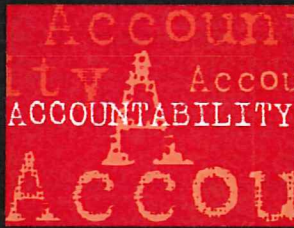


# ROWLAND WATER DISTRICT

3021 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

### March 6, 2018

### 6:00 p.m.



**AGENDA**  
Regular Meeting of the Board of Directors  
March 6, 2018  
6:00 PM

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**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

Szu Pei Lu-Yang, President  
Robert W. Lewis, Vice President  
Anthony J. Lima  
John Bellah  
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 3021 Fullerton Road, 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 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 February 13, 2018**  
*Recommendation: The Board of Directors approve the Minutes as presented.*
- 1.2 Approval of the Minutes of Special Board Meeting held on February 27, 2018**  
*Recommendation: The Board of Directors approve the Minutes as presented.*
- 1.3 Demands on General Fund Account for January 2018**  
*Recommendation: The Board of Directors approve the demands on the general fund account as presented.*
- 1.4 Investment Report for January 2018**  
*Recommendation: The Board of Directors approve the Investment Report as presented.*
- 1.5 Water Purchases for January 2018**  
*For information purposes only.*

**Next Special Board Meeting:**  
**Next Regular Board Meeting:**

**March 20, 2018, 5:00 p.m.**  
**April 10, 2018, 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 February 2018**  
*Recommendation: The Board of Directors approve the Meeting Reimbursements as presented.*
- 2.2 Approve RWD Financial Audit Report for Fiscal Year 2016-2017 Prepared by White Nelson Diehl Evans LLP**  
*Recommendation: The Board of Directors approve the Financial Audit as presented.*
- 2.3 Receive and File Puente Basin Water Agency Financial Audit for Fiscal Year Ended June 30, 2017 prepared by Davis Farr Certified Public Accountants**  
*Recommendation: The Board of Directors Receive and File the Financial Audit As presented.*



- 2.4 Review and Approve Puente Basin Water Agency Project Agreement No. 4 Pathfinder Road Pipeline and Interties Project**  
*Recommendation: The Board of Directors Approve the Amendment as presented.*
- 2.5 Review and Approve Resolution No. 3-2018 Approving and Accepting the Negotiated Exchange of Property Tax Revenues Resulting from Annexation of L 070-2009 to County Lighting Maintenance District 1687**  
*Recommendation: The Board of Directors Approve the Resolution as presented.*
- 2.6 Review and Approve License Agreement Between Industry Chestnut St, LLC (Licensee) and Rowland Water District (Licensor)**  
*Recommendation: The Board of Directors Approve the License Agreement as presented.*
- 2.7 Public Relations (Rose Perea)**
- **Communications Outreach (CV Strategies)**
  - **Education Update**
- For information purposes only.*
- 2.8 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
- None.

**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**
- Agenda/Action Line Regular Board Meeting held February 21, 2018

*There are no tabs for the remainder of the meeting.*

- 5.2 Joint Powers Insurance Authority (Director Lewis/Mr. Coleman)**
- 5.3 Association of California Water Agencies (Directors Lewis/Bellah)**
- 5.4 Puente Basin Water Agency (Directors Lima/Lewis)**
- 5.5 Project Ad-Hoc Committee (Directors Lima/Lu-Yang)**
- 5.6 Regional Chamber of Commerce-Government Affairs Committee (Directors Lewis/Bellah)**



- 5.7 **PWR Joint Water Line Commission** (Directors Lima/Rios)
- 5.8 **Sheriff's Community Advisory Council** (Directors Lu-Yang/Rios)
- 5.9 **Rowland Heights Community Coordinating Council**  
(Directors Lu-Yang/Bellah)

**Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

- 6.1 **Finance Report** (Mr. Henry)
- 6.2 **Operations Report** (Mr. Warren)
- 6.3 **Personnel Report** (Mr. Coleman)

**Tab 7 ATTORNEY'S REPORT** (Mr. Joseph Byrne)

**Tab 8 CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL—  
ANTICIPATED LITIGATION**  
**Initiation of litigation pursuant to paragraph (4) of  
subdivision (d) of Section 54956.9: (One Case)**

**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.*

**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  
February 13, 2018 - 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

None.

**OTHERS PRESENT:**

Joe Byrne, Legal Counsel, Best Best & Krieger  
Erin LaCombe Gilhuly, CV Strategies  
Joe Ruzicka, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
David and Teri Malkin, Residents  
Beatrice Musacchia, Resident

**ROWLAND WATER DISTRICT STAFF**

Tom Coleman, General Manager  
Rose Perea, Director of Administrative Services  
Dave Warren, Director of Operations  
Sean Henry, Finance Officer

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None.



**Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lima, seconded by Director Rios, the Consent Calendar was unanimously approved.

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

**The approval of the Consent Calendar included:**

**1.1**

**Approval of the Minutes of Regular Board Meeting Held on January 9, 2018**

**1.2**

**Approval of the Minutes of Special Board Meeting Held on January 23, 2018**

**1.3**

**Demands on General Fund Account for December 2017**

**1.4**

**Investment Report for December 2017**

**1.5**

**Water Purchases for December 2017**

Next Special Board Meeting

February 27, 2018, 5:00 p.m.

**Tab 2 - ACTION ITEMS**

**2.1**

**Review and Approve Directors' Meeting Reimbursements for January 2018**

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

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

**2.2**

**Approve Change of Meeting Date from March 13, 2018 to March 6, 2018**

After Discussion by the Board a motion was made by Director Lewis, seconded by Director Rios, and unanimously carried, to change the Regular Board Meeting date to March 6, 2018.

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

**2.3**

**Review and Approve Ordinance No. 0-2-2018 of the Board of Directors Increasing Directors’ Compensation**

After Discussion, a motion was made by Director Lima, seconded by Director Lewis, to approve Ordinance No. 0-2-2018 Increasing Directors’ Compensation. The motion was approved by the following roll-call vote:

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

Motion was passed by a vote of 5-0.

**2.4**

**Receive and File Rowland Water District’s Statement of Operations for Period Covering July 1, 2017 through December 31, 2017**

After discussion by the Board, a motion was made by Director Lewis, seconded by Director Lima, and unanimously carried, to receive and file the District’s Statement of Operations for the period covering July 1, 2017 through December 31, 2017, as presented.

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

**2.5**

**Receive and File Rowland Water District’s Quarterly Investment Review as of December 31, 2017**

After discussion by the Board, a motion was made by Director Lima, seconded by Director Rios, and unanimously carried, to receive and file the District’s Quarterly Investment Review as of December 31, 2017, as presented.

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

**2.6**

**Authorize Presiding Officer to Vote for Special District LAFCO Representative and LAFCO Alternate for Term Expiring May 2018**

After discussion, and upon motion by Director Lewis, seconded by Director Bellah, the presiding officer was authorized to cast her ballot vote on behalf of the District for E. G. “Jerry” Gladbach, as the Special District LAFCO Representative, and for Joseph T. Ruzicka, as the Alternate Special District LAFCO Representative. The motion was unanimously carried.

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

## 2.7

### **Discuss AMI Meter Conversions**

General Manager, Tom Coleman, provided general information on the District's upcoming conversion from Automatic Meter Reading (AMR) to Advanced Metering Infrastructure (AMI) and advised that an in depth workshop on the metering system will be held at a future date.

## 2.8

### **Public Relations (Rose Perea)**

Mrs. Perea reported that the "Water Scholar Program" Essays were due January 26, 2018. There were two submissions from high schools in the District. The Metropolitan Water District (MWD) "Water is Life" poster contest applications were distributed to District schools during the week of February 5. The due date for poster submissions to the District is April 26, 2018. The final submissions are due to MWD no later than June 5, 2018. The Traveling Art Show showcasing last year's winners will be here at the District office from March 13 to March 23, 2018. The District will be celebrating "Fix-A-Leak Week" during the week of March 19-23, 2018. Customers coming in to the office will be given a "goodie bag" and a questionnaire on how well they understand where their water comes from, how they are billed, how many units per month they use, etc. Two questionnaires will be selected randomly from those returned and the winners will be awarded a Smart Irrigation Controller. The District will have the new filling station set up in front of the office and customers will be given a collapsible water bottle to fill from the station. The Rowland Unified School District Spring Break will be March 26-30, 2018.

### **Communications Outreach (CV Strategies)**

Erin LaCombe Gilhuly, CV Strategies, reported that the multi-fold pocket guide which offers customers quick tips and advice on how to find leaks, along with additional information on leak responsibility on either side of the meter, is awaiting final approval and will then be printed and provided to customer service and field staff for distribution to customers as needed. CV Strategies is working on the Consumer Confidence Report (CCR) and on the update of the Strategic Planning document. Once the Annual Audit is approved, CV Strategies will prepare a press release for circulation.

### **Education Update**

No comments.

## 2.9

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

- **Regional Chamber of Commerce "Salute to Heroes Prayer Breakfast", March 1, 2018, 8:30-10:00 a.m. Diamond Bar Center**  
Staff was asked to make reservations for the attendance of Directors Lewis and Bellah.
- **2018 ACWA Legislative Symposium, March 14, 2018, 9:00 am -1:00 pm, Sacramento Convention Center**

After Discussion and upon motion by Director Rios, seconded by Director Lima, the Board unanimously approved Director Lewis' attendance at the Legislative Symposium and authorized the payment of *per diem compensation*. Staff was asked to make reservations for Director Lewis' attendance.

Ayes: Directors Lu-Yang, Bellah, Lima, Lewis and Rios

Noes: None

Abstain: None

Absent: None



- **Best Best & Krieger, “The Bill is Due Now What? Infrastructure, Pensions and the Environment”, April 24, 2018, Richard Nixon Presidential Library and Museum, Yorba Linda, CA**  
Staff was asked to make reservations for Director Lewis’ attendance

### **Tab 3 LEGISLATIVE INFORMATION**

#### **3.1**

##### **Updates on Legislative Issues**

General Manager, Tom Coleman, advised the Board that he will be providing in depth information on current legislative issues at the upcoming workshop currently scheduled for February 27, 2018.

### **Tab 4 REVIEW OF CORRESPONDENCE**

None.

### **Tab 5 COMMITTEE REPORTS**

#### **5.1**

##### **Three Valleys Municipal Water District**

Director Lima reported on his attendance at the January 17, 2018 Board meeting and advised that legislative updates were provided. Reorganization and succession planning were discussed in anticipation of General Manager, Rick Hansen’s, eventual retirement. The Colorado River line will be down for scheduled maintenance February through March. Water sales were also discussed.

#### **5.2**

##### **Joint Powers Insurance Authority**

General Manager, Tom Coleman, reported on his attendance at the JPIA Property Committee meeting in Sacramento. He advised that it has been the single greatest year for property and liability loss for insurance carriers. As a whole, insurance industry rates will be increasing. ACWA/JPIA is looking into a new carrier called “Allied” which provided pricing estimates at members’ current cost. ACWA/JPIA is considering reducing the RDA amount currently refunded to members which would allow ACWA/JPIA to reduce property rates by ten percent (10%).

#### **5.3**

##### **Association of California Water Agencies**

Nothing to report.

#### **5.4**

##### **Puente Basin Water Agency**

Director Lima reported on the meeting held February 8, 2018, and advised that he will be the Chairman for the upcoming year. The Cal Domestic line is still running. The contract for the Pathfinder 20” transmission main was awarded to Doty Bros. Construction. A CEQA-Negative Declaration will be completed in connection with this project. The Old Baldy Well Agreement with the City of La Verne was approved by the La Verne City Council.

**5.5**

**Project Ad-Hoc Committee**

Nothing to report.

**5.6**

**Regional Chamber of Commerce**

Director Lewis reported on his attendance at the February 12, 2018 meeting and advised that the Chamber sent an opposition letter to SB 460. A legislative review of what to expect next year was provided. Discussion on the Storm Water Parcel Tax will be brought back next month.

Director Bellah provided Department of Motor Vehicles statistics on the number of people with a driver's license and/or ID card and the total number of driver licenses issued.

**5.7**

**PWR Joint Water Line Commission**

Nothing to report. The next meeting will be held on February 19, 2018.

**5.8**

**Sheriff's Community Advisory Council**

Resident, Teri Malkin, advised that Deputy Denver has been focusing on protection from terrorism and has developed brochures aimed at specific businesses/industries advising them of their vulnerabilities. Deputy Denver is soliciting the assistance of volunteers in the Rowland Heights area to help with the distribution of these brochures.

**5.9**

**Rowland Heights Community Coordinating Council**

President Lu Yang reported on her attendance at the February 12, 2018 meeting. She advised that Code enforcement was discussed at length as well as development standards, noting that there is only a minimum definition for a "single family residence" and not a maximum. Large parcels on Desire Avenue are being purchased with the intention to build "mega mansions" consisting of 21 bedrooms, 16 bathrooms, 5-car garages all within the interpretation of a single family residence.

**Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

**6.1**

**Finance Report**

Nothing to report.

**6.2**

**Operations Report**

Nothing to report.

**6.3**

**Personnel Report**

General Manager, Tom Coleman, advised the Board that the District is continuing with their recruitment process to hire an individual to fill the Water System Operation I position.

**Tab 7 ATTORNEY’S REPORT**

Nothing to report.

**Tab 8 CLOSED SESSION**

Legal Counsel, Joe Byrne, adjourned the meeting to closed session at 7:37 p.m. and announced that the purpose of the closed session, and the provisions of the Brown Act authorizing the closed session were listed in the agenda.

**CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:  
(One Case)**

The closed session was adjourned and the Board resumed the meeting in open session at 8:09 p.m.

Upon returning to open session, Legal Counsel reported that the Board took no reportable action in connection with this matter.

**Directors’ and General Manager’s Comments**

None.

**Future Agenda Items**

None.

**Late Business**

None.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:16 p.m.

\_\_\_\_\_  
SZU PEI LU-YANG  
Board President

Attest: \_\_\_\_\_  
TOM COLEMAN  
Board Secretary



**Tab**

**1.2**



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

February 27, 2018 – 5:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

None

**OTHERS PRESENT:**

Christopher Pisano, Legal Counsel, Best Best & Krieger

**ROWLAND WATER DISTRICT STAFF:**

Tom Coleman, General Manager  
Rose Perea, Director of Administrative Services  
Dave Warren, Director of Operations  
Sean Henry, Finance Officer

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

**COMMENTS:**

None.

**Tab 1 ACTION ITEMS**

**1.1**

**Discuss AMI Meter Conversions**

General Manager, Tom Coleman, discussed in general the differences between an Automatic Meter Reading (AMR) system (currently partially utilized by the District) and an Advanced Metering Infrastructure (AMI) system. Mr. Coleman presented a video and a Power Point presentation on the AMI system and discussed the financial aspects of the conversion. After discussion, it was the consensus of the Board to proceed with the AMI conversions throughout the District.

**1.2**

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

- OPARC Fund Raiser, April 6, 2018, Padua Hills Theater, Claremont, CA  
After discussion and upon motion by Director Lewis, seconded by Director Lima, the Board unanimously approved the \$1,250.00 sponsorship of the OPARC event to be held on April 6, 2018, at the Padua Hills Theatre, in Claremont, California. The event will help individuals with disabilities.

**1.3**

**CLOSED SESSION**

Legal Counsel, Christopher Pisano, adjourned the meeting to closed session at 6:26 p.m. and announced that the purpose of the closed session, and the provisions of the Brown Act authorizing the closed session were listed in the agenda.

**CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

**Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (One Case)**

The closed session was adjourned and the Board resumed the meeting in open session at 6:38 p.m.

Upon returning to open session, legal counsel reported that upon motion by Director Lewis, seconded by Director Lima, the Board unanimously authorized the initiation of litigation and once the action is formally commenced, the details of it will be disclosed to any person upon request.

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



**Directors' and General Manager's Comments**

General Manager, Tom Coleman, provided information on Senate Bill 998 which would require urban community water systems to have a written policy on residential water service shutoffs. The bill would prevent urban community water systems from shutting off residential water service for no less than 60 days when a water bill becomes delinquent and would require local health department assessment of any grave danger a water shutoff poses to a household and would prohibit a shutoff under specified conditions.

**Future Agenda Items**

None.

**Late Business**

None.

***Next Regular Board Meeting***

***March 6, 2018, 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 at 6:44 p.m.

\_\_\_\_\_  
SZU PEI LU-YANG  
Board President

Attest: \_\_\_\_\_  
TOM COLEMAN  
Board Secretary

**Tab**

**1.3**

Report Criteria:  
 Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/03/2018	23905			Void Check	.00
01/18	01/03/2018	23906			Void Check	.00
01/18	01/03/2018	23907			Void Check	.00
01/18	01/03/2018	23908			Void Check	.00
01/18	01/03/2018	23909			Void Check	.00
01/18	01/03/2018	23910			Void Check	.00
01/18	01/03/2018	23911			Void Check	.00
01/18	01/03/2018	23912			Void Check	.00
01/18	01/03/2018	23913			Void Check	.00
01/18	01/03/2018	23914			Void Check	.00
01/18	01/03/2018	23915			Void Check	.00
01/18	01/03/2018	23916			Void Check	.00
01/18	01/03/2018	23917			Void Check	.00
01/18	01/03/2018	23918			Void Check	.00
01/18	01/03/2018	23919			Void Check	.00
01/18	01/03/2018	23920			Void Check	.00
01/18	01/03/2018	23921			Void Check	.00
01/18	01/03/2018	23922			Void Check	.00
01/18	01/03/2018	23923			Void Check	.00
Total :						.00
<b>11018</b>						
01/18	01/10/2018	11018	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	262.40
Total 11018:						262.40
<b>11618</b>						
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	215,462.10
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,353.41
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,723.73
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,402.68
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	8,209.51
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	118,607.79
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	MWD LRP CREDIT	9,310.00-
Total 11618:						337,449.22
<b>11918</b>						
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	LA COUNTY-SERVICE CUTS	3,097.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	SPECTRUM	762.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	FREEDOM VOICE	1,555.72
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	DIRECTV	76.66
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	251.92
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	537.87
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	CONFERENCE EXPENSES	2,229.28
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	MISC EXPENSES	2,592.61
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	MAINTENANCE & OPERATION	245.18
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	POSTAGE EXPENSE	88.41
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	BOOK EXPENSE	245.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	PBWA EXPENSE	43.52
Total 11918:						11,725.17

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>23906</b>						
01/18	01/03/2018	23906	400	AT&T MOBILITY	MOBILE PHONES, IPADS	3,574.42
Total 23906:						3,574.42
<b>23907</b>						
01/18	01/03/2018	23907	402	BOOMERANG BLUEPRINT	BOND COPIES	71.61
Total 23907:						71.61
<b>23908</b>						
01/18	01/03/2018	23908	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 23908:						430.00
<b>23909</b>						
01/18	01/03/2018	23909	62647	COMMLINE, INC.	DUMP TRUCK AMBER LIGHTS	1,271.23
Total 23909:						1,271.23
<b>23910</b>						
01/18	01/03/2018	23910	2057	COUNTY OF LA-PUBLIC WORKS	PERMIT CONSTRUCTION INSPECTION	125.54
Total 23910:						125.54
<b>23911</b>						
01/18	01/03/2018	23911	62439	CVSTRATEGIES	COMMUNICATION SERVICES	8,945.26
Total 23911:						8,945.26
<b>23912</b>						
01/18	01/03/2018	23912	32	DAVE MILLER	MILEAGE REIMBURSEMENT	60.99
Total 23912:						60.99
<b>23913</b>						
01/18	01/03/2018	23913	62688	DION MOKHTARI	TOTAL EXPENSES-BOOT ALLOWANCE	109.99
Total 23913:						109.99
<b>23914</b>						
01/18	01/03/2018	23914	33	DUSTIN T MOISIO	MILEAGE REIMBURSEMENT	64.20
Total 23914:						64.20
<b>23915</b>						
01/18	01/03/2018	23915	2550	FRONTIER	PHONE SERVICE	316.11
Total 23915:						316.11
<b>23916</b>						
01/18	01/03/2018	23916	2690	HARPER & ASSOCIATES ENG.	Engineering and inspection services for Res 6	1,125.00
Total 23916:						1,125.00
<b>23917</b>						
01/18	01/03/2018	23917	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	2,104.39



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23917:						2,104.39
<b>23918</b>						
01/18	01/03/2018	23918	244	INFOSEND INC	BILLING SERVICE	1,623.85
Total 23918:						1,623.85
<b>23919</b>						
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	254.11
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	207.91
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	231.02
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	269.51
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	184.81
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	253.80
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	164.79
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	746.94
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	321.88
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	167.87
Total 23919:						2,972.05
<b>23920</b>						
01/18	01/03/2018	23920	62448	PARS	GASBY 45 MANAGEMENT FEE	678.59
Total 23920:						678.59
<b>23921</b>						
01/18	01/03/2018	23921	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES-SIX BASIN	466.50
Total 23921:						466.50
<b>23922</b>						
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR FULLERTON RD GRADE SEP	326.49
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	3/8" X 100' F/WW-500 KIT	460.10
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	1" F/WW-500 KIT	466.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	WKG500 P/P WKG-500 KLN GRP F/PLUG	305.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	3/4" X 100' TYPE K SOFT COPPER	650.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	1" X 100' TYPE K SOFT COPPER	464.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB61IP 6" X 1" IP D/S BRS SDL	420.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB81IP 8" X 1" IP D/S BRS SDL	245.90
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB102IP 10" X 2" IP D/S BRS	359.26
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	IBRNLB107 1" X 3/4" BRS HEX BUSH NO	35.90
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	IBRNLB21 2" X 1" BRS HEX BUSH NO	62.95
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMCPLGSG 1" CTS CPLG SG 110	98.85
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMCPLGSG2 2" CTS CPLG SG 110	372.28
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JME1292 2" FIP BRS NL MTG FLG	220.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMASG07 3/4" CTS SG 110 KEY AMS	304.97
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	MGL1 1" X 1/8" LTHR MTR GSKT	90.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	VDC40 VITA D CHLOR 40 TABLET	598.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	5/8" X 3/4" TO 3/4" 710J23	150.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	6,176.91
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RES	1,327.03
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	799.06
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	626.34

