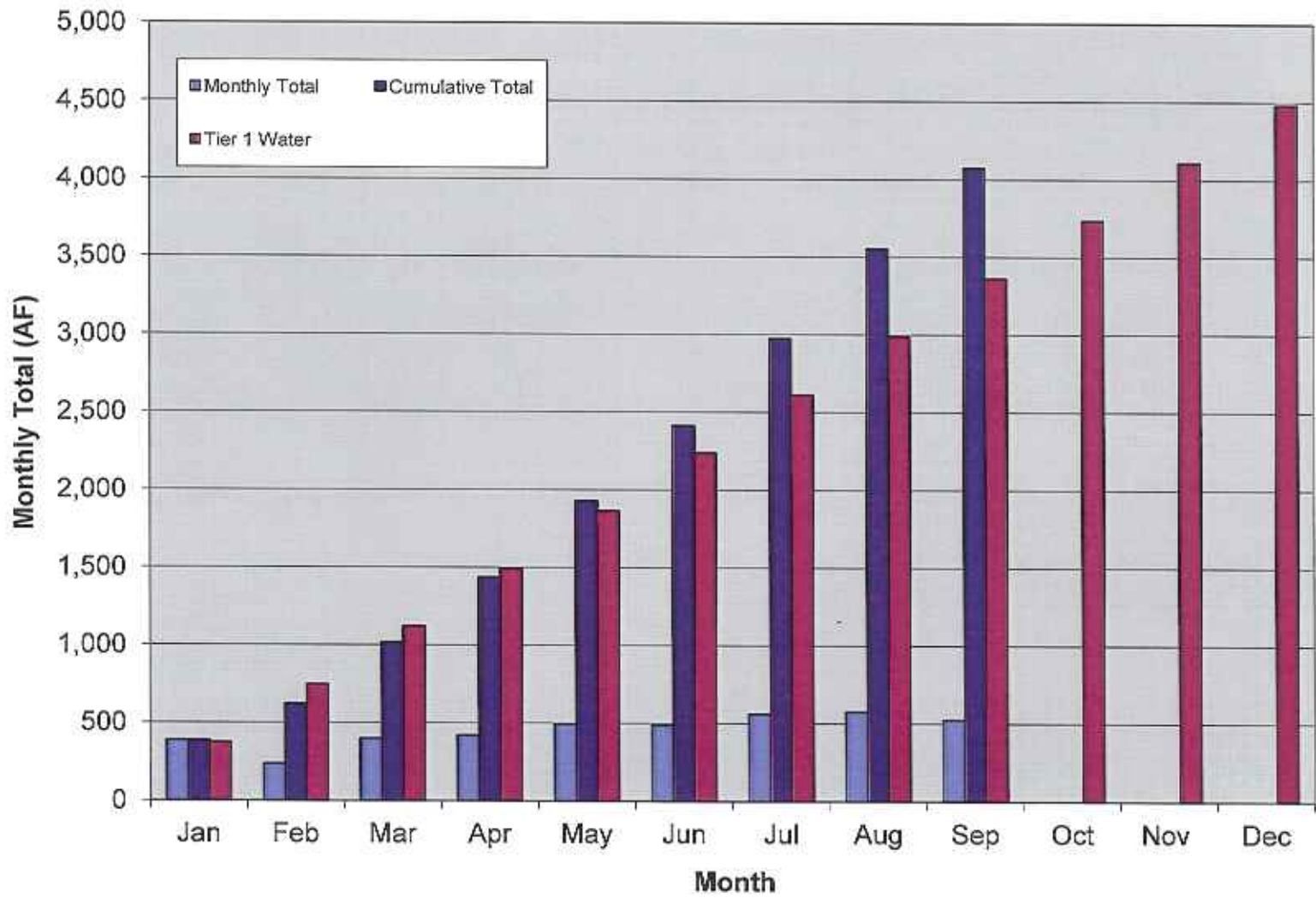
**Rowland JWL Purchases Tier-1 (in Acre-Feet)
 Calendar Year 2013
 Year to Date Invoiced as of 1/1/13**

	ACTUAL			ESTIMATED		Percentage Difference
	Monthly Total	Cumulative Total	Balance in Tier 1 (9,508 AF)	Cumulative Total	Acre Foot Difference	
Jan	453.3	453.3	9,054.7	792	-339	-42.79%
Feb	460.2	913.5	8,594.5	1,585	-671	-42.35%
Mar	449.7	1,363.2	8,144.8	2,377	-1,014	-42.65%
Apr	495.8	1,859.0	7,649.0	3,169	-1,310	-41.34%
May	535.6	2,394.6	7,113.4	3,962	-1,567	-39.56%
Jun	567.7	2,962.3	6,545.7	4,754	-1,792	-37.69%
Jul	575.1	3,537.4	5,970.6	5,546	-2,009	-36.22%
Aug	590.0	4,127.4	5,380.6	6,339	-2,211	-34.89%
Sept	588.1	4,715.5	4,792.5	7,131	-2,416	-33.87%
Oct				7,923	-7,923	-100.00%
Nov				8,716	-8,716	-100.00%
Dec				9,508	-9,508	-100.00%

CY 2013 Rowland JWL Purchases



CY 2013 PM-22 Water Purchases



Tab

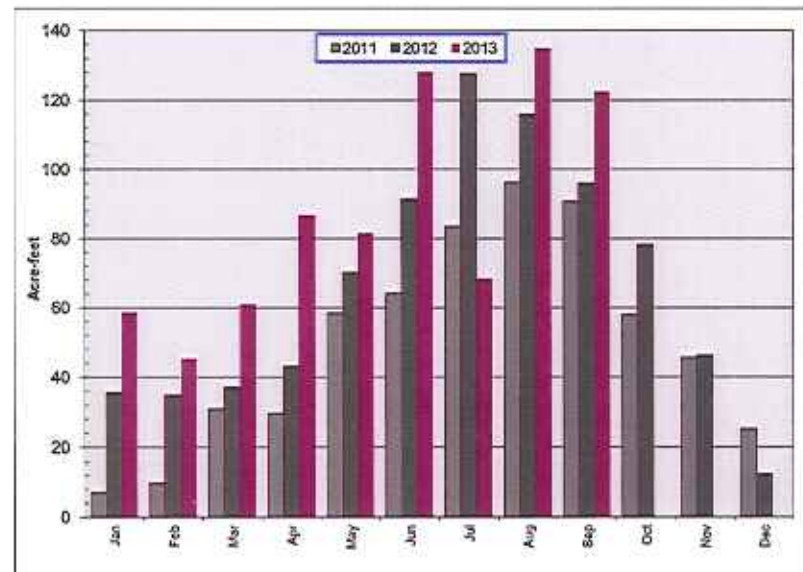
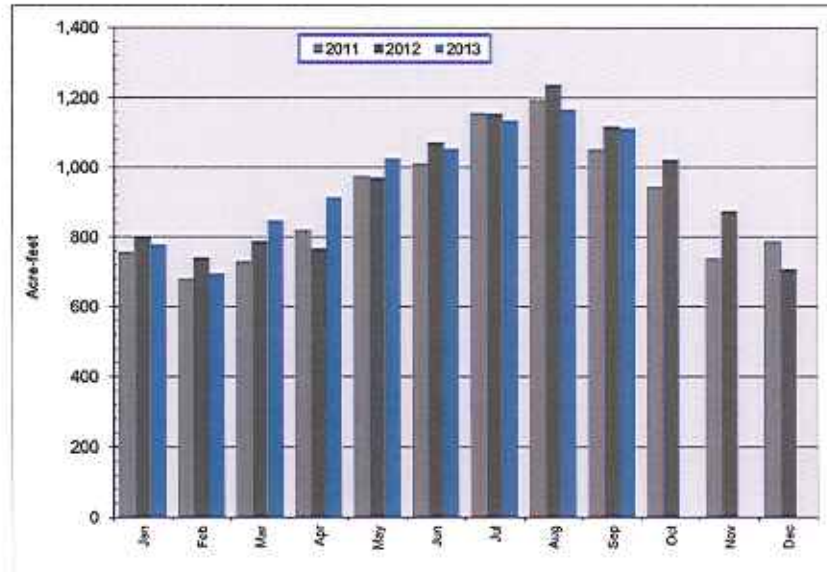
1.5

Water Purchases for CY 2013 (Acre-feet)



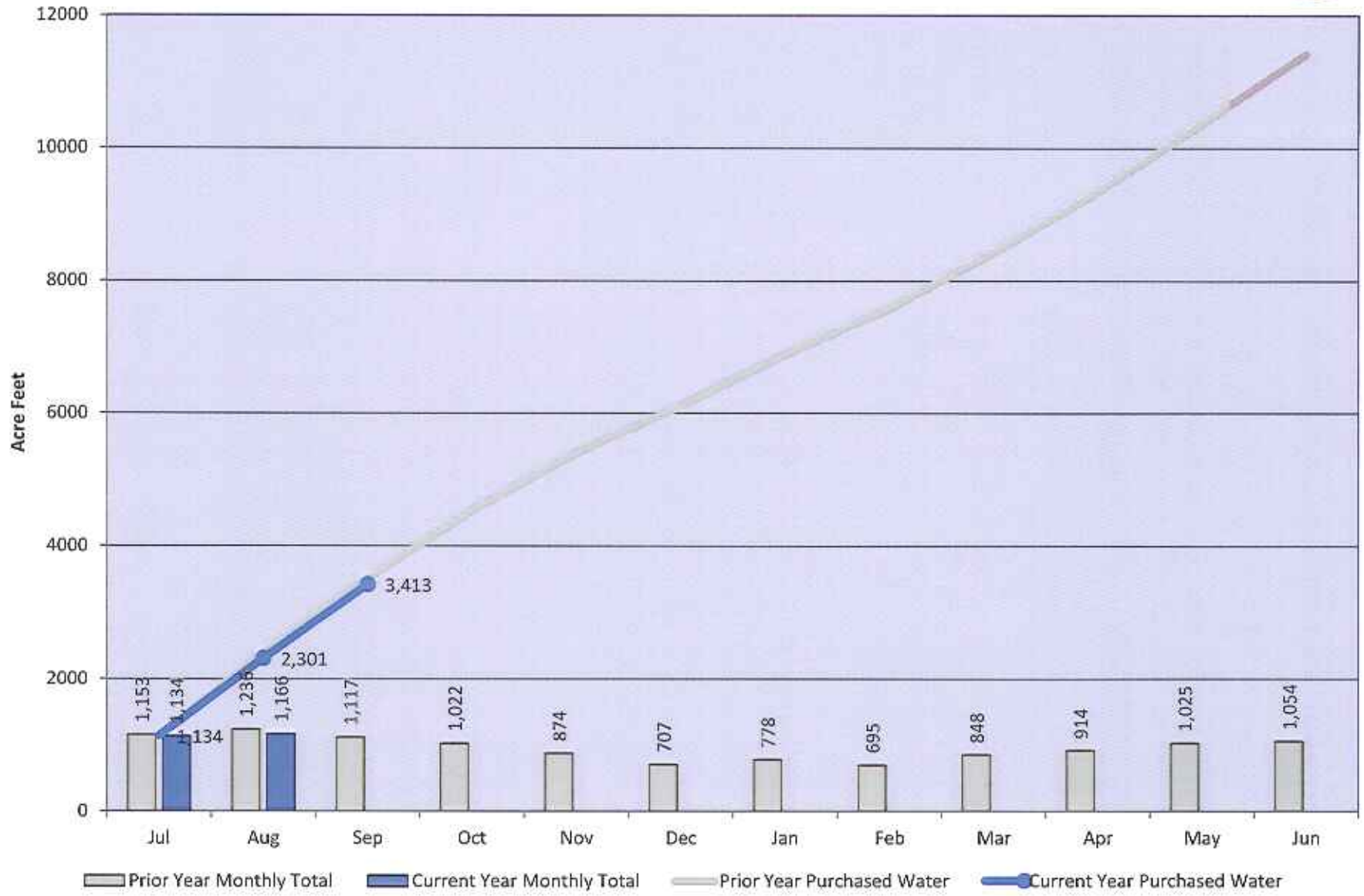
	POTABLE SYSTEM				TOTAL
	PM-09	PM-22	JWL		
			PM-15	Miramar	
JAN	0.0	325.1	283.3	170.0	778.4
FEB	0.0	235.0	258.2	202.0	695.2
MAR	0.0	398.0	249.1	200.6	847.7
APR	0.0	418.5	303.1	192.7	914.3
MAY	0.0	492.4	370.5	162.5	1,025.4
JUN	0.0	486.6	435.2	132.5	1,054.3
JUL	0.0	559.4	544.1	30.9	1,134.4
AUG	0.0	576.2	585.8	4.3	1,166.3
SEP	0.0	523.6	580.0	8.2	1,111.8
OCT					0.0
NOV					0.0
DEC					0.0
TOTAL	0.0	4,014.8	3,609.3	1,103.7	8,727.8

RECYCLED SYSTEM					TOTAL
Well 1	Wet Well	WVWD	Industry	Potable Make-up	
8.1	0.2	0.0	50.3	0.0	58.6
1.5	0.0	0.0	43.8	0.0	45.3
7.2	0.0	1.0	52.8	0.0	61.0
19.0	0.0	2.0	65.8	0.0	86.8
14.6	2.9	3.0	61.1	0.0	81.6
10.6	10.4	4.0	103.1	0.0	128.1
2.6	8.0	4.0	53.8	0.0	68.4
0.0	9.4	3.0	122.5	0.0	134.9
0.1	15.2	4.0	103.1	0.0	122.4
					0.0
					0.0
					0.0
					0.0
					0.0
63.7	46.1	21.0	656.3	0.0	787.1



Potable Water Purchases For FY 2013-2014

(Acre-feet)



Tab

2.1



OCTOBER 2013-DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
Anthony J. Lima					
	10/2/2013	Three Valleys Board Meeting	\$110.00		Mileage
	10/4/13-10/6/13	Contract Cities Conference	\$330.00		Mileage
	10/8/2013	RWD Board Meeting	\$110.00		
	10/10/2013	PBWA Meeting at RWD	\$110.00		
	10/16/2013	Three Valleys Board Meeting	\$110.00		Mileage
	10/17/2013	PWR at Walnut	\$110.00		Mileage
	10/19/2013	Buckboard Day Parade		X	
	10/22/2013	RWD Special Board Meeting	\$110.00		
	10/31/2013	Three Valleys Leadership Breakfast		X	
		TOTAL PAYMENT	\$990.00		
John Bellah					
	10/3/13	San Gabriel Valley Water Forum	\$88.00		
	10/8/2013	RWD Board Meeting	\$88.00		
	10/14/2013	RHCCC General Meeting	\$88.00		
	10/16/2013	RHCCC Board Meeting		X	
	10/17/2013	PWR at Walnut	\$88.00		
	10/19/2013	Buckboard Day Parade		X	
	10/22/2013	RWD Special Board Meeting	\$88.00		
	10/25/2013	RWD Employee BBQ		X	
	10/25/2013	Youth Science Center Fundraiser		X	
		TOTAL PAYMENT	\$440.00		
Robert W. Lewis					
	10/3/2013	San Gabriel Valley Water Forum	\$110.00		
	10/8/2013	RWD Board Meeting	\$110.00		
	10/10/2013	PBWA Meeting at RWD	\$110.00		
	10/14/2013	San Gabriel Valley Gov. Affairs	\$110.00		
	10/19/2013	Buckboard Day Parade		X	
	10/22/2013	RWD Special Board Meeting	\$110.00		
	10/25/2013	RWD Employee BBQ		X	
	10/31/2013	Three Valleys Leadership Breakfast		X	
		TOTAL PAYMENT	\$550.00		

Szu-Pei Lu					
10/2/2013	Three Valleys Board Meeting	\$110.00			Mileage
10/4/13-10/6/13	Contract Cities Conference	\$330.00			Mileage
10/7/2013	LAFCO Special District Meeting	\$110.00			Mileage
10/8/2013	RWD Board Meeting	\$110.00			
10/10/2013	Regional Chamber of Commerce-HR Forum	\$110.00			
10/16/2013	Three Valleys Board Meeting	\$110.00			Mileage
10/17/2013	Regional Chamber of Commerce-Fall Mixer	\$110.00			
10/19/2013	Buckboard Day Parade			X	
10/22/2013	RWD Special Board Meeting	\$110.00			
10/31/2013	Three Valleys Leadership Breakfast			X	
	TOTAL PAYMENT	\$1,100.00			
Teresa Rios					
10/8/2013	RWD Board Meeting	\$110.00			
10/14/2013	RHCCC General Meeting	\$110.00			
10/22/2013	RWD Special Board Meeting	\$110.00			
	TOTAL PAYMENT	\$330.00			

APPROVED FOR PAYMENT:



Ken Deck

Tab

2.2

ROWLAND WATER DISTRICT
FINANCIAL STATEMENTS
WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2013 AND 2012

DRAFT

DRAFT

ROWLAND WATER DISTRICT

TABLE OF CONTENTS

June 30, 2013 and 2012

	<u>Page Number</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Required Supplementary Information)	5 - 16
BASIC FINANCIAL STATEMENTS:	17
Statements of Net Position	18 - 19
Statements of Revenues, Expenses and Changes in Net Position	20 - 21
Statements of Cash Flows	22 - 23
Notes to Basic Financial Statements	25 - 54
REQUIRED SUPPLEMENTARY INFORMATION:	55
Other Post-Employment Benefit Plan - Schedule of Funding Progress	56
OTHER SUPPLEMENTARY INFORMATION:	57
Schedules of Other Operating Expenses	58
Schedules of General and Administrative Expenses	59
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61 - 62

DRAFT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rowland Water District
Rowland Heights, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Rowland Water District (the District), which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rowland Water District as of June 30, 2013 and 2012 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Emphasis of Matters

As discussed in Note 1d to the basic financial statements, the District incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board's Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" for the year ended June 30, 2013. The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.

As discussed in Note 1d to the basic financial statements, the District has changed its method for accounting and reporting certain items previously reported as assets or liabilities for the year ended June 30, 2013 due to the early adoption of Governmental Accounting Standards Board's Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". The adoption of this standard required retrospective application resulting in a \$294,390 reduction of previously reported net position to remove unamortized bond issuance costs. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress, identified as required supplementary information in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, 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 the 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 on them.

Other Matters (Continued)

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedules of other operating expenses and schedules of general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of other operating expenses and schedules of general and administrative expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules of other operating expenses and schedules of general and administrative expenses 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 November xx, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

Irvine, California
November xx, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

ROWLAND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

This section of the District's annual financial report presents our analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Fiscal Year 2013

- The District's total net position decreased by \$1,507,637 or 2.47 percent
- During the year, the District's total revenues increased to \$19,675,001 or 13.68 percent, and total expenses increased to \$21,511,277 or 13.57 percent

Fiscal Year 2012 (As Restated)

- The District's total net position decreased by \$696,340 or 1.10 percent.
- During the year, the District's total revenues increased to \$17,307,184 or 5.44 percent, and total expenses increased to \$18,592,478 or 9.00 percent.
- Capital Assets, net of related debt increased to \$42,145,449 or 0.21 percent over last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: Management's Discussion and Analysis and the Financial Statements. The Financial Statements also include notes that explain in more detail some of the information in the Financial Statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statements of Net Position include all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past two years and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of the statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT

Our analysis of the District begins on page 18 of the Financial Statements. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These statements report the net position of the District and changes in them. You can think of the District's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other nonfinancial factors such as changes in economic conditions, population growth, and new or changed government legislation.

NET POSITION

To begin our analysis, a summary of the District's Net Position is presented in Table 1.

TABLE 1
Condensed Statements of Net Position

	Fiscal Year 2013	Fiscal Year 2012 (As Restated)	Dollar Change	Fiscal Year 2011	Dollar Change
Assets:					
Current, restricted and other assets	\$ 46,107,903	\$ 24,229,635	\$ 21,878,268	\$ 24,568,109	\$ (338,474)
Capital assets	60,182,455	61,698,032	(1,515,577)	61,887,095	(189,063)
Total Assets	106,290,358	85,927,667	20,362,691	86,455,204	(527,537)
Liabilities:					
Current liabilities	4,119,390	2,905,496	1,213,894	2,731,921	173,575
Noncurrent liabilities	41,040,623	20,384,189	20,656,434	20,388,961	(4,772)
Total Liabilities	45,160,013	23,289,685	21,870,328	23,120,882	168,803
Net Position:					
Net investment in capital assets	40,923,787	42,145,449	(1,221,662)	42,055,597	89,852
Restricted	2,638,352	1,524,688	1,113,664	1,524,743	(55)
Unrestricted	17,568,206	18,967,845	(1,399,639)	19,753,982	(786,137)
Total Net Position	\$ 61,130,345	\$ 62,637,982	\$ (1,507,637)	\$ 63,334,322	\$ (696,340)

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

As can be seen from Table 1, total assets decreased by \$1,044,676 from fiscal year 2012 to 2013. The majority of this decrease comes from current, restricted and other assets that saw a \$2,325,499 or 9.47% decrease from fiscal year 2012. This decrease was caused by a reduction in the District's cash reserves that was used in the purchases of additional water rights and water for storage. Rowland Water District in conjunction with the Puente Basin Water Agency (PBWA) purchased 182.5 acre feet of water rights in the Central Basin. The Central Basin is located in the South Bay Area of Southern California. It consists of the City of Whittier and continues south to Long Beach. It also encompasses the eastern borders of the Norwalk and Downey Areas. The District's cost for the water rights was \$1,491,025. The District also purchased 2000 acre feet of Cyclic Storage Water that is being stored in the Main San Gabriel Basin. The Main San Gabriel Basin is located in the San Gabriel Valley in Southern California and encompasses the City of La Verne and includes areas east to Monterey Park. The Cyclic Storage Water was purchased at a cost of \$560 per acre foot for a total cost of \$1,120,000. This was the majority of the decrease in total assets for the fiscal year.

When construction projects are completed, they are subsequently capitalized and become depreciating assets. Large projects completed during fiscal year 2013 included:

Sentous Rehabilitation

Rowland Water District determined through visual inspections that Sentous Vault was in need of complete interior electrical systems rehabilitation. A & B Electric was authorized to make the necessary repairs and upgrades after providing the District with a proposal. Electrical work consisted of all new conduit & wire, installation of an additional pressure transmitter, three (3) new flow meters, humidistat controlled fan with Hand-Off-Auto switch, new lighting, and control upgrades. Additionally, District staff was utilized to perform maintenance/repairs to the three (3) existing Claval flow control valves located within the facility.

The Sentous Vault is a critical system component that is imperative to keep in full operational order. The work performed during this rehabilitation was designed to increase the production life of the facility, and increase the systems reliability and productivity. Steps were taken to ensure the new components would surpass their life expectancy, providing the District with years of productive and reliable service with minimal upkeep.

See independent auditors' report.

ROWLAND WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

Large projects completed during fiscal year 2013 included (Continued):

Walnut Creek Energy Park

The Walnut Creek Energy Park is a 500 megawatt power plant constructed in the Rowland Water District Service area. Officially commissioned in May 2013, the five natural gas fired turbines generate electric power during peak demand periods and are cooled by recycled water sources supplied by the District. Although designed for seasonal demands, the plant will operate within defined periods throughout the year and use approximately 200 acre-feet per year.

Lease of Central Basin Groundwater Rights

To facilitate groundwater projects developed by the Puente Basin Water Agency (PBWA consists of Rowland Water District and Walnut Valley Water District), the PBWA entered into a five-year (July 1, 2013 to June 30, 2018), lease of 306 acre feet of groundwater rights at a non-escalating rate of \$150 per acre foot. The Central Basin groundwater rights are held by Bellflower Home Garden Water Company and terms of the lease call for a lump sum lease payment of \$229,500.00.

A further review shows total liabilities increased by 21,870,328 or 93.91% from fiscal year 2012 to 2013. The majority of that increase was due to the Puente Basin Water Agency issuing \$19,835,000 in water revenue bonds, 2012 series A in order to finance the acquisition of certain water system improvements of Rowland Water District and entities that will help Rowland Water District reduce its future dependence on imported water. This would subsequently reduce future water costs.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

TABLE 2

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year 2013	Fiscal Year 2012 (As Restated)	Dollar Change	Fiscal Year 2011	Dollar Change
Revenues:					
Operating revenues	\$ 18,862,463	\$ 16,354,144	\$ 2,508,319	\$ 15,675,202	\$ 678,942
Nonoperating revenues	812,538	953,040	(140,502)	739,389	213,651
Total Revenues	19,675,001	17,307,184	2,367,817	16,414,591	892,593
Expenses:					
Operating expenses	19,278,221	17,270,674	2,007,547	16,006,547	1,264,127
Nonoperating expenses	2,233,056	1,321,804	911,252	1,050,119	271,685
Total Expenses	21,511,277	18,592,478	2,918,799	17,056,666	1,535,812
Income (loss) before Capital Contributions	(1,836,276)	(1,285,294)	(550,982)	(642,075)	(643,219)
Capital contributions	328,639	164,056	164,583	237,776	(73,720)
Change in Net Position	(1,507,637)	(1,121,238)	(386,399)	(404,299)	(716,939)
Beginning Net Position, as Restated	62,637,982	63,759,220	(1,121,238)	63,738,621	20,599
Ending Net Position, as Restated	<u>\$ 61,130,345</u>	<u>\$ 62,637,982</u>	<u>\$ (1,507,637)</u>	<u>\$ 63,334,322</u>	<u>\$ (696,340)</u>

While the Statement of Net Position shows the change in financial position, the Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the nature and source of these changes. As can be seen in Table 2, Loss before Capital Contributions of \$(1,836,276) and Capital Contributions of \$328,639 resulted in a decrease in ending net position of \$(1,507,637) or an increase of 34.46% in fiscal year 2013.

A closer examination of the source of changes in Net Position reveals that the District's total revenues increased by \$2,367,917 or 13.68% in fiscal year 2013. Of this amount, operating revenues increased by \$2,508,319 or 15.34% and its nonoperating revenues increased by \$140,502 or 14.74% in the past fiscal year.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

The main factor attributing to the increase in operating revenues was an increase in the water rater and service charge that became effective on January 1, 2013. The base rate increase \$0.22 from \$2.30 to \$2.52 or 9.57%. Water use over 16 hcf is paid at a higher rate. The monthly service charge for standard 5/8" to 3/4" meters increased \$4.22 from \$19.31 to \$23.52 or 21.85%. The District continues to use conservation rates that were initially implemented in January, 2009. The conservation rates as of January, 2013 were a base rate of \$2.52 for 1-16 hcf, \$2.90 for 17-23 hcf, and \$3.65 for 24+ hcf. The District has six different pumping zones. Pumping charges cover the energy costs to pump water to each zone of elevation over Zone 1. The additional pumping cost is added to the base rate if the property resides in Zone 2 through Zone 6.

Nonoperating revenues decreased significantly in 2013. The main reason for this was an increase in interest expense due to the 2012 Puente Basin Water Agency issuing water revenue bonds for use by Rowland Water District. Interest Expense increased by \$457,743 or 40.55% over the past fiscal year. The District also incurred \$233,778 in debt issuance costs. The District had unrestricted cash and investments totaling \$17,568,206, ending the fiscal year, a decrease of \$1,399,639 from 2012. This decrease caused a reduction in interest and dividend income along with a continual declining interest rate environment. The District's cash and investments are held in cash, short-term CD's, money market mutual funds, government bonds and treasury bills. A comparison for these types of investments can be the State of California Local Agency Investment Fund (LAIF). LAIF saw its yield reduced from 0.38% ended fiscal year 2012 to 0.31% ended fiscal year 2011. Realized and unrealized loss on investments increased \$(219,212) or 124.51%. This is a decrease in the value of the District's bond portfolio as new issues are purchased at lower interest rates. This causes the value of the portfolio to decrease as lowering yielding securities replace higher yielding ones in times of declining interest rates. It is important to note that this is a reduction in the unrealized gain or book value of the portfolio only.

Total operating revenues increased by \$2,508,319 or 15.34% while operating expenses increased by 11.62%. This resulted in an operating loss of \$415,758.00 in fiscal year 2013. While the District saw total water sales revenue increase by \$1,751,424 or 15.30% from fiscal year 2012, Source of Supply costs increased \$1,079,920 or 12.06% from fiscal year 2012. Source of Supply includes the cost of potable and reclaimed water along with MWD and TVMWD fixed charges. The average cost of an acre foot of water increased 7.06% from \$793 in 2012 to \$849 in 2013. Fixed charges remained consistent from fiscal year 2012 to 2013. General and administrative expense saw an increase of \$481,707 or 12.80%. The majority of this increase comes from pension plan contributions and service charges. In 2013, the District paid off its CalPERS side fund of approximately \$384,000. CalPERS charged 7.50% interest on this fund and the District reserves are yielding approximately 1.00%. By eliminating this, the District employer contribution rate to CalPERS was reduced from 17.677% to 14.660% in fiscal year 2013-2014. Service charges and office supplies and expenses saw increases due to licensing fees for District software programs such as CIP Planner, CMMS, and additional computer hardware and software support for these additional systems. Also, bank charges increased due to additional trustee and management fees to support the 2012 revenue bond. Depreciation expense for fiscal year 2013 was \$2,211,497. It is important to not that depreciation expense is the yearly accumulated depreciation on the District capital assets, not a amount paid directly by the District for the cost of the depreciated assets. The District does continues to fund 85% of depreciation through it rates and charges.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

BUDGETARY HIGHLIGHTS

**TABLE 3
Budget vs. Actual**

	Fiscal Year 2013		
	Actual	Budget	Variance
Revenues:			
Operating revenues	\$ 18,862,463	\$ 17,220,000	\$ 1,642,463
Nonoperating revenues	812,538	600,000	212,538
Total Revenues	19,675,001	17,820,000	1,855,001
Expenses:			
Operating Expenses:			
Source of supply	10,033,145	9,765,000	(268,145)
Pumping and power	845,228	850,000	4,772
Transmission and distribution	1,518,173	1,090,000	(428,173)
Customer services	122,420	165,000	42,580
Depreciation expenses	2,211,497	1,855,000	(356,497)
Other operating expenses	301,870	265,000	(36,870)
General and administrative expenses	4,245,888	3,938,000	(307,888)
Total Operating Expenses	19,278,221	17,928,000	(1,350,221)
Nonoperating expenses	2,233,056	1,500,000	(733,056)
Total Expenses	21,511,277	19,428,000	(2,083,277)
Change in Net Position	\$ (1,836,276)	\$ (1,608,000)	\$ (228,276)

In looking at Table 3, Budget vs. Actual, the discrepancy in net income over budgeted change in net position and change in net position is \$(228,276) or 14.20%. Total Revenues shows a positive variance of \$1,855,001 or 10.41% from actual.

Total operating expenses saw a negative variance of \$1,305,221 or 7.53%. Nonoperating expenses saw a negative variance of \$733,056 or 48.87% from actual. These expenses account for the interest expense and the amortization expense bond issuance cost associated with the 2008 Recycled Water Certificate of Participation and not the 2012 Puente Basin Water Agency Revenue Bond. Total expenses showed a 9.68% variance above the budgeted amount.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of fiscal year 2013, the District had invested \$63,167,918 in a broad range of infrastructure as shown in Table 4.

TABLE 4
Capital Assets

	Fiscal Year 2013	Fiscal Year 2012 (As Restated)	Dollar Change	Fiscal Year 2011	Dollar Change
Capital assets, not being depreciated:					
Land	\$ 261,340	\$ 261,340	\$ -	\$ 261,340	\$ -
Water rights	5,000	5,000	-	5,000	-
Construction in progress	1,016,046	3,109,632	(2,087,586)	2,704,517	399,115
Total capital assets, not being depreciated	282,386	3,369,972	(2,087,586)	2,970,857	399,115
Capital assets, being depreciated:					
Intangible plant	1,022,551	877,484	145,067	810,935	66,549
Sources of supply plant	2,058,703	1,998,543	60,160	1,767,023	231,520
Pumping plant	10,037,819	10,037,819	-	10,037,819	-
Transmission and distribution plant	62,575,537	60,363,747	2,211,790	59,216,182	1,147,565
Telemetry equipment	1,354,235	1,332,302	21,933	1,332,302	-
General plant	550,403	550,403	-	550,403	-
Office building and equipment	4,544,906	4,321,686	223,220	4,231,305	90,381
Transportation equipment	769,259	647,923	121,336	651,690	(3,767)
Communication equipment	133,902	133,902	-	133,902	-
Total capital assets, being depreciated	83,047,315	80,263,809	2,783,506	78,731,561	1,532,248
Less accumulated depreciation	(24,147,246)	(21,935,749)	(2,211,497)	(19,815,323)	(2,120,426)
Total capital assets, being depreciated, net	58,900,069	58,328,060	572,009	58,916,238	(588,178)
Total capital assets, net	\$ 60,182,455	\$ 61,698,032	\$(1,515,577)	\$ 61,887,095	\$ (189,063)

Additional information on the District's capital assets can be found in Note 4 of the notes to basic financial statements.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

DEBT ADMINISTRATION

At the end of fiscal year 2013, the District had noncurrent liabilities totaling \$20,684,189 as shown in Table 5.

TABLE 5
Noncurrent Liabilities

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Fiscal Year 2011	Dollar Change
Certificates of Participation	\$ 19,420,000	\$ 19,720,000	\$ (300,000)	\$ 20,005,000	\$ (285,000)
Less: Unamortized discount	(161,332)	(167,417)	6,085	(173,502)	6,085
Net Certificates of Participation	19,258,668	19,552,583	(293,915)	19,831,498	(278,915)
Compensated absences	323,778	321,351	2,427	337,858	(16,507)
Accrued net OPEB obligation	773,320	810,255	(36,935)	504,605	305,650
	<u>\$ 20,355,766</u>	<u>\$ 20,684,189</u>	<u>\$ (328,423)</u>	<u>\$ 20,673,961</u>	<u>\$ 10,228</u>

The District currently has three sources of Noncurrent Liabilities in 2013. The largest is a Certificate of Participation (COP) that was issued in January 2009. These funds were used for the expansion of the District's Recycled Water System. The goal is to lower the dependence on import water by producing recycled water at a lower cost. Recycled water can be used for irrigation at school, parks, industrial buildings, etc. The increase in compensated absences is attributed to more sick and vacation time being due to current employees. This could be due to employees selling back or using less sick and vacation time and the District have a higher liability at year end. Compensated absences are District liabilities for accrued sick and vacation time on the books for current employees. These liabilities would have to be paid at the employee's retirement or separation from service. Net OPEB obligations refer to Other Post Employment Benefits that would be owed to employees upon retirement. As discussed in Note 9, this liability arose from the implementation of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions". The OPEB obligation is the difference between the actuarially-determined annual required contribution and the actual contributions made. The District currently funds these expenses on a pay-as-you-go basis, but is funding a GASB 45 trust to help offset the future cost of Other Post Employment Benefits.

Additional information on the District's noncurrent liabilities can be found in Notes 5, 6 and 9 of the notes to basic financial statements.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors when setting the fiscal year 2013 Budget, user fees, and charges. A projection is made on the amount of acre feet of water that will be purchased and sold. The District also looks at the increase in the Source of Supply. Since the District heavily relies on import water, the costs are directly passed through by Metropolitan Water District and Three Valleys Municipal Water District. Most are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as Automobile and Truck Expenses or Workers' Compensation Insurance. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected.

TABLE 6
Fiscal Year 2014 Budget vs. Fiscal Year 2013 Actual

	Fiscal Year 2013 Actual	Fiscal Year 2014 Budget	Variance
DRAFT			
Revenues:			
Operating revenues	\$ 18,862,463	\$ 19,910,000	\$ 1,047,537
Nonoperating revenues	812,538	600,000	(212,538)
Total Revenues	<u>19,675,001</u>	<u>20,510,000</u>	<u>834,999</u>
Expenses:			
Operating Expenses:			
Source of supply	10,033,145	10,305,000	(271,855)
Pumping and power	845,228	875,000	(29,772)
Transmission and distribution	1,518,173	1,045,000	473,173
Customer services	122,420	115,000	7,420
Depreciation expenses	2,211,497	1,855,000	356,497
Other operating expenses	301,870	260,000	41,870
General and administrative expenses	4,245,888	3,807,000	438,888
Total Operating Expenses	<u>19,278,221</u>	<u>18,262,000</u>	<u>1,016,221</u>
Nonoperating expenses	2,233,056	2,800,000	(566,944)
Total Expenses	<u>21,511,277</u>	<u>21,062,000</u>	<u>449,277</u>
Change in Net Position	<u>\$ (1,836,276)</u>	<u>\$ (552,000)</u>	<u>\$ 1,284,276</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

CONTACTING THE DISTRICT'S FINANCIAL OFFICER

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Sean S. Henry, Finance Officer, Rowland Water District.

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

ROWLAND WATER DISTRICT
STATEMENTS OF NET POSITION

June 30, 2013 and 2012

	2013	2012
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,150,166	\$ 814,890
Investments	14,313,673	14,949,372
Accounts receivable, net of allowance for doubtful accounts of \$30,000 for 2013 and 2012	2,809,546	2,465,670
Interest receivable	48,339	56,456
Supply inventories	139,378	143,595
Water in storage	2,475,537	1,355,537
Prepaid expenses	49,364	46,906
TOTAL CURRENT ASSETS	21,986,003	19,832,426
RESTRICTED ASSETS:		
Cash and cash equivalents	18,000,029	2,115,794
Investments	2,622,420	-
TOTAL RESTRICTED ASSETS	20,622,449	2,115,794
CAPITAL ASSETS:		
Capital assets, not being depreciated	1,282,386	3,369,972
Capital assets, being depreciated	83,047,315	80,263,809
Less accumulated depreciation	(24,147,246)	(21,935,749)
TOTAL CAPITAL ASSETS, NET	60,182,455	61,698,032
OTHER NONCURRENT ASSETS:		
Other receivable	806,236	-
Investment in joint ventures	2,693,215	2,281,415
TOTAL OTHER NONCURRENT ASSETS	3,499,451	2,281,415
TOTAL ASSETS	106,290,358	85,927,667

(Continued)

See independent auditors' report and notes to basic financial statements.

ROWLAND WATER DISTRICT
STATEMENTS OF NET POSITION
(CONTINUED)

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
LIABILITIES:		
CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED ASSETS):		
Accounts payable	\$ 2,945,521	\$ 1,915,569
Interest payable	163,178	98,821
Current portion of certificates of participation	315,000	300,000
Current portion of installment purchase contract payable	380,000	-
	<u>3,803,699</u>	<u>2,314,390</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS):		
Refundable customer deposits	176,465	159,409
Deferred construction advances	139,226	431,697
	<u>315,691</u>	<u>591,106</u>
TOTAL CURRENT LIABILITIES	<u>4,119,390</u>	<u>2,905,496</u>
NONCURRENT LIABILITIES:		
Compensated absences	323,778	321,351
Accrued net OPEB obligation	773,320	810,255
Certificates of participation	19,258,668	19,552,583
Less: current portion	(315,000)	(300,000)
Installment purchase contract payable	21,379,857	-
Less: current portion	(380,000)	-
	<u>41,040,623</u>	<u>20,384,189</u>
TOTAL NONCURRENT LIABILITIES	<u>41,040,623</u>	<u>20,384,189</u>
TOTAL LIABILITIES	<u>45,160,013</u>	<u>23,289,685</u>
NET POSITION:		
Net investment in capital assets	40,923,787	42,145,449
Restricted for debt service	2,638,352	1,524,688
Unrestricted	17,568,206	18,967,845
TOTAL NET POSITION	<u>\$ 61,130,345</u>	<u>\$ 62,637,982</u>

See independent auditors' report and notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES:		
Water sales:		
Residential	\$ 7,484,513	\$ 6,566,375
Business	4,917,210	4,253,065
Public entities	207,454	162,548
Industrial	9,329	6,197
Reclaimed water	548,031	419,915
Other	29,275	35,658
Total water sales	13,195,812	11,443,758
Water services:		
Water service charges	5,348,504	4,623,480
Nonrefundable new service fees	44,992	40,870
Reconnection fees	24,124	21,685
Customer penalties	189,591	191,129
Other	59,440	33,222
Total water services	5,666,651	4,910,386
TOTAL OPERATING REVENUES	18,862,463	16,354,144
OPERATING EXPENSES:		
Source of supply	10,033,145	8,953,225
Pumping and power	845,228	834,151
Transmission and distribution	1,518,173	1,005,971
Customer services	122,420	137,355
Depreciation expense	2,211,497	2,120,426
Other operating expenses	301,870	455,365
General and administrative expenses	4,245,888	3,764,181
TOTAL OPERATING EXPENSES	19,278,221	17,270,674
OPERATING LOSS	(415,758)	(916,530)

(Continued)

See independent auditors' report and notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(CONTINUED)

For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income:		
Interest and dividend income	\$ 303,285	\$ 391,966
Realized and unrealized loss on investments	(395,276)	(176,064)
Property tax revenues	325,159	255,964
Gain on disposition of assets	-	26,128
Miscellaneous income	164,854	186,741
Interest expense	(1,586,698)	(1,128,955)
Debt issuance costs	(223,778)	-
Amortization of debt premium/(discount)	19,240	(16,785)
Income (loss) from investment in joint ventures	(27,304)	92,241
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,420,518)</u>	<u>(868,764)</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	<u>(1,836,276)</u>	<u>(1,285,294)</u>
CAPITAL CONTRIBUTIONS:		
Contributions from developers	328,639	164,056
CHANGE IN NET POSITION	<u>(1,507,637)</u>	<u>(1,121,238)</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>62,637,982</u>	<u>63,759,220</u>
NET POSITION - END OF YEAR	<u>\$ 61,130,345</u>	<u>\$ 62,637,982</u>

See independent auditors' report and notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENTS OF CASH FLOWS

For the years ended June-30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 18,535,643	\$ 16,031,614
Cash payments to suppliers for goods and services	(15,726,807)	(13,991,087)
Cash payments to employees for services	(2,268,950)	(1,912,843)
NET CASH PROVIDED BY OPERATING ACTIVITIES	539,886	127,684
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	325,159	255,964
Other receipts	164,854	186,741
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	490,013	442,705
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(695,920)	(1,830,680)
Proceeds from sale of capital assets	-	26,128
Change in deferred construction advances	(292,471)	135,135
Principal payments on certificates of participation	(300,000)	(285,000)
Interest paid	(1,522,341)	(1,179,790)
Proceeds from installment purchase contract	21,405,182	-
Debt issuance costs	(223,778)	-
Capital contributions received	328,639	164,056
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	18,699,311	(2,970,151)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Contributions to joint ventures	(439,104)	(1,570,569)
Purchases of investments	(15,025,503)	(4,966,390)
Proceeds from sale of investments	12,643,506	6,417,139
Investment income	311,402	417,040
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,509,699)	297,220
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,219,511	(2,102,542)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,930,684	5,033,226
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 20,150,195	\$ 2,930,684

See independent auditors' report and notes to basic financial statements.

(Continued)

ROWLAND WATER DISTRICT
STATEMENTS OF CASH FLOWS
(CONTINUED)

For the years ended June 30, 2013 and 2012

	2013	2012
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (415,758)	\$ (916,530)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	2,211,497	2,120,426
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(343,876)	(328,000)
(Increase) decrease in supply inventories	4,217	(50,089)
(Increase) decrease in water in storage	(1,120,000)	(1,054,000)
(Increase) decrease in prepaid expenses	(2,458)	(7,541)
(Increase) decrease in other receivable	(806,236)	-
Increase (decrease) in accounts payable	1,029,952	68,805
Increase (decrease) in refundable customer deposits	17,056	5,470
Increase (decrease) in compensated absences	2,427	(16,507)
Increase (decrease) in accrued net OPEB obligation	(36,935)	305,650
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 539,886	\$ 127,684
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Amortization of debt discount and premium costs	\$ (19,240)	\$ 16,785
NONCASH INVESTING ACTIVITIES:		
Income(loss) from investment in joint ventures	\$ (27,304)	\$ 92,241

See independent auditors' report and notes to basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

DRAFT

NOTES TO BASIC FINANCIAL STATEMENTS

DRAFT

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Nature of Organization:

The Rowland Water District (the District) was formed by the voters on March 3, 1953 under the County Water District Law, Division 12 Water Code, State of California, to provide a safe and reliable water source to allow the community to transform from a cattle raising and farming area into the large urban and industrial area it serves today. The District encompasses a 17.2 square mile area in Southeastern Los Angeles County which services portions of Rowland Heights, La Puente, Hacienda Heights, City of Industry and City of West Covina. The service area's population is approximately 60,000.

b. Basis of Presentation:

The District's activities are accounted for in an enterprise fund. An enterprise fund is a proprietary-type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

c. Measurement Focus and Basis of Accounting:

"Measurement focus" is a term used to describe *which* transactions are recorded within the various financial statements. "Basis of accounting" refers to *when* transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the "economic resources measurement focus," and the "accrual basis of accounting." Under the economic measurement focus all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements:

Implemented:

In fiscal year 2012-2013, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, "*Elements of Financial Statements*" into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new Statement of Net Position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In fiscal year 2012-2013, the District early implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Due to the early implementation of this statement, the calculation of deferred loss on refunding was revised to eliminate the inclusion of costs that should be recognized as an expense in the period incurred and eliminated debt issuance costs which should be recognized as an expense in the period incurred. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this standard was to decrease the net position at July 1, 2012 by \$294,390, which is the amount of unamortized debt issuance costs at July 1, 2012.

Pending Accounting Standards:

GASB has issued the following statements which may impact the District's financial reporting requirements in the future:

- GASB 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", effective for periods beginning after December 15, 2012.
- GASB 67 - "*Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*", effective for the fiscal years beginning after June 15, 2013.
- GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

Pending Accounting Standards (Continued):

- GASB 69 - "Government Combinations and Disposals of Government Operations", effective for periods beginning after December 15, 2013.
- GASB 70 - "Accounting and Financial Reporting for Nonexchange Financial Guarantees", effective for the periods beginning after June 15, 2013.

e. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any deferred outflows of resources to report.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District does not have any deferred inflows of resources to report.

f. Net Position:

Net position of the District can be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined 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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Net Position (Continued):

- Restricted net position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

g. Uniform System of Accounts for Water Utility Districts:

The District follows the procedures and policies described by the Controller of the State of California for uniform system of accounts for nonprofit water utility districts.

h. Operating Revenues and Expenses:

Operating revenues, such as water sales and services, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as property taxes and investment income, result from nonexchange transactions or ancillary activities in which the District gives (receives) value without directly receiving (giving) equal value in exchange. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets.

i. Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash and cash equivalents have been defined as unrestricted demand deposits and highly liquid investments with maturity of three months or less at date of purchase.

j. Investments:

Investments are stated at fair value (quoted market price or the best available estimates thereof). Net increase (decrease) in the fair value of investments, which consists of realized gains (losses) and the unrealized gains (losses), is shown in the statement of revenues, expenses and changes in net position.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

k. Restricted Assets:

Amounts shown as restricted assets have been restricted by either bond indentures, external constraints, or laws and regulations of other governments.

l. Accounts Receivable:

The District grants unsecured credit to its customers. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts.

m. Inventories and Water in Storage:

Supply inventories maintained by the District consist primarily of water meters and accessories, water pipes, valves and various fittings. Inventories are valued at cost using the first-in, first-out (FIFO) method. Water in storage is valued at average cost.

n. Capital Assets and Depreciation:

Capital assets are stated at cost, net of accumulated depreciation. District policy has set the capitalization threshold for reporting capital assets at \$2,500. Depreciation is recorded on the straight-line basis over the estimated useful lives ranging from 5 to 75 years. Maintenance and repairs are charged to expense as incurred. Significant renewals and betterments are capitalized.

o. Capitalized Interest:

The District incurred interest charges on the Certificates of Participation (Note 7) and the installment purchase contract with Puente Basin Water Agency totaling \$1,639,589 and \$1,140,715 for the years ended June 30, 2013 and 2012, respectively. \$55,052 and \$11,760 of these amounts have been capitalized as additions to the cost of construction for the years ended June 30, 2013 and 2012, respectively.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

p. Restricted Liabilities:

Certain liabilities which are currently payable have been classified as current liabilities payable from restricted assets and assets have been restricted for their payment.

q. Deferred Construction Advances and Capital Contributions:

Construction advances from developers are deferred during the period of construction. When a project is completed, the applicable deferred advances are allocated to the contributed capital. Also, capital contributions represent cash and utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment.

r. Property Taxes:

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 10 Second Installment - February 10
Delinquent Date:	First Installment - December 10 Second Installment - April 10

s. Compensated Absences:

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees.

t. Claims and Judgments:

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its participation in the Joint Power Insurance Authority program. At June 30, 2013 and 2012, in the opinion of the District's legal counsel, the District had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenses when paid.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

u. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2013 and June 30, 2012 are reported in the accompanying statements of net position as follows:

Financial Statement Classification:	2013	2012
Unrestricted:		
Cash and cash equivalents	\$ 2,150,166	\$ 814,890
Investments	14,313,673	14,949,372
Restricted:		
Cash and cash equivalents	18,000,029	2,115,794
Investments	2,622,420	-
Total cash and investments	\$ 37,086,288	\$ 17,880,056

Cash and investments as of June 30, 2013 and June 30, 2012 consisted of the following:

	2013	2012
Cash on hand	\$ 400	\$ 400
Demand deposits	501,905	1,306,036
Time deposits	2,168,184	2,160,000
Investments	34,415,799	14,413,620
Total cash and cash equivalents	\$ 37,086,288	\$ 17,880,056

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the District's Investment Policy:

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

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
State of California Obligations	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	5%
CD Placement Service	5 years	30%	None
Bankers Acceptances	180 days	40%	30%
Reverse Purchase Agreement	92 days	20%	None
Repurchase Agreements	1 year	None	None
Commercial Paper	270 days	25%	10%
Medium-term Notes	5 years	30%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Mutual Funds and Money Market			
Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Bank/Time Deposits	5 years	None	None

* - Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

N/A - Not Applicable

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk and concentration of risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Agency Securities	None	None	None
State and Local Agency Obligations	None	None	None
Banker's Acceptances	1 year	None	None
Medium-term Notes	3 years	None	None
Commercial Paper	None	None	None
Money Market Mutual Funds	N/A	None	None
Investment Agreements	None	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

N/A - Not Applicable

Disclosures Relating to Interest Rate Risk:

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk (Continued):

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2013 and 2012.