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Total 23922:						14,559.04
<b>23923</b>						
01/18	01/03/2018	23923	62353	VERIZON	CONFERENCE CALLS	78.34
Total 23923:						78.34
<b>23924</b>						
01/18	01/03/2018	23924	205	WARREN GRAPHICS	BILL STUFFERS	1,337.58
Total 23924:						1,337.58
<b>23925</b>						
01/18	01/09/2018	23925	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	32.10
Total 23925:						32.10
<b>23926</b>						
01/18	01/09/2018	23926	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	24.61
Total 23926:						24.61
<b>23927</b>						
01/18	01/16/2018	23927	1050	ACWA JOINT POWERS INSURANCE A	WORKERS' COMP QUARTERLY PREMIUM	11,932.16
Total 23927:						11,932.16
<b>23928</b>						
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	39,060.92
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	487.14
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	54.05
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	2,788.03
01/18	01/16/2018	23928	1000	ACWA JPIA	RETIRES HEALTH BENEFITS	13,138.09
01/18	01/16/2018	23928	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,230.55
Total 23928:						65,758.78
<b>23929</b>						
01/18	01/16/2018	23929	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	283.69
Total 23929:						283.69
<b>23930</b>						
01/18	01/16/2018	23930	62493	CADWAY INC (CAL DOMESTIC WATE	WATER CHARGE	59,649.72
01/18	01/16/2018	23930	62493	CADWAY INC (CAL DOMESTIC WATE	RTC CDWC	619.66
Total 23930:						60,269.38
<b>23931</b>						
01/18	01/16/2018	23931	61991	CALIFORNIA DEPARTMENT OF TAX	UNDERGROUND STORAGE FEE	155.51
Total 23931:						155.51
<b>23932</b>						
01/18	01/16/2018	23932	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	2,722.81

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23932:						2,722.81
<b>23933</b>						
01/18	01/16/2018	23933	62645	CORE & MAIN LP	5/8X3/4" BLMJ METER 4G (50)	12,430.99
Total 23933:						12,430.99
<b>23934</b>						
01/18	01/16/2018	23934	16	DAVE WARREN	TOTAL EXPENSES-GAS	283.95
Total 23934:						283.95
<b>23935</b>						
01/18	01/16/2018	23935	62611	DEWPOINT CONSULTING	CONSULTING SERVICES-NOVEMBER 2017	11,078.10
Total 23935:						11,078.10
<b>23936</b>						
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPLACE 1" SVC-2226 OLD COPPER	3,752.70
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPAIR 2" LEAK-17282 GALE	5,735.24
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPAIR 6" LEAK-2799 NATIVE	4,232.50
Total 23936:						13,720.44
<b>23937</b>						
01/18	01/16/2018	23937	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	2,100.00
Total 23937:						2,100.00
<b>23938</b>						
01/18	01/16/2018	23938	2550	FRONTIER	INTERNET ACCESS	803.00
Total 23938:						803.00
<b>23939</b>						
01/18	01/16/2018	23939	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 23939:						170.00
<b>23940</b>						
01/18	01/16/2018	23940	62427	GOVERNMENT FINANCE OFFICERS A	MEMBERSHIP DUES-SEAN HENRY	160.00
Total 23940:						160.00
<b>23941</b>						
01/18	01/16/2018	23941	2600	HACH COMPANY	CLT10 TOTAL ANALYZER WITH SC200	5,015.04
01/18	01/16/2018	23941	2600	HACH COMPANY	BASIC SUPPORT	1,724.00
Total 23941:						6,739.04
<b>23942</b>						
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.67
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	RWD SONICWALL-OFFICE	2,300.00
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	RWD SONICWALL-DATA CENTER	2,300.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23942:						11,573.67
<b>23943</b>						
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	127.94
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	414.15
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	67.54
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	250.65
Total 23943:						860.28
<b>23944</b>						
01/18	01/16/2018	23944	244	INFOSEND INC	BILLING SERVICE	1,525.16
Total 23944:						1,525.16
<b>23945</b>						
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	215.61
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	522.08
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	190.97
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	149.39
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	150.93
Total 23945:						1,228.98
<b>23946</b>						
01/18	01/16/2018	23946	3080	J COLON COATINGS INC	RES 6 REHABILITATION	42,053.65
Total 23946:						42,053.65
<b>23947</b>						
01/18	01/16/2018	23947	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
01/18	01/23/2018	23947	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
Total 23947:						.00
<b>23948</b>						
01/18	01/16/2018	23948	62691	LYONS CONSTRUCTION	RCS STRUCTURE	19,000.00
Total 23948:						19,000.00
<b>23949</b>						
01/18	01/16/2018	23949	62690	MASTER METER	HARMONY MOBILE ANNUAL SUPPORT	1,750.00
Total 23949:						1,750.00
<b>23950</b>						
01/18	01/16/2018	23950	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	89.84
Total 23950:						89.84
<b>23951</b>						
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT FCI FLOW METER FOR CO2 SYS	951.68
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT P4 MOTOR OVER TEMP ALARM	475.84
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	REMOVE EXISTING & INSTALL WIRE & PROGRAM	951.68
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	CHECK LEVEL TRANSMITTER	237.92
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	CHECK & TEST OPERATION OF P3	237.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT CIRCUIT BREAKER NOT RESETT	237.92
Total 23951:						3,092.96
<b>23952</b>						
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	12" M2000 MAG Meter (Zone 6 Pump Station)	5,678.00
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	6" M2000 MAG Meter (Well 1 Pump Station)	2,547.00
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	TAX	903.28
Total 23952:						9,128.28
<b>23953</b>						
01/18	01/16/2018	23953	62649	OPARC	PAINTING FIRE HYDRANTS	2,035.63
Total 23953:						2,035.63
<b>23954</b>						
01/18	01/16/2018	23954	5100	PUENTE READY MIX INC	CRUSHER BASE & WASH CON SAND	1,509.54
Total 23954:						1,509.54
<b>23955</b>						
01/18	01/16/2018	23955	62562	RMC WATER AND ENVIRONMENT	PHASE 3 CONSTRUCTION-FULLERTON GRADE SE	2,248.75
01/18	01/16/2018	23955	62562	RMC WATER AND ENVIRONMENT	AS NEEDED RW SRVS 2017-18	1,736.00
Total 23955:						3,984.75
<b>23956</b>						
01/18	01/16/2018	23956	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	427.06
01/18	01/16/2018	23956	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RES	125.93
Total 23956:						552.99
<b>23957</b>						
01/18	01/16/2018	23957	5625	SAN GABRIEL VALLEY WATER ASSN	2018 MEMBERSHIP DUES	100.00
Total 23957:						100.00
<b>23958</b>						
01/18	01/16/2018	23958	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	31,104.62
01/18	01/16/2018	23958	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,456.07
Total 23958:						34,560.69
<b>23959</b>						
01/18	01/16/2018	23959	5900	SOCALGAS	GAS UTILITY BILL	254.37
Total 23959:						254.37
<b>23960</b>						
01/18	01/16/2018	23960	6600	THREE VALLEYS MUN WATER DIST	LEADERSHIP BREAKFAST-A LIMA, J BELLAH, T RI	80.00
Total 23960:						80.00
<b>23961</b>						
01/18	01/16/2018	23961	62626	TRI COUNTY PUMP COMPANY	PULL & INSPECT WELL PUMP 2	3,280.00



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Total 23961:						3,280.00
<b>23962</b>						
01/18	01/16/2018	23962	62521	TRIPEPI SMITH & ASSOCIATES	ANNUAL CONSTANT CONTACT SUBSCRIPTION	969.00
Total 23962:						969.00
<b>23963</b>						
01/18	01/16/2018	23963	62665	VERIZON	SCADA ALARM MODEM	28.54
Total 23963:						28.54
<b>23964</b>						
01/18	01/16/2018	23964	2900	VULCAN MATERIAL COMPANY	COLD MIX	1,034.06
Total 23964:						1,034.06
<b>23965</b>						
01/18	01/16/2018	23965	62685	WATERWISEPRO TRAINING	DISTRIBUTION REFRESHER COURSE & (5) STUDY	1,000.00
Total 23965:						1,000.00
<b>23986</b>						
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	370.4 AC FT-NOV 2017 WATER	365,584.80
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	7,487.10
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,091.75
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,782.72
Total 23986:						375,946.37
<b>23987</b>						
01/18	01/22/2018	23987	4600	AIRGAS USA LLC	TANK RENTAL	81.84
Total 23987:						81.84
<b>23988</b>						
01/18	01/22/2018	23988	62622	AKM CONSULTING ENGINEERS	EASEMENTS AND COORDINATE WITH GIS	2,750.00
01/18	01/22/2018	23988	62622	AKM CONSULTING ENGINEERS	PARALLAX FUTURE 3 SYSTEM	6,596.19
Total 23988:						9,346.19
<b>23989</b>						
01/18	01/22/2018	23989	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	960.84
Total 23989:						960.84
<b>23990</b>						
01/18	01/22/2018	23990	62597	BEST BEST & KRIEGER	LEGAL FEES-GENERAL COUNSEL	2,380.09
01/18	01/22/2018	23990	62597	BEST BEST & KRIEGER	LEGAL FEES-LABOR AND EMPLOYMENT	1,878.60
Total 23990:						4,258.69
<b>23991</b>						
01/18	01/22/2018	23991	1476	BUSINESS CARD (VISA)	MISC EXPENSES	628.04
01/18	01/22/2018	23991	1476	BUSINESS CARD (VISA)	VEHICLE EXPENSE	153.63

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23991:						781.67
<b>23992</b>						
01/18	01/22/2018	23992	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 23992:						430.00
<b>23993</b>						
01/18	01/22/2018	23993	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,884.00
Total 23993:						1,884.00
<b>23994</b>						
01/18	01/22/2018	23994	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	11,819.00
Total 23994:						11,819.00
<b>23995</b>						
01/18	01/22/2018	23995	371	CIVILTEC ENGINEERING INC	PIPELINE REPLACEMENT VALLEY BLVD	3,454.00
Total 23995:						3,454.00
<b>23996</b>						
01/18	01/22/2018	23996	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,325.00
Total 23996:						2,325.00
<b>23997</b>						
01/18	01/22/2018	23997	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	100.00
Total 23997:						100.00
<b>23998</b>						
01/18	01/22/2018	23998	62505	D & H WATER SYSTEMS	REPLACEMENT CHLORINE SENSOR	226.67
Total 23998:						226.67
<b>23999</b>						
01/18	01/22/2018	23999	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	87.60
Total 23999:						87.60
<b>24000</b>						
01/18	01/22/2018	24000	2300	FEDERAL EXPRESS	POSTAGE	44.33
Total 24000:						44.33
<b>24001</b>						
01/18	01/22/2018	24001	24701	GRAINGER	SUPPLIES FOR RC	206.99
Total 24001:						206.99
<b>24002</b>						
01/18	01/22/2018	24002	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,009.27
01/18	01/22/2018	24002	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR PBWA	869.43

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 24002:						1,878.70
<b>24003</b>						
01/18	01/22/2018	24003	244	INFOSEND INC	BILLING SERVICE	2,373.03
Total 24003:						2,373.03
<b>24004</b>						
01/18	01/22/2018	24004	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	424.60
Total 24004:						424.60
<b>24005</b>						
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	215.61
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	200.21
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	154.01
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	130.90
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	207.91
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	46.20
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	284.91
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	195.59
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	283.37
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	164.79
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	261.82
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	267.97
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	434.30
Total 24005:						2,847.59
<b>24006</b>						
01/18	01/22/2018	24006	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
01/18	01/22/2018	24006	62066	JANITORIAL SYSTEMS	WINDOW CLEANING INSIDE & OUT	300.00
Total 24006:						900.00
<b>24007</b>						
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	391.00
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	776.83
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	DIRECTORS LIFE INSURANCE	43.65
Total 24007:						1,211.48
<b>24008</b>						
01/18	01/22/2018	24008	62476	NETWORKFLEET INC	MONTHLY SERVICE	374.25
Total 24008:						374.25
<b>24009</b>						
01/18	01/22/2018	24009	62649	OPARC	PAINTING FIRE HYDRANTS	2,028.73
Total 24009:						2,028.73
<b>24010</b>						
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	1,800.00
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	2,696.56
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	975.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	1,316.20
Total 24010:						6,787.76
<b>24011</b>						
01/18	01/22/2018	24011	62447	REEB GOVERNMENT RELATIONS LLC	LOBBYIST	1,500.00
Total 24011:						1,500.00
<b>24012</b>						
01/18	01/22/2018	24012	62460	RYAN WHITE	MILEAGE REIMBURSEMENT	66.88
Total 24012:						66.88
<b>24013</b>						
01/18	01/22/2018	24013	339	S C W U A	RESERVATION (8)	240.00
Total 24013:						240.00
<b>24014</b>						
01/18	01/22/2018	24014	62249	SECURE SITE SOLUTIONS INC	SYSTEM MONITORING, MAINTENANCE-1/1/18-3/31/	1,842.00
Total 24014:						1,842.00
<b>24015</b>						
01/18	01/22/2018	24015	62534	SHRED IT USA	SHREDDING SERVICE	89.76
Total 24015:						89.76
<b>24016</b>						
01/18	01/22/2018	24016	62166	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	52.25
Total 24016:						52.25
<b>24017</b>						
01/18	01/22/2018	24017	3550	SOUTHERN COUNTIES FUELS	DIESEL CLEAR	1,153.83
Total 24017:						1,153.83
<b>24018</b>						
01/18	01/22/2018	24018	2185	SWRCB ACCOUNTING OFFICE	WATER SYSTEM FEES	36,644.00
Total 24018:						36,644.00
<b>24019</b>						
01/18	01/22/2018	24019	62325	THE BANK OF NEW YORK MELLON	IRS REBATE CALCUATION	2,750.00
Total 24019:						2,750.00
<b>24020</b>						
01/18	01/22/2018	24020	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	300.00
Total 24020:						300.00
<b>24021</b>						
01/18	01/22/2018	24021	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	188.20

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 24021:						188.20
<b>24022</b>						
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	847.70
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	813.68
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	464.96
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	1,460.38
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	813.68
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17TX22-FULLERTON RD GRADE SEP	116.24
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	581.20
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 16TX79-FULLERTON RD GRADE SEP	83,218.37
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17TX22-FULLERTON RD GRADE SEP	348.72
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	1" WATER SERVICE-323 BARCA	7,100.00
Total 24022:						95,764.93
<b>24023</b>						
01/18	01/22/2018	24023	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	693.02
Total 24023:						693.02
<b>24024</b>						
01/18	01/22/2018	24024	62432	WASTE MANAGEMENT COMPANY	HAUL DIRT	380.97
Total 24024:						380.97
<b>24025</b>						
01/18	01/30/2018	24025	400	AT&T MOBILITY	MOBILE PHONES, IPADS	2,551.81
Total 24025:						2,551.81
<b>24026</b>						
01/18	01/30/2018	24026	402	BOOMERANG BLUEPRINT	PLOT FOR PDF FILE AND BINDING-VALLEY BLVD	55.68
Total 24026:						55.68
<b>24027</b>						
01/18	01/30/2018	24027	371	CIVILTEC ENGINEERING INC	AZUSA INDUSTRIAL PARK REVIEW PLANS	400.00
Total 24027:						400.00
<b>24028</b>						
01/18	01/30/2018	24028	22541	DOTY BROS CONSTRUCTION CO	AZUSA INDUSTRIAL PARK PROJECT	258,524.50
Total 24028:						258,524.50
<b>24029</b>						
01/18	01/30/2018	24029	2550	FRONTIER	PHONE SERVICE	316.77
Total 24029:						316.77
<b>24030</b>						
01/18	01/30/2018	24030	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	618.18
Total 24030:						618.18

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>24031</b>						
01/18	01/30/2018	24031	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	1,405.71
Total 24031:						1,405.71
<b>24032</b>						
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	138.61
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	172.49
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	261.82
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	161.71
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	385.03
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	192.51
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	195.59
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	231.02
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	154.01
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	123.21
Total 24032:						2,354.82
<b>24033</b>						
01/18	01/30/2018	24033	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
Total 24033:						1,122.62
<b>24034</b>						
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	RCS STRUCTURE	19,000.00
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	RCS STRUCTURE	13,800.00
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	INSTALL RAIN GUTTER AND DOWNSPOUT	350.00
Total 24034:						33,150.00
<b>24035</b>						
01/18	01/30/2018	24035	4500	PETTY CASH	MISC EXPENSE	173.87
Total 24035:						173.87
<b>24036</b>						
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RC	402.38
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	864.60
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	869.99
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR FULLERTON RD GRADE SEP	1,653.13
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	111.18
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	2,032.32
Total 24036:						5,933.60
<b>24037</b>						
01/18	01/30/2018	24037	5625	SAN GABRIEL VALLEY WATER ASSN	QUARTERLY MEETING-DAVE WARREN	30.00
Total 24037:						30.00
<b>24038</b>						
01/18	01/30/2018	24038	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	938.42



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 24038:						938.42
<b>24039</b>						
01/18	01/30/2018	24039	2180	SWRCB-DWOCF	T2 RENEWAL-ANDREW ANTUNEZ	60.00
Total 24039:						60.00
<b>24040</b>						
01/18	01/30/2018	24040	323	UPS	POSTAGE	59.22
Total 24040:						59.22
<b>24041</b>						
01/18	01/30/2018	24041	382	W A RASIC CONSTRUCTION CO INC	EMERGENCY LEAK-3926 HACKLEY	4,268.79
Total 24041:						4,268.79
<b>24042</b>						
01/18	01/30/2018	24042	2212	WHITE NELSON DIEHL EVANS LLP	FOURTH INTERIM BILLING FISCAL YR 6/30/17	2,000.00
Total 24042:						2,000.00
Grand Totals:						1,604,117.59

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	478,217.25	.00	478,217.25
222100	10,432.62	1,614,550.21-	1,604,117.59-
22210-0	.00	.00	.00
51110-0	59,649.72	.00	59,649.72
51310-0	699,654.69	9,310.00-	690,344.69
51410-1	3,185.40	.00	3,185.40
51410-2	2,445.16	.00	2,445.16
51410-3	1,723.73	.00	1,723.73
51410-5	15,696.61	.00	15,696.61
51510-0	12,512.02	.00	12,512.02
51610-0	619.66	.00	619.66
51910-0	5,812.76	.00	5,812.76
52210-0	4,469.60	.00	4,469.60
52310-0	34,614.72	.00	34,614.72
54209-0	1,798.97	.00	1,798.97
54210-0	4,830.50	.00	4,830.50
54211-0	25,814.87	.00	25,814.87
54212-0	12,890.99	.00	12,890.99
54213-0	1,807.57	.00	1,807.57
54214-0	6,914.43	.00	6,914.43
54215-0	5,800.95	.00	5,800.95
54217-0	11,282.14	.00	11,282.14
54218-0	475.84	.00	475.84
54219-0	747.94	.00	747.94
56210-0	3,651.16	.00	3,651.16
56211-0	3,428.59	.00	3,428.59

GL Account	Debit	Credit	Proof
56212-0	245.00	.00	245.00
56214-0	938.42	.00	938.42
56215-0	260.00	.00	260.00
56216-0	191.96	.00	191.96
56217-0	248.78	.00	248.78
56218-0	5,758.69	.00	5,758.69
56218-1	975.00	.00	975.00
56219-0	13,437.51	.00	13,437.51
56220-0	13,604.67	.00	13,604.67
56221-0	10,282.84	.00	10,282.84
56223-0	2,229.28	.00	2,229.28
56311-0	11,932.16	.00	11,932.16
56312-0	20,391.90	.00	20,391.90
56320-0	12,428.10	.00	12,428.10
56411-0	39,060.92	.00	39,060.92
56413-0	2,788.03	.00	2,788.03
56414-0	262.40	.00	262.40
56415-0	487.14	.00	487.14
56416-0	391.00	.00	391.00
56417-0	14,098.93	.00	14,098.93
56418-0	776.83	.00	776.83
56419-0	54.05	.00	54.05
56421-0	10,274.20	.00	10,274.20
56710-0	81.84	.00	81.84
56811-0	2,000.00	.00	2,000.00
56812-0	3,592.11	.00	3,592.11
57310-0	2,750.00	.00	2,750.00
57312-0	2,414.07	.00	2,414.07
57314-0	2,840.42	1,122.62-	1,717.80
57315-0	2,325.00	.00	2,325.00
57316-0	1,736.00	.00	1,736.00
57320-0	60.00	.00	60.00
57321-0	37,587.69	.00	37,587.69
Grand Totals:	1,624,982.83	1,624,982.83-	.00

Report Criteria:

Report type: GL detail

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/03/2018	23905			Void Check	.00
01/18	01/03/2018	23906			Void Check	.00
01/18	01/03/2018	23907			Void Check	.00
01/18	01/03/2018	23908			Void Check	.00
01/18	01/03/2018	23909			Void Check	.00
01/18	01/03/2018	23910			Void Check	.00
01/18	01/03/2018	23911			Void Check	.00
01/18	01/03/2018	23912			Void Check	.00
01/18	01/03/2018	23913			Void Check	.00
01/18	01/03/2018	23914			Void Check	.00
01/18	01/03/2018	23915			Void Check	.00
01/18	01/03/2018	23916			Void Check	.00
01/18	01/03/2018	23917			Void Check	.00
01/18	01/03/2018	23918			Void Check	.00
01/18	01/03/2018	23919			Void Check	.00
01/18	01/03/2018	23920			Void Check	.00
01/18	01/03/2018	23921			Void Check	.00
01/18	01/03/2018	23922			Void Check	.00
01/18	01/03/2018	23923			Void Check	.00
Total :						.00
<b>11018</b>						
01/18	01/10/2018	11018	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	262.40
Total 11018:						262.40
<b>11618</b>						
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	215,462.10
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,353.41
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,723.73
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,402.68
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	8,209.51
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	118,607.79
01/18	01/16/2018	11618	62558	PUENTE BASIN WATER AGENCY	MWD LRP CREDIT	9,310.00-
Total 11618:						337,449.22
<b>11918</b>						
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	LA COUNTY-SERVICE CUTS	3,097.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	SPECTRUM	762.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	FREEDOM VOICE	1,555.72
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	DIRECTV	76.66
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	251.92
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	537.87
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	CONFERENCE EXPENSES	2,229.28
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	MISC EXPENSES	2,592.61
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	MAINTENANCE & OPERATION	245.18
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	POSTAGE EXPENSE	88.41
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	BOOK EXPENSE	245.00
01/18	01/19/2018	11918	1070	AMERICAN EXPRESS	PBWA EXPENSE	43.52
Total 11918:						11,725.17

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>23906</b>						
01/18	01/03/2018	23906	400	AT&T MOBILITY	MOBILE PHONES, IPADS	3,574.42
Total 23906:						3,574.42
<b>23907</b>						
01/18	01/03/2018	23907	402	BOOMERANG BLUEPRINT	BOND COPIES	71.61
Total 23907:						71.61
<b>23908</b>						
01/18	01/03/2018	23908	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 23908:						430.00
<b>23909</b>						
01/18	01/03/2018	23909	62647	COMMLINE, INC.	DUMP TRUCK AMBER LIGHTS	1,271.23
Total 23909:						1,271.23
<b>23910</b>						
01/18	01/03/2018	23910	2057	COUNTY OF LA-PUBLIC WORKS	PERMIT CONSTRUCTION INSPECTION	125.54
Total 23910:						125.54
<b>23911</b>						
01/18	01/03/2018	23911	62439	CVSTRATEGIES	COMMUNICATION SERVICES	8,945.26
Total 23911:						8,945.26
<b>23912</b>						
01/18	01/03/2018	23912	32	DAVE MILLER	MILEAGE REIMBURSEMENT	60.99
Total 23912:						60.99
<b>23913</b>						
01/18	01/03/2018	23913	62688	DION MOKHTARI	TOTAL EXPENSES-BOOT ALLOWANCE	109.99
Total 23913:						109.99
<b>23914</b>						
01/18	01/03/2018	23914	33	DUSTIN T MOISIO	MILEAGE REIMBURSEMENT	64.20
Total 23914:						64.20
<b>23915</b>						
01/18	01/03/2018	23915	2550	FRONTIER	PHONE SERVICE	316.11
Total 23915:						316.11
<b>23916</b>						
01/18	01/03/2018	23916	2690	HARPER & ASSOCIATES ENG.	Engineering and inspection services for Res 6	1,125.00
Total 23916:						1,125.00
<b>23917</b>						
01/18	01/03/2018	23917	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	2,104.39

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23917:						2,104.39
<b>23918</b>						
01/18	01/03/2018	23918	244	INFOSEND INC	BILLING SERVICE	1,623.85
Total 23918:						1,623.85
<b>23919</b>						
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	254.11
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	207.91
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	231.02
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	269.51
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	184.81
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	253.80
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	164.79
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	746.94
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	321.88
01/18	01/03/2018	23919	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	167.87
Total 23919:						2,972.05
<b>23920</b>						
01/18	01/03/2018	23920	62448	PARS	GASBY 45 MANAGEMENT FEE	678.59
Total 23920:						678.59
<b>23921</b>						
01/18	01/03/2018	23921	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES-SIX BASIN	466.50
Total 23921:						466.50
<b>23922</b>						
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR FULLERTON RD GRADE SEP	326.49
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	3/8" X 100' F/WW-500 KIT	460.10
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	1" F/WW-500 KIT	466.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	WKG500 P/P WKG-500 KLN GRP F/PLUG	305.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	3/4" X 100' TYPE K SOFT COPPER	650.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	1" X 100' TYPE K SOFT COPPER	464.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB61IP 6" X 1" IP D/S BRS SDL	420.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB81IP 8" X 1" IP D/S BRS SDL	245.90
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMSDSB102IP 10" X 2" IP D/S BRS	359.26
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	IBRNLB107 1" X 3/4" BRS HEX BUSH NO	35.90
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	IBRNLB21 2" X 1" BRS HEX BUSH NO	62.95
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMCPLGSG 1" CTS CPLG SG 110	98.85
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMCPLGSG2 2" CTS CPLG SG 110	372.28
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JME1292 2" FIP BRS NL MTG FLG	220.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	JMASG07 3/4" CTS SG 110 KEY AMS	304.97
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	MGL1 1" X 1/8" LTHR MTR GSKT	90.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	VDC40 VITA D CHLOR 40 TABLET	598.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	5/8" X 3/4" TO 3/4" 710J23	150.00
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	6,176.91
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RES	1,327.03
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	799.06
01/18	01/03/2018	23922	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	626.34

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23922:						14,559.04
<b>23923</b>						
01/18	01/03/2018	23923	62353	VERIZON	CONFERENCE CALLS	78.34
Total 23923:						78.34
<b>23924</b>						
01/18	01/03/2018	23924	205	WARREN GRAPHICS	BILL STUFFERS	1,337.58
Total 23924:						1,337.58
<b>23925</b>						
01/18	01/09/2018	23925	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	32.10
Total 23925:						32.10
<b>23926</b>						
01/18	01/09/2018	23926	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	24.61
Total 23926:						24.61
<b>23927</b>						
01/18	01/16/2018	23927	1050	ACWA JOINT POWERS INSURANCE A	WORKERS' COMP QUARTERLY PREMIUM	11,932.16
Total 23927:						11,932.16
<b>23928</b>						
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	39,060.92
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	487.14
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	54.05
01/18	01/16/2018	23928	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	2,788.03
01/18	01/16/2018	23928	1000	ACWA JPIA	RETIRES HEALTH BENEFITS	13,138.09
01/18	01/16/2018	23928	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,230.55
Total 23928:						65,758.78
<b>23929</b>						
01/18	01/16/2018	23929	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	283.69
Total 23929:						283.69
<b>23930</b>						
01/18	01/16/2018	23930	62493	CADWAY INC (CAL DOMESTIC WATE	WATER CHARGE	59,649.72
01/18	01/16/2018	23930	62493	CADWAY INC (CAL DOMESTIC WATE	RTC CDWC	619.66
Total 23930:						60,269.38
<b>23931</b>						
01/18	01/16/2018	23931	61991	CALIFORNIA DEPARTMENT OF TAX	UNDERGROUND STORAGE FEE	155.51
Total 23931:						155.51
<b>23932</b>						
01/18	01/16/2018	23932	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	2,722.81



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23932:						2,722.81
<b>23933</b>						
01/18	01/16/2018	23933	62645	CORE & MAIN LP	5/8X3/4" BLMJ METER 4G (50)	12,430.99
Total 23933:						12,430.99
<b>23934</b>						
01/18	01/16/2018	23934	16	DAVE WARREN	TOTAL EXPENSES-GAS	283.95
Total 23934:						283.95
<b>23935</b>						
01/18	01/16/2018	23935	62611	DEWPOINT CONSULTING	CONSULTING SERVICES-NOVEMBER 2017	11,078.10
Total 23935:						11,078.10
<b>23936</b>						
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPLACE 1" SVC-2226 OLD COPPER	3,752.70
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPAIR 2" LEAK-17282 GALE	5,735.24
01/18	01/16/2018	23936	22541	DOTY BROS CONSTRUCTION CO	REPAIR 6" LEAK-2799 NATIVE	4,232.50
Total 23936:						13,720.44
<b>23937</b>						
01/18	01/16/2018	23937	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	2,100.00
Total 23937:						2,100.00
<b>23938</b>						
01/18	01/16/2018	23938	2550	FRONTIER	INTERNET ACCESS	803.00
Total 23938:						803.00
<b>23939</b>						
01/18	01/16/2018	23939	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 23939:						170.00
<b>23940</b>						
01/18	01/16/2018	23940	62427	GOVERNMENT FINANCE OFFICERS A	MEMBERSHIP DUES-SEAN HENRY	160.00
Total 23940:						160.00
<b>23941</b>						
01/18	01/16/2018	23941	2600	HACH COMPANY	CLT10 TOTAL ANALYZER WITH SC200	5,015.04
01/18	01/16/2018	23941	2600	HACH COMPANY	BASIC SUPPORT	1,724.00
Total 23941:						6,739.04
<b>23942</b>						
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.67
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	RWD SONICWALL-OFFICE	2,300.00
01/18	01/16/2018	23942	379	HIGHROAD INFORMATION TECHNOL	RWD SONICWALL-DATA CENTER	2,300.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23942:						11,573.67
<b>23943</b>						
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	127.94
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	414.15
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	67.54
01/18	01/16/2018	23943	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	250.65
Total 23943:						860.28
<b>23944</b>						
01/18	01/16/2018	23944	244	INFOSEND INC	BILLING SERVICE	1,525.16
Total 23944:						1,525.16
<b>23945</b>						
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	215.61
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	522.08
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	190.97
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	149.39
01/18	01/16/2018	23945	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	150.93
Total 23945:						1,228.98
<b>23946</b>						
01/18	01/16/2018	23946	3080	J COLON COATINGS INC	RES 6 REHABILITATION	42,053.65
Total 23946:						42,053.65
<b>23947</b>						
01/18	01/16/2018	23947	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
01/18	01/23/2018	23947	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
Total 23947:						.00
<b>23948</b>						
01/18	01/16/2018	23948	62691	LYONS CONSTRUCTION	RCS STRUCTURE	19,000.00
Total 23948:						19,000.00
<b>23949</b>						
01/18	01/16/2018	23949	62690	MASTER METER	HARMONY MOBILE ANNUAL SUPPORT	1,750.00
Total 23949:						1,750.00
<b>23950</b>						
01/18	01/16/2018	23950	257	MCMMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	89.84
Total 23950:						89.84
<b>23951</b>						
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT FCI FLOW METER FOR CO2 SYS	951.68
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT P4 MOTOR OVER TEMP ALARM	475.84
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	REMOVE EXISTING & INSTALL WIRE & PROGRAM	951.68
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	CHECK LEVEL TRANSMITTER	237.92
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	CHECK & TEST OPERATION OF P3	237.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/16/2018	23951	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT CIRCUIT BREAKER NOT RESETT	237.92
Total 23951:						3,092.96
<b>23952</b>						
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	12" M2000 MAG Meter (Zone 6 Pump Station)	5,678.00
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	6" M2000 MAG Meter (Well 1 Pump Station)	2,547.00
01/18	01/16/2018	23952	62596	NATIONAL METER & AUTOMATION, IN	TAX	903.28
Total 23952:						9,128.28
<b>23953</b>						
01/18	01/16/2018	23953	62649	OPARC	PAINTING FIRE HYDRANTS	2,035.63
Total 23953:						2,035.63
<b>23954</b>						
01/18	01/16/2018	23954	5100	PUENTE READY MIX INC	CRUSHER BASE & WASH CON SAND	1,509.54
Total 23954:						1,509.54
<b>23955</b>						
01/18	01/16/2018	23955	62562	RMC WATER AND ENVIRONMENT	PHASE 3 CONSTRUCTION-FULLERTON GRADE SE	2,248.75
01/18	01/16/2018	23955	62562	RMC WATER AND ENVIRONMENT	AS NEEDED RW SRVS 2017-18	1,736.00
Total 23955:						3,984.75
<b>23956</b>						
01/18	01/16/2018	23956	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	427.06
01/18	01/16/2018	23956	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RES	125.93
Total 23956:						552.99
<b>23957</b>						
01/18	01/16/2018	23957	5625	SAN GABRIEL VALLEY WATER ASSN	2018 MEMBERSHIP DUES	100.00
Total 23957:						100.00
<b>23958</b>						
01/18	01/16/2018	23958	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	31,104.62
01/18	01/16/2018	23958	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,456.07
Total 23958:						34,560.69
<b>23959</b>						
01/18	01/16/2018	23959	5900	SOCALGAS	GAS UTILITY BILL	254.37
Total 23959:						254.37
<b>23960</b>						
01/18	01/16/2018	23960	6600	THREE VALLEYS MUN WATER DIST	LEADERSHIP BREAKFAST-A LIMA, J BELLAH, T RI	80.00
Total 23960:						80.00
<b>23961</b>						
01/18	01/16/2018	23961	62626	TRI COUNTY PUMP COMPANY	PULL & INSPECT WELL PUMP 2	3,280.00

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Total 23961:						3,280.00
<b>23962</b>						
01/18	01/16/2018	23962	62521	TRIPEPI SMITH & ASSOCIATES	ANNUAL CONSTANT CONTACT SUBSCRIPTION	969.00
Total 23962:						969.00
<b>23963</b>						
01/18	01/16/2018	23963	62665	VERIZON	SCADA ALARM MODEM	28.54
Total 23963:						28.54
<b>23964</b>						
01/18	01/16/2018	23964	2900	VULCAN MATERIAL COMPANY	COLD MIX	1,034.06
Total 23964:						1,034.06
<b>23965</b>						
01/18	01/16/2018	23965	62685	WATERWISEPRO TRAINING	DISTRIBUTION REFRESHER COURSE & (5) STUDY	1,000.00
Total 23965:						1,000.00
<b>23986</b>						
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	370.4 AC FT-NOV 2017 WATER	365,584.80
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	7,487.10
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,091.75
01/18	01/22/2018	23986	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,782.72
Total 23986:						375,946.37
<b>23987</b>						
01/18	01/22/2018	23987	4600	AIRGAS USA LLC	TANK RENTAL	81.84
Total 23987:						81.84
<b>23988</b>						
01/18	01/22/2018	23988	62622	AKM CONSULTING ENGINEERS	EASEMENTS AND COORDINATE WITH GIS	2,750.00
01/18	01/22/2018	23988	62622	AKM CONSULTING ENGINEERS	PARALLAX FUTURE 3 SYSTEM	6,596.19
Total 23988:						9,346.19
<b>23989</b>						
01/18	01/22/2018	23989	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	960.84
Total 23989:						960.84
<b>23990</b>						
01/18	01/22/2018	23990	62597	BEST BEST & KRIEGER	LEGAL FEES-GENERAL COUNSEL	2,380.09
01/18	01/22/2018	23990	62597	BEST BEST & KRIEGER	LEGAL FEES-LABOR AND EMPLOYMENT	1,878.60
Total 23990:						4,258.69
<b>23991</b>						
01/18	01/22/2018	23991	1476	BUSINESS CARD (VISA)	MISC EXPENSES	628.04
01/18	01/22/2018	23991	1476	BUSINESS CARD (VISA)	VEHICLE EXPENSE	153.63

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 23991:						781.67
<b>23992</b>						
01/18	01/22/2018	23992	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 23992:						430.00
<b>23993</b>						
01/18	01/22/2018	23993	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,884.00
Total 23993:						1,884.00
<b>23994</b>						
01/18	01/22/2018	23994	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	11,819.00
Total 23994:						11,819.00
<b>23995</b>						
01/18	01/22/2018	23995	371	CIVILTEC ENGINEERING INC	PIPELINE REPLACEMENT VALLEY BLVD	3,454.00
Total 23995:						3,454.00
<b>23996</b>						
01/18	01/22/2018	23996	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,325.00
Total 23996:						2,325.00
<b>23997</b>						
01/18	01/22/2018	23997	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	100.00
Total 23997:						100.00
<b>23998</b>						
01/18	01/22/2018	23998	62505	D & H WATER SYSTEMS	REPLACEMENT CHLORINE SENSOR	226.67
Total 23998:						226.67
<b>23999</b>						
01/18	01/22/2018	23999	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	87.60
Total 23999:						87.60
<b>24000</b>						
01/18	01/22/2018	24000	2300	FEDERAL EXPRESS	POSTAGE	44.33
Total 24000:						44.33
<b>24001</b>						
01/18	01/22/2018	24001	24701	GRAINGER	SUPPLIES FOR RC	206.99
Total 24001:						206.99
<b>24002</b>						
01/18	01/22/2018	24002	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,009.27
01/18	01/22/2018	24002	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR PBWA	869.43

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Total 24002:						1,878.70
<b>24003</b>						
01/18	01/22/2018	24003	244	INFOSEND INC	BILLING SERVICE	2,373.03
Total 24003:						2,373.03
<b>24004</b>						
01/18	01/22/2018	24004	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	424.60
Total 24004:						424.60
<b>24005</b>						
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	215.61
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	200.21
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	154.01
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	130.90
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	207.91
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	46.20
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	284.91
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	195.59
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	283.37
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	164.79
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	261.82
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	267.97
01/18	01/22/2018	24005	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	434.30
Total 24005:						2,847.59
<b>24006</b>						
01/18	01/22/2018	24006	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
01/18	01/22/2018	24006	62066	JANITORIAL SYSTEMS	WINDOW CLEANING INSIDE & OUT	300.00
Total 24006:						900.00
<b>24007</b>						
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	391.00
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	776.83
01/18	01/22/2018	24007	62583	LINCOLN FINANCIAL GROUP	DIRECTORS LIFE INSURANCE	43.65
Total 24007:						1,211.48
<b>24008</b>						
01/18	01/22/2018	24008	62476	NETWORKFLEET INC	MONTHLY SERVICE	374.25
Total 24008:						374.25
<b>24009</b>						
01/18	01/22/2018	24009	62649	OPARC	PAINTING FIRE HYDRANTS	2,028.73
Total 24009:						2,028.73
<b>24010</b>						
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	1,800.00
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	2,696.56
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	975.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/18	01/22/2018	24010	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	1,316.20
Total 24010:						6,787.76
<b>24011</b>						
01/18	01/22/2018	24011	62447	REEB GOVERNMENT RELATIONS LLC	LOBBYIST	1,500.00
Total 24011:						1,500.00
<b>24012</b>						
01/18	01/22/2018	24012	62460	RYAN WHITE	MILEAGE REIMBURSEMENT	66.88
Total 24012:						66.88
<b>24013</b>						
01/18	01/22/2018	24013	339	S C W U A	RESERVATION (8)	240.00
Total 24013:						240.00
<b>24014</b>						
01/18	01/22/2018	24014	62249	SECURE SITE SOLUTIONS INC	SYSTEM MONITORING, MAINTENANCE-1/1/18-3/31/	1,842.00
Total 24014:						1,842.00
<b>24015</b>						
01/18	01/22/2018	24015	62534	SHRED IT USA	SHREDDING SERVICE	89.76
Total 24015:						89.76
<b>24016</b>						
01/18	01/22/2018	24016	62166	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	52.25
Total 24016:						52.25
<b>24017</b>						
01/18	01/22/2018	24017	3550	SOUTHERN COUNTIES FUELS	DIESEL CLEAR	1,153.83
Total 24017:						1,153.83
<b>24018</b>						
01/18	01/22/2018	24018	2185	SWRCB ACCOUNTING OFFICE	WATER SYSTEM FEES	36,644.00
Total 24018:						36,644.00
<b>24019</b>						
01/18	01/22/2018	24019	62325	THE BANK OF NEW YORK MELLON	IRS REBATE CALCUATION	2,750.00
Total 24019:						2,750.00
<b>24020</b>						
01/18	01/22/2018	24020	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	300.00
Total 24020:						300.00
<b>24021</b>						
01/18	01/22/2018	24021	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	188.20



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 24021:						188.20
<b>24022</b>						
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	847.70
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	813.68
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	464.96
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	1,460.38
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	813.68
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17TX22-FULLERTON RD GRADE SEP	116.24
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	581.20
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 16TX79-FULLERTON RD GRADE SEP	83,218.37
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	JOB 17TX22-FULLERTON RD GRADE SEP	348.72
01/18	01/22/2018	24022	382	W A RASIC CONSTRUCTION CO INC	1" WATER SERVICE-323 BARCA	7,100.00
Total 24022:						95,764.93
<b>24023</b>						
01/18	01/22/2018	24023	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	693.02
Total 24023:						693.02
<b>24024</b>						
01/18	01/22/2018	24024	62432	WASTE MANAGEMENT COMPANY	HAUL DIRT	380.97
Total 24024:						380.97
<b>24025</b>						
01/18	01/30/2018	24025	400	AT&T MOBILITY	MOBILE PHONES, IPADS	2,551.81
Total 24025:						2,551.81
<b>24026</b>						
01/18	01/30/2018	24026	402	BOOMERANG BLUEPRINT	PLOT FOR PDF FILE AND BINDING-VALLEY BLVD	55.68
Total 24026:						55.68
<b>24027</b>						
01/18	01/30/2018	24027	371	CIVILTEC ENGINEERING INC	AZUSA INDUSTRIAL PARK REVIEW PLANS	400.00
Total 24027:						400.00
<b>24028</b>						
01/18	01/30/2018	24028	22541	DOTY BROS CONSTRUCTION CO	AZUSA INDUSTRIAL PARK PROJECT	258,524.50
Total 24028:						258,524.50
<b>24029</b>						
01/18	01/30/2018	24029	2550	FRONTIER	PHONE SERVICE	316.77
Total 24029:						316.77
<b>24030</b>						
01/18	01/30/2018	24030	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	618.18
Total 24030:						618.18

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>24031</b>						
01/18	01/30/2018	24031	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	1,405.71
Total 24031:						1,405.71
<b>24032</b>						
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	138.61
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	172.49
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	261.82
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	161.71
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	385.03
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	192.51
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	169.41
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	195.59
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	231.02
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	154.01
01/18	01/30/2018	24032	62624	INTER VALLEY POOL SUPPLY INC	CHEMICALS FOR RCS	123.21
Total 24032:						2,354.82
<b>24033</b>						
01/18	01/30/2018	24033	3105	JACK'S LOCK & KEY	ENTRY LEVER, REMOVE & REPLACE LOCKS	1,122.62
Total 24033:						1,122.62
<b>24034</b>						
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	RCS STRUCTURE	19,000.00
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	RCS STRUCTURE	13,800.00
01/18	01/30/2018	24034	62691	LYONS CONSTRUCTION	INSTALL RAIN GUTTER AND DOWNSPOUT	350.00
Total 24034:						33,150.00
<b>24035</b>						
01/18	01/30/2018	24035	4500	PETTY CASH	MISC EXPENSE	173.87
Total 24035:						173.87
<b>24036</b>						
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RC	402.38
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	864.60
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	869.99
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR FULLERTON RD GRADE SEP	1,653.13
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	111.18
01/18	01/30/2018	24036	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	2,032.32
Total 24036:						5,933.60
<b>24037</b>						
01/18	01/30/2018	24037	5625	SAN GABRIEL VALLEY WATER ASSN	QUARTERLY MEETING-DAVE WARREN	30.00
Total 24037:						30.00
<b>24038</b>						
01/18	01/30/2018	24038	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	938.42

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 24038:						938.42
<b>24039</b>						
01/18	01/30/2018	24039	2180	SWRCB-DWOCF	T2 RENEWAL-ANDREW ANTUNEZ	60.00
Total 24039:						60.00
<b>24040</b>						
01/18	01/30/2018	24040	323	UPS	POSTAGE	59.22
Total 24040:						59.22
<b>24041</b>						
01/18	01/30/2018	24041	382	W A RASIC CONSTRUCTION CO INC	EMERGENCY LEAK-3926 HACKLEY	4,268.79
Total 24041:						4,268.79
<b>24042</b>						
01/18	01/30/2018	24042	2212	WHITE NELSON DIEHL EVANS LLP	FOURTH INTERIM BILLING FISCAL YR 6/30/17	2,000.00
Total 24042:						2,000.00
Grand Totals:						1,604,117.59

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	478,217.25	.00	478,217.25
222100	10,432.62	1,614,550.21-	1,604,117.59-
22210-0	.00	.00	.00
51110-0	59,649.72	.00	59,649.72
51310-0	699,654.69	9,310.00-	690,344.69
51410-1	3,185.40	.00	3,185.40
51410-2	2,445.16	.00	2,445.16
51410-3	1,723.73	.00	1,723.73
51410-5	15,696.61	.00	15,696.61
51510-0	12,512.02	.00	12,512.02
51610-0	619.66	.00	619.66
51910-0	5,812.76	.00	5,812.76
52210-0	4,469.60	.00	4,469.60
52310-0	34,614.72	.00	34,614.72
54209-0	1,798.97	.00	1,798.97
54210-0	4,830.50	.00	4,830.50
54211-0	25,814.87	.00	25,814.87
54212-0	12,890.99	.00	12,890.99
54213-0	1,807.57	.00	1,807.57
54214-0	6,914.43	.00	6,914.43
54215-0	5,800.95	.00	5,800.95
54217-0	11,282.14	.00	11,282.14
54218-0	475.84	.00	475.84
54219-0	747.94	.00	747.94
56210-0	3,651.16	.00	3,651.16
56211-0	3,428.59	.00	3,428.59