June 30, 2013

Investment Type	Remaining Maturity (in Years)				Fair Value Total
	Less Than 1 year	1 to 2 Years	2 to 3 Years	3 to 5 Years	
U.S. Treasury Notes	\$ 250,673	\$ 519,375	\$ 261,270	\$ 1,197,142	\$ 2,228,460
U.S. Government Sponsored Agency Securities:					
Federal Home Loan Bank	501,633	801,903	-	-	1,303,536
Federal Home Loan Mortgage Corporation	507,746	260,113	-	2,112,738	2,880,597
Federal National Mortgage Association	1,016,352	103,246	259,880	4,098,642	5,478,120
Federal Farm Credit Bank	254,777	-	-	-	254,777
LAIF	1,613,948	-	-	-	1,613,948
Money Market Mutual Funds	349,603	-	-	-	349,603
Held by Trustee:					
U.S. Treasury Notes	-	-	-	1,466,846	1,466,846
Investment Agreement	-	-	-	1,155,575	1,155,575
Money Market Mutual Funds	17,684,337	-	-	-	17,684,337
	<u>\$ 22,179,069</u>	<u>\$ 1,684,637</u>	<u>\$ 521,150</u>	<u>\$ 10,030,943</u>	<u>\$ 34,415,799</u>

June 30, 2012

Investment Type	Remaining Maturity (in Years)				Fair Value Total
	Less Than 1 year	1 to 2 Years	2 to 3 Years	3 to 5 Years	
U.S. Treasury Notes	\$ 707,050	\$ 258,370	\$ 529,005	\$ 1,031,153	\$ 2,525,578
U.S. Government Sponsored Agency Securities:					
Federal Home Loan Bank	1,264,681	514,929	809,416	-	2,589,026
Federal Home Loan Mortgage Corporation	2,280,578	518,065	265,413	971,428	4,035,484
Federal National Mortgage Association	511,755	1,039,177	105,265	1,722,957	3,379,154
Federal Farm Credit Bank	-	260,130	-	-	260,130
LAIF	99,560	-	-	-	99,560
Held by Trustee:					
Money Market Mutual Funds	1,524,688	-	-	-	1,524,688
	<u>\$ 6,388,312</u>	<u>\$ 2,590,671</u>	<u>\$ 1,709,099</u>	<u>\$ 3,725,538</u>	<u>\$ 14,413,620</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are the Standard and Poor's credit ratings for the Districts investments as of June 30, 2013 and 2012. U.S. treasury notes and bills are not required to be rated and, therefore, have been excluded from the tables below.

June 30, 2013

Investment	Minimum Legal Rating	Total as of June 30, 2013	AAA	AA+	Unrated
U.S. Government					
Sponsored Agency Securities:					
Federal Home Loan Bank	N/A	\$ 1,303,536	\$ -	\$ 1,303,536	\$ -
Federal Home Loan Mortgage Corporation	N/A	2,880,597	-	2,880,597	-
Federal National Mortgage Association	N/A	5,478,120	-	5,478,120	-
Federal Farm Credit Bank	N/A	254,777	-	254,777	-
LAIF	N/A	1,613,948	-	-	1,613,948
Money Market Mutual Funds	AAA	349,603	349,603	-	-
Held by Trustee:					
Investment Agreement	N/A	1,155,575	-	-	1,155,575
Money Market Mutual Funds	AAA	17,684,337	17,684,337	-	-
		<u>\$ 30,720,493</u>	<u>\$ 18,033,940</u>	<u>\$ 9,917,030</u>	<u>\$ 2,769,523</u>

June 30, 2012

Investment	Minimum Legal Rating	Total as of June 30, 2012	AAA	AA+	Unrated
U.S. Government					
Sponsored Agency Securities:					
Federal Home Loan Bank	N/A	\$ 2,589,026	\$ -	\$ 2,589,026	\$ -
Federal Home Loan Mortgage Corporation	N/A	4,035,484	-	4,035,484	-
Federal National Mortgage Association	N/A	3,379,154	-	3,379,154	-
Federal Farm Credit Bank	N/A	260,130	-	260,130	-
LAIF	N/A	99,560	-	-	99,560
Held by Trustee:					
Money Market Mutual Funds	AAA	1,524,688	1,524,688	-	-
		<u>\$ 11,888,042</u>	<u>\$ 1,524,688</u>	<u>\$ 10,263,794</u>	<u>\$ 99,560</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk:

Investments in any one issuer that represents 5% or more of total District's investments are as follows:

Issuer	Investment Type	2013	2012
Federal Home Loan Bank	U.S. Government Sponsored Agency Securities	\$ *	\$2,589,026
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Agency Securities	\$2,880,597	\$4,035,484
Federal National Mortgage Association	U.S. Government Sponsored Agency Securities	\$5,478,120	\$3,379,154

* - Not over 5%

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2013 and 2012, the District had no uninsured and uncollateralized deposits.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Investment in State Investment Pool

The District is a voluntary 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 fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. RESTRICTED ASSETS:

Restricted assets were provided by, and are to be used for, the following:

Funding Source	Use	June 30, 2013	June 30, 2012
Deposits from customers	Security deposits for payment of utility bills	\$ 176,465	\$ 159,409
Customer advances	Construction	139,226	431,697
Bond proceeds	Debt service	2,638,352	1,524,688
Bond proceeds	Construction projects	17,668,406	
		<u>\$ 20,622,449</u>	<u>\$ 2,115,794</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

4. CAPITAL ASSETS:

Changes in capital assets for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012 (As Restated)	Additions	Retirements Transfers	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress	3,103,632	2,240,508	(4,328,094)	1,016,046
Total capital assets, not being depreciated	3,369,972	2,240,508	(4,328,094)	1,282,386
Capital assets, being depreciated:				
Intangible plant	877,484	145,067	-	1,022,551
Sources of supply plant	1,998,543	60,160	-	2,058,703
Pumping plant	10,037,819	-	-	10,037,819
Transmission and distribution plant	60,363,747	2,211,790	-	62,575,537
Telemetry equipment	1,332,302	21,933	-	1,354,235
General plant	550,403	-	-	550,403
Office building and equipment	4,231,686	223,220	-	4,454,906
Transportation equipment	647,923	121,336	-	769,259
Communication equipment	133,902	-	-	133,902
Total capital assets, being depreciated	80,263,809	2,783,506	-	83,047,315
Less accumulated depreciation	(21,935,749)	(2,211,497)	-	(24,147,246)
Total capital assets, being depreciated, net	58,328,060	572,009	-	58,900,069
Total capital assets, net	\$ 61,698,032	\$ 2,812,517	\$ (4,328,094)	\$ 60,182,455

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

4. CAPITAL ASSETS (CONTINUED):

Changes in capital assets for the year ended June 30, 2012 is as follows:

	Balance July 1, 2011	Additions	Retirements Transfers	Balance June 30, 2012 (As Restated)
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress, as restated	<u>2,704,517</u>	<u>1,836,999</u>	<u>(1,437,884)</u>	<u>3,103,632</u>
Total capital assets, not being depreciated	<u>2,970,857</u>	<u>1,836,999</u>	<u>(1,437,884)</u>	<u>3,369,972</u>
Capital assets, being depreciated:				
Intangible plant	810,935	66,549	-	877,484
Sources of supply plant	1,767,023	231,520	-	1,998,543
Pumping plant	10,037,819	-	-	10,037,819
Transmission and distribution plant	59,216,182	1,147,565	-	60,363,747
Telemetry equipment	1,332,302	-	-	1,332,302
General plant	550,403	-	-	550,403
Office building and equipment	4,231,305	94,356	(3,975)	4,321,686
Transportation equipment	651,690	-	(3,767)	647,923
Communication equipment	<u>133,902</u>	<u>-</u>	<u>-</u>	<u>133,902</u>
Total capital assets, being depreciated	<u>78,731,561</u>	<u>1,539,990</u>	<u>(7,742)</u>	<u>80,263,809</u>
Less accumulated depreciation	<u>(19,815,323)</u>	<u>(2,120,426)</u>	<u>-</u>	<u>(21,935,749)</u>
Total capital assets, being depreciated, net	<u>58,916,238</u>	<u>(580,436)</u>	<u>(7,742)</u>	<u>58,328,060</u>
Total capital assets, net	<u>\$ 61,887,095</u>	<u>\$ 1,256,563</u>	<u>\$(1,445,626)</u>	<u>\$ 61,698,032</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

5. OTHER RECEIVABLE:

As described in Note 6, the District is invested in the Puente Basin Water Agency joint venture with Walnut Valley Water District. During the fiscal year ended June 30, 2013, the District paid for transactions related to the joint venture on behalf of the Walnut Valley Water District. These amounts will be reimbursed and have been included in the accompanying statements of net position as other receivable. The total incurred and due to the District at June 30, 2013 is \$806,236.

6. INVESTMENT IN JOINT VENTURES:

Puente Basin Water Agency:

The Puente Basin Water Agency (the Agency) was created in 1971 by the execution of a Joint Powers Agreement (the Agreement) between the Rowland Water District and the Walnut Valley Water District. The Agreement was made pursuant to Article 1, Chapter 5, Division 7, Title 1 of the government code of the State of California. The Agency was organized for the purpose of protection and utilization of the local, imported and reclaimed water supply within the Puente Basin. The Agency is governed by a four-member appointed Board of Commissioners. Each District appoints two members to this Board.

Upon dissolution of the Agency, the assets in the possession of the Agency shall be distributed to the members as their interest may appear on the books of the Agency and pursuant to the provisions of Section 6512 of the Government Code. Complete financial statements for the Agency can be obtained by written request at 271 South Brea Canyon Road, Walnut, California.

The District records its investment in the Puente Basin Water Agency as an other noncurrent asset, Investment in Joint Ventures, primarily capital assets. The changes in its investment in Puente Basin Water Agency consisted of the following:

	<u>2013</u>	<u>2012</u>
Beginning of year	\$ 1,651,987	\$ 1,210
Contributions	439,104	1,570,569
Share of income (loss)	(37,518)	80,208
End of year	<u>\$ 2,053,573</u>	<u>\$ 1,651,987</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

Puente Basin Water Agency (Continued):

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2013 including the participants' approximate percentage shares:

	Amount	2013	
		Walnut Valley Water District	Rowland Water District
Total assets	\$ 4,216,006	50.0%	50.0%
Total liabilities	108,859	50.0%	50.0%
Total equity	4,107,147	50.0%	50.0%
Billings to participants	286,034	50.0%	50.0%

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2012 including the participants' approximate percentage shares:

	Amount	2012	
		Walnut Valley Water District	Rowland Water District
Total assets	\$ 3,441,524	50.0%	50.0%
Total liabilities	137,551	50.0%	50.0%
Total equity	3,303,973	50.0%	50.0%
Billings to participants	362,751	50.0%	50.0%

Pomona-Walnut-Rowland Joint Water Line Commission:

The District is a member of the Pomona-Walnut-Rowland Joint Water Line Commission (the Commission). The Commission was formed, under the Joint Powers Agreement (the JPA) of 1956, between the City of Pomona, the Walnut Valley Water District and the Rowland Water District. The JPA's purpose is to acquire, construct, maintain, repair, manage and operate a water transmission pipeline for the benefit of the members' water supplies. The Commission is governed by a three-member board composed of one appointee from each member agency.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

Pomona-Walnut-Rowland Joint Water Line Commission (Continued):

Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission which is allocated based on each agency's capacity rights in the pipeline. In addition, a capital surcharge is assessed for the future replacement of the pipeline. For the years ended June 30, 2013 and 2012, the District remitted assessments of \$44,106 each year, for their 20.0% capacity rights and their share of future replacement costs. Also, the District purchased water totaling \$5,248,548 and \$5,303,632 from the Commission during the years end June 30, 2013 and 2012, respectively.

Upon dissolution of the Commission, the net position will be divided in proportion to the contribution each agency made to the maintenance and operation account during the last prior twelve month period. The District, consequently, has an ongoing financial responsibility in the activities of the Commission. However, the JPA does not explicitly require the measurement of the District's equity interest in the Commission. Complete financial statements for the Commission can be obtained by written request at P.O. Box 508, Walnut, California.

The District records its investment in the Pomona-Walnut-Rowland Joint Waterline Commission Agency as an other noncurrent asset, Investment in Joint Ventures, primarily capital assets. The changes in its investment in Pomona-Walnut-Rowland Joint Waterline Commission consisted of the following:

	2013	2012
Beginning of year	\$ 629,428	\$ 617,395
Share in income	<u>10,214</u>	<u>12,033</u>
End of year	<u>\$ 639,642</u>	<u>\$ 629,428</u>

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Waterline Commission as of and for the year ended June 30, 2013 including the participants' approximate percentage shares:

	Amount	2013			
		City of Pomona	Walnut Valley Water District	Rowland Water District	Unallocated
Total assets	\$ 6,339,062	28.4%	42.6%	27.5%	1.5%
Total liabilities	4,013,092	28.4%	42.6%	27.5%	1.5%
Total equity	2,325,970	28.4%	42.6%	27.5%	1.5%
Billings to participants	1,958,764	28.4%	42.6%	27.5%	1.5%

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

Pomona-Walnut-Rowland Joint Water Line Commission (Continued):

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Waterline Commission as of and for the year ended June 30, 2012 including the participants' approximate percentage shares:

	Amount	2012			
		City of Pomona	Walnut Valley Water District	Rowland Water District	Unallocated
Total assets	\$ 5,940,808	28.4%	42.6%	27.5%	1.5%
Total liabilities	3,651,980	28.4%	42.6%	27.5%	1.5%
Total equity	2,288,828	28.4%	42.6%	27.5%	1.5%
Billings to participants	17,592,808	28.4%	42.6%	27.5%	1.5%

7. CERTIFICATES OF PARTICIPATION:

On December 23, 2008, the District issued \$20,545,000 of Certificates of Participation. The proceeds are being used to finance the acquisition and construction of certain recycled water improvements.

The Certificates were issued at a discount of \$188,627, which is being amortized and recognized as interest expense over the life of the debt on a straight-line basis. This issuance is comprised of \$6,815,000 serial certificates maturing annually on December 1 from 2009 to 2025 and three term certificates (totaling \$13,730,000) maturing on December 1, 2029, 2035 and 2039 that are payable in annual sinking fund installments commencing December 1, 2026. Interest on the certificates is payable semi-annually on December 1 and June 1 at rates ranging from 4.00% to 5.75% for the serial certificates and 6.00% to 6.50% for the term certificates.

The following is a summary of the changes in Certificates of Participation for the year ended June 30, 2013:

	Balance at June 30, 2012	Additions	Reductions	Balance at June 30, 2013	Due Within One Year
Certificates of Participation (COP):					
2008 COP	\$ 19,720,000	\$ -	\$ (300,000)	\$ 19,420,000	\$ 315,000
Less:					
Unamortized discount	(167,417)	-	6,085	(161,332)	-
TOTAL	\$ 19,552,583	\$ -	\$ (293,915)	\$ 19,258,668	\$ 315,000

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

7. CERTIFICATES OF PARTICIPATION (CONTINUED):

Maturities of the 2008 Certificates of Participation and interest payments subsequent to June 30, 2013 as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 315,000	\$ 1,165,975	\$ 1,480,975
2015	330,000	1,149,850	1,479,850
2016	345,000	1,132,975	1,477,975
2017	365,000	1,114,313	1,479,313
2018	385,000	1,104,275	1,489,275
2019 - 2023	2,260,000	5,138,544	7,398,544
2024 - 2028	2,990,000	4,567,869	7,557,869
2029 - 2033	4,055,000	3,341,400	7,396,400
2034 - 2038	5,595,000	1,799,769	7,394,769
2039 - 2040	2,780,000	263,438	3,043,438
Total	\$ 19,420,000	\$ 20,778,408	\$ 40,198,408

8. INSTALLMENT PURCHASE CONTRACT PAYABLE:

On November 1, 2012, the Puente Basin Water Agency issued \$19,835,000 in water revenue bonds, 2012 Series A in order to finance the acquisition of certain water system improvements of the Rowland Water District. Proceeds of the bonds including \$1,570,182 of bond premium were loaned to the District pursuant to an installment purchase contract entered into concurrently with the bonds issuance.

The bond premium is being amortized and recognized as interest expense over the life of the debt on a straight-line basis. The installment purchase contract payments mirror the debt service payments on the water revenue bonds. Interest is payable semi-annually on December 1 and June 1 at rates ranging from 2.00% to 5.00%. The District's obligation to make installment payments is a special obligation of the District payable solely from the net revenues of the District.

The following is a summary of the installment purchase contract for the year ended June 30, 2013:

	<u>Balance at</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Installment purchase Contract	\$ -	\$ 19,835,000	\$ -	\$ 19,835,000	\$ 380,000
Less:					
Unamortized premium	-	1,570,182	(25,325)	1,544,857	-
TOTAL	\$ -	\$ 21,405,182	\$ (25,325)	\$ 21,379,857	\$ 380,000

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

8. INSTALLMENT PURCHASE CONTRACT PAYABLE (CONTINUED):

Maturities of the installment purchase contract and interest payments subsequent to June 30, 2013 as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 380,000	\$ 777,241	\$ 1,157,241
2015	385,000	766,350	1,151,350
2016	395,000	756,575	1,151,575
2017	410,000	742,450	1,152,450
2018	425,000	725,750	1,150,750
2019 - 2023	2,390,000	3,374,275	5,764,275
2024 - 2028	2,905,000	2,860,375	5,765,375
2029 - 2033	3,405,000	2,359,456	5,764,456
2034 - 2038	4,035,000	1,736,719	5,771,719
2039 - 2042	5,105,000	663,625	5,768,625
Total	\$ 19,835,000	\$ 14,762,816	\$ 34,597,816

9. COMPENSATED ABSENCES:

In accordance with the District's policy, employees may accrue up to 240 hours of vacation. For the years ended June 30, 2013 and 2012, the total accrued vacation liability for all employees totaled \$148,044 and \$142,445, respectively.

Also, in accordance with the District's policy, employees may accrue up to 352 hours of sick leave. Upon attaining 352 hours, the employee may exercise a one-time option to exchange sick leave hours for cash or vacation time. Upon separation, retirement or death, an employee shall receive as additional retirement benefit, an amount equal to 50% of accrued hours for unused sick leave pay for up to 352 hours, or 176 hours. The District has modified the Employment Agreement in regards to the General Manager's sick leave benefits. The Manager shall receive the same sick leave benefits, upon the same terms and conditions, as provided to all other District employees, except that upon retirement or other termination of the Manager's employment. The Manager is entitled to receive 100% of accrued sick leave up to 1,000 hours in the event of separation from employment. For the years ended June 30, 2013 and 2012, the total accrued sick leave liability for all employees totaled \$175,734 and \$178,906, respectively.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

10. DEFERRED COMPENSATION PLAN:

The District has adopted a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The funds are not available to employees until termination, retirement, death or an unforeseeable emergency. Employees may contribute to the Plan up to 25% of their annual compensation, not to exceed limits established in the Internal Revenue Code. The District does not make any contributions to this Plan. Deferred compensation plan assets are not included in the financial statements as the plan assets are held in trust to protect them from general creditors of the District.

11. EMPLOYEE RETIREMENT PLANS:

a. Plan Description:

Rowland Water District contributes to the Miscellaneous 2.5% at 55 Risk Pool and Miscellaneous 2% at 62 Risk Pool of the California Employees Retirement System (CalPERS), a cost sharing, multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. As of July 1, 2005, the District was mandated by the State to participate in the risk pool. The risk pool combines the assets and liabilities across employers of the same risk pool to provide a method to spread the risk of uncertain gains and losses over a larger base of members. The Miscellaneous 2% at 62 Risk Pool was created by California Employees Pension Reform Act (PEPRA) as of January 1, 2013 do not qualify for the Miscellaneous 2% at 55 Pool. The June 30, 2003 valuations were the first pooled valuations. Benefit provisions and all other requirements are established by State statute and District resolutions. Copies of CalPERS' annual financial report may be obtained from their Executive Office located at, 400 P Street, Sacramento, CA 95814.

b. Funding Policy:

The District contributes all amounts necessary to fund benefits for its employees. The contribution includes an employee portion of 8% of current covered payroll. The District has elected to contribute the employee portion. The District is also required to contribute any actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2013 was 16.871%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

11. EMPLOYEE RETIREMENT PLANS (CONTINUED):

b. Funding Policy (Continued):

Active Plan members of the Miscellaneous 2% at 62 Risk Pool are required to contribute 6.25% of their annual covered salary. The required employer contribution rate of the fiscal year ended June 30, 2013 was 8%. PEPRA does not allow the District to pay any portion of the employee required contribution on behalf of the employee. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members under PEPRA provisions. The contribution requirements of plan members and the District are established and may be amended by PERS. There were no contributions to the Miscellaneous 2% at 62 Risk Pool during the fiscal year ended June 30, 2013. The District's contributions to CalPERS for the years ended June 30, 2013, 2012 and 2011, which were all prepaid by the District at the beginning of the year, were \$345,787, \$334,641, and \$230,905, respectively. These contributions were equal to the required contributions for each year. There were no contributions to the Miscellaneous 2% at 62 Risk Pool during the fiscal year ended June 30, 2013. On July 15, 2013, the District paid \$384,274 to pay off the remaining balance of the Side Fund that had been created as a result of the mandate by the State to participate in the Miscellaneous 2% at 62 Risk Pool back on July 1, 2005. This amount has been included in accounts payable as of June 30, 2013, as the Side Fund relates to past service costs.

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

a. Plan Description:

The District has a single-employer other post-employment benefit plan that provides medical, dental and vision coverage to 24 active employees and 8 retired employees through the ACWA health program. At retirement, the District provides a contribution for the continuation of these coverage's for eligible retirees. Eligibility for a District contribution requires retirement from the District and under PERS on or after age 50 with at least 5 years of service. The District provides 100% of the cost of coverage for the retiree and any covered spouse.

Employees hired on or after July 1, 2009 are eligible for a District contribution if retiring from the District and under PERS on or after age 55 with at least 15 years of continuous District service. The District provides 100% of the cost of coverage for the retiree only.

A stand-alone financial report is not issued for this plan and it is not included in the report of PERS or another entity.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

b. Funding Policy:

The contribution requirements of plan members and the District are established and may be amended by the District, District's Board of Directors, and/or the employee associations. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis. For the years ended June 30, 2013 and 2012, the District paid \$103,272 and \$117,642, respectively, in health care costs for its retirees and their covered dependents. In addition the District made a \$285,000 contribution to a trust account established to fund the District's net OPEB obligation for the year ended June 30, 2013.

c. Annual OPEB Cost and Net OPEB Obligation:

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45 applied prospectively. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

	2013	2012
Annual required contribution	\$ 346,266	\$ 420,952
Interest on net OPEB obligation	52,667	25,230
Adjustment to annual required contribution	(47,596)	(22,890)
Annual OPEB cost (expense)	351,337	423,292
Actual contributions made	(388,272)	(117,642)
Increase (decrease) in net OPEB obligation	(36,935)	305,650
Net OPEB Obligation - beginning of year	810,255	504,605
Net OPEB Obligation - end of year	\$ 773,320	\$ 810,255

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

d. Three-Year Trend Information:

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2013, 2012 and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/11	\$ 410,541	126.22%	\$ 504,605
6/30/12	423,292	27.79%	810,255
6/30/13	351,337	110.50%	773,320

e. Funded Status and Funding Progress:

As of July 1, 2012, the plan was 8.99% percent funded. The actuarial accrued liability for benefits was \$4,499,844, and the actuarial value of assets was \$404,434, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,095,410. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$2,145,129 and the ratio of the UAAL to the covered payroll was 190.92%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED):

f. Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The entry age normal cost method was used for the actuarial valuation as of July 1, 2012. Significant assumptions included a discount rate of 5% per annum, projected salary increases of 3.25% per annum and medical trend rates that start at 9.0% for HMO and 9.5% for PPO coverage in the initial year and are decreased 0.5% per year to an ultimate rate of 5.0%. The unfunded actuarial accrued liability is being amortized over an initial 30 years using the level percentage-of-pay method on a closed-basis. The remaining amortization period is 30 years.

13. RISK MANAGEMENT

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2013, the District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$50,000 per occurrence and has purchased excess insurance coverage up to \$100,000,000 (total insurable value of \$43,363,657). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$1,000 deductible for mobile equipment and a \$500 deductible for licensed vehicles.

General Liability - The Insurance Authority has pooled self-insurance up to \$2,000,000 per occurrence and has purchased excess insurance coverage of \$58,000,000. This program does not have a deductible.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$2,000,000 per occurrence and has purchased excess insurance coverage of \$58,000,000. This program does not have a deductible.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

13. RISK MANAGEMENT (CONTINUED):

Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$2,000,000 per occurrence and has purchased excess insurance coverage of \$58,000,000.

Fidelity Bond - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence. The District has a \$1,000 deductible.

Public Official Bond - The District has purchased a \$200,000 bond to cover the general manager's faithful performance of duty.

Workers' Compensation - Insured up to the statutory limit; the Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit. Employer's liability is insured up to the statutory limit. The Insurance Authority has pooled self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000.

Underground Storage Tank Pollution Liability - The Insurance Authority is self-insured up to \$500,000 per occurrence and has purchased excess coverage of \$3,000,000. The District has a \$10,000 deductible.

The District pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims expended. The nature and amount of these adjustments cannot be estimated and are charged to expenses as invoiced. There were no instances in the past three years where a settlement exceeded the District's coverage.