GL Account	Debit	Credit	Proof
56212-0	245.00	.00	245.00
56214-0	938.42	.00	938.42
56215-0	260.00	.00	260.00
56216-0	191.96	.00	191.96
56217-0	248.78	.00	248.78
56218-0	5,758.69	.00	5,758.69
56218-1	975.00	.00	975.00
56219-0	13,437.51	.00	13,437.51
56220-0	13,604.67	.00	13,604.67
56221-0	10,282.84	.00	10,282.84
56223-0	2,229.28	.00	2,229.28
56311-0	11,932.16	.00	11,932.16
56312-0	20,391.90	.00	20,391.90
56320-0	12,428.10	.00	12,428.10
56411-0	39,060.92	.00	39,060.92
56413-0	2,788.03	.00	2,788.03
56414-0	262.40	.00	262.40
56415-0	487.14	.00	487.14
56416-0	391.00	.00	391.00
56417-0	14,098.93	.00	14,098.93
56418-0	776.83	.00	776.83
56419-0	54.05	.00	54.05
56421-0	10,274.20	.00	10,274.20
56710-0	81.84	.00	81.84
56811-0	2,000.00	.00	2,000.00
56812-0	3,592.11	.00	3,592.11
57310-0	2,750.00	.00	2,750.00
57312-0	2,414.07	.00	2,414.07
57314-0	2,840.42	1,122.62-	1,717.80
57315-0	2,325.00	.00	2,325.00
57316-0	1,736.00	.00	1,736.00
57320-0	60.00	.00	60.00
57321-0	37,587.69	.00	37,587.69
Grand Totals:	<u>1,624,982.83</u>	<u>1,624,982.83-</u>	<u>.00</u>

Report Criteria:  
 Report type: GL detail

Report Criteria:  
Detail Report

Check Number	Date	Payee					
23905	01/03/2018	ENGEL GERHARD					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	527454-20	CREDIT REFUND-18311 SUNSHINE COURT	15210-0	53.12	53.12
23966	01/17/2018	CUNNINGHAM-DAVIS CORP					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	10-00	DEPOSIT REFUND	22810-0	2,370.09	
		2	10-00	CREDIT REFUND	15210-0	94.91	2,465.00
23967	01/17/2018	UNITED COM					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	11-00	DEPOSIT REFUND	22810-0	2,415.02	2,415.02
23968	01/17/2018	FULCRUM CONSTRUCTION					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	12-00	DEPOSIT REFUND	22810-0	2,420.03	
		2	12-00	CREDIT REFUND	15210-0	64.97	2,485.00
23969	01/17/2018	GREGG ELECTRIC INC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	13-00	DEPOSIT REFUND	22810-0	2,440.02	2,440.02
23970	01/17/2018	LD ANDERSON INC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
23973	01/17/2018	LD ANDERSON INC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	36-00	DEPOSIT REFUND	22810-0	1,000.00	1,000.00
23974	01/17/2018	XIN ZHAO					

Sequence	Source	Description	GL Account	Amount	Check Amount
1	233369-41	DEPOSIT REFUND	22810-0	280.27	280.27
23975	01/17/2018	LULU GONG			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	233706-11	DEPOSIT REFUND	22810-0	130.66	130.66
23976	01/17/2018	FACHIN HSU			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	237625-17	DEPOSIT REFUND	22810-0	122.00	122.00
23977	01/17/2018	PETER NASMYTH			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	253815-69	DEPOSIT REFUND	22810-0	132.43	132.43
23978	01/17/2018	JOY DU			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	262141-69	DEPOSIT REFUND	22810-0	40.91	40.91
23979	01/17/2018	KAREN CHANG GEE			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	262141-70	DEPOSIT REFUND	22810-0	155.53	155.53
23980	01/17/2018	NANCY H WNG			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	840939-25	DEPOSIT REFUND	22810-0	607.28	607.28
23981	01/17/2018	PG LAWSON LTD PTNSHP			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	249275-20	CREDIT REFUND	15210-0	92.18	
2	454052-20	CREDIT REFUND	15210-0	205.33	
3	872382-20	CREDIT REFUND	15210-0	418.01	715.52
23982	01/17/2018	ENGEL GERHARD			

Sequence	Source	Description	GL Account	Amount	Check Amount
1	527454-20	DEPOSIT REFUND	15210-0	86.03	86.03
23983 01/17/2018 DOMINION PROPERTY PARTNERS					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	746203-59	CREDIT REFUND	15210-0	30.37	30.37
23984 01/17/2018 DONG LI					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	168295-14	CREDIT REFUND	15210-0	67.06	67.06
23985 01/17/2018 YUAN CHUAN JACOB HSU					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	315301-78	CREDIT REFUND	15210-0	126.41	126.41
Grand Totals:					<u><u>13,352.63</u></u>

Report Criteria:  
 Detail Report

**Tab**

**1.4**





# Rowland Water District Memorandum

To: Thomas Coleman, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: February 1, 2018

**Subject: Investment Update – January 2018**

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**Economic Review:** The next meeting of the Federal Reserve is scheduled for March 20th. The last meeting was held on January 30th. The Fed Funds rate remained at a target ranges of 1-1/4 to 1-1/2 percent. At the meeting, the Federal Reserve stated “labor markets have continued to strengthen and economic activity has been rising at a solid rate. Gains in employment, household spending and business fixed investment have been solid, and the unemployment rate has stayed low. On a 12-month basis, both overall inflation and inflation for items other than food and energy have continued to run below 2 percent. Market-based measures of inflation compensation have increased in recent months but remain low.” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 3.6 for the month of December. The previous reading was 3.6 in the month of November.

**LAIF Update:** LAIF ended the month of December with a yield of 1.24%. This represents a .07 basis point increase from the month of November. A comparison with last year shows a .52 basis point increase from December 2016 when the yield stood at 0.72%.

**RWD Investments:** Rowland Water District’s bond portfolio carries an average yield of 1.49%. This is a .15 basis point increase from the month of January and a 0.25 basis point premium to LAIF. The District CD Placement program carries an effective yield of 1.44% and an average maturity of 617 days. The District had six bond sales and one maturity in the month of January. The bonds sales resulted in a realized gain of \$4,711.44. Three corporate bonds were purchased with yields of 2.08%, 2.25% and 2.96%.

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 JANUARY 31, 2018**



**CASH**

Citizens Business Bank	1,414,050.12
Comerica Bank MMIA	17,052.05
<b>TOTAL CASH</b>	<b>1,431,102.17</b>

<b>COMERICA SECURITIES CD PLACEMENT</b>	NA	1mth - 2 Years	NA	NA	NA	1.44%	617	<b>1,220,000.00</b>	7.61%
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>	NA	NA	NA	NA	NA	1.24%	NA	<b>3,452,573.84</b>	21.53%

**CITIZENS TRUST INVESTMENTS  
(UNION BANK CUSTODIAN)**

Term	Quantity	Purchase Price	Current Price	Maturity Date	Current Yield	Next Call	Current Value	% of Portfolio
US Treasury Note	5 Year	200,000.00	99.742	99.953	02/28/18	0.75%	199,906.00	1.25%
Fed Natl Mtg Assn	5 Year	500,000.00	100.300	99.802	05/21/18	0.88%	499,010.00	3.11%
US Treasury Note	5 Year	250,000.00	99.868	99.574	11/30/18	1.38%	248,935.00	1.55%
US Treasury Note	5 Year	250,000.00	100.172	99.551	01/31/19	1.50%	248,877.50	1.55%
US Treasury Note	5 Year	250,000.00	99.359	98.496	01/31/20	1.38%	246,240.00	1.54%
US Treasury Note	5 Year	250,000.00	99.047	97.770	03/31/20	1.14%	244,425.00	1.52%
US Treasury Note	5 Year	250,000.00	99.016	98.191	04/30/20	1.38%	245,477.50	1.53%
US Treasury Note	5 Year	250,000.00	99.633	96.434	02/28/21	1.13%	241,085.00	1.50%
US Treasury Note	5 Year	250,000.00	100.184	95.781	07/31/21	1.13%	239,452.50	1.49%
US Treasury Note	5 Year	250,000.00	99.059	95.633	08/31/21	1.13%	239,082.50	1.49%
Fed Natl Mtg Assn	5 Year	250,000.00	100.535	97.494	04/05/22	1.88%	243,735.00	1.52%
US Treasury Note	5 Year	250,000.00	100.375	97.356	07/31/22	1.88%	243,390.00	1.52%
John Deere Capital Corp.	1 Year	350,000.00	100.059	99.915	04/17/19	2.25%	349,702.50	2.18%
Paccar Financial Corp.	2 Year	200,000.00	98.996	98.774	11/13/20	2.08%	197,548.00	1.23%
Bank of New York Mellon Corp	5 Year	250,000.00	99.806	99.655	01/29/23	2.96%	249,137.50	1.55%
Cash Reserve Account						0.97%	769,965.84	4.80%
<b>Total BNY Mellon Investments</b>							<b>4,705,969.84</b>	29.35%

**WELLS FARGO ADVISORS  
(UNION BANK CUSTODIAN)**

Term	Quantity	Purchase Price	Current Price	Maturity Date	Current Yield	Next Call	Current Value	% of Portfolio
Fedl Natl Mtg Assn	5 Year	495,000.00	100.448	99.988	02/08/18	0.88%	494,940.60	3.09%
Fedl Home Loan Mtg Corp	5 Year	495,000.00	100.392	99.955	03/07/18	0.88%	494,777.25	3.09%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.530	99.802	05/21/18	0.88%	499,010.00	3.11%
Fedl Natl Mtg Assn	4 Year	250,000.00	98.671	99.647	09/27/18	1.27%	249,117.50	1.55%
Fedl Natl Mtg Assn	5 Year	245,000.00	100.061	99.816	11/27/18	1.63%	244,549.20	1.53%
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.581	98.750	08/01/19	1.25%	271,562.50	1.69%
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.344	98.537	10/02/19	1.25%	270,976.75	1.69%
Fedl Farm Credit Bank	5 Year	240,000.00	98.229	98.413	10/22/19	1.29%	236,191.20	1.47%
Fedl Natl Mtg Assn	2 Year	250,000.00	99.416	98.146	07/30/20	1.53%	245,365.00	1.53%
Fedl Home Loan Mtg Corp	2 Year	250,000.00	100.182	98.844	11/17/20	1.88%	247,110.00	1.54%
Fedl Natl Mtg Assn	4 Year	250,000.00	100.141	96.267	10/07/21	1.38%	240,667.50	1.50%
Fedl Home Loan Bank	4 Year	250,000.00	100.987	97.932	11/29/21	1.88%	244,830.00	1.53%
Fedl Natl Mtg Assn	5 Year	300,000.00	101.614	98.311	01/05/22	2.00%	294,933.00	1.84%
Fedl Home Loan Bank	5 Year	125,000.00	101.153	97.494	04/05/22	1.88%	365,602.50	2.28%
Fedl Home Loan Bank	5 Year	200,000.00	99.334	95.957	04/13/22	1.52%	191,914.00	1.20%
Fedl Home Loan Bank	5 Year	125,000.00	101.067	96.855	12/09/22	1.89%	121,068.75	0.76%
Cash Reserve Account						0.97%	510,836.44	3.19%
<b>Total Wells Fargo Investments</b>							<b>5,223,452.19</b>	32.58%

**TOTAL INVESTMENTS**

**TOTAL CASH AND INVESTMENTS**

<b>Weighted Average Yield of Total Investment Portfolio:</b>	<b>1.20%</b>
--	--------------

**14,601,995.87**  
**16,033,098.04**

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*  
 Sean S. Henry, Finance Officer



## COMPARATIVE PURCHASED WATER REPORT FOR THE MONTH OF DECEMBER 2017

SOURCE / DESCRIPTION	2017			2016		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
<b>WATER CHARGES:</b>						
POTABLE WATER						
PUENTE BASIN WATER AGENCY / TVMWD	249.7	336,910.14	1,349.26	292.3	267,061.40	913.66
POMONA-WALNUT-ROWLAND JWLC	413.5	408,124.50	987.00	430.4	395,107.20	918.00
CAL. DOMESTIC WATER COMPANY (CDWC)	169.8	59,649.72	351.29	0.0	-	-
LA HABRA HEIGHTS	0.0	-	-	0.0	-	-
CYCLIC STORAGE	0.0	-	-	5,005.6	2,984,476.50	596.23
	833.0	804,684.36		5,728.3	3,646,645.1	
RECLAIMED WATER	47.6	12,512.02	262.86	16.9	4,079.82	241.41
<b>TOTAL WATER CHARGES</b>	<b>880.6</b>	<b>817,196.38</b>		<b>5,745.2</b>	<b>3,650,724.92</b>	
<b>FIXED CHARGES:</b>						
PUENTE BASIN WATER AGENCY / TVMWD						
CAPACITY RESERVATION		8,209.51			11,203.21	
CONNECTED CAPACITY		1,353.41			1,425.23	
WATER USE CHARGE		1,402.68			1,457.58	
EQUIV. SMALL METER		1,723.73			1,828.86	
SUBTOTAL		12,689.33			15,914.88	
PWR JWLC						
CAPACITY RESERVATION		7,487.10			10,906.08	
CONNECTED CAPACITY		1,091.75			1,149.69	
WATER USE CHARGE		1,782.72			1,910.45	
DEPRECIATION		1,389.00			1,389.00	
REPLACEMENT		1,910.00			1,910.00	
BUDGET ASSESSMENT		46,724.08			9,224.08	
SUBTOTAL		60,384.65			26,489.30	
CDWC / LHH / ODWD						
FIXED CHARGES		309.78			-	
SUBTOTAL						
<b>TOTAL FIXED CHARGES</b>		<b>73,383.76</b>			<b>42,404.18</b>	
<b>TOTAL PURCHASED WATER CHARGES</b>		<b>890,580.14</b>			<b>3,693,129.10</b>	
<b>AVERAGE WATER CHARGE:</b>		<b>\$ 1,011.33</b>			<b>\$ 642.82</b>	

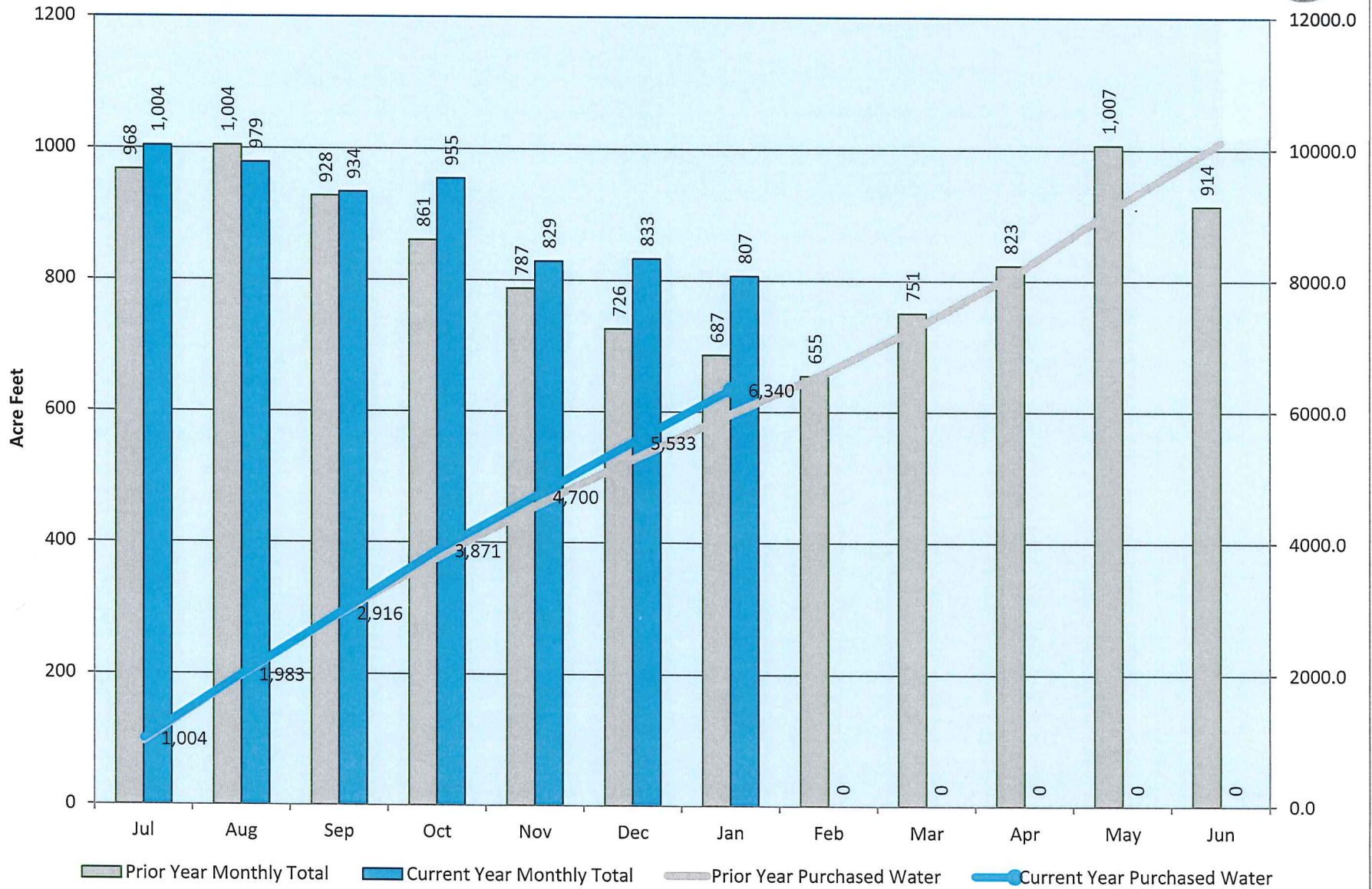
**Tab**

**1.5**





# Potable Water Purchases For FY 2017-2018 (Acre-feet)



# Tab

## 2.1



## FEBRURAY 2018-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>
<b>Anthony J. Lima</b>					
	2/8/2018	PBWA at RWD	\$110.00		
	2/9/2018	RWD Employee Event		X	
	2/13/2018	RWD Board Meeting	\$110.00		
	2/15/2018	PWR Meeting at Walnut	\$110.00		Mileage
	2/21/2018	Three Valleys Board Meeting	\$110.00		Mileage
	2/27/2018	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$550.00</b>		
<b>John Bellah</b>					
	2/6/18-2/9/18	Urban Water Conference	\$440.00		Mileage
	2/9/2018	RWD Employee Event		X	
	2/12/2018	SGV Chamber Gov Affairs	\$110.00		
	2/13/2018	RWD Board Meeting	\$110.00		
	2/27/2018	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$770.00</b>		
<b>Robert W. Lewis</b>					
	2/8/2018	PBWA at RWD	\$110.00		
	2/9/2018	RWD Employee Event		X	
	2/12/2018	SGV Chamber Gov Affairs	\$110.00		
	2/13/2018	RWD Board Meeting	\$110.00		
	2/27/2018	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$440.00</b>		
<b>Szu-Pei Lu</b>					
	2/9/2018	RWD Employee Event		X	
	2/12/2018	RHCCC Meeting	\$110.00		
	2/13/2018	RWD Board Meeting	\$110.00		
	2/21/2018	Three Valleys Board Meeting	\$110.00		Mileage
	2/27/2018	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$440.00</b>		
<b>Teresa Rios</b>					
	2/13/2018	RWD Board Meeting	\$110.00		
	2/27/2018	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$220.00</b>		

APPROVED FOR PAYMENT:

Tom Coleman



**Tab**

**2.2**

Board of Directors  
Rowland Water District  
Rowland Heights, California

We have audited the financial statements of the Rowland Water District (the District) as of and for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 4, 2017 and in our planning communication letter to you also dated August 14, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- a. When available, management's estimate of the fair value of investments is based on quoted prices in active markets. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the District's asset manager from a third-party service provider.
- b. Management's estimate of useful lives of capital assets used for depreciation purposes is based on industry standards.

## **Significant Audit Findings (Continued)**

### *Qualitative Aspects of Accounting Practices (Continued)*

- c. The annual required contributions, pension expense, net pension liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- d. The annual required contributions, OPEB expense, net OPEB obligation, and actuarial accrued liability for the District's Other Post-Employment Healthcare Plan are based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reported in Note 10 regarding the District's defined benefit pension plans and Note 11 regarding the District's other post-employment benefit plan.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing the audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, one misstatement detected as a result of audit procedures and corrected by management that related to the correction of the beginning of the year balance of accounts payable is considered to be material.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Significant Audit Findings (Continued)**

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 20, 2018.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to management’s discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plan, and the other post-employment benefit plan schedules of funding progress and annual money-weighted rate of return on investments, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedules of other operating expenses and the schedules of general and administrative expenses, which accompany the financial statements but are not RSI. With respect to this other supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the other supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## Upcoming Changes in Accounting Standards and Regulatory Updates

### Procurement Rules under Uniform Guidance

The Uniform Guidance has different procurement rules than those previously required by the Circular A-133. Due to the work required by nonfederal entities to implement these new rules, a two-year grace period was given. In May 2017, an additional one-year grace period was given. Beginning July 1, 2018, nonfederal entities will be required to comply with all of the Uniform Guidance procurement rules should they expend any federal funding. Included in these new rules is the requirement for written policies and procedures.

Commencing with the fiscal year 2018-2019 audits, auditors will request the written policies of the nonfederal entity for all single audits and reviewing the procurement policies and procedures for compliance with the Uniform Guidance procurement rules.

### Other Post-Employment Benefit Standards

In June 2015, the Government Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The scope of this statement addresses accounting and financial reporting for post-employment benefits other than pension (other post-employment benefits or OPEB) that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures for defined benefit and defined contribution plans. This statement requires governments to report a net OPEB liability or asset on the face of the financial statements. The District is required to implement GASB Statement No. 75 in fiscal year ending June 30, 2018.

### **Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of Rowland Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

*White Nelson Dick Evans LLP*

Irvine, California  
February 20, 2018

**ROWLAND WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

ROWLAND WATER DISTRICT

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For the Year Ended June 30, 2017

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## 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) as of and for the year ended June 30, 2017, 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 audit. We conducted our audit 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 audit 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, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 16 to the financial statements, the District made a restatement that resulted in a decrease in previously reported net position. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Report on Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions for the defined benefit pension plan, and the other post-employment benefit plan schedules of funding progress and annual money-weighted rate of return on investments, 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.

### *Other Information*

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

The schedule of other operating expenses and schedule 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 schedule of other operating expenses and schedule 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 February 20, 2018, 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 the District's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
February 20, 2018

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ROWLAND WATER DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

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, 2017. Please read it in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### Fiscal Year 2017

- The District's total net position increased by \$678,011 or 1.12%.
- During the year, the District's total revenues increased to \$22,055,124 or 5.32%, and total expenses increased to \$21,337,113 or 7.50%.

#### Fiscal Year 2016

- The District's total net position increased by \$1,056,908 or 1.78%.
- During the year, the District's total revenues decreased to \$20,941,930 or 3.21%, and total expenses decreased to \$19,885,022 or 4.06%.

### **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.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**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 2017	Fiscal Year 2016	Dollar Change
Assets:			
Current, restricted and noncurrent	\$ 44,250,892	\$ 44,801,972	\$ (551,080)
Capital assets	59,100,917	58,752,386	348,531
Total Assets	<u>103,351,809</u>	<u>103,554,358</u>	<u>(202,549)</u>
Deferred outflows of resources	<u>4,513,864</u>	<u>4,186,693</u>	<u>327,171</u>
Liabilities:			
Current liabilities	3,859,861	3,641,204	218,657
Noncurrent liabilities	42,948,961	43,231,814	(282,853)
Total Liabilities	<u>46,808,822</u>	<u>46,873,018</u>	<u>(64,196)</u>
Deferred inflows of resources	<u>164,040</u>	<u>352,751</u>	<u>(188,711)</u>
Net Position:			
Net investment in capital assets	37,741,060	37,325,615	415,445
Unrestricted	23,151,751	23,189,667	(37,916)
Total Net Position	<u>\$ 60,892,811</u>	<u>\$ 60,515,282</u>	<u>\$ 377,529</u>

As can be seen from Table 1, total assets and deferred outflows of resources increased \$124,622 from fiscal year 2016 to 2017. Total Net Position saw an increase of \$678,011 or 1.12% from the previous fiscal year.

## ROWLAND WATER DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2017

#### NET POSITION (CONTINUED)

A further review shows total liabilities and deferred inflows of resources decreased by \$553,389 or 1.17% from fiscal year 2016 to 2017. There were two main reasons for this decrease. The first being a reduction in the principal of the two District bonds that are outstanding. The liability for these two bonds was reduced by \$1,054,253 in fiscal year 2017. The second is the District's net OPEB obligation was zero for fiscal year 2017. It was \$120,446 in fiscal year 2016. The District has continued to fund its OPEB trust therefore eliminating the liability for this fiscal year. The decreases in these two amounts help to offset the increase in net pension liability.

Large projects completed during fiscal year 2017 included:

**Valve Replacement (Altario Street & Colima Road):** Rowland Water District determined through valve exercising that many of the District's mainline valves were nonoperational or did not properly shutdown. After research, we determined that our main focus would be two 16" valves on Colima Road and three valves on Altario Street in La Puente. We awarded Doty Brothers Construction with the project on Colima Road. We had one 16" butterfly valve installed at the intersection of Jellick and Colima and one 16" butterfly valve installed at Desire and Colima. Rowland Water District did all three installations on Altario Street. We installed three 6" gate valves at the intersection of Altario and La Seda. These type of upgrades are necessary to ensure the District's infrastructure remains strong and will remain a focus in the future.

**Route 33 Advanced Metering Infrastructure (AMI) Conversion:** Rowland Water District determined through failing modules on the current Automated Meter Reading (AMR) system and numerous rereads that Route 33 was in need of a new reading system. Some of the affected areas of Route 33 included streets such as Calle Barcelona, Calle Los Arboles, Crosshaven, and Samara. Through heavy study and thorough evaluation of many different AMI products, Rowland Water District chose the Master Meter AMI system. The District did all AMI conversions and replaced all 233 meter modules in the route. In the future, the Master Meter AMI system will replace the older Badger AMR system.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

NET POSITION (CONTINUED)

TABLE 2

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change
Revenues:			
Operating revenues	\$ 21,310,310	\$ 19,665,042	\$ 1,645,268
Nonoperating revenues	744,537	1,276,888	(532,351)
Total Revenues	<u>22,054,847</u>	<u>20,941,930</u>	<u>1,112,917</u>
Expenses:			
Operating expenses	19,556,341	18,291,761	1,264,580
Nonoperating expenses	1,820,495	1,593,261	227,234
Total Expenses	<u>21,376,836</u>	<u>19,885,022</u>	<u>1,491,814</u>
Change in Net Position	<u>678,011</u>	<u>1,056,908</u>	<u>(378,897)</u>
Beginning Net Position	60,515,282	59,458,374	1,056,908
Restatement	<u>(300,482)</u>	-	<u>(300,482)</u>
Beginning Net Position, as Restated	<u>60,214,800</u>	<u>59,458,374</u>	<u>756,426</u>
Ending Net Position	<u>\$ 60,892,811</u>	<u>\$ 60,515,282</u>	<u>\$ 377,529</u>

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. As can be seen in Table 2, an increase in ending net position of \$678,011 occurred fiscal year 2017.



## ROWLAND WATER DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2017

#### NET POSITION (CONTINUED)

A closer examination of the sources of changes in Net Position reveals that the District's total revenues increased by \$1,112,917 or 5.32% in fiscal year 2017. Of the amount, operating revenues increased by \$1,645,268 or 8.37% and its nonoperating revenues decreased by \$532,351 or 41.67% in the past fiscal year. The main factor attributing to the increase in operating revenues was an increase in residential and business water sales and an increase in water service charges. The majority of the decrease in nonoperating revenue was the District seeing a significant reduction in its gain/loss from investment in joint ventures. This amount was a loss of \$64,459 in fiscal year 2017 compared to a gain of \$407,016 in fiscal year 2016.

The District's total water sales increased from approximately 9,920 acre feet in fiscal year 2015-2016 to 10,111 acre feet in fiscal year 2016-2017. Most of the increase in revenue can be attributed to this along with a slightly different tiered structure that became effective in March 2017. The zone I water rate was decreased \$0.34 from \$2.77 to \$2.43 for potable customers but this rate was effective for 1-8 hcf. That was a reduction from the previous zone I water rate of 1-16 hcf. The new tiers consisted of three levels: 1-8 hcf, 9-15 hcf, and 16+ hcf for monthly customers. These replaced the previous three levels of 1-16hcf, 17-23hcf and 24+ hcf. The zone I water rate for 9-15 hcf increased from \$3.19 to \$3.57 and 16+ hcf increased from \$4.02 to \$4.98. The District has six different pumping zones. Zonal surcharges cover the energy costs to pump water to each zone of elevation over Zone I. The additional pumping costs are added to the base rate if the property resides in Zone II through Zone VI. The Zonal surcharges vary from \$0.15 in Zone II up to \$1.51 for Zone VI. A District rate study showed these new tiers to be more in line with potable water consumption patterns and energy usage. The District continues to promote the use of recycled water so there is no tiered rate structure for excess usage. The recycled water rate remains at \$1.71 per hcf. The monthly service charge for standard 5/8" to 3/4" meters increased \$2.01 or 8.00%

Nonoperating revenues decreased in fiscal year 2017. The District saw interest and dividend income of \$234,649, property tax revenues of \$336,506 and rental/contract income of \$145,985. The District had non-restricted cash, cash equivalents, and investments totaling \$12,936,659 ending fiscal year 2017, a decrease of \$4,095,678 from fiscal year 2016. The main cause of the decrease is the District purchased 6,000 acre feet of water for storage in fiscal year 2017. The cost of the purchase was \$3,575,209 or \$596.00 per acre foot. The funds for the purchase came from cash and investments.

While total revenues increased by \$1,112,917 or 5.31%, total expenses increased by \$1,491,814 or 7.50%. This resulted in a change in net position of (\$378,897) in fiscal year 2017. While the District saw operating expenses increased \$1,264,580 from fiscal year 2016, Source of Supply cost increased \$387,392 and general and administrative expenses \$499,193 which consisted of professional services and pension plan contributions.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**NET POSITION (CONTINUED)**

The average cost of an acre foot of water increased to \$987.00 in 2017 to \$918.00 in 2016. Fixed charges decreased \$40,201 or 11.37% from fiscal year 2016 to 2017. General and administrative expenses saw an increase of 12.29%. Depreciation for fiscal year 2017 was \$2,452,920. The District continues to fund depreciation of its assets through its capital improvement plan.

**BUDGETARY HIGHLIGHTS**

**TABLE 3**  
**Budget vs. Actual**

	Fiscal Year 2017		
	Actual	Budget	Variance
Revenues:			
Operating revenues	\$ 21,310,310	\$ 20,250,000	\$ 1,060,310
Nonoperating revenues	744,537	575,000	169,537
Total Revenues	<u>22,054,847</u>	<u>20,825,000</u>	<u>1,229,847</u>
Expenses:			
Operating Expenses:			
Source of supply	10,004,181	9,030,000	(974,181)
Pumping and power	913,109	1,135,000	221,891
Transmission and distribution	1,216,901	1,180,000	(36,901)
Customer services	96,154	155,000	58,846
Depreciation expenses	2,452,920	2,500,000	47,080
Other operating expenses	311,077	320,000	8,923
General and administrative expenses	4,561,999	4,600,000	38,001
Total Operating Expenses	<u>19,556,341</u>	<u>18,920,000</u>	<u>(636,341)</u>
Nonoperating expenses	<u>1,820,495</u>	<u>1,800,000</u>	<u>(20,495)</u>
Total Expenses	<u>21,376,836</u>	<u>20,720,000</u>	<u>(656,836)</u>
Change in Net Position	<u>\$ 678,011</u>	<u>\$ 105,000</u>	<u>\$ 573,011</u>

In looking at Table 3, Budget vs. Actual, the discrepancy in change in Net position over budgeted change in net position and change in net position is \$573,011. Total Revenues shows a positive variance of \$1,229,847. Total operating expenses saw a negative variance of \$656,836 when depreciation is included. Depreciation is not a direct expense to the District and funds are collected through rates and charges to fund it. Nonoperating expenses saw a negative variance of \$20,495.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At the end of fiscal year 2017, the District had invested \$59,100,917 in a broad range of Infrastructure as shown in Table 4.

**TABLE 4**  
**Capital Assets**

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change
Capital assets, not being depreciated:			
Land	\$ 261,340	\$ 261,340	\$ -
Water rights	5,000	5,000	-
Construction in progress	<u>2,107,736</u>	<u>1,131,918</u>	<u>975,818</u>
Total capital assets, not being depreciated	<u>2,374,076</u>	<u>1,398,258</u>	<u>975,818</u>
Capital assets, being depreciated:			
Intangible plant	1,022,551	1,022,551	-
Sources of supply plant	2,109,253	2,076,956	32,297
Pumping plant	10,037,819	10,037,819	-
Transmission and distribution plant	66,656,601	65,121,932	1,534,669
Telemetry equipment	1,540,617	1,489,671	50,946
General plant	584,639	570,451	14,188
Office building and equipment	6,459,188	6,501,662	(42,474)
Transportation equipment	951,628	964,037	(12,409)
Communication equipment	<u>27,979</u>	<u>133,902</u>	<u>(105,923)</u>
Total capital assets, being depreciated	89,390,275	87,918,981	1,471,294
Less accumulated depreciation	<u>(32,663,434)</u>	<u>(30,564,853)</u>	<u>(2,098,581)</u>
Total capital assets, being depreciated, net	<u>56,726,841</u>	<u>57,354,128</u>	<u>(627,287)</u>
Total capital assets, net	<u>\$ 59,100,917</u>	<u>\$ 58,752,386</u>	<u>\$ 348,531</u>

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

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

**DEBT ADMINISTRATION**

At the end of fiscal year 2017, the District had noncurrent liabilities totaling \$42,948,961 as shown in Table 5.

**TABLE 5**  
**Noncurrent Liabilities**

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change
Refunding Bond Series 2014A Installment purchase contract	\$ 19,535,112	\$ 20,112,026	\$ (576,914)
payable, net	19,178,876	19,656,215	(477,339)
Compensated absences	300,455	294,658	5,797
Net pension liability	3,934,518	3,048,469	886,049
Net OPEB obligation	-	120,446	(120,446)
	<u>\$ 42,948,961</u>	<u>\$ 43,231,814</u>	<u>\$ (282,853)</u>

The District currently has four sources of Noncurrent Liabilities in 2017. The Refunding Bond series 2014A is a refunding of the Certificate of Participation (COP) issued January 2009 that was 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 schools, parks, industrial buildings, etc. In November 2012, the District entered into an installment purchase contract with Puente Basin Water Agency in order to finance the acquisition of certain water system improvements. The liability is payable over the next thirty years. The increase in compensated absences is attributed to more accrued sick and vacation time being due to current employees. The liabilities would have to be paid at the employee's retirement or separation from service. Net pension liability is the amount by which the total pension liability exceeds the pension plan's net asset available for paying benefits. This amount increased in fiscal year 2017 to \$3,934,518, an increase of \$886,049 for fiscal year 2016. The District's pension plan is administered by CalPERS. The net OPEB obligation refers to Other Post-Employment Benefits that would be owed to employees upon retirement after meeting certain criteria. This is the difference between the actuarially determined annual required contribution and actual contribution made. There is no net OPEB obligation for fiscal year 2017 as the District has made contributions to the District's OPEB Trust in excess of the annual required contribution.

Additional information on the District's noncurrent liabilities can be found in Notes 6 - 8 and 10 - 11 of the notes to basic financial statements.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**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 2018 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 2018 Budget vs. Fiscal Year 2017 Actual**

	Fiscal Year 2017 Actual	Fiscal Year 2018 Budget	Variance
Revenues:			
Operating revenues	\$ 21,310,310	\$ 21,270,000	\$ (40,310)
Nonoperating revenues	744,537	575,000	(169,537)
Total Revenues	<u>22,054,847</u>	<u>21,845,000</u>	<u>(209,847)</u>
Expenses:			
Operating Expenses:			
Source of supply	10,004,181	10,195,000	(190,819)
Pumping and power	913,109	1,200,000	(286,891)
Transmission and distribution	1,216,901	1,275,000	(58,099)
Customer services	96,154	165,000	(68,846)
Depreciation expenses	2,452,920	2,500,000	(47,080)
Other operating expenses	311,077	445,000	(133,923)
General and administrative expenses	4,561,999	4,790,000	(228,001)
Total Operating Expenses	<u>19,556,341</u>	<u>20,570,000</u>	<u>(1,013,659)</u>
Nonoperating expenses	<u>1,820,495</u>	<u>1,500,000</u>	<u>320,495</u>
Total Expenses	<u>21,376,836</u>	<u>22,070,000</u>	<u>(693,164)</u>
Capital Contributions	-	-	-
Change in Net Position	<u>\$ 678,011</u>	<u>\$ (225,000)</u>	<u>\$ (903,011)</u>

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2017

**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.

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## **BASIC FINANCIAL STATEMENTS**



ROWLAND WATER DISTRICT  
STATEMENT OF NET POSITION

June 30, 2017

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,002,215
Investments	10,934,444
Accounts receivable, net of allowance for doubtful accounts of \$30,000	3,214,388
Interest receivable	31,519
Supply inventories	111,782
Water in storage	3,675,401
Prepaid items	46,192

TOTAL CURRENT ASSETS	20,015,941
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RESTRICTED ASSETS:

Cash and cash equivalents	604,749
Investments	8,312,369

TOTAL RESTRICTED ASSETS	8,917,118
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CAPITAL ASSETS:

Capital assets, not being depreciated	2,374,076
Capital assets, being depreciated, net	56,726,841

TOTAL CAPITAL ASSETS, NET	59,100,917
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OTHER NONCURRENT ASSETS:

Net OPEB asset	44,443
Investment in joint ventures	15,273,390

TOTAL OTHER NONCURRENT ASSETS	15,317,833
-------------------------------	------------

TOTAL ASSETS	103,351,809
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DEFERRED OUTFLOWS OF RESOURCES:

Deferred amounts from pension plans	1,166,241
Deferred amounts on refunding	3,347,623

TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,513,864
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(Continued)

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF NET POSITION  
(CONTINUED)

June 30, 2017

LIABILITIES:

CURRENT LIABILITIES (PAYABLE FROM  
UNRESTRICTED ASSETS):

Accounts payable	\$ 2,162,449
Interest payable	131,304
Other payables	71,560
Current portion of installment purchase contract payable	425,000
Current portion of 2014A refunding bonds payable	510,000
	<u>3,300,313</u>

CURRENT LIABILITIES (PAYABLE FROM  
RESTRICTED ASSETS):

Refundable customer deposits	186,929
Unearned construction advances	372,619
	<u>559,548</u>

TOTAL CURRENT LIABILITIES	<u>3,859,861</u>
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NONCURRENT LIABILITIES:

Compensated absences	300,455
Installment purchase contract payable	19,178,876
2014A refunding bonds payable	19,535,112
Net pension liability	3,934,518
	<u>42,948,961</u>

TOTAL NONCURRENT LIABILITIES	<u>42,948,961</u>
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TOTAL LIABILITIES	<u>46,808,822</u>
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DEFERRED INFLOWS OF RESOURCES:

Deferred amounts from pension plans	<u>164,040</u>
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NET POSITION:

Net investment in capital assets	37,741,060
Unrestricted	<u>23,151,751</u>

TOTAL NET POSITION	<u><u>\$ 60,892,811</u></u>
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See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION

For the year ended June 30, 2017

OPERATING REVENUES:

Water sales:	
Residential	\$ 7,295,770
Business	5,608,933
Public entities	246,960
Industrial	11,605
Reclaimed water	576,460
Other	73,162
	<hr/>
Total water sales	13,812,890

Water services:

Water service charges	6,682,417
Nonrefundable new service fees	44,816
New service connection fees	394,161
Reconnection fees	21,570
Customer penalties	193,569
Other	160,887
	<hr/>
Total water services	7,497,420

TOTAL OPERATING REVENUES	<hr/> 21,310,310
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OPERATING EXPENSES:

Source of supply	10,004,181
Pumping and power	913,109
Transmission and distribution	1,216,901
Customer services	96,154
Depreciation expense	2,452,920
Other operating expenses	311,077
General and administrative expenses	4,561,999
	<hr/>

TOTAL OPERATING EXPENSES	<hr/> 19,556,341
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OPERATING INCOME	<hr/> 1,753,969
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(Continued)

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

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

For the year ended June 30, 2016

NONOPERATING REVENUES (EXPENSES):

Investment income:

Interest and dividend income	\$ 234,649
Realized and unrealized gains (losses) on investments, net	(189,175)
Property tax revenues	336,506
Miscellaneous income	27,397
Rental and contract income	145,985
Interest expense	(1,538,269)
Amortization of debt premium/(discount)	(28,592)
Gain from investment in joint ventures	<u>(64,459)</u>

TOTAL NONOPERATING  
REVENUES (EXPENSES)

(1,075,958)

CHANGE IN NET POSITION

678,011

NET POSITION - BEGINNING OF YEAR, AS RESTATED

60,214,800

NET POSITION - END OF YEAR

\$ 60,892,811

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 20,697,237
Cash payments to suppliers for goods and services	(18,384,398)
Cash payments to employees for services	(2,371,133)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(58,294)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Proceeds from property taxes	336,506
Other receipts	27,397
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>363,903</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(2,801,450)
Principal payments on debt	(905,000)
Interest paid	(1,538,269)
Rental income	145,985
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,098,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Contributions to joint ventures	(355,348)
Purchases of investments	(7,277,840)
Proceeds from sale of investments	11,831,303
Investment income	240,806
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,438,921</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(354,204)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,961,168</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,606,964</u></u>

See accompanying notes to basic financial statements.

(Continued)

ROWLAND WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
(CONTINUED)

For the year ended June 30, 2017

RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 1,753,969
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,452,920
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(599,737)
(Increase) decrease in supply inventories	4,034
(Increase) decrease in water in storage	(3,613,811)
(Increase) decrease in prepaid items	(7,074)
(Increase) decrease in net OPEB asset	(44,443)
(Increase) decrease in deferred outflows of resources from pension plans	(475,016)
Increase (decrease) in accounts payables	(170,049)
Increase (decrease) in other payables	71,560
Increase (decrease) in refundable customer deposits	4,352
Increase (decrease) in compensated absences	5,797
Increase (decrease) in unearned construction advances	(17,688)
Increase (decrease) in accrued net OPEB obligation	(120,446)
Increase (decrease) in net pension liability	886,049
Increase (decrease) in deferred inflows of resources from pension plans	<u>(188,711)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (58,294)</u></u>
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NONCASH CAPITAL AND RELATED  
FINANCING ACTIVITIES:

Amortization of debt premiums discounts and deferred amount on refunding	<u><u>\$ 28,592</u></u>
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NONCASH INVESTING ACTIVITIES:

Gain from investment in joint ventures	<u><u>\$ (64,459)</u></u>
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See accompanying notes to basic financial statements.

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**FIDUCIARY FUND FINANCIAL STATEMENTS**



ROWLAND WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

	<u>Other Post-Employment Benefit (OPEB) Trust Fund</u>
ASSETS:	
Investments	<u>\$ 2,992,290</u>
 TOTAL ASSETS	 <u>2,992,290</u>
 NET POSITION:	
Held in trust for OPEB benefits	<u>2,992,290</u>
 TOTAL NET POSITION	 <u><u>\$ 2,992,290</u></u>

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended June 30, 2017

	Other Post-Employment Benefit (OPEB) Trust Fund
ADDITIONS:	
Employer contributions	\$ 420,000
Investment income	268,191
TOTAL ADDITIONS	<u>688,191</u>
DEDUCTIONS:	
Administrative expense	<u>7,480</u>
TOTAL DEDUCTIONS	<u>7,480</u>
CHANGE IN NET POSITION	680,711
NET POSITION - BEGINNING OF YEAR	<u>2,311,579</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,992,290</u></u>

See accompanying notes to basic financial statements.

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

# ROWLAND WATER DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

### 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, other than those that are fiduciary in nature, 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.

The District's fiduciary activities related to its other post-employment benefit (OPEB) plan are accounted for in a fiduciary fund.

#### 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 proprietary fund 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 presents 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, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

c. Measurement Focus and Basis of Accounting (Continued):

**Fiduciary Funds:**

The fiduciary fund financial statements are accounted for using the economic resources measurement focus and accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with these activities are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (additions) and decreases (deductions) in total fiduciary net position. Under the accrual basis of accounting, additions are reported when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

d. New Accounting Pronouncements:

**GASB Current Year Standards:**

*GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, contains provisions that address employer and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68, effective for periods beginning after June 15, 2016, and did not impact the District.