14. UNRESTRICTED NET POSITION:

The District has adopted a policy to designate reserves of unrestricted net position. Total reserves were designated as follows as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Designated reserves for:		
Operations	\$ 3,610,000	\$ 2,902,500
Rate stabilization	976,591	1,533,565
Capital funding including expansion of facilities and future repairs and maintenance	<u>11,868,713</u>	<u>11,517,486</u>
Total Designated Reserves	16,455,304	15,953,551
Undesignated net position	<u>1,112,902</u>	<u>3,014,294</u>
 Total Unrestricted Net Position	 <u>\$ 17,568,206</u>	 <u>\$ 18,967,845</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

15. COMMITMENTS AND CONTINGENCIES:

The District has entered into a water production and delivery agreement with another party to receive groundwater produced on behalf of the District. Under the terms of the agreement, the District is required to contribute \$2,000,000 to the other party for necessary expansion, rehabilitation and improvements of their facilities as a result of this agreement. The District made one payment in the amount of \$660,000 in fiscal year 2011-2012. Of that amount, \$330,000 is due from another district and is included in other receivable in the accompanying statements of net position and \$330,000 was expensed in the accompanying statements of revenues, expenses and changes in net position. The remaining \$1,340,000 (\$670,000 of which is due from another District) is due upon meeting certain conditions set forth in the agreement.

16. RESTATEMENT OF NET POSITION:

Net position as of July 1, 2012 has been restated as follows:

Net position as previously reported	\$ 62,120,843
Reduction in net position to remove unamortized bond issuance costs as a result of the implantation of GASB Statement No. 65	(294,390)
Addition to record investment in joint venture of Pomona-Walnut-Rowland Joint Water Line Commission	629,428
Addition to record investment in joint venture of Puente Basin Water Agency (\$1,651,987 net of \$1,491,025 reclassified from water rights)	160,962
Addition to record costs related to construction in progress that were previously expensed	<u>21,139</u>
Net position as restated	<u>\$ 62,637,982</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

16. RESTATEMENT OF NET POSITION (CONTINUED):

The following balances as of and for the year ended June 30, 2012 were restated as a result of these corrections:

	As Originally Reported	Restatement	As Restated
<u>Statement of Net Position</u>			
Capital assets, not being depreciated	\$ 4,839,858	\$ (1,469,886)	\$ 3,369,972
Bond issuance costs, net	294,390	(294,390)	-
Investment in joint ventures	-	2,281,415	2,281,415
Accrued net OPEB obligation	659,134	(46,882)	612,252
Net position:			
Net investment in capital assets	43,615,335	(1,469,886)	42,145,449
Unrestricted	16,980,820	1,987,025	18,967,845
<u>Statement of Revenues, Expenses and Changes in Net Position</u>			
Nonoperating revenues (expenses):			
Income from investment in joint ventures		92,241	92,241
Change in net position	(1,213,479)	92,241	(1,121,238)
Net position - beginning of year	63,334,322	424,898	63,759,220
Net position - end of year	62,120,843	517,139	62,637,982

Statement of Cash Flows

Acquisition and construction of capital assets	(3,401,249)	1,570,569	(1,830,680)
Contributions to joint ventures	-	(1,570,569)	(1,570,569)

17. SUBSEQUENT EVENTS:

Events occurring after June 30, 2013 have been evaluated for possible adjustments to the financial statements or disclosure as of _____, which is the date these financial statements were available to be issued.

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

ROWLAND WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the years ended June 30, 2013 and 2012

**OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS**

Retiree Health Plan

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (UAAL) (a) - (b)	Funded Ratio (b)/(a)	Estimated Annual Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/(c)
07/01/09	\$ 4,645,724	\$ -	\$ 4,645,724	0.00%	\$ 1,964,000	236.54%
07/01/12	\$ 4,499,844	\$ 404,434	\$ 4,095,410	8.99%	\$ 2,145,129	190.92%

DRAFT

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

DRAFT

ROWLAND WATER DISTRICT

SCHEDULES OF OTHER OPERATING EXPENSES

For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Engineering	\$ 22,012	\$ 36,243
Maintenance and operations	23,247	18,669
Small tools and supplies	19,356	23,845
Water tests	22,482	25,761
Certification, fees and permits	40,332	113,023
Water supply planning and development	<u>174,441</u>	<u>237,824</u>
TOTAL OTHER OPERATING EXPENSES	<u>\$ 301,870</u>	<u>\$ 455,365</u>

DRAFT

See independent auditors' report.

ROWLAND WATER DISTRICT

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended June 30, 2013 and 2012

	2013	2012
Salaries and wages	\$ 898,864	\$ 914,609
Payroll taxes	159,495	156,215
Insurance	670,875	707,107
Automobile expenses	58,248	90,120
Service charges	135,295	57,777
Office supplies and expenses	259,881	151,817
Utilities	74,152	61,199
Professional services	331,930	351,719
Membership fees and dues	42,744	40,180
Conferences and travel	67,928	40,841
Directors' fees and expenses	31,790	30,492
Public relations	160,794	128,054
Repairs and maintenance	14,734	6,667
Pension plan contributions	889,957	492,030
Other post employment benefits	351,337	423,292
Seminars and training	41,638	57,786
Conservation rebate program expenses	1,442	5,602
Taxes, permits and fees	7,020	6,728
Uncollectable accounts	14,420	-
Miscellaneous	33,344	41,946
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 4,245,888	\$ 3,764,181

See independent auditors' report.

THIS PAGE INTENTIONALLY LEFT BLANK

DRAFT

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

The Board of Directors
Rowland Water District
Rowland Heights, California

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 basic financial statements of Rowland Water District (the District) as of and for the year ended June 30, 2013, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated NEED DATE.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Irvine, California
NEED DATE



DRAFT

Tab

2.3

ROWLAND WATER DISTRICT
STATEMENT OF OPERATIONS



Three Months Ended September 30, 2013

	BUDGET FYE 6/30/2014	% OF BUDGET	AMOUNT	CY ACTUAL	PY ACTUAL	% OF SALES	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
WATER REVENUE	13,500,000	25%	3,375,000	4,441,001	3,908,423	74.45%	1,066,001	31.59%
WATER METER CHARGES	6,000,000	25%	1,500,000	1,524,381	1,248,243	25.55%	24,381	1.63%
	<u>19,500,000</u>		<u>4,875,000</u>	<u>5,965,382</u>	<u>5,156,666</u>	100.00%	<u>1,090,382</u>	22.37%
COST OF SALES:								
WATER PURCHASED	9,900,000	25%	2,475,000	2,943,826	2,896,529	49.35%	(468,826)	-18.94%
FIXED CHARGES	325,000	25%	81,250	83,028	92,977	1.39%	(1,778)	-2.19%
PUMPING POWER	290,000	25%	72,500	94,414	88,420	1.58%	(21,914)	-30.23%
TOTAL COST OF SALES	<u>10,515,000</u>		<u>2,628,750</u>	<u>3,121,268</u>	<u>3,077,926</u>	52.32%	<u>(492,518)</u>	-18.74%
GROSS PROFIT	8,985,000		2,246,250	2,644,114	2,078,740	47.68%	597,864	26.62%
GROSS PROFIT %	46%		46%	49%	40%			
OTHER INCOME	690,000	25%	172,500	128,748	126,987	5.37%	76,167	17.23%
TOTAL OPERATING REVENUE	<u>9,675,000</u>		<u>2,418,750</u>	<u>2,972,862</u>	<u>2,205,727</u>	49.84%	<u>676,031</u>	27.95%
OPERATING EXPENSES								
SALARIES AND WAGES	2,320,000	25%	580,000	535,913	534,011	8.98%	44,087	7.60%
EMPLOYEE & RETIREE BENEFITS	2,079,000	25%	519,750	647,674	527,910	14.21%	(327,924)	-63.09%
DEBT SERVICE INTEREST EXPENSE	2,800,000	25%	700,000	-	-	0.00%	700,000	100.00%
ENGINEERING	10,000	25%	2,500	-	22,015	0.00%	2,500	100.00%
WATER SUPPLY PLANNING & DEVELOP.	100,000	25%	25,000	111,453	-	1.87%	(86,453)	-345.81%
OFFICE EXPENSES	175,000	25%	43,750	39,311	47,501	0.66%	4,439	10.15%
MAINTENANCE OF WATER SYSTEM	350,000	25%	87,500	66,286	64,006	1.11%	21,214	24.24%
MAINTENANCE AND OPERATION	30,000	25%	7,500	5,724	3,774	0.10%	1,776	23.68%
EQUIPMENT EXPENSES	15,000	25%	3,750	3,157	1,287	0.05%	593	15.81%
PROFESSIONAL SERVICES	125,000	25%	31,250	27,583	30,901	0.46%	3,667	11.73%
SERVICE CONTRACTS	275,000	25%	68,750	53,216	70,720	0.89%	15,534	22.59%
GENERAL LIABILITY INSURANCE	125,000	25%	31,250	68,856	68,777	1.15%	(37,606)	-120.34%
TOOLS AND SUPPLIES	25,000	25%	6,250	4,148	4,468	0.07%	2,102	33.63%
VEHICLE EXPENSES	80,000	25%	20,000	14,283	17,975	0.24%	5,717	28.56%
UTILITY SERVICES	75,000	25%	18,750	17,108	24,500	0.29%	1,641	8.75%
DIRECTORS' COMPENSATION & BENEFITS	165,000	25%	41,250	27,669	23,020	0.46%	13,581	32.92%
MEMBERSHIP DUES	45,000	25%	11,250	4,024	3,021	0.07%	7,226	64.23%
WATER TESTS	30,000	25%	7,500	2,530	6,724	0.04%	4,970	66.27%
COMPLIANCE	70,000	25%	17,500	24,249	22,748	0.41%	(6,749)	-38.57%
OPERATING ASSESSMENTS	80,000	25%	20,000	24,374	10,296	0.41%	(4,374)	-21.87%
WATER CONSERVATION	10,000	25%	2,500	1,437	-	0.02%	1,063	42.52%
CONFERENCES	65,000	25%	16,250	4,769	16,005	0.08%	11,481	70.65%
SEMINARS & TRAINING	60,000	25%	15,000	11,622	7,656	0.19%	3,378	22.52%
BANK & INVESTMENT MGMT. FEES	100,000	25%	25,000	21,550	12,211	0.36%	3,450	13.80%
COMMUNITY OUTREACH	120,000	25%	30,000	19,704	48,107	0.33%	10,296	34.32%
MISCELLANEOUS EXPENSES	45,000	25%	11,250	7,293	5,166	0.12%	3,957	35.17%
TOTAL OPERATING EXPENSES	<u>9,374,000</u>		<u>2,343,500</u>	<u>1,943,934</u>	<u>1,574,799</u>	32.59%	<u>399,566</u>	17.05%
NET OPERATING INCOME	<u>301,000</u>	25%	<u>75,250</u>	<u>1,028,928</u>	<u>630,928</u>	17.25%	<u>953,678</u>	1267.35%
INTEREST INCOME	<u>300,000</u>	25%	<u>75,000</u>	<u>66,407</u>	<u>57,485</u>	1.15%	<u>(6,593)</u>	-8.79%
NET INCOME	<u>\$ 601,000</u>		<u>\$ 150,250</u>	<u>\$ 1,097,335</u>	<u>\$ 688,413</u>	18.40%	<u>\$ 947,085</u>	630.34%

SUPPLEMENTAL OTHER INCOME - 9/30/13

	<u>BUDGET FYE 6/30/2014</u>	<u>% OF BUDGET</u>	<u>AMOUNT</u>	<u>CY ACTUAL</u>	<u>PY ACTUAL</u>	<u>% OF SALES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>% OF BUDGET</u>
CUSTOMER PENALTIES	190,000	25%	47,500	41,718	50,508	0.45%	(5,782)	-12.17%
CONNECTION FEES	40,000	25%	10,000	13,180	10,275	0.14%	3,180	31.80%
RECONNECTION FEES	20,000	25%	5,000	6,025	6,595	0.06%	1,025	20.50%
PROPERTY TAXES	250,000	25%	62,500	30,357	30,227	0.33%	(32,143)	-51.43%
ACREAGE SUPPLY CHARGE	10,000	25%	2,500	-	-	0.00%	(2,500)	-100.00%
CONTRACT INCOME	125,000	25%	31,250	32,240	24,685	0.35%	990	3.17%
FLOW TESTS	5,000	25%	1,250	1,120	1,330	0.01%	(130)	-10.40%
MISCELLANEOUS INCOME	50,000	25%	12,500	4,108	3,367	0.04%	(8,392)	-67.14%
TOTAL OTHER INCOME	690,000	25%	172,500	128,748	126,987	1.38%	78,167	17.23%

SUPPLEMENTAL EXPENSES - 9/30/13

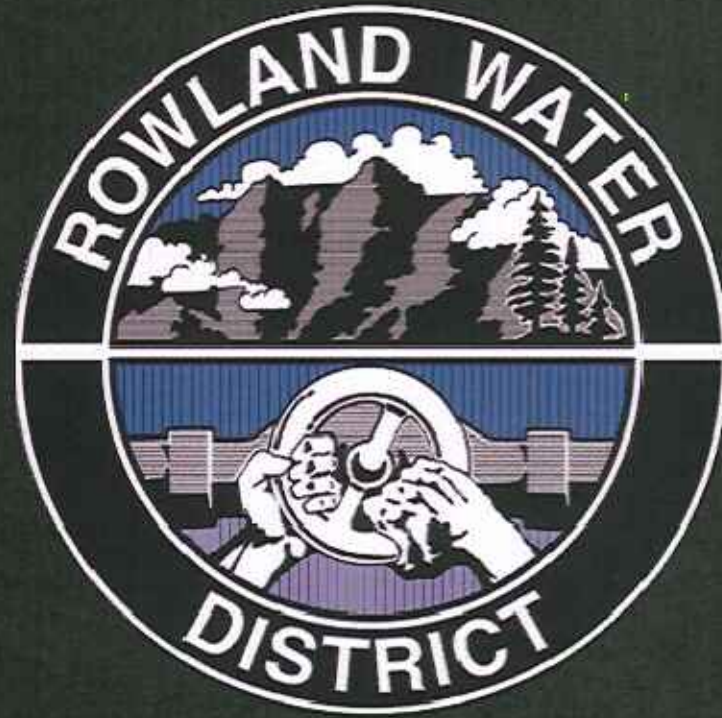
	CY Actual	PY Actual
<u>SALARIES & WAGES</u>		
ADMINISTRATIVE	224,271.00	212,450.00
CUSTOMER ACCOUNTS	32,051.00	29,800.00
MAINS AND SERVICES	138,885.00	151,891.00
WATER TREATMENT	140,706.00	139,870.00
TOTAL SALARIES & WAGES	<u>535,913.00</u>	<u>534,011.00</u>
<u>EMPLOYEE BENEFITS</u>		
DENTAL INSURANCE	10,045.00	6,086.00
EMPLOYEE ASSISTANCE PROGRAM	266.00	170.00
HEALTH INSURANCE	124,481.00	107,453.00
LIFE INSURANCE PLAN	480.00	502.00
DISABILITY INSURANCE	2,618.00	2,660.00
PAYROLL TAXES	38,645.00	28,427.00
PENSION CONTRIBUTIONS	474,740.00	385,118.00
PARS (GASB 45/OPEB)	150,000.00	-
RETIREES HEALTH INSURANCE	30,356.00	25,284.00
UNEMPLOYMENT INSURANCE	414.00	357.00
VISION INSURANCE PLAN	1,986.00	1,993.00
WORKER'S COMPENSATION INSURANCE	13,643.00	13,034.00
TOTAL EMPLOYEE BENEFITS	<u>847,674.00</u>	<u>571,084.00</u>
<u>OFFICE EXPENSES</u>		
INFO TECH. SUPPORT SERVICES	36,452.00	34,109.00
POSTAGE, PRINTING & STATIONARY	512.00	9,750.00
SHORTLIFE SUPPLIES	2,347.00	3,648.00
TOTAL OFFICE EXPENSES	<u>39,311.00</u>	<u>47,507.00</u>
<u>PROFESSIONAL SERVICES</u>		
AUDITING	12,300.00	12,000.00
LEGAL	15,283.00	18,091.00
TOTAL PROFESSIONAL EXPENSES	<u>27,583.00</u>	<u>30,091.00</u>
<u>MAINTENANCE OF WATER SYSTEM</u>		
HYDRANTS	964.00	-
MAINS	5,160.00	7,200.00
METERS	11,990.00	2,466.00
PUMPS	7,963.00	8,694.00
RECYCLED WATER	1,557.00	-
RESERVOIRS	2,560.00	3,230.00
SERVICES	18,889.00	23,710.00
TELEMETRY	9,476.00	2,760.00
VALVES	3,899.00	14,895.00
RECYCLED WATER - COI	3,828.00	1,051.00
TOTAL MAINTENANCE OF WATER SYSTEM	<u>66,286.00</u>	<u>64,006.00</u>

CAPITAL / CONSTRUCTION IN PROGRESS (CIP) EXPENDITURES - 9/30/2013

	CY Actual	PY Actual
OFFICE FURNITURE AND EQUIPMENT	-	-
OFFICE BUILDING	-	-
METERS	-	-
PUMPING PLANT	-	-
RESERVOIRS	107,475.00	106,575.00
SERVICES	10,040.00	5,153.00
TRANSMISSION / MAINS	-	-
TRANSPORTATION EQUIPMENT	-	-
TOTAL CAPITAL EXPENDITURES (NON CONSTRUCTION)	<u>117,515.00</u>	<u>111,728.00</u>
TOTAL CONSTRUCTION IN PROGRESS (CIP) EXPENDITURES	<u>912,990.00</u>	<u>397,487.00</u>
TOTAL CAPITAL / CIP EXPENDITURES	<u>1,030,505.00</u>	<u>509,215.00</u>

Tab

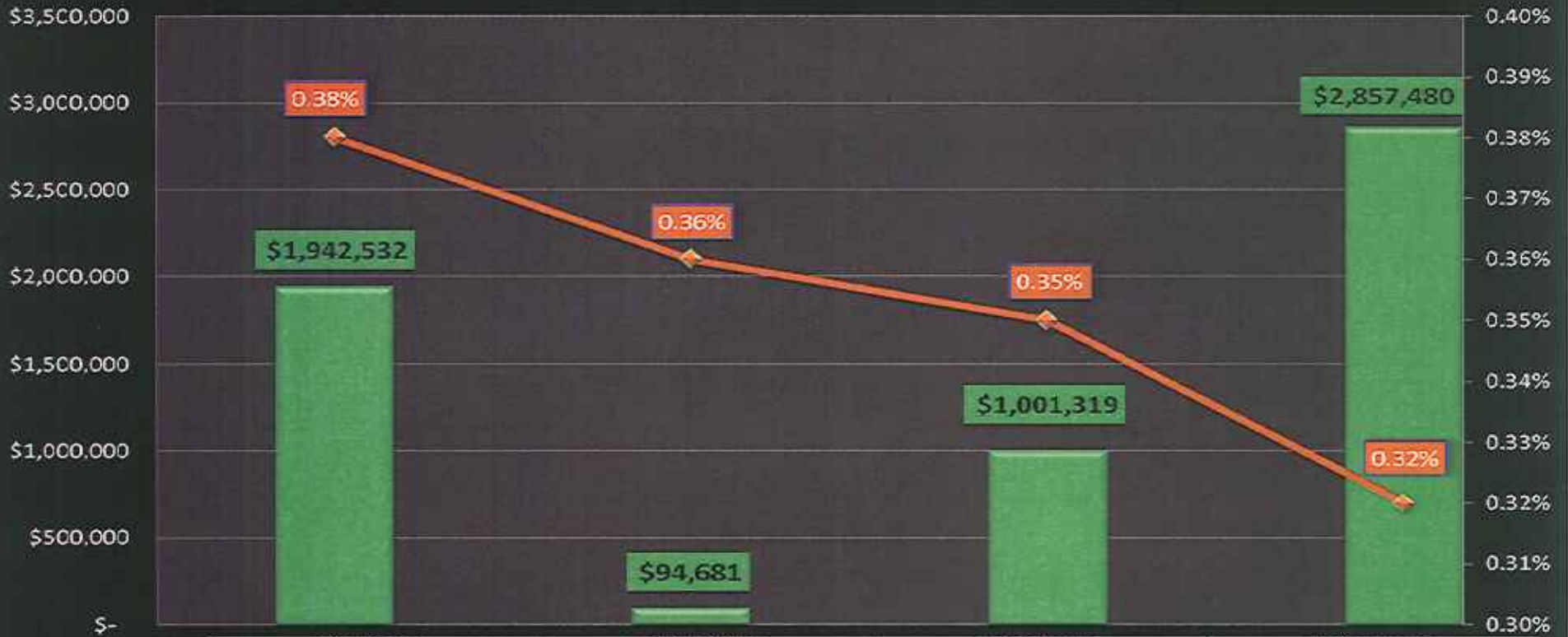
2.4



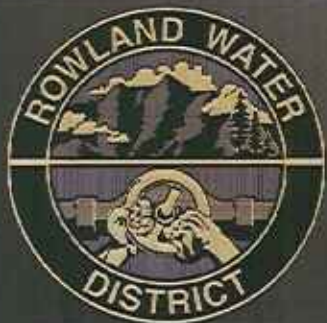
November 12, 2013

Quarterly Investment Review

Local Agency Investment Fund (LAIF)

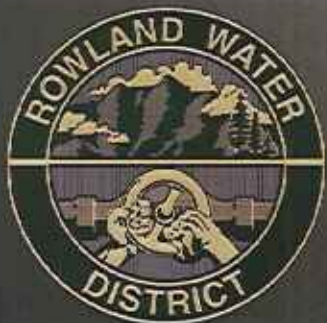
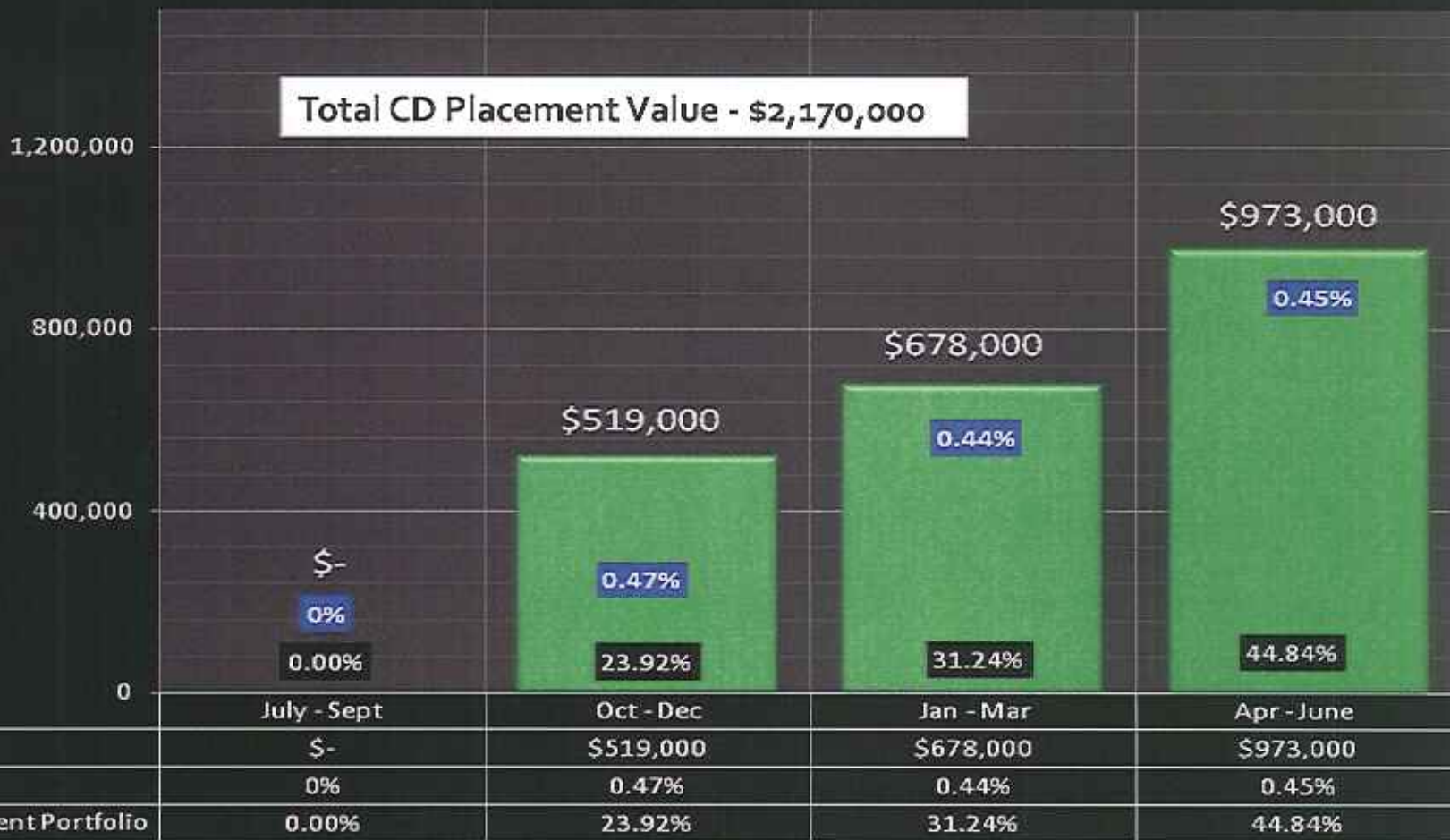


	3/31/2012	6/30/2012	9/30/2012	12/31/2012
Account Balance	\$1,942,532	\$94,681	\$1,001,319	\$2,857,480
Interest Rate	0.38%	0.36%	0.35%	0.32%

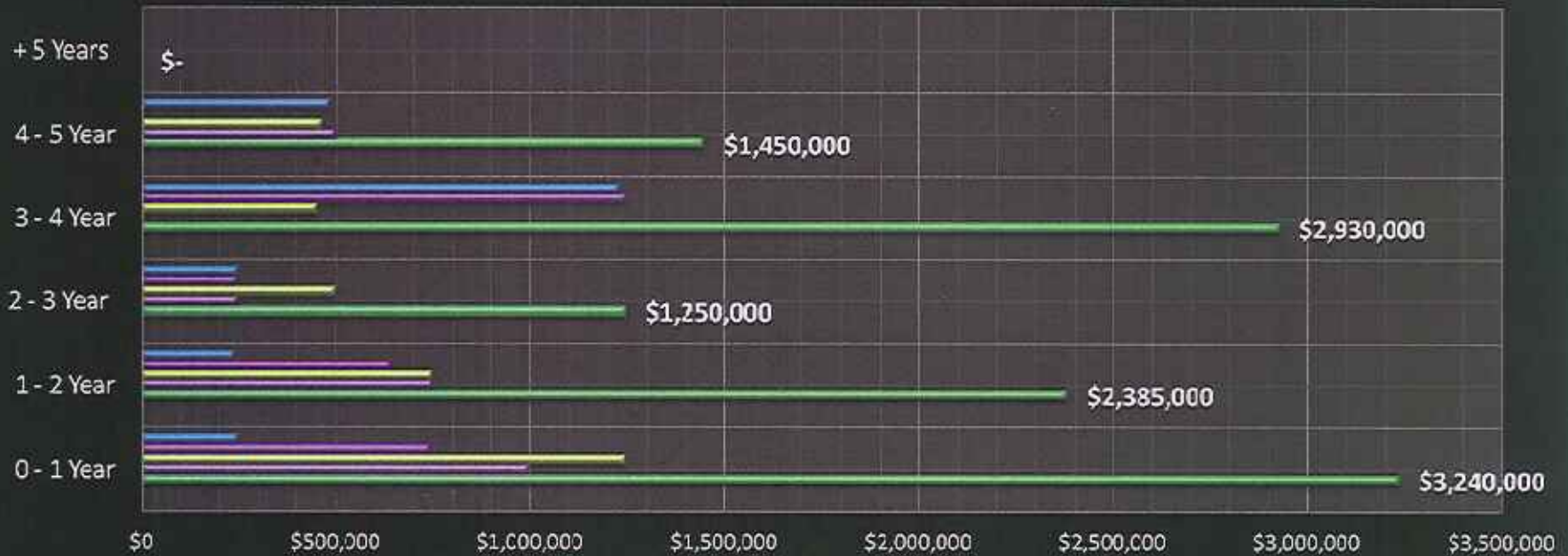


LAIF Quarterly Balances

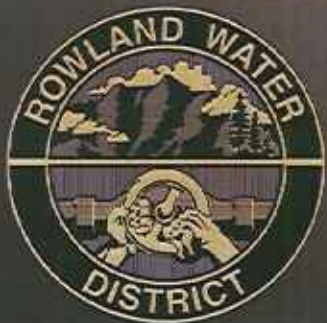
CD Placement Portfolio



CD Placement Maturity Schedule



	0 - 1 Year	1 - 2 Year	2 - 3 Year	3 - 4 Year	4 - 5 Year	+ 5 Years
Jul - Sept	\$250,000	\$240,000	\$250,000	\$1,230,000	\$485,000	\$-
Oct - Dec	\$745,000	\$645,000	\$250,000	\$1,250,000	\$-	\$-
Jan - Mar	\$1,245,000	\$750,000	\$500,000	\$450,000	\$465,000	\$-
Apr - Jun	\$1,000,000	\$750,000	\$250,000	\$-	\$500,000	\$-
Total Bond Portfolio	\$3,240,000	\$2,385,000	\$1,250,000	\$2,930,000	\$1,450,000	\$-
Interes: Rate	3.07%	2.36%	2.33%	1.21%	1.03%	0.00%
% of Portfolio	32.60%	20.28%	17.34%	8.16%	21.52%	0.00%

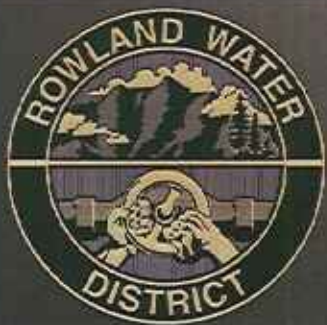


Bond Maturity Chart

Account Balances - Contributions - Earnings



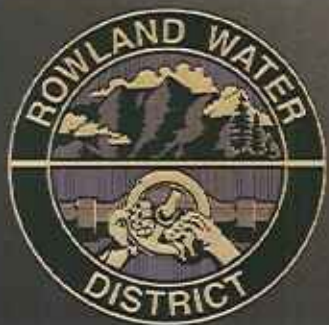
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Earnings/Losses	\$10,591.87	\$3,351.83	\$8,511.91	\$7,132.94	\$1,430.46	\$(11,988.72)	\$21,029.51	\$(12,419.10)				
Contribution	\$35,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00				
Balance	\$429,449.15	\$475,041.02	\$528,392.85	\$586,611.02	\$643,627.74	\$694,928.53	\$732,797.07	\$803,672.80				



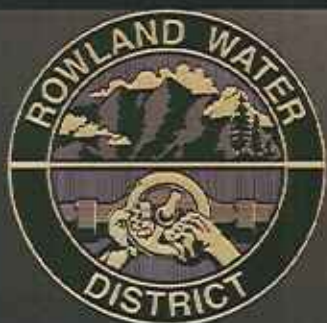
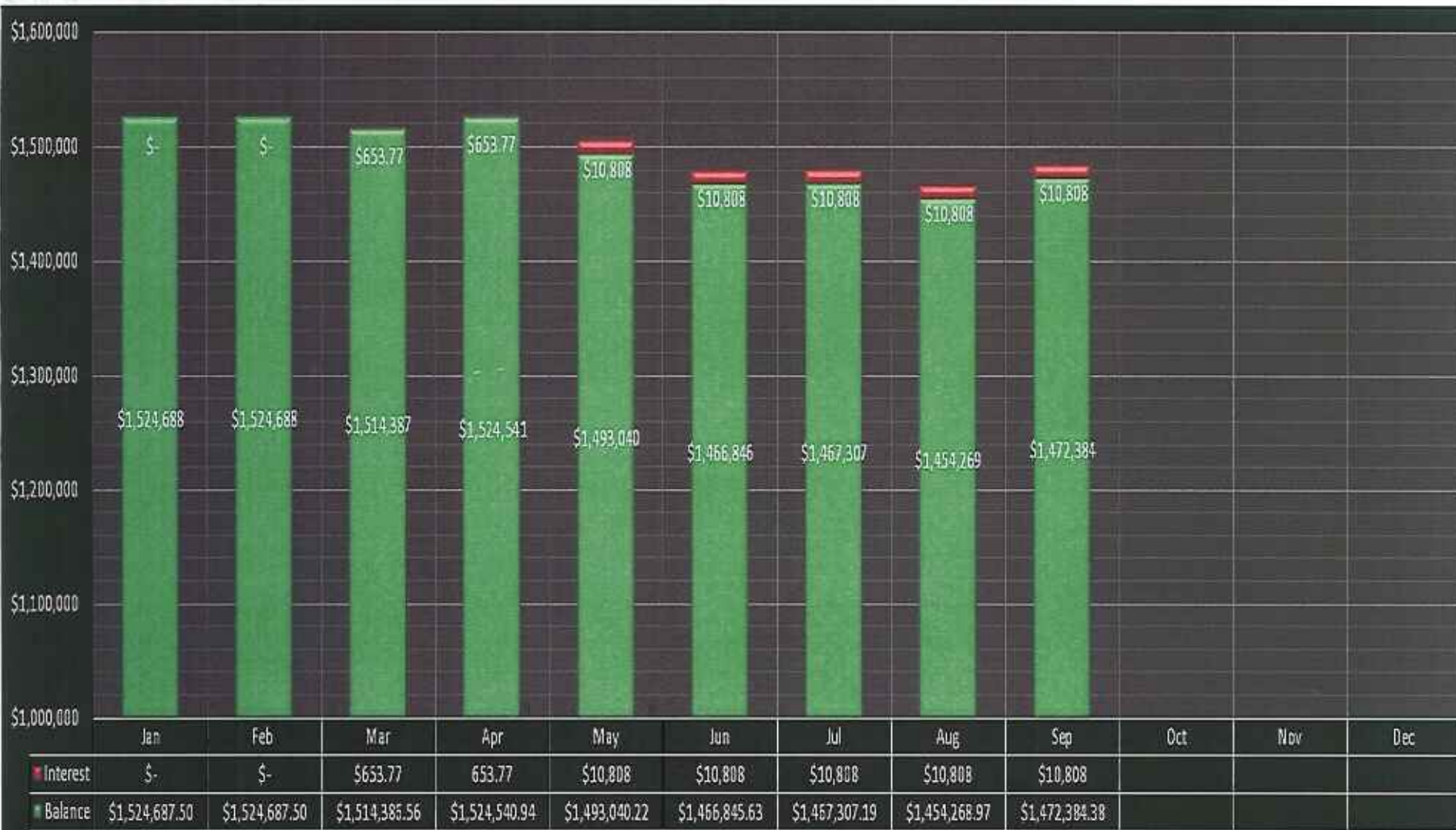
GASB 45 Program



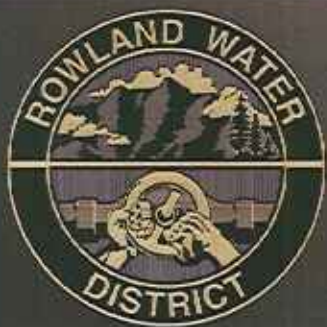
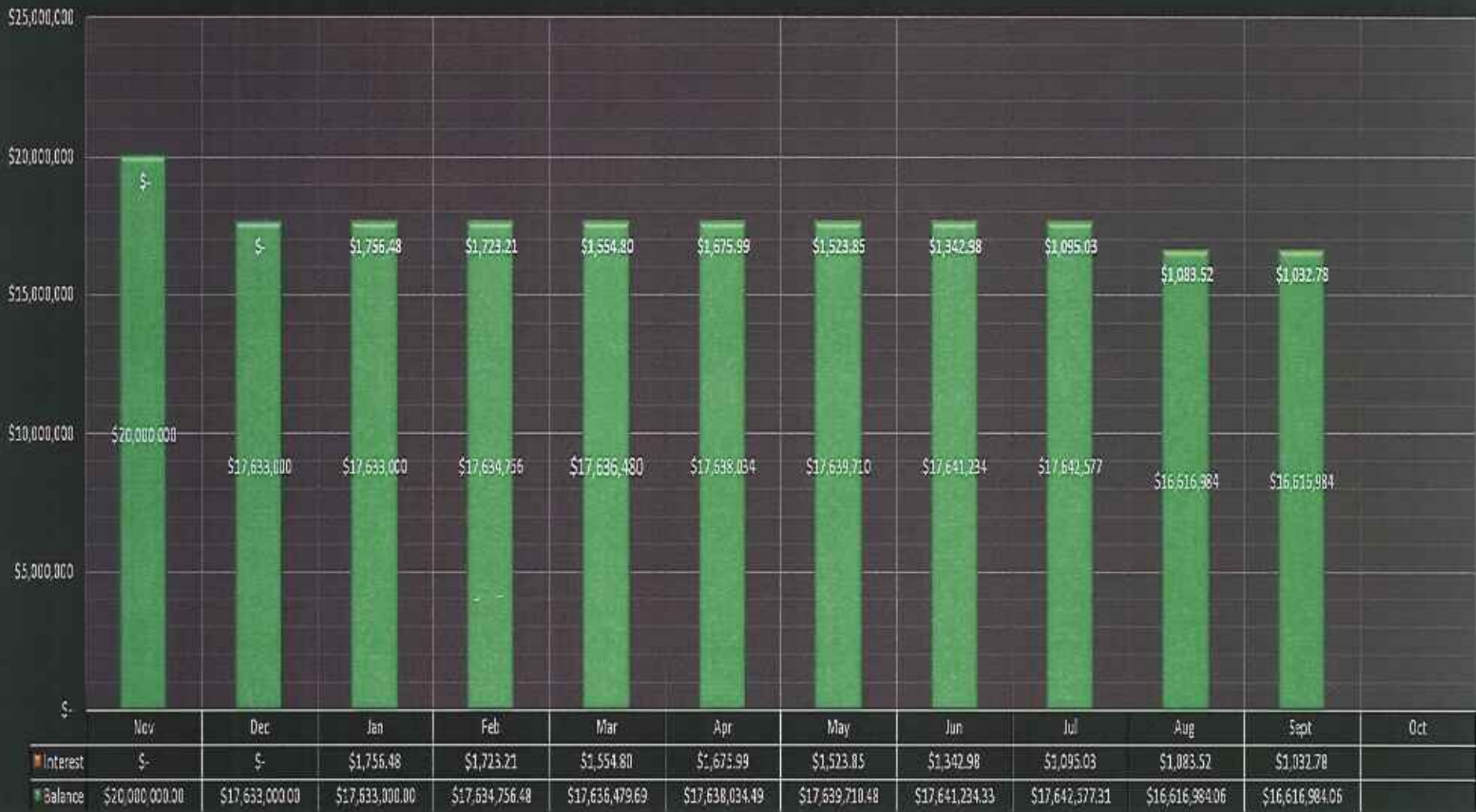
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Interest		\$1,287.05	\$1,206.61	\$1,206.61	\$1,206.61	\$1,206.61	\$1,206.61	\$1,206.61	\$1,206.61	\$1,206.61		
Balance	\$1,155,575.00	\$1,155,575.00	\$1,156,862.05	\$1,158,068.66	\$1,159,275.27	\$1,160,481.88	\$1,161,688.49	\$1,162,895.10	\$1,164,101.71	\$1,165,308.32		



2012 Revenue Bond Fund



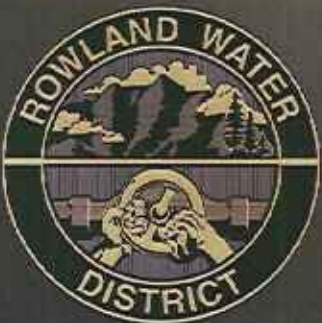
2008 COP Reserve Fund



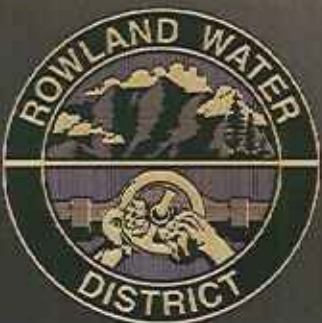
2012 Revenue Bond Reserve Fund



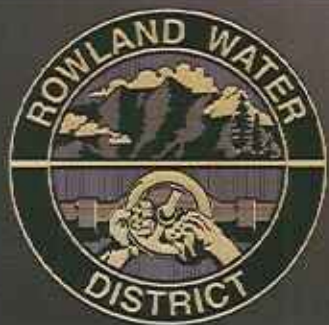
	6/30/09	2/15/11	11/30/11	12/31/11	10/31/12	11/30/12
Total Storage	1,889.0	989.0	1,352.1	2,989.0	3,101.5	4,989.0
AF Purchased	1,889.0		363.1	1,636.9	112.5	1,887.5
AF Sold		(900.0)				
Purchase Cost (\$/AF)	\$261	\$484	\$527	\$527	\$560	\$560



Water Purchased for Cyclic Storage



Cash Value of Cyclic Storage Supplies



BLANK

Tab

2.5

**POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION**

BASIC FINANCIAL STATEMENTS

**WITH REPORT ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2013 AND 2012

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

TABLE OF CONTENTS

June 30, 2013 and 2012

	<u>Page Number</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Required Supplementary Information)	3 - 10
Basic Financial Statements:	
Statements of Net Position	11
Statements of Revenues, Expenses and Changes in Net Position	12
Statements of Cash Flows	13
Notes to Financial Statements	14 - 24
Supplementary Information:	
Combining Statements of Revenues, Expenses and Changes in Net Position	25 - 26
Schedule of Assets Invested in Capital Assets By Member Agency	27

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Pomona-Walnut-Rowland
Joint Water Line Commission
Walnut, California

We have audited the accompanying financial statements of Pomona-Walnut-Rowland Joint Water Line Commission (the Commission), which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Commission's preparation and fair presentation of the financial statements 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 Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pomona-Walnut-Rowland Joint Water Line Commission as of June 30, 2013 and 2012, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1e to the financial statements, the Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by generally accepted accounting principles and is 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 the 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Commission. 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 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 financial statements of the Commission or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

White Nelson Dick Evans LLP

Irvine, California
October 3, 2013

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

This section of the Commission's annual financial report presents our analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Fiscal Year 2013

- The Commission's net position increased by \$37,142 or 1.62 percent.
- During the year, the Commission's total operating revenues increased to \$19,598,764 or 11.40 percent over the prior year amount, and operating expenses increased to \$19,607,676 or 11.44 percent over the prior year amount.

Fiscal Year 2012

- The Commission's net position increased by \$43,758 or 1.95 percent.
- During the year, the Commission's total operating revenues increased to \$17,592,808 or 0.56 percent over the prior year amount, and operating expenses increased to \$17,595,604 or 0.50 percent over the prior year amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis, the financial statements and supplementary information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Commission report information about the Commission using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Commission's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Commission and assessing the liquidity and financial flexibility of the Commission. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Commission's operations over the past year and can be used to determine the Commission's credit worthiness and whether the Commission has successfully recovered all of its costs through its water rates and other charges. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Commission's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

FINANCIAL ANALYSIS OF THE COMMISSION

One of the most important questions asked about the Commission's finances is "Is the Commission as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position, and the Statement of Revenues, Expenses and Changes in Net Position report information about the Commission's activities in a way that will help answer this question. These two statements report the net position of the Commission and changes in them. You can think of the Commission's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other nonfinancial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

NET POSITION

To begin our analysis, a summary of the Commission's Statement of Net Position is presented in Table 1.

**TABLE 1
Condensed Statements of Net Position**

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Fiscal Year 2011	Dollar Change
Assets:					
Current and other assets	\$ 5,023,367	\$ 4,610,966	\$ 412,401	\$ 3,964,929	\$ 646,037
Capital assets	1,315,695	1,329,842	(14,147)	1,343,989	(14,147)
Total Assets	<u>6,339,062</u>	<u>5,940,808</u>	<u>398,254</u>	<u>5,308,918</u>	<u>631,890</u>
Liabilities:					
Current liabilities	<u>4,013,092</u>	<u>3,651,980</u>	<u>361,112</u>	<u>3,063,848</u>	<u>588,132</u>
Net Position:					
Net investment in capital assets	1,315,695	1,329,842	(14,147)	1,343,989	(14,147)
Restricted	456,459	413,136	43,323	369,813	43,323
Unrestricted	553,816	545,850	7,966	531,268	14,582
Total Net Position	<u>\$ 2,325,970</u>	<u>\$ 2,288,828</u>	<u>\$ 37,142</u>	<u>\$ 2,245,070</u>	<u>\$ 43,758</u>

Fiscal Year 2013

As you can see from Table 1, net position increased by \$37,142 from fiscal year 2012 to 2013.

A further review of Net Position on Table 1 shows that Restricted Net Assets (those established by Commission policy, enabling legislation, or other legal requirements), increased to \$456,459 in fiscal year 2013 due to the assessment of the Depreciation and Replacement Reserve capital surcharge. This additional \$43,323 was added to the \$413,136 collected in previous years.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

Fiscal Year 2012

As you can see from Table 1, net assets increased by \$43,758 from fiscal year 2011 to 2012.

A further review of Net Assets on Table 1 shows that Restricted Net Assets (those established by Commission policy, enabling legislation, or other legal requirements), increased to \$413,136 in fiscal year 2012 due to the assessment of the Depreciation and Replacement Reserve capital surcharge. This additional \$43,323 was added to the \$369,813 collected in previous years.

TABLE 2
Condensed Statements of Revenues,
Expenses and Changes in Net Position

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Fiscal Year 2011	Dollar Change
Operating Revenues:					
Water sales to member agencies	\$19,504,925	\$17,499,140	\$ 2,005,785	\$17,400,727	\$ 98,413
Member agency assessments	93,839	93,668	171	93,661	7
Total Operating Revenues	<u>19,598,764</u>	<u>17,592,808</u>	<u>2,005,956</u>	<u>17,494,388</u>	<u>98,420</u>
Operating Expenses:					
Water operations	19,517,354	17,506,968	2,010,386	17,416,684	90,284
Depreciation	14,147	14,147	-	14,147	-
General and administration	76,175	74,489	1,686	77,095	(2,606)
Total Operating Expenses	<u>19,607,676</u>	<u>17,595,604</u>	<u>2,012,072</u>	<u>17,507,926</u>	<u>87,678</u>
Operating Loss	(8,912)	(2,796)	(6,116)	(13,538)	10,742
Nonoperating Revenues:					
Investment income	2,731	3,231	(500)	3,978	(747)
Income (Loss) Before Capital Contributions	(6,181)	435	(6,616)	(9,560)	9,995
Capital Contributions - Surcharges	43,323	43,323	-	43,323	-
Changes in Net Position	37,142	43,758	(6,616)	33,763	9,995
Net Position At:					
Beginning of Year	<u>2,288,828</u>	<u>2,245,070</u>	<u>43,758</u>	<u>2,211,307</u>	<u>33,763</u>
End of Year	<u>\$ 2,325,970</u>	<u>\$ 2,288,828</u>	<u>\$ 37,142</u>	<u>\$ 2,245,070</u>	<u>\$ 43,758</u>

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

While the Statements of Net Position show the change in financial position, the Statements of Revenues, Expenses and Changes in Net Position provide answers as to the nature and source of these changes.

Fiscal Year 2013

As you can see in Table 2, Operating Revenues increased by \$2,005,956, Nonoperating Revenues decreased by \$500 and Total Revenues increased by \$2,005,456.

A closer examination of the source of changes in net position reveals the Commission had an increase in net position of \$37,142 in fiscal year 2013 as opposed to a \$43,758 increase in 2012. This represents a dollar change of \$6,616 or a 15.12 percent decrease. The reason for the variance from 2012 to 2013 was due to increase in general and administrative expenses as well as an increase in water operation maintenance costs as compared to prior years. The decrease in nonoperating revenue of \$500 is due to a reduction in interest income. The Commission reserves are held in the Local Agency Investment Fund (LAIF) which ended in fiscal year June 30, 2013 with a yield of 0.24% as compared to 0.36% in fiscal year June 2012.

Fiscal Year 2012

As you can see in Table 2, Operating Revenues increased by \$98,420, Nonoperating Revenues decreased by \$747 and Total Revenues increased by \$97,673.

A closer examination of the source of changes in net assets reveals the Commission had an increase in net assets of \$43,758 in fiscal year 2012 as opposed to a \$33,763 increase in 2011. This represents a dollar change of \$9,995 or a 29.60 percent increase. The reason for the variance from 2011 to 2012 was due to decreases in actual maintenance and insurance costs that were anticipated when making member agency assessments for the year. The decrease in nonoperating revenue of \$747 is due to a reduction in interest income. The Commission reserves are held in the Local Agency Investment Fund (LAIF) which ended in fiscal year June 30, 2012 with a yield of 0.36% as compared to 0.45% in fiscal year June 2011.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

NET POSITION (CONTINUED)

**TABLE 3
Budget vs. Actual**

	Fiscal Year 2013 Budget	Fiscal Year 2013 Actual	Dollar Change	Total Percent Change
Revenues:				
Operating revenues	\$19,800,879	\$19,598,764	\$ (202,115)	(1.02) %
Nonoperating revenues	3,200	2,731	(469)	(14.66)
Capital contributions	43,323	43,323	-	-
Total Revenues	19,847,402	19,644,818	(202,584)	(1.02)
Expenses:				
Water operations	19,720,615	19,517,354	203,261	1.03
Depreciation	-	14,147	(14,147)	-
General and administration	80,264	76,175	4,089	5.09
Total Expenses	19,800,879	19,607,676	193,203	0.98
Changes in Net Position	\$ 46,523	\$ 37,142	\$ (9,381)	(20.16) %

The majority of operating revenue is derived from water sales to member agencies. The Commission predicts water sales by using a three-year rolling average. This is done by estimating how many acre feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the agency in the efforts to promote water conservation. In fiscal year 2012-2013, the Commission estimated 25,299 acre-feet of Tier I water at an average rate of \$821 per acre foot. The Commission did not estimate any Tier II purchases in fiscal year 2013. The Commission purchased 23,140 acre-feet in 2013. In fiscal year 2011-2012, the Commission estimated 25,355 acre-feet of Tier I water at an average rate of \$774 per acre foot. The Commission did not estimate any Tier II purchases in fiscal year 2012. The Commission purchased 22,090 acre-feet in 2012.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

CAPITAL ASSETS

The Commission's net investment in capital assets totaled \$1,315,695 as of June 30, 2013. This investment in capital assets includes pipelines and improvements, service connections, telemetry system and engineering costs for proposed roads. There were no additions or deletions to capital assets during fiscal years 2012-13 or 2011-12.