*GASB 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016, and resulted in additional disclosures and required supplementary information.

*GASB 77 - Tax Abatement Disclosure*, effective for periods beginning after December 15, 2015, and did not impact the District.

*GASB 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015, and did not impact the District.

*GASB 79 - Certain External Investment Pools and Pool Participants*, contains certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015, and did not impact the District.

*GASB 80 - Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, and did not impact the District.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements (Continued):

**Pending Accounting Standards:**

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

- GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017.
- GASB 81 - *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016.
- GASB 82 - *Pension Issues*, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.
- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 85 - *Omnibus 2017*, effective for periods beginning after June 15, 2017.
- GASB 86 - *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position and the governmental funds balance sheet 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 future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to the pension plans equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for annual differences between actual and expected experiences. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to the pension plans for annual changes in employer's proportion and differences between employer contributions and the proportionate share of contributions. Each annual amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to the pension plans resulting from the annual differences in projected and actual earnings on investments of the pension plan fiduciary net position. Each annual amount is amortized over five years.
- Deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the life of the refunding debt, which is 26 years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet 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 and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflow related to pensions for annual differences between actual and expected experiences. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.



ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Deferred Outflows/Inflows of Resources (Continued):

- Deferred inflow from pensions resulting from annual changes in assumptions. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to the pension plans for annual changes in employer's proportion and differences between employer contributions and the proportionate share of contributions. Each annual amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.

f. Net Position:

Net position of the District can be classified into three components - net investment in capital assets, restricted net position, and unrestricted net position. 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.
- 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 use unrestricted resources as they are needed.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 reported at the fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 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 as follows: 5 years for computers, vehicles, office equipment, and furniture; 10 years for forklifts; 15 years for hydrants; 20 years for meters; and 75 years for mains. Maintenance and repairs are charged to expense as incurred. Significant renewals and betterments are capitalized.

o. Capitalized Interest:

The District incurred interest charges on long-term debt totaling \$1,538,269 for the year ended June 30, 2017. No interest has been capitalized as additions to the cost of construction for the year ended June 30, 2017.

p. Restricted Liabilities:

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

q. Unearned Construction Advances and Capital Contributions:

Construction advances from developers are unearned during the period of construction. When a project is completed, the applicable revenues earned 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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

r. Property Taxes:

Property tax in California is levied in accordance with Article 13A of the State Constitution at 1% of county-wide assessed valuations. This 1% 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 are 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, 2017, in the opinion of the District's legal counsel, the District had no material claims that would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenses when paid.

u. Pensions:

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

v. Use of Estimates:

The preparation of financial statements in accordance 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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS:

**Cash and Investments:**

Cash and investments as of June 30, 2017, are reported in the accompanying statement of net position as follows:

	Government Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Financial Statement Classification:			
Unrestricted:			
Cash and cash equivalents	\$ 2,002,215	\$ -	\$ 2,002,215
Investments	10,934,444	2,992,290	13,926,734
Restricted:			
Cash and cash equivalents	604,749	-	604,749
Investments	<u>8,312,369</u>	<u>-</u>	<u>8,312,369</u>
Total Cash and Investments	<u>\$ 21,853,777</u>	<u>\$ 2,992,290</u>	<u>\$ 24,846,067</u>

Cash and investments as of June 30, 2017, consist of the following:

	District Funds	OPEB Trust	Total
Cash on hand	\$ 400	\$ -	\$ 400
Demand deposits	793,551	-	793,551
Investments	<u>21,059,826</u>	<u>2,992,290</u>	<u>24,052,116</u>
Total Cash and Investments	<u>\$ 21,853,777</u>	<u>\$ 2,992,290</u>	<u>\$ 24,846,067</u>

**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 or the investment of funds within the OPEB Trust that are governed by the agreement between the District and the Trustee, rather than the general provisions of the California Government Code or the District's investment policy.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Investments Authorized by the California Government Code and the District's Investment Policy (Continued):**

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 (Negotiable CD)	5 years	5%	None
CD Placement Service	5 years	30%	None
Banker's 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

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

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:			
Federal Home Loan Bank (FHLB)	None	None	None
Federal Home Loan Mortgage Corporation (FHLMC)	None	None	None
Federal National Mortgage Association (FNMA)	None	None	None
Federal Farm Credit Bank (FFCB)	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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

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, 2017.

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	
District Investments:					
U.S. Treasury Notes	\$ 449,112	\$ 1,502,870	\$ 845,196	\$ 732,043	\$ 3,529,221
U.S. Government Sponsored Agency Securities:					
FFCB	-	-	238,613	-	238,613
FHLMC	1,187,106	547,390	-	-	1,734,496
FNMA	2,969,366	495,528	-	425,607	3,890,501
FHLB	-	-	-	318,814	318,814
Negotiable CD	247,939	484,079	-	-	732,018
Non-Negotiable CD	483,000	-	-	-	483,000
LAIF	1,438,816	-	-	-	1,438,816
Money Market Mutual Funds	337,007	-	-	-	337,007
Held by Trustee:					
U.S. Treasury Notes	998,890	-	-	-	998,890
U.S. Government Sponsored Agency Securities:					
FHLMC	3,461,499	-	-	-	3,461,499
FNMA	996,580	-	-	-	996,580
LAIF	44,971	-	-	-	44,971
Money Market Mutual Funds	2,855,400	-	-	-	2,855,400
OPEB Trust Investments:					
PARS Trust Pool	2,992,290	-	-	-	2,992,290
	<u>\$ 18,461,976</u>	<u>\$ 3,029,867</u>	<u>\$ 1,083,809</u>	<u>\$ 1,476,464</u>	<u>\$ 24,052,116</u>



ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Disclosures Relating to Credit Risk (Continued):**

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 Standard & Poor's credit ratings for the District's investments as of June 30, 2017. U.S. Treasury notes and bills are not required to be rated and therefore have been excluded from the tables below.

Investment	Minimum Legal Rating	Total as of June 30, 2017	AAA	AA+	Not rated
District Investments:					
U.S. Government					
Sponsored Agency Securities:					
FFCB	N/A	\$ 238,613	\$ -	\$ 238,613	\$ -
FHLMC	N/A	1,734,496	-	1,734,496	-
FNMA	N/A	3,890,501	-	3,890,501	-
FHLB	N/A	318,814	-	318,814	-
Negotiable CD	N/A	732,018	732,018	-	-
Non-negotiable CD	N/A	483,000	-	-	483,000
LAIF	N/A	1,438,816	-	-	1,438,816
Money Market Mutual Funds	A	337,007	337,007	-	-
Held by Trustee:					
U.S. Government					
Sponsored Agency Securities:					
FHLMC	N/A	3,461,499	-	3,461,499	-
FNMA	N/A	996,580	-	996,580	-
LAIF	N/A	44,971	-	-	44,971
Money Market Mutual Funds	A	2,885,400	2,885,400	-	-
OPEB Trust Investments:					
PARS Trust Pool	N/A	2,992,290	-	-	2,992,290
		<u>\$ 19,524,005</u>	<u>\$ 3,954,425</u>	<u>\$ 10,640,503</u>	<u>\$ 4,959,077</u>

**Concentration of Credit Risk:**

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

Issuer	Investment Type	
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Agency Securities	\$5,195,995
Federal National Mortgage Association	U.S. Government Sponsored Agency Securities	\$4,887,081

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

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 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, 2017, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

**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.

**Investments - Other Post-Employment Benefit (OPEB) Trust:**

The District established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's other post-employment benefit (OPEB) health plan. The OPEB trust's specific cash and investments are managed by a third-party portfolio manager and invested under a pool arrangement using certain investment guidelines offered by PARS and approved by the District.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Investments - Other Post-Employment Benefit (OPEB) Trust (Continued):**

Those investment guidelines approved by the District are as follows:

Risk Tolerance:	Moderate
Time Horizon:	Long Term
Income or Liquidity Needs:	As Requested
Account of Trust Restrictions:	None
Unique Needs and Circumstances:	None
Investment Objective:	Moderate Index Plus
Strategic Ranges:	0% - 20% Cash 40% - 60% Fixed Income 40% - 60% Equity

Acceptable Investments:

The following is a list of acceptable investments:

Equity Securities:	Fixed Income Mutual Funds:
Domestic	Corporate
American Depository Receipts (ADRs)	Government
Equity Mutual Funds:	High Yield
Large-Cap Growth and Value	International and Emerging Market
Mid-Cap Core	Convertible
Small-Cap Growth and Value	Preferred
International and Emerging Markets	Closed End Funds
REITs	Cash and Cash Equivalents:
Exchange Traded Funds (ETFs)	Money Market Mutual Fund
Fixed Income Securities:	Commercial Paper
Government/Agencies	CDs and Banker's Acceptance
Mortgage-Backed Bonds	
Corporate Bonds and Notes	
Unit Trusts	

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Investments - Other Post-Employment Benefit (OPEB) Trust (Continued):**

Fixed Income Guidelines:

The fixed income guidelines consist of (a) the long-term fixed income investments (greater than seven years in maturity) shall constitute no more than 20%, and as little as 0% of the total Plan assets, (b) the intermediate-term fixed income investments (between three and seven years in maturity) shall constitute no more than 60%, nor less than 20% of the total Plan assets, (c) the high-yield portion of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets, (d) the convertible bond exposure shall constitute no more than 10%, and as little as 0% of the total Plan assets, and (e) the short-term fixed income investments (between one and three years in maturity) shall constitute no more than 20%, and as little as 0% of the total Plan assets.

Equity Guidelines:

The equity guidelines consist of (a) the domestic large capitalization equity investments of the Plan shall constitute no more than 50%, nor less than 20% of the total Plan assets, (b) the domestic mid-capitalization equity investments of the Plan shall constitute no more than 20%, and as little as 0% of the total Plan assets, (c) the domestic small capitalization equity investments of the Plan shall constitute no more than 20%, nor less than 0% of the total Plan assets, (d) the international equity investments of the Plan shall constitute no more than 20%, and as little as 0% of the total Plan assets, and (e) the real estate investments of the Plan shall constitute no more than 10%, and as little as 0% of the total Plan assets.

**Fair Value Measurements:**

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

2. CASH AND INVESTMENTS (CONTINUED):

**Fair Value Measurements (Continued):**

The District has the following recurring fair value measurements as of June 30, 2017:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
U.S. Treasury Notes	\$ -	\$ 3,529,221	\$ -	\$ 3,529,221
U.S. Government Sponsored Agency Securities:				
FFCB	-	238,613	-	238,613
FHLMC	-	1,734,496	-	1,734,496
FNMA	-	3,890,501	-	3,890,501
FHLB	-	318,814	-	318,814
Negotiable CD	-	732,018	-	732,018
Held by Trustee:				
U.S. Treasury Notes	-	998,890	-	998,890
U.S. Government Sponsored Agency Securities:				
FHLMC	-	3,461,499	-	3,461,499
FNMA	-	996,580	-	996,580
 Total Investments	 \$ -	 \$ 15,900,632	 \$ -	 15,900,632
 Investments not subject to hierarchy:				
Non-Negotiable CD				483,000
LAIF				1,438,816
Money Market Mutual Funds				337,007
Held By Trustee:				
LAIF				44,971
Money Market Mutual Funds				2,855,400
OPEB Trust:				
PARS Trust Pool				2,992,290
 Total Investments				 \$ 24,052,116

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

3. RESTRICTED ASSETS:

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

<u>Funding Source</u>	<u>Use</u>	<u>June 30, 2017</u>
Deposits from customers	Security deposits for payment of utility bills	\$ 186,929
Customer advances	Construction	372,619
Bond proceeds	Construction projects	<u>8,357,570</u>
		<u>\$ 8,917,118</u>

4. CAPITAL ASSETS:

Changes in capital assets for the year ended June 30, 2017, are as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements/ Transfers</u>	<u>Balance June 30, 2017</u>
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress	<u>1,131,918</u>	<u>2,639,824</u>	<u>(1,664,006)</u>	<u>2,107,736</u>
Total capital assets, not being depreciated	<u>1,398,258</u>	<u>2,639,824</u>	<u>(1,664,006)</u>	<u>2,374,076</u>
Capital assets, being depreciated:				
Intangible plant	1,022,551	-	-	1,022,551
Sources of supply plant	2,076,956	32,297	-	2,109,253
Pumping plant	10,037,819	-	-	10,037,819
Transmission and distribution plant	65,121,930	1,538,900	(4,229)	66,656,601
Telemetry equipment	1,489,672	50,945	-	1,540,617
General plant	570,451	25,896	(11,708)	584,639
Office building and equipment	6,501,662	12,313	(54,787)	6,459,188
Transportation equipment	964,038	165,282	(177,692)	951,628
Communication equipment	<u>133,902</u>	<u>-</u>	<u>(105,923)</u>	<u>27,979</u>
Total capital assets, being depreciated	87,918,981	1,825,633	(354,339)	89,390,275
Less accumulated depreciation	<u>(30,564,853)</u>	<u>(2,452,920)</u>	<u>354,339</u>	<u>(32,663,434)</u>
Total capital assets, being depreciated, net	<u>57,354,128</u>	<u>(627,287)</u>	<u>-</u>	<u>56,726,841</u>
Total Capital Assets, Net	<u>\$ 58,752,386</u>	<u>\$ 2,012,537</u>	<u>\$ (1,664,006)</u>	<u>\$ 59,100,917</u>

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

5. 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 California Government Code. 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 California 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. The changes in its investment in Puente Basin Water Agency consist of the following as of June 30, 2017:

Beginning of year	\$ 14,283,471
Contributions	290,611
Share of income	<u>(8,091)</u>
End of year	<u>\$ 14,565,991</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2017, including the participants' approximate percentage shares:

	<u>Amount</u>	<u>Walnut Valley Water District</u>	<u>Rowland Water District</u>
Total assets	\$ 67,855,247	50.0%	50.0%
Total liabilities	38,723,269	50.0%	50.0%
Total equity	29,131,978	50.0%	50.0%
Billings to participants	21,837,766		

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

5. INVESTMENT IN JOINT VENTURES (CONTINUED):

**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.

Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission, which is allocated to each agency on a one-third basis. A budget assessment is collected each fiscal year and each agency pays one-third of the amount of the assessment. In addition, a capital surcharge is assessed for the future replacement of the pipeline. For the year ended June 30, 2017, the District remitted assessments totaling \$49,727 for their share of general and administrative costs and future replacement costs. Also, the District purchased water totaling \$5,103,210 for the Commission during the year ended June 30, 2017.

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 12-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 Commission as an other noncurrent asset, investment in joint ventures, primarily capital assets. The changes in its investment in the Commission consisted of the following:

Beginning of year	\$ 699,030
Share in income	<u>8,369</u>
End of year	<u>\$ 707,399</u>



ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

5. 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 Water Line Commission as of and for the year ended June 30, 2017, including the participants' approximate percentage shares:

	<u>Amount</u>	<u>City of Pomona</u>	<u>Walnut Valley Water District</u>	<u>Rowland Water District</u>
Total assets	\$6,258,358	27.5%	44.0%	28.5%
Total liabilities	\$3,776,256	27.5%	44.0%	28.5%
Total equity	\$2,482,102	27.5%	44.0%	28.5%
Water billings to participants	\$19,427,414			

6. WATER REVENUE REFUNDING BONDS, SERIES 2014A:

Water Revenue Refunding Bonds, Series 2014A were issued on September 18, 2014, in the amount of \$20,060,000 to refund \$19,105,000 of outstanding balance on the 2008 Certificates of Participation. The prior obligations were issued to finance certain improvements. The District completed the advance refunding to reduce its total debt service over the next 26 years by \$3,455,528 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$2,659,410.

These bonds mature in various amounts through December 1, 2039. The balance outstanding as of June 30, 2017, is \$18,530,000. The bonds were issued at a premium of \$1,686,785, which is being amortized over the life of the debt on a straight-line basis. The unamortized premium outstanding as of June 30, 2017, is \$1,515,112.

Interest is payable semiannually on December 1 and June 1 at rates ranging from 2.00% to 5.00%. The installment payments on these bonds are secured by a first priority lien on the net revenues of the District. The following is a summary of the changes in Water Revenue Refunding Bonds, Series 2014A for the year ended June 30, 2017:

	<u>Balance at June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2017</u>	<u>Due Within One Year</u>
Water Revenue Refunding Bonds, Series 2014A	\$ 19,025,000	\$ -	\$ (495,000)	\$ 18,530,000	\$ 510,000
Add: Unamortized Premium	<u>1,582,026</u>	<u>-</u>	<u>(66,914)</u>	<u>1,515,112</u>	<u>-</u>
Total	<u>\$ 20,607,026</u>	<u>\$ -</u>	<u>\$ (561,914)</u>	<u>\$ 20,045,112</u>	<u>\$ 510,000</u>

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

6. WATER REVENUE REFUNDING BONDS, SERIES 2014A (CONTINUED):

Maturities of the Water Revenue Refunding Bonds, Series 2014A and interest payments subsequent to June 30, 2017, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 510,000	\$ 780,744	\$ 1,290,744
2019	525,000	765,219	1,290,219
2020	540,000	749,244	1,289,244
2021	560,000	729,944	1,289,944
2022	585,000	707,044	1,292,044
2023 - 2027	3,300,000	3,160,894	6,460,894
2028 - 2032	3,945,000	2,541,878	6,486,878
2033 - 2037	4,945,000	1,547,375	6,492,375
2038 - 2040	3,620,000	277,750	3,897,750
Total	<u>\$ 18,530,000</u>	<u>\$ 11,260,092</u>	<u>\$ 29,790,092</u>

7. 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 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, 2012 Series A. Interest is payable semiannually 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, 2017:

	<u>Balance at</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
Installment purchase Contract	\$ 18,675,000	\$ -	\$ (410,000)	\$ 18,265,000	\$ 425,000
Add: Unamortized premium	1,391,215	-	(52,339)	1,338,876	-
Total	<u>\$ 20,066,215</u>	<u>\$ -</u>	<u>\$ (462,339)</u>	<u>\$ 19,603,876</u>	<u>\$ 425,000</u>

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

7. INSTALLMENT PURCHASE CONTRACT PAYABLE (CONTINUED):

Maturities of the installment purchase contract and interest payments subsequent to June 30, 2017, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 425,000	\$ 725,750	\$ 1,150,750
2019	445,000	710,575	1,155,575
2020	460,000	694,700	1,154,700
2021	475,000	676,000	1,151,000
2022	495,000	656,600	1,151,600
2023 - 2027	2,800,000	2,965,325	5,765,325
2028 - 2032	3,300,000	2,461,813	5,761,813
2033 - 2037	3,885,000	1,888,688	5,773,688
2038 - 2042	4,855,000	912,625	5,767,625
2043	1,125,000	56,250	1,181,250
Total	<u>\$ 18,265,000</u>	<u>\$ 11,748,326</u>	<u>\$ 30,013,326</u>

8. COMPENSATED ABSENCES:

In accordance with the District's policy, employees may accrue up to 240 hours of vacation. For the year ended June 30, 2017, the total accrued vacation liability for all employees totaled \$168,743. 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 an 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 regard to the General Manager's sick leave benefits. The General Manager shall receive the same sick leave benefits, upon the same terms and conditions, as provided to all other District employees. For the year ended June 30, 2017, the total accrued sick leave liability for all employees totaled \$131,712.

9. DEFERRED COMPENSATION PLAN:

The District has adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation 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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS:

a. General Information about the Pension Plans:

**Plan Descriptions:**

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

**Benefits Provided:**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	PEPRA On or After January 1, 2013
Hire date		
Benefit formula	2%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates:		
Normal cost rate	10.069%	6.550%
Payment of unfunded liability	\$165,766	\$8

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

a. General Information about the Pension Plans (Continued):

**Contributions:**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2017, the District reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 3,934,518</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for all Plans as of June 30, 2016 and 2017, is as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2015	0.11112%
Proportion - June 30, 2016	0.11326%
Change - Increase (Decrease)	0.00214%

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

For the year ended June 30, 2017, the District recognized pension expense of \$597,809. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 371,209	\$ -
Differences between actual and expected experience	12,069	(2,765)
Change in assumptions	-	(114,181)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	188,687	(47,094)
Net differences between projected and actual earnings on plan investments	594,276	-
Total	<u>\$ 1,166,241</u>	<u>\$ (164,040)</u>

An amount of \$371,209 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 114,565
2019	107,124
2020	255,377
2021	153,926
2022	-
Thereafter	-

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

**Actuarial Assumptions:**

The actuarial method and assumptions used to determine the total pension liability were as follows:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by age, service, and type of employment.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 Experience Study report (based on CalPERS demographic data from 1997 to 2011) available on CalPERS website.

(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

**Change of Assumptions:**

There were no changes of assumptions during the measurement period June 30, 2016. Deferred inflows of resources for changes of assumptions presented in the financial statements represent the unamortized portion of the changes of assumptions related to prior measurement periods.

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% is applied to all Plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11-60 years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.



ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

**Discount Rate (Continued):**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board of Directors effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

10. DEFINED BENEFIT PENSION PLANS (CONTINUED):

- b. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued):

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

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$ 6,070,754
Current Discount Rate	7.65%
Net Pension Liability	\$ 3,934,518
1% Increase	8.65%
Net Pension Liability	\$ 2,169,025

**Pension Plans Fiduciary Net Position:**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Subsequent Events:**

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and result in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017, measurement date reports and will result in an increase to employer's total pension liabilities.

- c. Payable to the Pension Plans:

At June 30, 2017, the District had no outstanding amount of contributions to the pension plans due for the year ended June 30, 2017.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

11. 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 25 active employees and 10 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 CalPERS on or after age 50 with at least 15 years of continuous service. The District provides 100% of the cost of coverage for the retiree and any covered spouse.

Employees hired on or after July 1, 2012, are eligible for a District contribution if retiring from the District and under CalPERS on or after age 62 with at least 15 years of continuous District service. The District provides 100% of the cost of coverage for the retiree only.

b. Funding Policy:

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. 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 year ended June 30, 2017, the District paid \$154,732 in health-care costs for its retirees and their covered dependents. In addition, the District made a \$420,000 contribution to a trust account established to fund the District's net OPEB obligation for the year ended June 30, 2017.