TABLE 4
Summary of Changes in Capital Assets

	Fiscal Year 2013	Fiscal Year 2012	Dollar Change	Fiscal Year 2011	Dollar Change
Capital assets, being depreciated:					
Pipelines and improvements	\$ 2,036,847	\$ 2,036,847	\$ -	\$ 2,036,847	\$ -
Service connections	85,277	85,277	-	85,277	-
Telemetry system	29,050	29,050	-	29,050	-
Engineering for proposed roads	2,201	2,201	-	2,201	-
 Total capital assets, being depreciated	 <u>2,153,375</u>	 <u>2,153,375</u>	 <u>-</u>	 <u>2,153,375</u>	 <u>-</u>
Less accumulated depreciation:					
Pipelines and improvements	(774,002)	(760,423)	(13,579)	(746,844)	(13,579)
Service connections	(32,427)	(31,859)	(568)	(31,291)	(568)
Telemetry system	(29,050)	(29,050)	-	(29,050)	-
Engineering for proposed roads	(2,201)	(2,201)	-	(2,201)	-
 Total accumulated depreciation	 <u>(837,680)</u>	 <u>(823,533)</u>	 <u>(14,147)</u>	 <u>(809,386)</u>	 <u>(14,147)</u>
 Total capital assets, net	 <u>\$ 1,315,695</u>	 <u>\$ 1,329,842</u>	 <u>\$ (14,147)</u>	 <u>\$ 1,343,989</u>	 <u>\$ (14,147)</u>

Additional information on the Commission's capital assets can be found in Notes 1i and 4 of the notes to financial statements.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Commission's board of directors and administrative officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs. In 2014, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line. An amount equal to \$43,323 of the \$46,323 change in ending net position, shown in Table 5 below, is projected to be transferred to reserves for depreciation and replacement.

TABLE 5
Fiscal Year 2013 Actual vs. Fiscal Year 2014 Budget

	Fiscal Year 2013 Actual	Fiscal Year 2014 Budget	Dollar Change	Total Percent Change
Revenues:				
Operating revenues	\$19,598,764	\$20,111,814	\$ 513,050	2.62 %
Nonoperating revenues	2,731	3,000	269	9.85
Capital contributions	43,323	43,323	-	-
Total Revenues	19,644,818	20,158,137	513,319	2.61
Expenses	19,607,676	20,111,814	(504,138)	(2.57)
Changes in Net Position	37,142	46,323	9,181	24.72
Net Position At:				
Beginning of Year	2,288,828	2,325,970	37,142	1.62
End of Year	<u>\$ 2,325,970</u>	<u>\$ 2,372,293</u>	<u>\$ 46,323</u>	1.99 %

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2013

CONTACTING THE COMMISSION'S TREASURER

This financial report is designed to provide a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sean S. Henry, Treasurer, Pomona-Walnut-Rowland Joint Water Line Commission.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF NET POSITION

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,046,004	\$ 538,281
Accounts receivable from member agencies	3,519,785	3,658,213
Interest receivable	556	773
Prepaid insurance	563	563
	<u>4,566,908</u>	<u>4,197,830</u>
TOTAL CURRENT ASSETS		
NONCURRENT ASSETS:		
Restricted assets:		
Cash and cash equivalents	445,628	402,305
Accounts receivable from member agencies	10,831	10,831
Total restricted assets	<u>456,459</u>	<u>413,136</u>
Capital assets:		
Capital assets, at cost	2,153,375	2,153,375
Less accumulated depreciation	(837,680)	(823,533)
Capital assets, net	<u>1,315,695</u>	<u>1,329,842</u>
	<u>1,772,154</u>	<u>1,742,978</u>
TOTAL NONCURRENT ASSETS		
	<u>6,339,062</u>	<u>5,940,808</u>
TOTAL ASSETS		
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	<u>4,013,092</u>	<u>3,651,980</u>
NET POSITION		
Net investment in capital assets	1,315,695	1,329,842
Restricted for capital asset repairs and replacement	456,459	413,136
Unrestricted	<u>553,816</u>	<u>545,850</u>
	<u>\$ 2,325,970</u>	<u>\$ 2,288,828</u>
TOTAL NET POSITION		

See independent auditors' report and notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES:		
Water sales to member agencies	\$ 19,504,925	\$ 17,499,140
Member agency assessments	93,839	93,668
	19,598,764	17,592,808
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Water purchases	19,504,925	17,499,140
Maintenance	12,429	7,828
Dcpreciation	14,147	14,147
General and administrative contractual services	64,200	64,284
Insurance	2,183	2,183
Legal fees	416	95
Auditing	4,400	4,300
Other	4,976	3,627
	19,607,676	17,595,604
TOTAL OPERATING EXPENSES		
OPERATING LOSS	(8,912)	(2,796)
NONOPERATING REVENUES:		
Investment income	2,731	3,231
	2,731	3,231
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(6,181)	435
CAPITAL CONTRIBUTIONS - SURCHARGES	43,323	43,323
	43,323	43,323
CHANGES IN NET POSITION	37,142	43,758
NET POSITION AT BEGINNING OF YEAR	2,288,828	2,245,070
NET POSITION AT END OF YEAR	\$ 2,325,970	\$ 2,288,828

See independent auditors' report and notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from member agencies	\$ 19,737,192	\$ 16,856,338
Cash paid to suppliers	<u>(19,232,416)</u>	<u>(16,993,325)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	504,776	(136,987)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital surcharge	43,323	43,323
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	<u>2,947</u>	<u>3,435</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	551,046	(90,229)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>940,586</u>	<u>1,030,815</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,491,632</u>	<u>\$ 940,586</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (8,912)	\$ (2,796)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	14,147	14,147
(Increase) decrease in accounts receivable	138,428	(736,470)
Increase in accounts payable	<u>361,113</u>	<u>588,132</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 504,776</u>	<u>\$ (136,987)</u>

See independent auditors' report and notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Organization:

Pomona-Walnut-Rowland Joint Water Line Commission (the "Commission") was formed under the Joint Powers Agreement of 1956 between the City of Pomona, the Walnut Valley Water District and the Rowland Water District (the "Agreement") for the purpose of acquiring, constructing, maintaining, repairing, managing, operating and controlling a water transmission pipeline for the benefit of the member agencies. On December 21, 2006, the Agreement was amended, restated and renewed, and will continue to be in force for twenty years from this date, with three, ten-year extensions allowable upon the written consent of each of the member agencies. For the years ended June 30, 2013 and 2012, the Commission has purchased all of its water from Three Valleys Municipal Water District.

b. Operations:

The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. In addition, the member agencies are billed for the cost of maintenance and operation of the pipeline.

c. Fund Accounting:

The Commission reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Commission is that the costs of providing goods and services to the member agencies on a continuing basis be financed or recovered primarily through user charges.

d. Measurement Focus and Basis of Accounting:

The Commission's financial statements are prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. New Accounting Pronouncements:

Implemented:

The Commission adopted the provisions of Governmental Accounting Standards Board's Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", (the Statement), for the year ended June 30, 2013. The Statement effectively defines the elements of a balance sheet into five elements which are assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Deferred outflows of resources and deferred inflows of resources are defined as consumption or acquisition of net assets and liabilities. Net position is defined as the difference between (a) assets and deferred outflow of resources and (b) liabilities and deferred inflow of resources. The Commission did not have any elements in the financial statements that meet the criteria of deferred outflows of resources and deferred inflows of resources. The financial statements are reported using definitions required by the Statement.

The Commission early implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The early implementation of this standard did not have any effect on current year accounting or reporting matters.

Pending Accounting Standards:

GASB has issued the following statements which may impact the Commission's financial reporting requirements in the future:

- GASB 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", effective for periods beginning after December 15, 2012.
- GASB 67 - "*Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*", effective for the fiscal years beginning after June 15, 2013.
- GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - "*Government Combinations and Disposals of Government Operations*", effective for periods beginning after December 15, 2013.
- GASB 70 - "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", effective for the periods beginning after June 15, 2013.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Net Position

Net position of the Commission can be classified into three components - net investments in capital assets, restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, deferred inflows of resources and reduced by deferred outflows of resources and the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

g. Restricted Resources:

When both restricted and unrestricted resources are available for use, the Commission may use restricted resources or unrestricted resources based on the Board of Commissioners' discretion.

h. Operating Revenues and Expenses:

Operating revenues, such as charges for services (water sales and member assessments) result from exchange transactions associated with the principal activity of the Commission. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as capital surcharges and investment income, result from non-exchange transactions or ancillary activities in which the Commission gives (receives) value without directly receiving (giving) equal value in exchange. Operating expenses include the cost of sales and services and administrative expenses. All expenses not meeting this definition are reported as non-operating expenses, if any.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Capital Assets:

Capital assets, which include pipelines and improvements, service connections, telemetry system and engineering costs for proposed roads, are defined as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Pipelines and improvements	150
Service connections	150
Telemetry System	6
Engineering costs for proposed roads	5

j. Investments:

Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

k. Cash and Cash Equivalents:

For purposes of the statements of cash flows the Commission considers all investment instruments purchased with a maturity date of three months or less to be cash and cash equivalents.

l. Accounts Receivable:

The Commission reports its accounts receivable at invoiced amounts less allowances for doubtful accounts and other deductions, if applicable. Management evaluates the ability to collect accounts receivable based on a combination of factors. No allowance for doubtful accounts was recorded as of June 30, 2013 or 2012.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

m. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management, if necessary, to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

Cash and investments are reported as follows:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Statements of Net Position:		
Cash and cash equivalents	\$ 1,046,004	\$ 538,281
Restricted cash and cash equivalents	<u>445,628</u>	<u>402,305</u>
Total cash and investments	<u>\$ 1,491,632</u>	<u>\$ 940,586</u>

Cash and investments held by the Commission at June 30, 2013 and 2012 consisted of the following:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Deposits	\$ 574,325	\$ 70,225
Investment in California Local Agency Investment Fund	<u>917,307</u>	<u>870,361</u>
Total cash and investments	<u>\$ 1,491,632</u>	<u>\$ 940,586</u>

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by the California Government Code and the Commission's Investment Policy:

The table below identifies the investment types that are authorized for the Commission by the California Government Code (or the Commission's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Commission's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Bills, Bonds and Notes	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
State of California Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
Banker's Acceptances Notes	180 days	40%	30%
Negotiable Certificates of Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Commercial Paper	270 days	40%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Mutual Funds	N/A	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by investing funds in the California Local Agency Investment Fund (LAIF).

The LAIF is a voluntary investment program that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Investments in the LAIF are highly liquid, and deposits may be converted to cash within 24 hours without loss of interest. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The LAIF is not rated.

Concentration of Credit Risk:

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The financial institution used by the Commission has indicated that there are times during the course of a year where they may not have met the collateral requirements. In addition, due to existing financial market conditions, there is a risk that the Commission may not be able to recover its deposits in excess of FDIC insurance coverage if a financial institution fails and the market value of the collateral is not sufficient to cover all deposits. At June 30, 2013, the bank balance of deposits in the amount of \$574,325, in which \$324,325 was not insured by the Federal Deposit Insurance Corporation. At June 30, 2012, the bank balance of deposits in the amount of \$70,225 was fully insured by the Federal Deposit Insurance Corporation.

3. RESTRICTED ASSETS:

Restricted assets are the accumulation of capital surcharges assessed to each member agency. These funds are restricted for major repairs and replacement of water lines.

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

4. CAPITAL ASSETS:

Capital assets activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Pipelines and improvements	\$ 2,036,847	\$ -	\$ -	\$ 2,036,847
Service connections	85,277	-	-	85,277
Telemetry system	29,050	-	-	29,050
Engineering for proposed roads	<u>2,201</u>	<u>-</u>	<u>-</u>	<u>2,201</u>
 Total capital assets, being depreciated	 <u>2,153,375</u>	 <u>-</u>	 <u>-</u>	 <u>2,153,375</u>
Less accumulated depreciation:				
Pipelines and improvements	(760,423)	(13,579)	-	(774,002)
Service connections	(31,859)	(568)	-	(32,427)
Telemetry system	(29,050)	-	-	(29,050)
Engineering for proposed roads	<u>(2,201)</u>	<u>-</u>	<u>-</u>	<u>(2,201)</u>
 Total accumulated depreciation	 <u>(823,533)</u>	 <u>(14,147)</u>	 <u>-</u>	 <u>(837,680)</u>
 Total capital assets, net	 <u>\$ 1,329,842</u>	 <u>\$ (14,147)</u>	 <u>\$ -</u>	 <u>\$ 1,315,695</u>

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

4. CAPITAL ASSETS (CONTINUED):

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Pipelines and improvements	\$ 2,036,847	\$ -	\$ -	\$ 2,036,847
Service connections	85,277	-	-	85,277
Telemetry system	29,050	-	-	29,050
Engineering for proposed roads	<u>2,201</u>	<u>-</u>	<u>-</u>	<u>2,201</u>
 Total capital assets, being depreciated	 <u>2,153,375</u>	 <u>-</u>	 <u>-</u>	 <u>2,153,375</u>
Less accumulated depreciation:				
Pipelines and improvements	(746,844)	(13,579)	-	(760,423)
Service connections	(31,291)	(568)	-	(31,859)
Telemetry system	(29,050)	-	-	(29,050)
Engineering for proposed roads	<u>(2,201)</u>	<u>-</u>	<u>-</u>	<u>(2,201)</u>
 Total accumulated depreciation	 <u>(809,386)</u>	 <u>(14,147)</u>	 <u>-</u>	 <u>(823,533)</u>
 Total capital assets, net	 <u>\$ 1,343,989</u>	 <u>\$ (14,147)</u>	 <u>\$ -</u>	 <u>\$ 1,329,842</u>

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2013 and 2012

5. RISK MANAGEMENT:

The Commission is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). The ACWA/JPIA is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the ACWA/JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

At June 30, 2013 the Commission participated in the self-insurance program of the ACWA/JPIA as follows:

General Liability - Insured up to \$60,000,000; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

Auto Liability - Insured up to \$60,000,000; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

Public Officials' Liability - Insured up to \$60,000,000; the Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

The Commission pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and are recorded to insurance expense when refunded or invoiced. The Commission's insurance expense for the years ended June 30, 2013 and 2012 was \$2,183 and \$2,183, respectively. There were no instances in the past three years where a settlement exceeded the Commission's coverage.

6. SUBSEQUENT EVENTS:

Events occurring after June 30, 2013 have been evaluated for possible adjustment to the financial statements or disclosure as of October 3, 2013, which is the date the financial statements were available to be issued.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended June 30, 2013

	Water Operations	General and Administration	Total
OPERATING REVENUES:			
Water sales to member agencies	\$ 19,504,925	\$ -	\$ 19,504,925
Member agency assessments	13,754	80,085	93,839
TOTAL OPERATING REVENUES	19,518,679	80,085	19,598,764
OPERATING EXPENSES:			
Water purchases	19,504,925	-	19,504,925
Maintenance	12,429	-	12,429
Depreciation	14,147	-	14,147
General and administrative contractual services	-	64,200	64,200
Insurance	-	2,183	2,183
Legal fees	-	416	416
Auditing	-	4,400	4,400
Other	-	4,976	4,976
TOTAL OPERATING EXPENSES	19,531,501	76,175	19,607,676
OPERATING INCOME (LOSS)	(12,822)	3,910	(8,912)
NONOPERATING REVENUES:			
Investment income	2,731	-	2,731
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(10,091)	3,910	(6,181)
CAPITAL CONTRIBUTIONS - SURCHARGES	43,323	-	43,323
CHANGES IN NET POSITION	33,232	3,910	37,142
NET POSITION AT BEGINNING OF YEAR	2,251,552	37,276	2,288,828
NET POSITION AT END OF YEAR	\$ 2,284,784	\$ 41,186	\$ 2,325,970

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended June 30, 2012

	Water Operations	General and Administration	Total
OPERATING REVENUES:			
Water sales to member agencies	\$ 17,499,140	\$ -	\$ 17,499,140
Member agency assessments	13,754	79,914	93,668
TOTAL OPERATING REVENUES	<u>17,512,894</u>	<u>79,914</u>	<u>17,592,808</u>
OPERATING EXPENSES:			
Water purchases	17,499,140	-	17,499,140
Maintenance	7,828	-	7,828
Depreciation	14,147	-	14,147
General and administrative contractual services	-	64,284	64,284
Insurance	-	2,183	2,183
Legal Fees	-	95	95
Auditing	-	4,300	4,300
Other	-	3,627	3,627
TOTAL OPERATING EXPENSES	<u>17,521,115</u>	<u>74,489</u>	<u>17,595,604</u>
OPERATING INCOME (LOSS)	(8,221)	5,425	(2,796)
NONOPERATING REVENUES:			
Investment income	3,231	-	3,231
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4,990)	5,425	435
CAPITAL CONTRIBUTIONS - SURCHARGES	<u>43,323</u>	<u>-</u>	<u>43,323</u>
CHANGES IN NET POSITION	38,333	5,425	43,758
NET POSITION AT BEGINNING OF YEAR	<u>2,213,219</u>	<u>31,851</u>	<u>2,245,070</u>
NET POSITION AT END OF YEAR	<u>\$ 2,251,552</u>	<u>\$ 37,276</u>	<u>\$ 2,288,828</u>

See independent auditors' report.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

SCHEDULE OF ASSETS INVESTED IN
CAPITAL ASSETS BY MEMBER AGENCY

June 30, 2013

	City of Pomona	Walnut Valley Water District	Rowland Water District	Unallocated	Total
Pipeline section A-B	\$ 276,438	\$ 151,474	\$ 106,031	\$ -	\$ 533,943
Pipeline section B-D	188,719	150,958	94,359	-	434,036
Pipeline section D-F	-	527,953	328,914	-	856,867
Pipeline relocation	81,239	79,246	51,516	-	212,001
Engineering for proposed road	-	1,123	1,078	-	2,201
Telemetry system	-	-	-	29,050	29,050
Service connections	66,374	8,455	10,448	-	85,277
	<u>\$ 612,770</u>	<u>\$ 919,209</u>	<u>\$ 592,346</u>	<u>\$ 29,050</u>	<u>\$ 2,153,375</u>

Note: This schedule excludes accumulated depreciation.

See independent auditors' report.

Tab

2.6



Rowland Water District Memorandum

To: Board of Directors

From: Ken Deck, General Manager

Date: November 12, 2013

Subject: **Cal Domestic/PBWA Project Agreement No. 2**

The Puente Basin Water Agency (PBWA) approved the Cal Domestic Water Company Project Agreement No. 2 at the Board Meeting held on October 10, 2013.

Background:

The Cal Domestic Water Company Project involves the production of Main San Gabriel Basin groundwater on behalf of PBWA by Cal Domestic Water Company (CDWC) through facilities it owns; provided, however, that such production is subject to the terms and conditions of an agreement between Rowland Water District (RWD) and CDWC. The PBWA has entered into a Storage and Export Agreement with the Main San Gabriel Basin Watermaster (MSGBWM). CDWC will produce water stored under the agreement on behalf of PBWA. The Project also includes the design and construction of facilities which are necessary to connect CDWC's production facilities to RWD's distribution system.

Recommendation:

That the Board review the attached Agreement and consider authorization for execution.

KEN

/rp

**PUENTE BASIN WATER AGENCY
PROJECT AGREEMENT NO. 2
CAL DOMESTIC WATER COMPANY PROJECT**

Pursuant to Section B.7 of the Agency's Amended, Restated and Renewed Joint Powers Agreement, Rowland Water District ("Rowland") and Walnut Valley Water District ("Walnut") now set forth the Project Agreement for the Agency's proposed Cal Domestic Water Company Project (the "Project"), to address the following:

1. Description of Project: The Project involves the production of Main San Gabriel Basin groundwater on the Agency's behalf by California Domestic Water Company (CDWC) through facilities CDWC owns; provided, however, that such production is subject to the terms and conditions of an agreement between Rowland and CDWC. The Agency will enter into all appropriate agreements necessary to produce such Main San Gabriel Basin groundwater as may be required by the Main San Gabriel Basin Watermaster (MSGBWM). Additionally, from time to time, the Agency may enter into agreements with CDWC to lease water rights on behalf of the Agency that CDWC will produce on the Agency's behalf. The Project also includes the design and construction of the following facilities, which are necessary to connect CDWC's production facilities to Rowland's distribution system: (a) 15,120 linear feet of twenty-four inch pipeline running from CDWC's facilities located at 1901 E. Whittier Blvd. in the City of La Habra, West in Whittier Blvd., North in Brighton St., West in Arbolita Dr. and North on Harbor Blvd., connecting with Rowland's facilities at Old Fullerton Rd. and Harbor Blvd.; (b) Block building, quantity five two hundred and fifty (250) horsepower motors attached to quantity five twelve hundred and fifty gallon (1,250) per minute vertical turbine pumps, twenty four inch flow/totalizing measuring device, two thousand two hundred forty gallon, 300 psi steel surge tank, eleven hundred gallon Sodium Hypochlorite storage tank, two hundred and seventy five gallon liquid Aqueous Ammonia storage tank, one hundred fifty five gallon scrubber, Sodium Hypochlorite and Aqueous Ammonia chemical feed pumps, dual probe free and total chlorine analyzer, and related Supervisory Control and Data Acquisition System (SCADA); and (c) Block building, four pressure reducing valves (two for pressure zone I and two for pressure zone II), Automated control valve regulating the amount of water allowed to enter RWD's reservoirs one and five, including SCADA.

2. Design and Planning: Engineering staff at Walnut shall prepare the design and plans for the twenty four-inch pipeline portion of the Project, subject to such approval from Rowland. Design and plans of the pump station, chemical housing structure and pressure reducing station and related facilities shall be designed by Civiltec Engineering Inc.

3. Construction: Rowland shall be the lead agency with respect to the solicitation of bids and award of the contract to construct the Project, as described in Section 1, above; provided, that all construction costs shall be allocated in accordance with Section 6, below. Depending on the duration of construction, the construction contract may be assigned to the Agency.

4. Ownership, Operation and Maintenance: The Project shall be owned by the Agency. Rowland shall be deemed to be the operator of the Project on behalf of the Agency and shall oversee all necessary repairs and maintenance to the Project and its components, in accordance with the provisions hereof. Rowland shall operate, for the benefit of the Agency, the project in an efficient and cost effective manner and shall maintain and preserve the project in good working order and top efficiency, all in accordance with recognized practices.

5. Project Budget: The parties estimate that the construction cost for the Project will be approximately \$8,000,000 (eight million dollars). Once such actual costs are determined, the parties shall prepare a schedule summarizing those costs, and shall thereafter amend this Agreement to attach that schedule as an exhibit to be incorporated into this Agreement.

6. Financing: Cost and Benefit Allocation: Rowland and Walnut shall share the cost of the conception, design, planning and construction of the Project on an equal basis, with each party bearing fifty percent (50%) of those costs. The costs of repairs and maintenance shall be allocated on an equal 50-50 basis between Rowland and Walnut. All expenses incurred in the operation, maintenance and repair of the Project, and all assessments imposed by the MSGBWM or otherwise incurred by reason of production of groundwater or otherwise under the Rowland-CDWC agreement, shall be paid by the Agency and reimbursed by the member districts in the manner in which the Agency typically handles the reimbursement of its expenses by the member districts. Rowland and Walnut shall cooperate to ensure that the benefits of water produced and supplied by the Project are allocated equally between them.

7. Annual Operating Budget: Annually the Project operator shall establish an operating budget for the ongoing operation and maintenance of the project, pursuant to Section F.6 of the Agency's Amended, Restated and Renewed Joint Powers Agreement. The annual Project operating budget shall be presented to and approved by the Commission.

8. Disposition if Agency is Dissolved: In the event the Agency were to be dissolved, the Project would be assigned to Rowland, and Walnut would receive a credit of fifty percent (50%) of the Project's then current fair market value in relation to any other Agency assets to be transferred as a result of that dissolution.

9. No Interest in Rowland System Conveyed: Rowland and Walnut acknowledge that the Project will be closely tied to Rowland in light of physical connection of the Project to Rowland's distribution System. Nothing in this Project Agreement shall give the Agency or Walnut any ownership rights to Rowland's distribution system, or any portion thereof.

10. Repairs: Breaks, failures of parts, damage and like items which are not part of the daily operation and maintenance of the Project, are considered repairs, which shall be undertaken by Rowland in accordance with the provisions of Section 4, above. Funds to cover the cost of repairs shall be contributed by Rowland and Walnut as directed by the Agency, through deposits in the reserve account established under Section 11, below, or as may otherwise be necessary to cover the cost of such repairs.

11. Reserve Account: For the first year of operation of the Project a reserve fund of \$100,000 shall be established to be used by the Project operator, in its discretion, for funding repairs to the Project. The contribution of Rowland and Walnut into this fund shall be on an equal basis, with each party contributing (50%). The sum of \$100,000 shall be the floor for the reserve fund and the parties acknowledge that it may be necessary, from time to time after monies have been expended from that fund, for the parties to contribute additional monies to the reserve fund to keep the fund at the minimum level. Ongoing funding to supplement this reserve account shall be accomplished through the imposition of a surcharge on water delivered through the Project, which surcharge is initially fixed at \$5.00 per acre foot delivered, but which may be adjusted as the Commission may determine; or through imposition of a surcharge determined on some other basis that fairly and equitably allocates such contributions between Rowland and Walnut.