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 30 years.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

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

c. Annual OPEB Cost and Net OPEB Obligation (Continued):

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:

Annual required contribution	\$ 422,026
Interest on net OPEB obligation	7,987
Adjustment to annual required contribution	<u>(8,080)</u>
Annual OPEB cost (expense)	421,933
Implied subsidy	(12,090)
Actual contributions made	<u>(574,732)</u>
Increase (decrease) in net OPEB obligation	(164,889)
Net OPEB obligation - beginning of year	<u>120,446</u>
Net OPEB Asset - End of Year	<u><u>\$ (44,443)</u></u>

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, 2017, 2016, and 2015 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/15	\$ 351,251	\$ 154.21%	\$ 269,110
6/30/16	418,655	135.21%	120,446
6/30/17	421,933	136.21%	(44,443)

e. Funded Status and Funding Progress:

As of July 1, 2015, the plan was 28.95% percent funded. The actuarial accrued liability for benefits was \$6,485,558 and the actuarial value of assets was \$1,877,541, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,608,017. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$2,099,673 and the ratio of the UAAL to the covered payroll was 219.46%.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

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

e. Funded Status and Funding Progress (Continued):

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, and mortality, as well as economic assumptions regarding claim costs per retiree, health-care 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, 2015. Significant assumptions included a discount rate of 6.5% 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 22 years.

12. 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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

12. RISK MANAGEMENT (CONTINUED):

At June 30, 2017, 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 \$100,000 per occurrence and has purchased excess insurance coverage up to \$150,000,000 (total insurable value of \$44,989,422). 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 \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to of \$60,000,000. This program does not have a deductible.

Auto Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000. This program does not have a deductible.

Public Officials' Liability - The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence and has purchased excess insurance coverage in layers up to \$60,000,000.

Crime - 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 - The Insurance Authority is self-insured up to \$2,000,000 and excess insurance coverage has been purchased up to the statutory limit for workers' compensation coverage. The Insurance Authority is self-insurance up to \$2,000,000 and has purchased excess insurance coverage of \$2,000,000 for employer's liability coverage.

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.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

13. UNRESTRICTED NET POSITION:

The District has adopted a policy to designate reserves of unrestricted net position. Total reserves are designated as follows as of June 30, 2017:

Designated reserves for:	
Operations	\$ 2,875,000
Rate stabilization	761,561
Capital funding including expansion of facilities and future repairs and maintenance	<u>8,884,879</u>
Total Designated Reserves	12,521,440
Undesignated net position	<u>10,930,793</u>
 Total Unrestricted Net Position	 <u>\$ 23,452,233</u>

14. COMMITMENTS AND CONTINGENCIES:

The District is party to a water production and delivery agreement dated May 12, 2012, with the La Habra Heights County Water District ("La Habra Heights") for the purpose of assisting the District to access water rights in the Central Groundwater Basin of Los Angeles County ("Central Basin"). The District has acquired pumping rights in the Central Basin but has no facilities to produce water from Central Basin. La Habra Heights has facilities to produce water from the Central Basin and is able to assist the District to produce water, pursuant to the District's water rights, and deliver the water to the District's water distribution system. Subject to certain limitations as specified in the agreement, La Habra Heights will convey to the District groundwater from the Central Basin. La Habra Heights will bill the District on a monthly basis for water delivery costs. The District will pay La Habra Heights for transporting water, La Habra Heights' direct cost of production, energy costs associated with the delivery of the water to the delivery point, and any other variable cost of production. The District will pay a wheeling charge that is \$50 per acre-foot until the District has amortized its capital costs. After the District has fully amortized its capital cost, the wheeling charge is \$75 per acre-foot. In addition, La Habra Heights will share the cost savings that the District realizes as a result of La Habra Heights pumping and delivering water to the District from the Central Basin instead of the District purchasing water from other sources.

15. SUBSEQUENT EVENTS:

Events occurring after June 30, 2017, have been evaluated for possible adjustments to the financial statements or disclosure as of February 20, 2018, which is the date these financial statements were available to be issued.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

June 30, 2017

16. RESTATEMENT OF NET POSITION:

The net position as of the beginning of the year has been restated to correct the \$300,482 understatement of accounts payable as of June 30, 2016.



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**REQUIRED SUPPLEMENTARY INFORMATION**

ROWLAND WATER DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.04547%	0.04441%	0.03764%
Plan's proportionate share of the net pension liability	\$ 3,934,518	\$ 3,048,469	\$ 2,341,881
Plan's covered - employee payroll	\$ 2,099,673	\$ 2,161,937	\$ 2,163,227
Plan's proportionate share of the net pension liability as percentage of its covered - employee payroll	187.39%	141.01%	108.26%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	74.06%	78.40%	83.35%
Plan's proportionate share of aggregate employer contributions			

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

\* - Fiscal year 2015 was the first year of implementation; therefore, only two years is shown.

ROWLAND WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years\*

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 371,209	\$ 337,455	\$ 334,790
Contributions in relation to the actuarially determined contributions	<u>(371,209)</u>	<u>(337,455)</u>	<u>(334,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 2,167,973	\$ 2,099,673	\$ 2,161,937
Contributions as a percentage of covered - employee payroll	17.12%	16.07%	15.49%

Notes to Schedule:

Valuation Date 6/30/2014

Methods and Assumptions Used to Determine Contribution Rates:

Cost-sharing employers Entry age normal cost method\*\*  
 Amortization method Level percentage of payroll, closed\*\*  
 Asset valuation method Market Value\*\*\*  
 Inflation 2.75%\*\*  
 Salary increases Varies by age, service, and type of employment\*\*  
 Investment rate of return 7.50%, net of pension plan investment expense, including inflation\*\*  
 Retirement age 50 years (2%@55 and 2%@60), 52 years (2%@62)\*\*  
 Mortality Morality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.\*\*

\* - Fiscal year 2015 was the first year of implementation; therefore, only three years are shown.

\*\* - The valuation for June 30, 2012 and 2013 (applicable to fiscal year ended June 30, 2015 and 2016, respectively), included the same actuarial assumptions

\*\*\* - The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15-Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013 and 2014, valuations (applicable to fiscal years ended June 30, 2016 and 2017, respectively).

ROWLAND WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2017

**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%	\$ 2,161,937	189.43%
07/01/15 (1)	\$ 6,485,558	\$ 1,877,541	\$ 4,608,017	28.95%	\$ 2,099,673	219.46%

(1) The changes to the AAL from July 1, 2012 to July 1, 2015, are summarized as follows (in thousands):

Changes to AAL	AAL
AAL as of July 1, 2012	\$ 4,500,000
Expected Benefits Earned, Benefit Payments and Interest	950,000
Recognition of an Age-Related Implicit Subsidy	830,000
Revised CalPERS Assumed Mortality Rates	410,000
Revised Plan Selection and Marriage Assumptions	360,000
Plan Amendment Change: New Eligibility Ages	300,000
Revised Health-Care Cost Assumed Trend Rates	180,000
Revised CalPERS Assumed Retirement Rates	80,000
Vision Calculation Error Fixed	(70,000)
Middle-of-Year Active Decrements	(140,000)
Actual 2015 Premium Rates	(1,010,000)
Actual Demographic and Other Experience	96,000
AAL as of July 1, 2015	<u>\$ 6,486,000</u>

ROWLAND WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
For the year ended June 30, 2017

**OTHER POST-EMPLOYMENT BENEFITS PLAN  
SCHEDULE OF ANNUAL MONEY-WEIGHTED RETURN ON INVESTMENTS**

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense (1)</u>
6/30/17	10.7%

(1) Ten years of historical information is required by the Governmental Accounting Standards Board Statement No. 74. Fiscal year ended June 30, 2017, was the first year of implementation; therefore, only one year is presented.

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**OTHER SUPPLEMENTARY INFORMATION**



ROWLAND WATER DISTRICT

SCHEDULE OF OTHER OPERATING EXPENSES

For the year ended June 30, 2017

Engineering	\$ 12,673
Maintenance and operations	28,743
Small tools and supplies	24,785
Water tests	22,059
Certification, fees, and permits	66,164
Water supply planning and development	<u>156,653</u>
 TOTAL OTHER OPERATING EXPENSES	 <u>\$ 311,077</u>

ROWLAND WATER DISTRICT

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended June 30, 2017

Salaries and wages	\$ 1,043,137
Payroll taxes	173,329
Insurance	635,235
Automobile expenses	58,209
Service charges	119,492
Office supplies and expenses	243,278
Utilities	99,256
Professional services	519,568
Membership fees and dues	46,156
Conferences and travel	54,369
Directors' fees and expenses	130,625
Public relations	119,179
Repairs and maintenance	25,540
Pension plan contributions	759,381
Other post-employment benefits	409,843
Seminars and training	60,119
Conservation rebate program expenses	20,290
Taxes, permits, and fees	4,244
Uncollectable accounts	12,209
Miscellaneous	28,540
	<hr/>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 4,561,999
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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*

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 financial statements of the Rowland Water District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 20, 2018.

**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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## Compliance and Other Matters

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

We noted a certain other matter that we have reported to management and the Board of Directors in a separate letter dated February 20, 2018.

### 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.

*White Nelson Dick Evans LLP*

Irvine, California  
February 20, 2018

**Tab**

**2.3**

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

### **Summary of Audit Results**

We have audited the accompanying statement of net assets of the Puente Basin Water Agency (the "Agency") as of June 30, 2017 and the related statement of revenue, expenses and changes in net assets and cash flows for the year then ended. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the audit.

#### *Scope and Timing of the Audit*

The scope and timing of the audit was communicated to the Board of Commissioners in our engagement letter dated May 29, 2015 and our communication to the Finance Committee dated July 3, 2017.

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Examples of subjective considerations inherently included in the financial reporting process are:

- Management's estimate of the depreciation is computed using the straight-line method based on estimated useful lives which range from 4 to 75 years.
- Management's estimate involving revenues and expenses to be accrued as of the year end.

The financial statement disclosures are neutral, consistent, and clear.

#### *Significant Difficulties Encountered in Performing the Audit*

We encountered no difficulties in performing and completing our audit.

#### *Audit Adjustments*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No material audit adjustments were noted during the audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material to the financial statements.



*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have obtained certain representations from management that are included in the management representation letter dated December 28, 2017.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to and subsequent to our retention as the governmental unit's auditors. However, these discussions occur in the normal course of our professional relationship and any such discussion is not a condition to our retention.

*Other Matters*

We applied certain limited procedures to the Management's Discussion and Analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on Supplementary Information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

*Restriction on Use*

This information is intended solely for the use of the Board of Commissioners and management of Puente Basin Water Agency and is not intended to be, and should not be, used by anyone other than these specified parties.





**PUENTE BASIN WATER AGENCY**

**BASIC FINANCIAL STATEMENTS**

Year Ended June 30, 2017

**PUENTE BASIN WATER AGENCY**

**FINANCIAL STATEMENTS**

Year ended June 30, 2017

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Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Puente Basin Water Agency (“Agency”) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency’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.

### ***Auditor’s Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditor’s 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 auditor considers internal control relevant to the entity’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 entity’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 Agency, as of June 30, 2017 and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the Agency's 2016 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 5, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017 on our consideration of the Agency'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 the Agency's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Law LLP". The signature is written in a cursive, flowing style.

Irvine, California  
December 28, 2017

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

This section of the Puente Basin Water Agency's (Agency) annual financial report presents our analysis of the Agency's financial performance during the fiscal years ending June 30, 2017 and June 30, 2016. Please read it in conjunction with the basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Fiscal Year 2017

- The Agency's net assets as of June 30, 2017 were \$29,131,981, an increase of \$565,038, or 2.0% over the prior year.
- Revenues totaled \$21,837,766 for the year, an increase of \$6,695,089 from the prior year.
- Beginning in July 2014, in order to properly account for the costs and benefits of water produced from the water reliability projects, funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from TVMWD was invoiced through the Agency. For fiscal year 2017, the total of these pass through costs was \$21,207,376 and is reflected in both the revenues and expenses of the Agency.
- Operating expenses for the year totaled \$22,014,724 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs, in the amount of \$23,650, were incurred related to the maintenance and management of the project facilities.
- During the year the Cal Domestic Project was completed, and produced 616 acre-feet of water. The costs related to the production of this water totaled \$509,239 for the year. These costs included the use of stored water in the amount of \$160,773, that was purchased and paid for in prior years.
- During the year, the Cal Domestic Project was completed and \$8,181,098 related to the facilities was transferred from Construction in Progress to Fixed Assets.
- The Agency recorded an additional \$741,996 in construction costs related to the Pomona Basin Project, which is currently being constructed and is reflected in the Agency's Construction in Progress account.

Fiscal Year 2016

- The Agency's net assets as of June 30, 2016 were \$28,566,943, an increase of \$7,666,429, or 36.7% over the prior year.
- Revenues totaled \$15,142,677 for the year, a decrease of \$79,621 from the prior year.
- Beginning in July 2014, in order to properly account for the costs and benefits of water produced from the water reliability projects, funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from TVMWD was invoiced through the Agency. For fiscal year 2016, the total of these pass through costs was \$14,260,624 and is reflected in both the revenues and expenses of the Agency.
- Operating expenses for the year totaled \$14,876,341 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced 448 acre-feet of water. The costs related to the production of this water totaled \$403,574 for the year.

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

- The Agency purchased 4,600 acre-feet of water, at cost of \$2,708,592, which was placed in the Agency's storage account in the Main San Gabriel Valley Basin. This water will be produced through the Cal Domestic project.
- An additional 9,978 acre-feet, previously purchased by the member agencies, was transferred to the PBWA and placed in their storage account. The cost of the water transferred was \$4,901,858.
- During the year, the Agency recorded costs related to the construction of several water reliability projects in the amount of \$1,054,846. The project facilities are owned by the Agency, with the costs and benefits shared equally by the RWD and WWWD.
- During the year the District received state grant reimbursements in the amount of \$481,296, related to the construction of the Pomona Basin water reliability project.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements report information about the Agency using accounting methods similar to those used by private sector companies. The financial statements, comprised of the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows, offer short-term and long-term financial information about the Agency's activities. Each financial statement is identified and defined in this section and analyzed in subsequent sections of MD&A.

### Statement of Net Assets

The Statement of Net Assets presents the Agency's financial position (assets and liabilities) as of June 30, 2017 and 2016. The Statement of Net Assets includes all of the Agency's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2017 and 2016 the Agency had net assets, assets in excess of liabilities, of 29,131,981 and \$28,566,944, respectively.

### Statement of Revenues, Expenses & Changes in Net Assets

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in net Assets. This statement measures the success of the Agency's operations and can be used to determine whether the Agency has successfully recovered all of its costs through member assessments and other revenues. Revenues are recognized (recorded) when services are provided and expenses are recognized when incurred. Operating revenues and expenses are related to the Agency's core activities. The change in net assets for the years ending June 30, 2017 and 2016, was \$565,038 and \$7,666,429, respectively.

### Statement of Cash Flows

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Agency's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operations, 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 year. As of June 30, 2017 cash and cash equivalents totaled \$757,020 an increase of \$146,721 from the previous fiscal year.

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**FINANCIAL ANALYSIS OF THE AGENCY**

Our analysis of the Agency begins on page 11 of the financial statements. One of the most important questions to ask about the Agency’s finances is, “Whether the Agency, as a whole, is better off or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Agency’s finances in a way that will help answer that question. Measuring the change in the Agency’s net assets, the difference between assets and liabilities, is one way to measure financial health or financial position. Over time, increases or decreases in the Agency’s net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth and new or changed government legislation.

**Statements of Net Assets**

Table A-1  
Condensed Statements of Net Assets

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Fiscal Year 2015	Dollar Change
<b>Assets:</b>					
Cash & Investments	\$ 757,020	\$ 610,299	\$ 146,721	\$ 25,534	\$ 584,765
Accounts Receivable	2,974,959	2,816,371	158,588	2,955,362	(138,991)
Interest Receivable	154,004	157,437	(3,433)	163,592	(6,155)
Installment Purchase Receivable	34,065,000	34,905,000	(840,000)	35,715,000	(810,000)
Prepaid Water/Stored Water	7,541,476	7,702,250	(160,774)	1,745,303	5,956,947
Capital Assets	20,703,199	20,080,470	622,729	19,060,233	1,020,237
Total Assets	66,195,658	66,271,827	(76,169)	59,665,024	6,606,803
<b>Liabilities:</b>					
Accounts Payable	2,844,673	2,642,447	202,226	2,885,918	(243,471)
Interest Payable	154,004	157,437	(3,433)	163,592	(6,155)
Long- Term Debt	34,065,000	34,905,000	(840,000)	35,715,000	(810,000)
Total Liabilities	37,063,677	37,704,884	(641,207)	38,764,510	(1,059,626)
<b>Net Assets:</b>					
Net Investment in Capital Assets	20,703,199	20,080,470	622,729	19,060,233	1,020,237
Unrestricted	8,428,782	8,486,473	(57,691)	1,840,281	6,646,192
Total Net Assets	\$ 29,131,981	\$ 28,566,943	\$ 565,038	\$20,900,514	\$ 7,666,429



**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As seen from Table A-1, the Agency's net assets exceeded liabilities by \$29,131,981 and \$28,566,944 for the fiscal years ending June 30, 2017 and 2016, respectively.

By far, the largest component of net assets is the Agency's net investment in capital assets, which increased \$622,729 from the prior year. This increase was due to the recognition of capital costs, attributable to the water supply reliability projects which totaled \$741,996 for the year. As of June 30, 2017, the balance of the Construction in Progress account was \$1,625,769.

In 2016, the Agency's net investment in capital assets increased \$1,020,237 from the prior year. This increase was due to the recognition of capital costs, attributable to several water supply reliability projects which totaled 1,054,846 for the year. As of June 30, 2016, the balance of the Construction in Progress account was \$19,960,233.

In 2013, the Agency issued \$19,385,000 of 2012 Series A Water Revenue Bonds related to capital facilities of the RWD. In addition, the Agency issued \$17,300,000 related to capital facilities of the WVWD. In accordance with the separate installment purchase agreements, each District is obligated to pay the interest and principal payments related to the bonds. To account for the debt and installment purchase agreement a liability and corresponding asset has been recorded. As of June 30, 2017, the balance of the installment purchase receivable and related liability was \$34,065,000.

**Statements of Revenues, Expenses, and Changes in Net Assets**

**Fiscal Year 2017 – Revenues and Expenses**

For fiscal year 2017 the Agency had total revenues of \$21,837,766, an increase of \$6,695,089 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$21,207,376, an increase of 6,946,752 from the prior year. In addition, during the year the Cal Domestic project was completed and produced 616 acre-feet of water during the year. A total of \$475,196 was collected from the Districts to cover the costs related to the production of this water. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$155,194, a decrease of \$3,421 over the prior year. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,387,763.

For fiscal year 2017, the Agency had total operating expenses of \$22,014,724, an increase of \$7,076,067 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$21,740,265 for the year, an increase of \$14,664,198. Professional services for the year totaled \$67,364, a decrease of \$52,521 from fiscal year 2016. This decrease was expected, as the Agency incurred less costs for consultant fees related to government relations services.

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Capital contributions for the year totaled \$741,996. Capital contributions included the money paid by each member agency for alternative water supply projects, the purchase and transfer of stored water, and the state grant money received.

Fiscal Year 2016 – Revenues and Expenses

For fiscal year 2016 the Agency had total revenues of \$15,142,677, a decrease of \$79,621 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$14,260,624, a decrease of \$286,930 from the prior year. In addition, the La Habra project produced 448 acre-feet of water during the year. A total of \$325,520 was collected from the Districts to cover the costs related to the production of this water. Member assessments vary from year to year and represent payments received from the Districts to cover the other costs incurred by the Agency. For the year, member assessments totaled \$158,615, a decrease of \$74,256, or 31.9% over the prior year. Other revenues totaled \$397,918, an increase of \$326,208 from the prior year. This increase was largely related to the lease of water production rights in the Central Basin. For the year lease income totaled \$208,000. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,569,770.

For fiscal year 2016, the Agency had total operating expenses of \$14,876,341, a decrease of \$387,304 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water which totaled \$14,664,198 for the year, a decrease of \$292,070, or 1.9%. Professional services for the year totaled \$119,885, a decrease of \$114,761 from fiscal year 2015. This decrease was expected, as the Agency discontinued service with a consultant that was previously providing government relations services.

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

Table A-2

Condensed Statements of Revenues, Expenses and Changes in Net Assets

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Fiscal Year 2015	Dollar Change
<b>Revenues:</b>					
Sale of Water (TVMWD)	\$ 21,207,376	\$ 14,260,624	\$ 6,946,752	\$ 14,547,554	\$ (286,930)
Sale of Water (Project)	475,196	325,520	149,676	370,163	(44,643)
Member Assessments	155,194	158,615	(3,421)	232,871	(74,256)
Other	-	397,918	(397,918)	71,710	326,208
<b>Total Operating Revenues</b>	<b>21,837,766</b>	<b>15,142,677</b>	<b>6,695,089</b>	<b>15,222,298</b>	<b>(79,621)</b>
Interest Income	1,387,763	1,569,770	(182,007)	1,595,554	(25,784)
<b>Total Revenues</b>	<b>23,225,529</b>	<b>16,712,447</b>	<b>6,513,082</b>	<b>16,817,852</b>	<b>(105,405)</b>
<b>Expenses:</b>					
Water Supply (TVMWD)	21,207,376	14,260,624	6,946,752	14,547,553	(286,929)
Water Supply (Project)	532,889	403,574	129,315	408,715	(5,141)
Legal	43,115	26,513	16,602	24,161	2,352
Accounting	7,650	8,500	(850)	3,121	5,379
Engineering	1,423	2,335	(912)	1,300	1,035
Administrative	35,642	20,301	15,341	10,112	10,189
Professional Services	67,364	119,885	(52,521)	234,646	(114,761)
Depreciation	119,265	34,609	84,656	34,037	572
<b>Total Operating Expenses</b>	<b>22,014,724</b>	<b>14,876,341</b>	<b>7,138,383</b>	<b>15,263,645</b>	<b>(387,304)</b>
Non-Operating: Interest Expense	1,387,763	1,569,770	(182,007)	1,595,554	(25,784)
Other Expenses	-	-	-	8,386	(8,386)
<b>Total Expenses</b>	<b>23,402,487</b>	<b>16,446,111</b>	<b>6,956,376</b>	<b>16,867,585</b>	<b>(421,474)</b>
<b>Net Income (Loss)</b>	<b>(176,958)</b>	<b>266,336</b>	<b>(443,294)</b>	<b>(49,733)</b>	<b>316,069</b>
Capital Contributions	741,996	7,400,093	(6,658,097)	12,886,902	(5,486,809)
<b>Changes in Net Assets</b>	<b>565,038</b>	<b>7,666,429</b>	<b>(7,101,391)</b>	<b>12,837,169</b>	<b>(5,170,740)</b>
Net Assets, Beg. of Year	28,566,943	20,900,514	7,666,429	8,063,345	12,837,169
Net Assets, End of Year	<b>\$ 29,131,981</b>	<b>\$ 28,566,943</b>	<b>\$ 565,038</b>	<b>\$ 20,900,514</b>	<b>\$ 7,666,429</b>

**Capital Asset Administration**

As of June 30, 2017, the Agency had invested \$20,703,199 in capital assets, an increase of \$622,729 from the prior fiscal year. These assets were comprised of water rights, construction in progress and capital assets related to several alternative water supply projects.