12. Inconsistency with Amended, Restated and Renewed Joint Powers Agreement:
To the extent that this Project Agreement is inconsistent with the Agency's Amended, Restated and Renewed Joint Powers Agreement, the terms of this Project Agreement shall control. Except for such inconsistencies, the Agency's Amended, Reinstated and Renewed Joint Powers Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and date above written.

Dated _____, 2013

ROWLAND WATER DISTRICT

By: _____

Ken Deck, General Manager

Dated: _____, 2013

WALNUT VALLEY WATER DISTRICT

By: _____

Michael Holmes, General Manager

Tab

2.7



STATEMENT OF ECONOMIC INTERESTS - REPORTABLE GIFTS

(For completion of Section "E" - Income/Gifts)
Period: January 1 - December 31, 2013

CONFERENCE:

LOCATION:

DATE:

Guests of: []

Date:

Cost per Person/Couple: \$

Guests of: []

Date:

Restaurant:

Cost per Person/Couple: \$

Attendees:

MEMORANDUM

To: Public Water Agencies Group

From: Jim Ciampa

Re: Public Official Gift Limitations

Date: October 9, 2013

One of the Group's members suggested it would be helpful to have a review of the gift limitations imposed on public agency officials – both directors and general managers. The timing for such a review is very good, in light of recent changes to the Fair Political Practices Commissions' regulations. By way of background, the Political Reform Act ("PRA") imposes limitations on the amount of gifts that may be received by public officials and also requires public officials to disclose gifts in certain circumstances. In addition, the Fair Political Practices Commission has adopted regulations that implement the PRA and provide additional detail and guidance on the gift limitations and applicable exceptions. Following is an overview of the gift limitations and related issues.

A. Application of Gift Limitations. The gift limitations apply to:

- Local elected officers and other local officials specified in Government Code Section 87200 (for the Group's members, that would be directors);
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency's conflict of interest code – typically, general managers and other upper level management personnel); and
- Candidates for any of these offices or positions.

B. Limitation and Disclosure Amounts. The current annual gift limitation, applicable for 2013 and 2014, is \$440. The PRA thus prohibits a public official from accepting gifts from any single source totaling more than \$440 in a calendar year. Gifts of over \$50 in a single calendar year from a single source must be reported on the Form 700 Statement of Economic Interests for the applicable year.

C. What is a "Gift"? A "gift" is any payment or other benefit provided to a public official that confers a personal benefit for which the recipient does not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the

public. In general, a gift is considered to have been “received” or “accepted” when the recipient knows he or she has actual possession of the gift or when the recipient takes any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. Gifts for purposes of the PRA include gifts that are accepted by someone else on the official’s behalf and gifts made to others at the direction of the official.

D. Gifts to Family Members. A gift to a public official’s family member is considered a gift to the official. A “family member” includes a spouse; minor child; or child between ages 18 and 23 who attends school, resides with the official when not attending school, and provides less than one-half of his or her own support. Anything given to a family member is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift; or (2) the donor is someone who lobbies the public official’s agency, is involved in an action before that official’s agency in which the official may foreseeably participate, or engages in business with that agency in which the official will foreseeably participate.

E. Gift Exceptions. The PRA and FPPC regulations provide the following detailed exceptions for certain types of gifts. Under those provisions, the following payments are not considered to be “gifts”:

1. Items that are returned unused to the donor, or for which the recipient reimburses the donor, within 30 days of receipt.

2. Items that are donated unused to a non-profit, tax-exempt organization in which the official, or a member of the official’s immediate family, does not hold a position or a government agency within 30 days of receipt *without claiming a deduction for tax purposes.*

3. Gifts from a relative – including: spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, *unless he or she is acting as an agent or intermediary for another person who is the true source of the gift.* This exception also includes great grandparents, great uncles and aunts, great nieces and nephews, and first-cousins once removed.

4. Gifts of hospitality, including food, drink or occasional lodging received in an individual’s home *when the individual or a member of his or her family is present* and the individual is someone with whom the official has a relationship, connection, or association unrelated to the official’s position and the hospitality is provided as part of that relationship.

5. Gifts commonly exchanged between the public official and another individual (other than a lobbyist) on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are *not substantially disproportionate in value.*

6. *Reciprocal exchanges* between the public official and another individual (other than a lobbyist) that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by

the official and no single payment is \$440 or more. *For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the time over the course of the calendar year, no gift must be reported.*

7. Informational material provided to assist a public official in the performance of his or her official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free or discounted admission to informational conferences or seminars. "Informational material" may also include scale models, pictorial representations, maps, and other such items, provided that if the item's fair market value is more than \$440. The public official has the burden of demonstrating that the item is informational. *In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials are considered informational material.* However, this exception does not apply to meals or to transportation to the site unless the transportation is not commercially available.

8. A devise or inheritance.

9. Campaign contributions, including rebates or discounts received in connection with campaign activities. However, campaign contributions must be reported in accordance with the campaign disclosure provisions of the PRA and may be subject to other limitations imposed by the PRA.

10. Personalized plaques and trophies with an individual value of less than \$250.

11. *The Villaraigosa exception:* admission for the official and one guest at an event where the official performs *a ceremonial role*, such as throwing out the first pitch at a Dodgers' game, so long as the official's agency complies with the posting provisions set forth in FPPC Reg. 18944.1(d) (i.e., the official's agency must provide to the FPPC for posting on its website information including name of the person attending, description of the event, date of the event, face value of any ticket or pass and description of the public purpose under which the distribution of the ticket or pass was made). *The FPPC comment to the revised regulation emphasizes the need for "some ceremonial purpose!"*

12. A prize or award received in a bona fide contest or competition, or game of chance. This must be reported as income if over \$500 unless it is received in the California State Lottery. To qualify for this exception, the contest or competition must have a broad base of contestants and the competition must be unrelated to the official's duties.

13. Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception.

14. Bereavement offerings, such as flowers at a funeral received in memory of a close family member.

15. Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a

civilized society and would not normally be part of an economic transaction between like participants under similar circumstances.

16. ***Personal benefits commonly received from a dating partner.*** These gifts do not need to be disclosed or limited, but are subject to disqualification under the conflict of interest laws.

17. “Acts of Human Compassion.” Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the donation is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. ***Note: the exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official (e.g., a lobbyist or a person who has a contract, license, permit, or other entitlement for use pending before the official’s agency).***

18. Benefits received from a ***long-time personal friend*** where the gift is unrelated to the official’s duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official.

19. Benefits received from an individual who is not a lobbyist registered to lobby the official’s agency, where it is clear that the gift was made because of an ***existing personal or business relationship unrelated to the official’s position*** and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift.

20. Two tickets for admission, for the public official’s own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket must be received from the organization or committee holding the fundraiser.

21. Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that the public official does not use and does not give to another person.

22. Gifts provided to the official’s agency. However, certain conditions must be met before a gift received by an official through his or her agency would not be considered a gift to the official. Also, the agency must disclose specified payments on its website and there are other specific reporting requirements for such gifts.

23. Generally, payments made by a third party to co-sponsor an event, or that are principally legislative, governmental or charitable in nature. In some cases, these payments may be considered "behested payments" also requiring disclosure.

24. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by a public official's employer and available to all employees in the same job classification or position. However, donations of cash are gifts and are subject to limits and disclosure.

25. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity (501(c)(3)) and must be available to the general public.

26. Items awarded in an employee raffle, received by the agency from an agency employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source.

27. Items received by an employee during an *employee gift exchange*, so long as the item received is provided by another employee of the agency and the gifts are not substantially disproportionate in value.

F. Reportable Gifts Not Subject to Limits. The following exceptions are also applicable to gifts, but an official may be required to report these items on his or her Form 700 Statement of Economic Interests and they can subject the official to disqualification:

1. Certain payments for transportation, lodging, and subsistence are not subject to gift limits but may be reportable.

2. Wedding gifts are not subject to the gift limit but are reportable. For purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse.

3. A prize or award received in a bona fide competition not related to your official status is not subject to the gift limit, but must be reported as income. Therefore, it is reportable if the value of the prize or award is \$500 or more.

G. Source of Gift. Under most circumstances, it is clear who is the source of a gift, but if the circumstances indicate the gift is being provided by an intermediary, the public official must determine and report both the donor and the intermediary in reporting the gift.

H. Gifts from Multiple Sources. In determining the cumulative value of any reportable gifts, separate gifts from an individual **and an entity that the individual controls (i.e., more than 50% ownership)** or where the individual directs the payment of the gift must be aggregated as one source in complying with the reporting and limit requirements. For example, separate gifts from J.R. Ewing and Ewing Oil Company would be treated as if from one source if

J.R. owns more than a 50 percent interest in the company unless the making of the gift was determined by someone else in the company. In that case, the gift from Ewing Oil would be aggregated with any gifts made by that individual. Group gifts, where a public official received a single gift from multiple donors (such as a retirement gift from coworkers) need not be reported unless any one individual contributes more than \$50 to the total cost of the gift.

I. Valuation of Gifts. The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or Internet advertisement for the item. The FPPC regulations provide other rules that apply in specific situations (e.g., ticketed and invitation-only events).

As you can see, this is a very complicated area of the law, and agencies are encouraged to contact their legal counsel when a gift issue, or potential gift issue, arises.

Tab

2.8



ASSOCIATION OF CALIFORNIA WATER AGENCIES
GENERAL SESSION MEMBERSHIP MEETING

WEDNESDAY, DECEMBER 4, 2013

TO: Donna Pangborn, Executive Assistant/Clerk of the Board

E-MAIL: donnap@acwa.com

FAX: 916-325-4856

The person designated below will be attending the ACWA General Session Membership Meeting on Wednesday, December 4, 2013, as our voting delegate.

Signature of Delegate: _____

Printed Name of Delegate: _____

Member Agency: _____

ROWLAND WATER DISTRICT

Telephone Number: _____

(562) 697-1726

E-mail: _____

rperea@rowlandwater.com

Date: _____

November 12, 2013

REMINDER: Proxy cards will be available for pick up on Wednesday, December 4, 2013, between 9:00 a.m. and 12:30 p.m. at the ACWA Election Desk in the Diamond Ballroom Foyer area, outside of the Diamond Ballroom Salon 4 & 5 where the luncheon and General Session Membership Meeting will be held.

Tab

2.9

**Intentionally
Left Blank**

Tab

2.10

**Rowland Water District
Communication Strategies Update
October 12, 2013**

- Press Releases - Completed
 - Buckboard Days Sponsorship
 - MET Poster Contest

- Press Releases - In Process
 - Election Results
 - Distributed 11/5/13
 - Tom Coleman
 - Interview and release draft week of 11/18
 - Distribution to follow

- Ongoing Updates
 - Website
 - On Hold Messages
 - Message Deck Revisions

- Boardroom Signage
 - Added Mission Statement to Estimates
 - In Development

- Administrative
 - Presentation Training & Writing Workshop To Be Scheduled
 - Working with Brittne on press release preparation and results measurement



Memorandum

To: Board of Directors

From: Brittnie Van De Car
Public Affairs Representative

Date: November 12, 2013

Re: Public Affairs & Education Update

- Classroom Presentations (October):
 - October 9th- Wedgeworth Elementary School
 - 5th Grade
 - Tap Water Tour Activity
 - 3 classes total
 - 94 students reached
 - October 16th-Wedgeworth Elementary School
 - 5th Grade
 - Water Conservation PowerPoint Presentation
 - 3 classes total
 - 94 students reached
 - October 23rd and 24th - Blandford Elementary School
 - 1st Grade
 - Water Cycle Bracelet Activity and Song
 - 5 classes total
 - 110 students reached
 - October 29th and 30th- Blandford Elementary School
 - 2nd Grade
 - States of Water Activity and Prize wheel questions
 - 5 classes total
 - 91 students reached
 - TOTAL STUDENTS REACHED: **389** in the month of October
- Scheduling November classroom presentations
- Created a Survey Monkey to send out to the teachers that have participated in the classroom presentations.
 - The Teacher Evaluations are anonymous and provide valuable feedback (see attached)
 - The feedback is used to develop and enhance future presentations
- Created a Student Assessment that is provided to each teacher to either be completed by the students individually or be given verbally to their students after they have participated in the water presentation.
 - The "Post Visit Class Assessment" is then returned to me showing the average number of students answering the questions correctly. This allows me to determine whether the students are understanding the meaning of the activities.
 - Upon receipt of the Assessment, the classroom receives a FREE bag of educational materials and giveaways



- Created the "Star Water Saver" Pledge.
 - After the classroom presentation, a letter to the parents containing the "Water Drop Pledge" is distributed to the students (see attached). Those students returning the completed "Water Drop Pledge" receive a *Thank You* letter together with a McDonald's certificate for a free hamburger. The letter to the parents contains their consent to have their child's name included on the website as a "Star Water Saver". (The website page is currently in the process of being developed and implemented)
- Checking the Google Analytics weekly (see attached data charts)
 - The "Website Visits and Pageviews" allows us to determine the number of **new vs. returning** visitors and the **source** of viewing
 - The "Pageviews" allows us to evaluate which pages on the website are viewed most frequently
- Buckboard Days Parade event had a great turnout, and the prize wheel was loved by the community
- Adding all new customer emails to Constant Contact to be utilized as a customer newsletter database
- Creating a "Welcome Packet" for Customer Service to utilize and distribute to the new customers when they sign up
 - This will help give the customers all the necessary information in just one packet
 - Re-created the Family Emergency Water Supply Shut Off Brochure
- Checking weekly on the District's FaceBook and Twitter pages.
 - Posting necessary information on the pages.
 - Created an album where I have been putting pictures of the construction process
- Keeping up-to-date with the WaterSense partnership program:
 - Printing appropriate promotional material and placing it at the Customer Service Counter for distribution to customers
 - Attending bi-monthly webinars on upcoming promotional items and programs put on by the Environmental Protection Agency (EPA) WaterSense program
- Maintain and view District website on a daily basis
 - Update pages
 - Creating and working with Dusty Moasio on a new Recycled Water Page
 - Make relevant changes
 - Upload the Board packet, minutes and agendas when necessary
- Attended the monthly WEWAC meeting on Wednesday, October 23, 2013.
- Working on all EduGrants received to distribute to WEWAC group.

A handwritten signature in black ink, appearing to read "Brittnie L. Van De Car".

Brittnie L. Van De Car
Public Affairs Representative

Teacher Evaluation

CURRENT VIEW

+ FILTER + COMPARE + SHOW

No rules applied

Rules allow you to FILTER, COMPARE and SHOW results to see trends and patterns. [Learn more](#)

SAVED VIEWS (1)

Original View (No rules applied)

+ Save as...

EXPORTS

RESPONDENTS: 16 of 16

Export All

Question Summaries Data Trends Individual Responses

Respondent #12

Next respondent (k)

#12

COMPLETE

[Edit](#) [Delete](#) [Export](#)



Collector: Web Link (Web Link)
Started: Thursday, October 24, 2013 3:56:34 PM
Last Modified: Thursday, October 24, 2013 4:01:11 PM
Time Spent: 00:04:37
IP Address: 205.154.24.118

PAGE 1

Q1: What school do you teach at?

Blandford Elementary School

Q2: How did you hear about the RWD education program?

Flyers sent to the school. Teachers have used programs in the past and recommended it.

Q3: Rate your experience on scheduling your classroom visit with the RWD representative. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Scheduling with the RWD Representative 5-Very Satisfied

Q4: Did you find the activities presented beneficial to your class. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Beneficial Activities 5-Very Satisfied

Q5: Were the activities presented easy to understand? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Activities easy to understand 5-Very Satisfied

Q6: Were you able to replace planned classroom curriculum with an activity that was presented in your class?

Yes

Please Explain on either answer We are learning about weather, seasons and the water cycle. This gave students an opportunity to use their background knowledge and apply some of what they have learned to this lesson.

Q7: What is your overall rating of the classroom presentation? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Overall Rating of Presentation 5-Very Satisfied

Q8: Of the activities your class participated in, please rate on a scale of 1-5.

	(no label)
Water Cycle Activity	5
States of Water Activity	
Tap Water Challenge Activity	
Water Conservation Jeopardy	
Water Matching Game	
Water Supply & Conservation Presentation	
Careers In Water Presentation	

Q9: Please identify activities presented in your classroom that were particularly beneficial for your class and please identify areas for improvement.

All the activities really emphasized the learning objective and I could tell that the students had a strong understanding of what was taught to them.

Q10: Do you have any additional comments about the presentation and your classrooms experience?

I am glad that this program is available to the community. It is a great way to enhance our student's learning. It was a wonderful presentation and the students were engaged and excited throughout.

Community: [Developers](#) • [Facebook](#) • [Twitter](#) • [LinkedIn](#) • [Our Blog](#) • [Google+](#) • [YouTube](#)

About Us: [Management Team](#) • [Board of Directors](#) • [Partners](#) • [Newsroom](#) • [Contact Us](#) • [Jobs](#) • [Sitemap](#) • [Help](#)

Policies: [Terms of Use](#) • [Privacy Policy](#) • [Anti-Spam Policy](#) • [Security Statement](#)



Language: [English](#) • [Español](#) • [Português](#) • [Deutsch](#) • [Nederlands](#) • [Français](#) • [Русский](#) • [Italiano](#) • [Dansk](#) • [Svenska](#) • [日本語](#) • [한국어](#) • [中文\(繁體\)](#) • [Türkçe](#) • [Norsk](#) • [Suomi](#)

Copyright © 1999-2013 SurveyMonkey

Teacher Evaluation

Summary Design Survey Collect Responses **Analyze Results**

CURRENT VIEW

+ FILTER + COMPARE + SHOW

No rules applied

Rules allow you to FILTER, COMPARE and SHOW results to see trends and patterns. [Learn more](#)

SAVED VIEWS (1)

Original View (No rules applied)

+ Save as...

EXPORTS

RESPONDENTS: 16 of 16

Export All

Question Summaries Data Trends Individual Responses

Respondent #13

#13



COMPLETE

Collector: Web Link (Web Link)
Started: Friday, October 25, 2013 3:02:53 PM
Last Modified: Friday, October 25, 2013 3:07:51 PM
Time Spent: 00:04:57
IP Address: 205.154.24.177

Edit Delete Export

PAGE 1

Q1: What school do you teach at?

Blandford Elementary School

Q2: How did you hear about the RWD education program?

From a co-worker

Q3: Rate your experience on scheduling your classroom visit with the RWD representative. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Scheduling with the RWD Representative 5-Very Satisfied

Q4: Did you find the activities presented beneficial to your class. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Beneficial Activities 5-Very Satisfied

Q5: Were the activities presented easy to understand? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Activities easy to understand 5-Very Satisfied

Q6: Were you able to replace planned classroom curriculum with an activity that was presented in your class?

Yes

Please Explain on either answer I was able to allot my science instructional minutes for the week for this presentation.

Q7: What is your overall rating of the classroom presentation? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Overall Rating of Presentation 5-Very Satisfied

Q8: Of the activities your class participated in, please rate on a scale of 1-5.

(no label)

Water Cycle Activity	5
States of Water Activity	
Tap Water Challenge Activity	
Water Conservation Jeopardy	
Water Matching Game	
Water Supply & Conservation Presentation	
Careers in Water Presentation	

Q9: Please identify activities presented in your classroom that were particularly beneficial for your class and please identify areas for improvement.

Water Cycle Activity - It was presented at an age-appropriate level (through song, fall storyboard, and a craftivity bracelet). My students were engaged throughout.

Q10: Do you have any additional comments about the presentation and your classroom experience?

My class enjoyed and learned from it! Thanks for presenting to our class!

Community: [Developers](#) • [Facebook](#) • [Twitter](#) • [LinkedIn](#) • [Our Blog](#) • [Google+](#) • [YouTube](#)

About Us: [Management Team](#) • [Board of Directors](#) • [Partners](#) • [Newsroom](#) • [Contact Us](#) • [Jobs](#) • [Sitemap](#) • [Help](#)

Policies: [Terms of Use](#) • [Privacy Policy](#) • [Anti-Spam Policy](#) • [Security Statement](#)



Language: [English](#) • [Español](#) • [Português](#) • [Deutsch](#) • [Nederlands](#) • [Français](#) • [Русский](#) • [Italiano](#) • [Dansk](#) • [Svenska](#) • [日本語](#) • [한국어](#) • [中文\(繁體\)](#) • [Türkçe](#) • [Norsk](#) • [Suomi](#)

Copyright © 1999-2013 SurveyMonkey

Teacher Evaluation

CURRENT VIEW

+ FILTER + COMPARE + SHOW

No rules applied

Rules allow you to FILTER, COMPARE and SHOW results to see trends and patterns. Learn more

SAVED VIEWS (1)

Original View (No rules applied)

+ Save as...

EXPORTS

RESPONDENTS: 16 of 16

Export All

Question Summaries Data Trends Individual Responses

Respondent #14

#14

COMPLETE

Edit Delete Export



Collector: Web Link (Web Link)
Started: Wednesday, October 30, 2013 7:28:13 AM
Last Modified: Wednesday, October 30, 2013 7:30:52 AM
Time Spent: 00:02:38
IP Address: 198.188.168.210

PAGE 1

Q1: What school do you teach at?

Wedgeworth Elementary School

Q2: How did you hear about the RWD education program?

Filer mailed to school

Q3: Rate your experience on scheduling your classroom visit with the RWD representative. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Scheduling with the RWD Representative 4-Satisfied

Q4: Did you find the activities presented beneficial to your class. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Beneficial Activities 4-Satisfied

Q5: Were the activities presented easy to understand? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Activities easy to understand 5-Very Satisfied

Q6: Were you able to replace planned classroom curriculum with an activity that was presented in your class?

No

Please Explain on either answer: The lessons were great, but it was missing the closure that tied the activity together with curricular concepts.

Q7: What is your overall rating of the classroom presentation? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Overall Rating of Presentation 4-Satisfied

Q8: Of the activities your class participated in, please rate on a scale of 1-5.

(no label)

Water Cycle Activity	
States of Water Activity	
Tap Water Challenge Activity	4
Water Conservation Jeopardy	
Water Matching Game	
Water Supply & Conservation Presentation	3
Careers in Water Presentation	

Q9: Please identify activities presented in your classroom that were particularly beneficial for your class and please identify areas for improvement.

The tap water lab was fun and exciting for the class. The water supply lesson was more of a lecture rather than an interactive lesson.

Q10: Do you have any additional comments about the presentation and your classrooms experience?

Enjoyed the program, hope it will be more rigorous next year. Looking forward to having the program back next year.

Community: [Developers](#) • [Facebook](#) • [Twitter](#) • [LinkedIn](#) • [Our Blog](#) • [Google+](#) • [YouTube](#)

About Us: [Management Team](#) • [Board of Directors](#) • [Partners](#) • [Newsroom](#) • [Contact Us](#) • [Jobs](#) • [Sitemap](#) • [Help](#)

Policies: [Terms of Use](#) • [Privacy Policy](#) • [Anti-Spam Policy](#) • [Security Statement](#)



Language: [English](#) • [Español](#) • [Português](#) • [Deutsch](#) • [Nederlands](#) • [Français](#) • [Русский](#) • [Italiano](#) • [Dansk](#) • [Svenska](#) • [日本語](#) • [한국어](#) • [中文\(繁體\)](#) • [Türkçe](#) • [Norsk](#) • [Suomi](#)

Copyright © 1999-2013 SurveyMonkey

Teacher Evaluation

CURRENT VIEW

+ FILTER + COMPARE + SHOW

No rules applied

Rules allow you to FILTER, COMPARE and SHOW results to see trends and patterns. Learn more >

SAVED VIEWS (1)

Original View (No rules applied)

+ Save as...

EXPORTS

RESPONDENTS: 16 of 16

Export All

Question Summaries Data Trends Individual Responses

Respondent #15

#15

COMPLETE

Edit Delete Export



Collector: Web Link (Web Link)
Started: Wednesday, October 30, 2013 7:00:03 PM
Last Modified: Wednesday, October 30, 2013 7:07:38 PM
Time Spent: 00:07:34
IP Address: 76.173.172.171

PAGE 1

Q1: What school do you teach at?

Blandford Elementary School

Q2: How did you hear about the RWD education program?

Flyer

Q3: Rate your experience on scheduling your classroom visit with the RWD representative. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Scheduling with the RWD Representative 4-Satisfied

Q4: Did you find the activities presented beneficial to your class. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Beneficial Activities 5-Very Satisfied

Q5: Were the activities presented easy to understand? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Activities easy to understand 5-Very Satisfied

Q6: Were you able to replace planned classroom curriculum with an activity that was presented in your class?

No

Please Explain on either answer Didn't correlate with our curriculum, but very beneficial none the less!

Q7: What is your overall rating of the classroom presentation? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Overall Rating of Presentation 5-Very Satisfied

Q8: Of the activities your class participated in, please rate on a scale of 1-5.

(no label)

Water Cycle Activity

States of Water Activity

Tap Water Challenge Activity

Water Conservation Jeopardy

Water Matching Game

5

Water Supply & Conservation Presentation

Careers in Water Presentation

Q9: Please identify activities presented in your classroom that were particularly beneficial for your class and please identify areas for improvement.

Students enjoyed playing the matching game. Good visuals so they could find a match either by knowing solid, liquid, or gas, or just matching pictures if they didn't grasp the concept. A lot of these students haven't experienced snow or hail!

Q10: Do you have any additional comments about the presentation and your classrooms experience?

It was just enough time. I also did the songs the next day, which they really enjoyed.

Community: [Developers](#) • [Facebook](#) • [Twitter](#) • [LinkedIn](#) • [Our Blog](#) • [Google+](#) • [YouTube](#)

About Us: [Management Team](#) • [Board of Directors](#) • [Partners](#) • [Newsroom](#) • [Contact Us](#) • [Jobs](#) • [Sitemap](#) • [Help](#)

Policies: [Terms of Use](#) • [Privacy Policy](#) • [Anti-Spam Policy](#) • [Security Statement](#)



Language: [English](#) • [Español](#) • [Português](#) • [Deutsch](#) • [Nederlands](#) • [Français](#) • [Русский](#) • [Italiano](#) • [Dansk](#) • [Svenska](#) • [日本語](#) • [한국어](#) • [中文\(繁體\)](#) • [Türkçe](#) • [Norsk](#) • [Suomi](#)

Copyright © 1999-2013 SurveyMonkey

Teacher Evaluation

CURRENT VIEW

+ FILTER + COMPARE + SHOW

No rules applied

Rules allow you to FILTER, COMPARE, and SHOW results to see trends and patterns. [Learn more](#)

SAVED VIEWS (1)

Original View (No rules applied)

+ Save as...

EXPORTS

RESPONDENTS: 16 of 16

Export All

Question Summaries Data Trends Individual Responses

Respondent #16

#16

COMPLETE

Edit Delete Export



Collector: Web Link (Web Link)
Started: Thursday, October 31, 2013 4:54:29 AM
Last Modified: Thursday, October 31, 2013 4:56:31 AM
Time Spent: 00:02:01
IP Address: 68.5.183.218

PAGE 1

Q1: What school do you teach at?

Blandford Elementary School

Q2: How did you hear about the RWD education program?

Principal

Q3: Rate your experience on scheduling your classroom visit with the RWD representative. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Scheduling with the RWD Representative 5-Very Satisfied

Q4: Did you find the activities presented beneficial to your class. 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Beneficial Activities 5-Very Satisfied

Q5: Were the activities presented easy to understand? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Activities easy to understand 5-Very Satisfied

Q6: Were you able to replace planned classroom curriculum with an activity that was presented in your class?

Yes

Q7: What is your overall rating of the classroom presentation? 1 being the least satisfied and 5 being the most satisfied. Please only select one answer.

Overall Rating of Presentation 5-Very Satisfied

Q8: Of the activities your class participated in, please rate on a scale of 1-5.

Water Cycle Activity (no label) 5

[States of Water Activity](#)

[Tap Water Challenge Activity](#)

[Water Conservation Jeopardy](#)

[Water Matching Game](#)

[Water Supply & Conservation Presentation](#)

[Careers in Water Presentation](#)

Q9: Please identify activities presented in your classroom that were particularly beneficial for your class and please identify areas for improvement.

Resources/activities available were very helpful, i.e., water cycle poster, bracelet, and the songs/chants

Q10: Do you have any additional comments about the presentation and your classrooms experience?

Brittlic is awesome! Can't wait to have her back in the spring for the states of water presentation!

Community: [Developers](#) • [Facebook](#) • [Twitter](#) • [LinkedIn](#) • [Our Blog](#) • [Google+](#) • [YouTube](#)

About Us: [Management Team](#) • [Board of Directors](#) • [Partners](#) • [Newsroom](#) • [Contact Us](#) • [Jobs](#) • [Sitemap](#) • [Help](#)

Policies: [Terms of Use](#) • [Privacy Policy](#) • [Anti-Spam Policy](#) • [Security Statement](#)



Language: [English](#) • [Español](#) • [Português](#) • [Deutsch](#) • [Nederlands](#) • [Français](#) • [Русский](#) • [Italiano](#) • [Dansk](#) • [Svenska](#) • [日本語](#) • [한국어](#) • [中文\(繁體\)](#) • [Türkçe](#) • [Norsk](#) • [Suomi](#)

Copyright © 1999-2013 SurveyMonkey



ROWLAND WATER DISTRICT

BOARD OF DIRECTORS

Szu Pei Lu-Yang
President

Robert W. Lewis
Director

Anthony J. Lima
Director

John Bellah
Vice President

Teresa P. Rios
Director

Ken Deck
General Manager

Ted Carrera
Assistant General Manager

Janet Morningstar
Legal Counsel

Dear Parents:

Your child recently participated in a hands-on water education presentation and activity presented by a representative from the Rowland Water District. As a way of showing the community that children are stewards of our environment and are willing to save water, we are asking them to participate in taking the Water Drop Pledge.

The Water Drop Pledge is a simple pledge wherein the student pledges to conserve water and to become an environmentally responsible citizen.

Please have your child sign and date the pledge included below, cut it off and mail it in to:

Rowland Water District
Attn: Brittnie Van De Car
3021 S. Fullerton Road, Rowland Heights, CA 91748

Your signature on the Water Drop Pledge below consents to the use of your child's name on our website as a "Star Water Saver".

Upon receipt of the signed "Water Drop Pledge" by both you and the student, your child will receive an official thank you letter and reward.

Thank you again for playing such an important role in our water education program!

Yours truly,

Brittnie L. Van De Car
Public Affairs Representative
Education Program Coordinator



Water Drop Pledge

I promise to do my best to conserve our Earth's Natural Resources. I also promise to help others by telling them about ways to save water and protect our earth and I will do my best to be an environmentally responsible citizen.

School: _____

Grade: _____

Student's Signature

Date: _____

*Parent/Guardian signature consents to the inclusion of their child's name as a *Star Water Saver* on the Rowland Water District website.

Parent/Guardian Signature

Date: _____



Rowland Water District

Board of Directors

Szu Pei Lu-Yang
President

Robert W. Lewis
Director

Anthony J. Lima
Director

John Bellah
Vice President

Teresa P. Rios
Director

Ken Deck
General Manager

Ted Carrera
Assistant General Manager

Janet Morningstar
Legal Counsel

November 4, 2013

Mr. Frank Luoug
17934 Contador Drive
Rowland Heights, CA 91748

Dear Mr. Luoug:

The Rowland Water District would like to thank you for choosing to take the Water Drop Pledge. As an environmentally responsible citizen you pledged to help conserve and protect water by using it wisely and teaching others to do the same.

Congratulations on completing the Water Drop Pledge required to become an official "Star Water Saver." Now you can use your water saving knowledge and apply it at home and at school, because water as we know, is a precious resource that we need for the future!

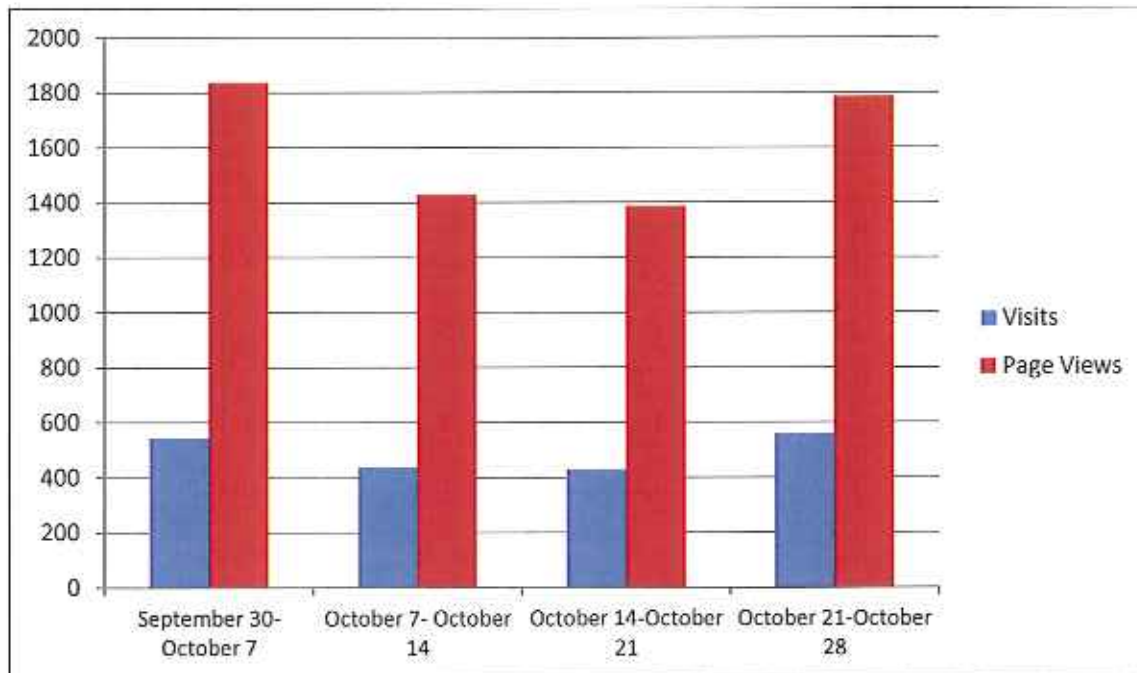
We hope you enjoy the enclosed reward. Please contact me by email at bvandecar@rowlandwater.com or by phone at (562) 697-1726 or visit our website at www.rowlandwater.com if you have any further questions.

Yours Truly,

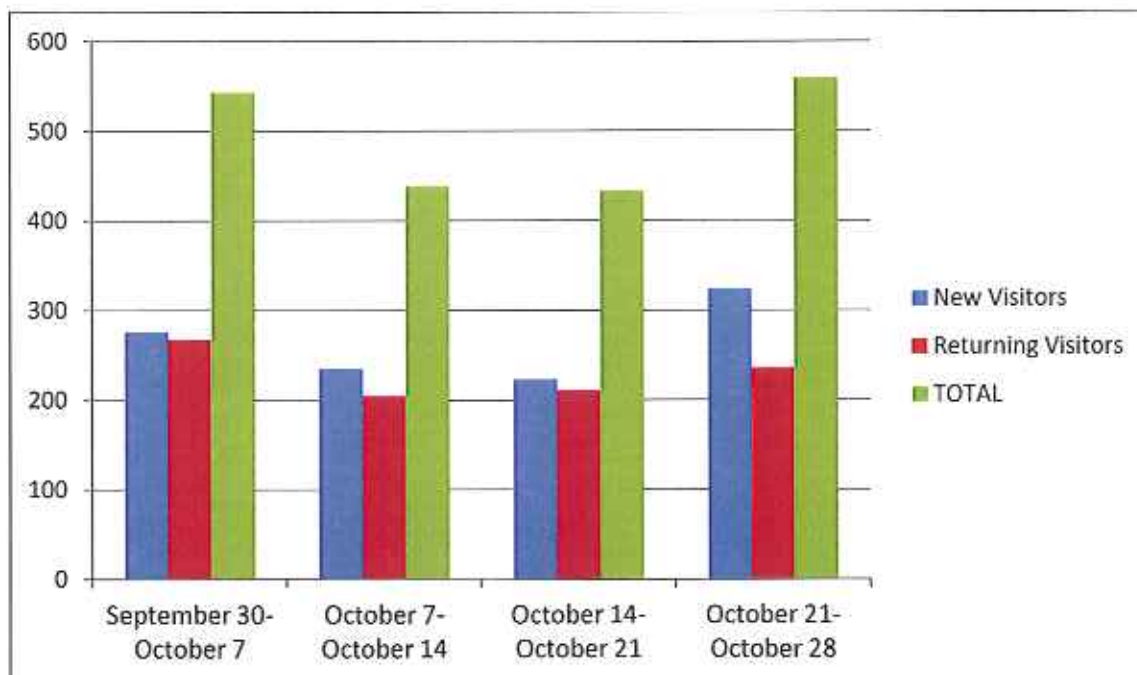
Brittnie Van De Car
Public Affairs Representative
Education Program Coordinator

Enclosure

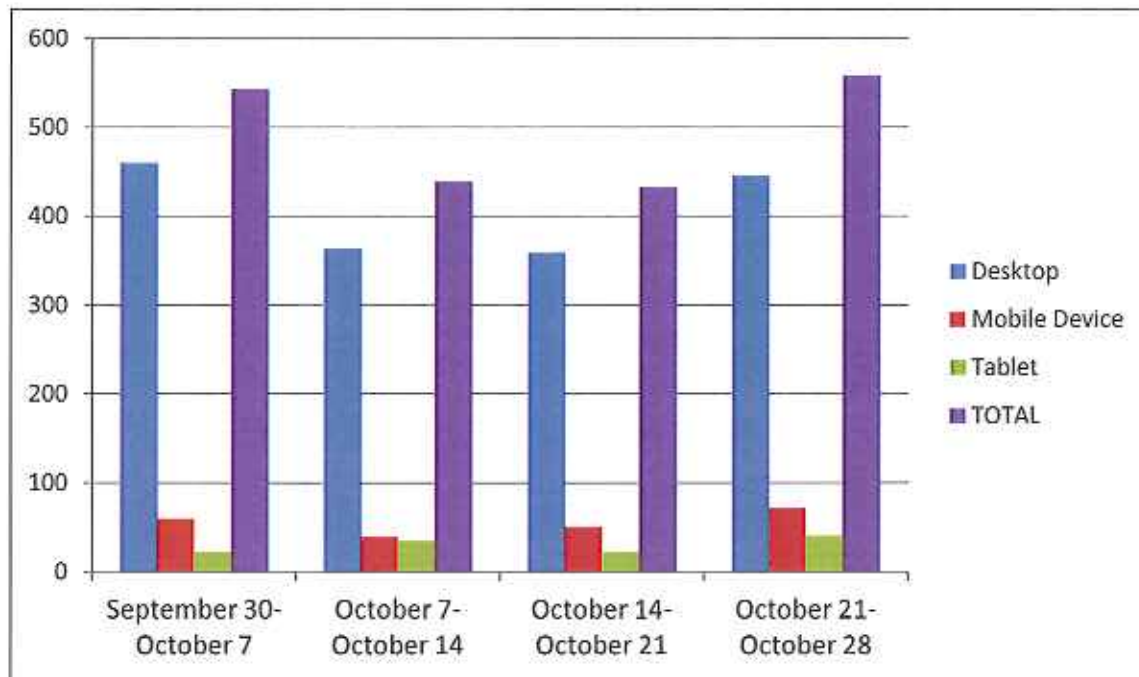
Website Visits and Pageviews



New vs. Returning Visitors



Source of Viewing



Direct Traffic

See Attached.

Sep 30, 2013 - Oct 7, 2013

Pages

All Visits
100.00%

Explorer



Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit	Page Value
	1,838 % of Total: 100.00% (1,838)	1,311 % of Total: 100.00% (1,311)	00:01:26 Site Avg: 00:01:26 (0.00%)	543 % of Total: 100.00% (543)	23.02% Site Avg: 23.02% (0.00%)	29.54% Site Avg: 29.54% (0.00%)	\$0.00 % of Total: 0.00% (\$0.00)
1. / Home Page	687	429	00:01:03	394	17.26%	24.31%	\$0.00
2. /bill-pay-options/	302	195	00:00:40	31	6.45%	8.94%	\$0.00
3. /manage-and-pay-your-bill-online/	204	165	00:04:36	8	75.00%	50.49%	\$0.00
4. /start-stop-service/	71	58	00:00:40	3	33.33%	40.85%	\$0.00
5. /contact-info/	54	46	00:03:03	12	66.67%	64.81%	\$0.00
6. /start-service/	51	30	00:03:51	17	11.76%	19.61%	\$0.00
7. /careers/	44	37	00:00:22	4	25.00%	65.91%	\$0.00
8. /category/agendaminutes/	30	19	00:00:20	2	0.00%	10.00%	\$0.00
9. /confirmation/	27	27	00:00:28	1	100.00%	81.48%	\$0.00
10. /construction-projects/	27	19	00:00:42	2	100.00%	29.63%	\$0.00

Rows 1 - 10 of 88

Oct 7, 2013 - Oct 14, 2013

Pages

All Visits
100.00%

Explorer



Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit	Page Value
	1,699 % of Total: 100.00% (1,699)	1,252 % of Total: 100.00% (1,252)	00:01:27 Site Avg: 00:01:27 (0.00%)	515 % of Total: 100.00% (515)	29.13% Site Avg: 29.13% (0.00%)	30.31% Site Avg: 30.31% (0.00%)	\$0.00 % of Total: 0.00% (\$0.00)
1. /Home Page	576	389	00:00:52	362	20.72%	27.43%	\$0.00
2. /bill-pay-options/	275	176	00:00:34	42	14.29%	12.00%	\$0.00
3. /manage-and-pay-your-bill-online/	171	150	00:05:44	11	63.64%	50.29%	\$0.00
4. /start-stop-service/	92	66	00:00:49	11	9.09%	7.61%	\$0.00
5. /start-service/	62	42	00:04:16	7	42.86%	29.03%	\$0.00
6. /contact-info/	46	36	00:01:30	7	85.71%	65.22%	\$0.00
7. /careers/	44	36	00:00:15	10	90.00%	68.18%	\$0.00
8. /tenant-owner-agreement/	43	37	00:02:24	8	50.00%	41.86%	\$0.00
9. /category/agendaminutes/	42	23	00:00:34	6	16.67%	2.38%	\$0.00
10. /faq/	32	29	00:02:21	5	80.00%	46.88%	\$0.00

Rows 1 - 10 of 79

Oct 14, 2013 - Oct 21, 2013

Pages

All Visits
100.00%

Explorer



Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit	Page Value
	1,393 % of Total: 100.00% (1,393)	1,017 % of Total: 100.00% (1,017)	00:01:34 Site Avg: 00:01:34 (0.00%)	433 % of Total: 100.00% (433)	32.79% Site Avg: 32.79% (0.00%)	31.08% Site Avg: 31.08% (0.00%)	\$0.00 % of Total: 0.00% (\$0.00)
1. / Home Page	488	323	00:01:02	294	25.17%	29.92%	\$0.00
2. /bill-pay-options/	233	160	00:00:41	35	22.86%	14.59%	\$0.00
3. /manage-and-pay-your-bill-online/	153	132	00:04:43	7	57.14%	48.37%	\$0.00
4. /start-stop-service/	52	41	00:01:04	6	33.33%	9.62%	\$0.00
5. /contact-info/	43	32	00:01:13	9	77.78%	60.47%	\$0.00
6. /careers/	36	26	00:03:21	4	75.00%	41.87%	\$0.00
7. /start-service/	29	23	00:03:09	6	50.00%	34.48%	\$0.00
8. /board-of-directors-regular-board-meeting-10082013/	28	9	00:05:52	0	0.00%	28.57%	\$0.00
9. /category/agendaminutes/	23	11	00:00:24	1	0.00%	0.00%	\$0.00
10. /confirmation/	23	20	00:01:01	0	0.00%	65.22%	\$0.00

Rows 1 - 10 of 77

Oct 21, 2013 - Oct 28, 2013

Pages

All Visits
100.00%

Explorer



Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit	Page Value
1. Home Page	1,786 % of Total: 100.00% (1,786)	1,343 % of Total: 100.00% (1,343)	00:01:30 Site Avg: 00:01:30 (0.00%)	559 % of Total: 100.00% (559)	29.70% Site Avg: 29.70% (0.00%)	31.30% Site Avg: 31.30% (0.00%)	\$0.00 % of Total: 0.00% (\$0.00)
2. /bill-pay-options/	576	397	00:01:05	362	22.38%	29.51%	\$0.00
3. /manage-and-pay-your-bill-online/	280	182	00:00:47	63	7.94%	7.50%	\$0.00
4. /manage-and-pay-your-bill-online/	182	155	00:04:54	15	73.33%	52.75%	\$0.00
5. /start-stop-service/	87	70	00:00:31	8	0.00%	6.90%	\$0.00
6. /tenant-owner-agreement/	73	50	00:05:48	21	38.10%	43.84%	\$0.00
7. /careers/	60	44	00:01:03	5	80.00%	53.33%	\$0.00
8. /contact-info/	41	37	00:00:57	4	75.00%	56.10%	\$0.00
9. /confirmation/	40	37	00:03:14	6	100.00%	80.00%	\$0.00
10. /start-service/	40	33	00:04:31	0	0.00%	30.00%	\$0.00
11. /local-fifth-grader-recognized-in-regional-poster-contest/	30	25	00:01:05	21	71.43%	63.33%	\$0.00

Rows 1 - 10 of 87

Tab

2.11



ELECTED OFFICIALS SUMMIT 2014

To Elected Leaders and General Managers,

I recognize that as industry leaders, your time is extremely valuable and there is no limit to the invitations you receive each day. I appreciate this opportunity to share more about CUEMA, the California Utility Executive Management Association, and provide you with information about what you can expect next spring when elected water leaders from across California gather in Indian Wells.

CUEMA's Elected Officials Summit will be held March 4-5, 2014 and is a specially designed event that will focus on issues you face as an elected leader in the water industry, or as a general manager. This first of its kind summit will focus on important topics, such as fostering consensus on your board, or encouraging new—problem solving—thinking amongst your staff. We will also examine how to build regional cooperation with other like-minded agencies, and how best to draw public attention to the successes your agency enjoys.

CUEMA's main mission is to provide a supportive, career-building network that bolsters productivity and strengthens leadership within its membership. Particularly, we strive to support executives through education and advocacy of the industry's best managerial practices. This specialized summit is geared toward building better leadership practices, and offering some keen insight for elected water leaders and their general managers.

The decision to be involved with CUEMA's events gives your organization unique recognition in an audience saturated with decision-makers. It is a great place to exchange ideas with industry peers, meet your agency counterparts, and bring home valuable insight that you can put to work within your organization.

I hope to see you in March. We are planning an informative, interactive and inspiring event that will yield immediate results for you and your organization. For more information please visit www.CUEMA.org.

Sincerely,

Rick Gilmore
President, CUEMA
General Manager, Byron Bethany Irrigation District

MARCH 4-5 | RENAISSANCE ESMERALDA HOTEL, INDIAN WELLS

CUEMA.ORG

Tab

3.1

**Intentionally
Left Blank**

Tab

4

**Intentionally
Left Blank**

Tab

5.1



Action Line

BOARD MEMBERS

CARLOS GOYTIA
DIVISION I

DAVID D. DE JESUS
DIVISION II

BRIAN BOWCOCK
DIVISION III

BOB G. KUHN
DIVISION IV

JOSEPH T. RUZICKA
DIVISION V

JOHN W. "FRED" LANTZ
DIVISION VI

DAN HORAN
DIVISION VII

THREE VALLEYS MWD

1021 E. Miramar Avenue

Claremont, CA 91711

Phone: 909-621-5568

Fax: 909-625-5470

www.threevalleys.com

Board Meetings
are scheduled
the first and
third Wednesday
of each month at
8:00 a.m.

For additional information: (909) 621-5568

The following is a summary of the Three Valleys Municipal Water District's
Regular Board Meeting of Wednesday, **October 16, 2013**

- **Approved: Motion No. 13-10-4956** approving consent calendar: (A) receive, approve and file September 2013 Board of Director Meeting minutes; (B) receive, approve and file financial reports September 2013; (C) approval of Resolution No. 13-10-719 declaring certain district property as surplus; (D) approval of event-activity calendars October —December 2013; passed with a 7-0 vote.
- **Approved: Motion No. 13-09-4957** approving September 2013 directors' expense reports; passed with a 7-0 vote.
- **Approved: Motion No. 13-10-4958** approving cancellation of certain board meetings for FY 2013-14; passed with a 7-0 vote.
- **Approved: Motion No. 13-10-4959** approving (a) establish a reserve fund for the unfunded liability of PERS pensions with a goal amount of \$1,704,549; and (b) fund the TVMWD Reserve Schedule; passed with a 6-1 vote, with Director Lantz dissenting.
- **Approved: Motion No. 13-10-4960** to receive and file the FY 2012-13 Audit and Comprehensive Annual Financial Report (CAFR); passed with a 7-0 vote.

*This summary may not include all agenda items and
should not be construed as minutes of the meeting.*

TVMWD is a water resources management agency that covers approximately 133 square miles and is governed by an elected Board of seven officials. The present population is about 525,000. Since its formation, the Three Valleys Municipal Water District has installed some 37,000 feet of pipeline and delivered more than 175 billion gallons of water.



Action Line
October 16, 2013
~ Page 2 ~

Important Upcoming Dates:

Thursday, October 31, 2013

TVMWD Leadership Breakfast, 7:30 AM

Sheraton Fairplex Hotel

Register: (909) 621-5568 or email cdechaine@tvmwd.com

Program: "Water Resource Management for the 21st Century", Celeste Cantú, General Manager Santa Ana Watershed Project Authority

Wednesday, November 6, 2013

TVMWD Regular Board of Directors Meeting, 8:00 AM

TVMWD District Office—1021 East Miramar Avenue, Claremont, CA 91711

Wednesday, November 20, 2013

TVMWD Regular Board of Directors Meeting, 8:00 AM

TVMWD District Office—1021 East Miramar Avenue, Claremont, CA 91711

Wednesday, December 4, 2013

TVMWD Regular Board of Directors Meeting — **CANCELLED**

Tuesday, December 17, 2013

CSDA Governance Foundations Workshop

8:30 AM—3:45 PM

Wednesday, December 18, 2013

TVMWD Regular Board of Directors Meeting, 8:00 AM

TVMWD District Office—1021 East Miramar Avenue, Claremont, CA 91711