**PUENTE BASIN WATER AGENCY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Debt Administration**

Table A-3  
Long-Term Debt

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Fiscal Year 2015	Dollar Change
<b>Long Term Debt:</b>					
2012 Series A Water Revenue Bonds (RWD Project)	\$ 18,265,000	\$ 18,675,000	\$ (410,000)	\$ 19,070,000	\$ (395,000)
2013 Series A Water Revenue Bonds (WVWD Project)	\$ 15,800,000	\$ 16,230,000	\$ (430,000)	\$ 16,645,000	\$ (415,000)
Total Long-Term Debt	<u>\$ 34,065,000</u>	<u>\$ 34,905,000</u>	<u>\$ (840,000)</u>	<u>\$ 35,715,000</u>	<u>\$ (810,000)</u>

**Economic Factors and Next Year's Budget**

Table A-4  
Fiscal Year 2018 Budget vs. Fiscal Year 2017 Actual

	Budget 2018	Actual 2017	Dollar Change
<b>Revenues:</b>			
Sale of Water (TVMWD)	\$ 13,948,736	\$ 21,207,376	\$ (7,258,640)
Sale of Water (Project)	536,848	475,196	61,652
Member Assessments	223,500	155,194	68,306
Total Operating Revenues	<u>14,709,084</u>	<u>21,837,766</u>	<u>(7,128,682)</u>
Use of Stored Water	208,800	160,773	48,027
Total	<u>\$ 14,917,884</u>	<u>\$ 21,998,539</u>	<u>\$ (7,080,655)</u>
<b>Expenses:</b>			
Water Supply (TVMWD)	\$ 13,948,736	\$ 21,207,376	\$ (7,258,640)
Water Supply (Project)	741,648	532,889	208,759
Legal	50,000	43,115	6,885
Accounting	8,500	7,650	850
Engineering	5,000	1,423	3,577
Professional Service	125,000	35,642	89,358
Administrative Expenses	35,000	67,364	(32,364)
Total Operating Expenses	<u>\$ 14,913,884</u>	<u>\$ 21,895,459</u>	<u>\$ (6,981,575)</u>
Net Income	<u>\$ 4,000</u>	<u>\$ 103,080</u>	<u>\$ (147,107)</u>

PUENTE BASIN WATER AGENCY  
STATEMENT OF NET POSITION  
June 30, 2017  
(with comparative information for prior year)

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS:</b>		
Cash and investments (note 2)	\$ 757,020	610,299
Accounts receivable		
WVWD	1,511,461	1,822,268
RWD	1,435,980	820,748
Grants receivable	27,518	173,355
Interest receivable	154,004	157,437
Installment purchase receivable - current (note 3)	870,000	840,000
Prepaid water	91,801	91,801
Stored water	<u>7,449,675</u>	<u>7,610,449</u>
<b>TOTAL CURRENT ASSETS</b>	<u>12,297,459</u>	<u>12,126,357</u>
<b>CAPITAL ASSETS (note 4):</b>		
Capital assets not being depreciated	12,028,723	19,467,825
Capital assets being depreciated	8,873,325	692,227
Less accumulated depreciation	<u>(198,849)</u>	<u>(79,582)</u>
<b>TOTAL CAPITAL ASSETS</b>	<u>20,703,199</u>	<u>20,080,470</u>
<b>NON CURRENT ASSETS</b>		
Installment purchase receivable - non current (note 3)	<u>33,195,000</u>	<u>34,065,000</u>
<b>TOTAL NON CURRENT ASSETS</b>	<u>33,195,000</u>	<u>34,065,000</u>
<b>TOTAL ASSETS</b>	<u>66,195,658</u>	<u>66,271,827</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	2,844,673	2,642,447
Interest payable	154,004	157,437
Current portion of long-term debt (note 5)	<u>870,000</u>	<u>840,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,868,677</u>	<u>3,639,884</u>
<b>LONG-TERM DEBT (note 5)</b>	<u>33,195,000</u>	<u>34,065,000</u>
<b>TOTAL LIABILITIES</b>	<u>37,063,677</u>	<u>37,704,884</u>
<b>NET POSITION:</b>		
Investment in capital assets	20,703,199	20,080,470
Unrestricted	<u>8,428,782</u>	<u>8,486,473</u>
<b>TOTAL NET POSITION</b>	<u>\$ 29,131,981</u>	<u>28,566,943</u>

See Notes to Financial Statements

PUENTE BASIN WATER AGENCY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

For the Year Ended June 30, 2017  
(with comparative information for prior year)

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES:</b>		
Sale of water to member agencies	\$ 21,734,686	14,586,144
Member assessments	103,080	158,615
Water leases	-	379,000
Other	-	18,918
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	21,837,766	15,142,677
<b>OPERATING EXPENSES:</b>		
Water supply	21,740,265	14,664,198
Legal	43,115	26,513
Accounting	7,650	8,500
Engineering	1,423	2,335
Administrative	35,642	20,301
Professional services	67,364	119,885
Depreciation	119,265	34,609
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	22,014,724	14,876,341
OPERATING INCOME (LOSS)	<u>(176,958)</u>	<u>266,336</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest revenue	1,387,763	1,569,770
Interest expense	<u>(1,387,763)</u>	<u>(1,569,770)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<hr/> -	<hr/> -
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(176,958)	266,336
<b>CAPITAL CONTRIBUTIONS:</b>		
Capital contributions from RWD	370,998	527,423
Capital contributions from WVWD	370,998	527,423
Member Contributions - stored water RWD	-	2,913,176
Member Contributions - stored water WVWD	-	2,950,775
Capital contributions from grants	<hr/> -	<hr/> 481,296
CHANGE IN NET POSITION	565,038	7,666,429
NET POSITION - BEGINNING OF YEAR	<hr/> 28,566,943	<hr/> 20,900,514
NET POSITION - END OF YEAR	<u>\$ 29,131,981</u>	<u>28,566,943</u>

See Notes to Financial Statements

PUENTE BASIN WATER AGENCY  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2017  
(with comparative information for prior year)

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received for water sales	\$ 21,557,132	14,027,872
Receipts from members for operations	103,082	1,048,151
Water purchases	(21,740,265)	(14,027,424)
Payments to suppliers for other goods and services	(95,014)	(8,589,726)
Sale of water leases	<u>-</u>	<u>1,954,000</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(175,065)</u>	<u>(5,587,127)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Receipts from members for capital activities	741,996	1,054,846
Receipts from State Water Department for capital activities	145,837	307,941
Member contributions - stored water	-	5,863,951
Payments for the acquisition of capital assets	<u>(566,047)</u>	<u>(1,054,846)</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>321,786</u>	<u>6,171,892</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>610,299</u>	<u>25,534</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 757,020</u>	<u>610,299</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ <u>(176,958)</u>	<u>266,336</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	119,265	34,609
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(304,425)	312,346
(Increase) decrease in prepaid water	-	1,653,502
(Increase) decrease in stored water	160,774	(7,610,449)
Increase (decrease) in accounts payable	<u>26,279</u>	<u>(243,471)</u>
Total adjustments	<u>1,893</u>	<u>(5,853,463)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (175,065)</u>	<u>(5,587,127)</u>
<b>Noncash investing, capital and financing activities:</b>		
Member remittance of funds to bond service agent	<u>\$ 2,385,200</u>	<u>2,386,800</u>

See Notes to Financial Statements

## PUENTE BASIN WATER AGENCY

### NOTES TO BASIC FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Description of Reporting Entity:

The Puente Basin Water Agency (the Agency) was created April 1, 1971 by the execution of a Joint Powers Agreement between Rowland Water District and 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 an appointed Board of Commissioners consisting of four members.

As required by accounting principles generally accepted in the United States of America, these financial statements present the Puente Basin Water Agency and its component units, if any for which the Agency is considered to be financially accountable. Based upon the application of required criteria, there were no potential component units to be considered for inclusion in the Agency's reporting entity.

##### B. Description of Fund:

The accounts of the Agency are organized in a fund, which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The following fund type is used:

##### Proprietary Fund Type

Enterprise Fund is used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

##### C. Accounting and Reporting Policies:

The Agency has conformed to the pronouncements of the Governmental Accounting Standards Board (GASB), which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

##### D. Basis of Accounting/Measurement Focus:

Proprietary fund types are accounted for using the "economic resources" measurement focus and accrual basis of accounting. This means that all assets and liabilities (whether current or concurrent) associated with the activity are included on the balance sheet. Their reported fund equity



## PUENTE BASIN WATER AGENCY

### NOTES TO BASIC FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

presents total net position. The operating statement of the proprietary funds presents increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency are water sales to members and member operating assessments. Operating expenses include the costs of legal, accounting, and engineering services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### E. Cash and Cash Equivalents:

For purposes of the statement of cash flows of the proprietary funds, all cash and investments with an original maturity of 90 days or less are considered to be cash and cash equivalents.

#### F. 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 effect certain reported amount and disclosures. Accordingly, actual results could differ from those estimates.

#### G. Capital Assets:

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at estimated acquisition value at the date of contribution. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

**PUENTE BASIN WATER AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. CASH AND INVESTMENTS**

Cash and cash equivalents at June 30, 2017 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments \$757,020

Deposits with financial institutions \$757,020

**Investments Authorized by the California Government Code**

The table below identifies the investment types that are authorized for the Agency by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

N/A – Not Applicable

## PUENTE BASIN WATER AGENCY

### NOTES TO BASIC FINANCIAL STATEMENTS

#### 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 Agency 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 evenly over time as necessary to provide the cash flow and liquidity needed for operations. The Agency's deposits with financial institutions are available on demand.

##### **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 Agency'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 the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Agency's deposits are collateralized as required by California Law.

#### 3. INSTALLMENT PURCHASE RECEIVABLE

The Agency entered into Installment Purchase Contracts with Rowland Water District ("RWD") and Walnut Valley Water District ("WVWD") related to the issuing of Bonds. RWD and WVWD received the proceeds of the Bonds and are required to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. Total amounts required to be paid by RWD and WVWD as of June 30, 2017 are \$18,265,000 and \$15,800,000, respectively.

**PUENTE BASIN WATER AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2017 are as follows:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at July 1, 2017</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 9,064,871	741,996	(8,181,098)	1,625,769
Water rights	<u>10,402,954</u>	-	-	<u>10,402,954</u>
Total capital assets, not being depreciated	<u>19,467,825</u>	<u>741,996</u>	<u>(8,181,098)</u>	<u>12,028,723</u>
Capital assets, being depreciated:				
Pumping structure	<u>692,227</u>	<u>8,181,098</u>	-	<u>8,873,325</u>
Less accumulated depreciation:				
Pumping structure	<u>(79,582)</u>	<u>(119,267)</u>	-	<u>(198,849)</u>
Total capital assets being depreciated, net	<u>612,645</u>	<u>8,061,831</u>	-	<u>8,674,476</u>
Total capital assets	<u>\$ 20,080,470</u>	<u>8,803,827</u>	<u>(8,181,098)</u>	<u>20,703,199</u>

**5. LONG-TERM DEBT**

The changes in long-term debt for the year ended June 30, 2017, is as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
2012 Series A Water Revenue Bonds (RWD Project)	\$18,675,000	-	410,000	18,265,000	425,000
2013 Series A Water Revenue Bonds (WVWD Project)	<u>16,230,000</u>	-	<u>430,000</u>	<u>15,800,000</u>	<u>445,000</u>
Total long-term debt	<u>\$34,905,000</u>	-	<u>840,000</u>	<u>34,065,000</u>	<u>870,000</u>

**PUENTE BASIN WATER AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. LONG-TERM DEBT (Continued)**

**2012 Series A Water Revenue Bonds (Rowland Water District Project)**

On November 1, 2012, the Agency issued \$19,385,000 of 2012 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of RWD, a member agency. RWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds.

The Bonds were issued at a premium of \$1,570,182 which will be amortized over the life of the debt service with RWD receiving the proceeds of the Bonds. Interest and principal are payable on December 1st and June 1st of each year beginning June 1, 2013, with interest rates ranging from 1.0% to 5.0%. The Bonds are scheduled to mature on December 1, 2042. The rate covenants of the Bonds require that net revenues of RWD for each fiscal year be equal to at least 110% of the annual debt service payments required for that fiscal year.

**2013 Series A Water Revenue Bonds (Walnut Valley Water District Project)**

On March 1, 2013, the Agency issued \$17,300,000 of 2013 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of WVWD, a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds.

The Bonds were issued at a premium of \$2,695,738 which will be amortized over the life of the debt service with WVWD receiving the proceeds of the Bonds. Interest is payable on June 1st and December 1st of each year beginning December 1, 2013, with interest rates ranging from 1.0% to 5.0%. Principal is due December 1st each year beginning December 1, 2013. The Bonds are scheduled to mature on December 1, 2038. The rate covenants of the Bonds require that net revenues of WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

**PUENTE BASIN WATER AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. LONG-TERM DEBT (Continued)**

Future annual debt service requirements of the Agency are as follows:

Year Ending June 30	<u>2012 Series A Water Revenue Bonds (Rowland Water District Project)</u>		<u>2013 Series A Water Revenue Bonds (Walnut Valley Water District Project)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 425,000	725,750	445,000	785,550
2019	445,000	710,575	465,000	767,750
2020	460,000	694,700	490,000	744,500
2021	475,000	676,000	510,000	720,000
2022	495,000	656,600	535,000	694,500
2023-2027	2,800,000	2,965,325	3,120,000	3,041,750
2028-2032	3,300,000	2,461,813	3,980,000	2,180,250
2033-2037	3,885,000	1,888,689	5,080,000	1,080,250
2038-2042	4,855,000	912,625	1,175,000	58,750
2043	<u>1,125,000</u>	<u>28,125</u>	<u>-</u>	<u>-</u>
Total payments	<u>\$18,265,000</u>	<u>11,720,202</u>	<u>\$15,800,000</u>	<u>10,073,300</u>

**PUENTE BASIN WATER AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. NET POSITION**

Changes in net position by member during the fiscal year ended June 30, 2017 was as follows:

	<u>Walnut Valley Water District</u>	<u>Rowland Water District</u>	<u>Total</u>
Net Position June 30, 2016	\$ 14,283,471	14,283,472	<u>28,556,943</u>
Capital Contributions	370,998	370,998	741,996
Share of Joint Venture loss before member capital contributions	<u>(88,479)</u>	<u>(88,479)</u>	<u>(176,958)</u>
Change in Net Position	<u>282,519</u>	<u>282,519</u>	<u>565,038</u>
Net Position June 30, 2017	<u>\$ 14,565,990</u>	<u>14,565,991</u>	<u>29,131,981</u>

**SUPPLEMENTARY INFORMATION**



## **PUENTE BASIN WATER AGENCY**

### **SUPPLEMENTARY INFORMATION**

June 30, 2017

#### PUENTE NARROWS AGREEMENT

On May 8, 1972, Puente Basin Water Agency and Upper San Gabriel Valley Municipal Water executed the Puente Narrows Agreement (the Agreement), which established the base water underflow from the Puente Basin to the Main San Gabriel Basin at 580 acre-feet per year. The Agreement requires Puente Basin Water Agency to make up payments in the following year where accumulated subsurface outflow falls below the accumulated base underflow. The Agency receives a credit for an excess of underflow over the base underflow. These credits can be applied only against deficiencies of underflow should such deficiencies occur in the future.

Puente Basin Water Agency had credits for excess of underflow of 12,921 acre-feet at June 30, 2017. The value of these credits have not been reflected in the accompanying financial statements because the likelihood of these credits being applied to material amounts of future deficiencies of underflow is extremely remote and the credits cannot be used for any other purpose. The administration of the Agreement is currently responsible for well measurement.

#### ADJUDICATION OF PUENTE BASIN WATER RIGHTS

The Puente Basin Watermaster allocates water rights among water producers in the Puente Basin. Water rights of 425 acre-feet were allocated to both Rowland Water District and Walnut Valley Water District. These amounts represent approximately 40 percent of the water rights available in the Puente Basin. The judgment allows some over and under allocation adjustments depending on water flow in the basin, limited carryover provisions, and credit for return water

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

**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***

**Independent Auditor's Report**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Puente Basin Water Agency ("Agency"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 28, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

Board of Commissioners  
Puente Basin Water Agency  
Page Two

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "David San LP". The signature is written in a cursive style.

Irvine, California  
December 28, 2017

# Tab

# 2.4

**PUENTE BASIN WATER AGENCY  
PROJECT AGREEMENT NO. 4  
PATHFINDER ROAD PIPELINE AND INTERTIES 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 Pathfinder Road Pipeline and Interties Project, to address the following:

1. Description of Project: The Project is intended to allow for the Agency's Cal Domestic Water Company Project (Project Agreement No. 2) facilities to be maximized and utilized for the production of groundwater from the Main San Gabriel and Central Groundwater Basins. The Project involves the design and construction of the following facilities, which are necessary to connect Rowland's transmission system to Walnut's 770 Zone distribution system: (a) twenty-inch pipeline in Pathfinder Road, running from Rowland's facilities in the intersection of Pathfinder Road and Fullerton Road to a point of connection with Rowland's existing twenty-inch transmission system facilities located approximately 120 feet east of the intersection of Paseo Real Avenue and Pathfinder Road; and (b) three six-inch meter structures and six-inch flow control valve vaults to measure the quantity of water flowing into Walnut's 770 Zone distribution system via Rowland's transmission system along Colima Road near the intersections of Colima Road and Otterbein Avenue, Hallgreen Drive and Brea Canyon Road.

2. Design and Planning: Engineering staff at Walnut shall prepare the design and plans for the Project, subject to approval by Rowland. Engineering staff at Walnut shall prepare the design and plans for the three interties for the Project, subject to the approval by both Rowland and Walnut.

3. Construction: Puente Basin Water Agency 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.

4. Operation and Maintenance: Rowland shall be deemed to be the operator of the Project 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 member agencies, 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 \$2,030,500.00. 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, 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 Water Systems Conveyed: Rowland and Walnut acknowledge that the Project will be closely tied to both Rowland and Walnut in light of the physical connection of the Project to both agencies distribution systems. Nothing in this Project Agreement shall give the Agency or Walnut any ownership rights to Rowland's distribution system, or any portion thereof. Additionally, nothing in this Project Agreement shall give the Agency or Rowland any ownership rights to Walnut'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, or as may otherwise be necessary to cover the cost of such repairs.

11. Reserve Account: As an extension of the Cal Domestic Water Company Project (Project Agreement No.2) facilities, the reserve account for the Cal Domestic Water Company Project will be used as the Reserve Account for this project.

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, Restated 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 first above written.

Dated: \_\_\_\_\_, 2018

ROWLAND WATER DISTRICT

By: \_\_\_\_\_  
Tom Coleman, General Manager

Dated: \_\_\_\_\_, 2018

WALNUT VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Michael Holmes, General Manager

**Tab**

**2.5**





## **Resolution No. 3-2018**

**JOINT RESOLUTION OF  
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES,  
THE BOARD OF TRUSTEES OF THE GREATER LOS ANGELES COUNTY  
VECTOR CONTROL DISTRICT, THE BOARD OF DIRECTORS OF THE  
SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY, THE BOARD  
OF DIRECTORS OF THE ROWLAND WATER DISTRICT; AND THE BOARD  
OF DIRECTORS OF THE THREE VALLEYS MUNICIPAL  
WATER DISTRICT - ROWLAND AREA APPROVING AND ACCEPTING THE  
NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING  
FROM ANNEXATION OF L 070-2009 TO COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687**

**WHEREAS**, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

**WHEREAS**, The Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1687, the Los Angeles County General Fund, the Los Angeles County Public Library, the Los Angeles County Road District No. 1, the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles Flood Control Drainage Improvement Maintenance District, and the Los Angeles County Flood Control District, the Board of Trustees of the Greater Los Angeles County Vector Control District, the Board of Directors of the County Sanitation District No. 21 of Los Angeles County, the Board of Directors of the Rowland Water District; and the Board of Directors of the Three Valleys Municipal Water District - Rowland Area, have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as L 070-2009 to County Lighting Maintenance District 1687 is as shown on the attached Property Tax Transfer Resolution Worksheet.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1687, the Los Angeles County General Fund, the County of Los Angeles Public Library, the Los Angeles County Road District No. 1, the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles Flood Control Drainage Improvement Maintenance District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No. 21 of Los Angeles County, the Rowland Water District, and the Three Valleys Municipal Water District - Rowland Area resulting from the annexation of L 070-2009 to County Lighting Maintenance District 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2018, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 070-2009 (Tax Rate Area 08371) shall be allocated to the affected agencies as indicated on the attached Property Tax Transfer Resolution Worksheet.

3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of L 070-2009.

4. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

**ADOPTED** at the Regular Meeting of the Board of Directors held March 6, 2018, by the following roll call vote:

AYES:	Directors Lu-Yang, Lewis, Lima, Bellah and Rios
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	NONE

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SZU PEI LU-YANG  
Board President

ATTEST:

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TOM COLEMAN  
Board Secretary

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1687, the Los Angeles County General Fund, the County of Los Angeles Public Library, the Los Angeles County Road District No. 1, the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles Flood Control Drainage Improvement Maintenance District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No. 21 of Los Angeles County, the Rowland Water District, and the Three Valleys Municipal Water District - Rowland Area resulting from the annexation of L 070-2009 to County Lighting Maintenance District 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2018, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 070-2009 (Tax Rate Area 08371) shall be allocated to the affected agencies as indicated on the attached Property Tax Transfer Resolution Worksheet.

3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of L 070-2009.

4. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

**ADOPTED** at the Regular Meeting of the Board of Directors held March 6, 2018, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

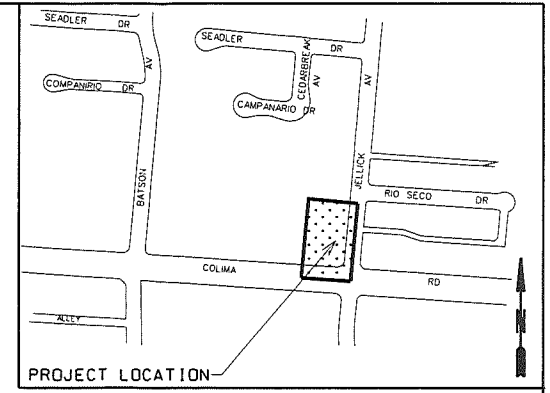
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SZU PEI LU-YANG  
Board President

ATTEST:

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TOM COLEMAN  
Board Secretary



PROJECT LOCATION  
VICINITY MAP T. G. page 679-A5

TRA  
8371

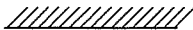


NOT TO SCALE

**LEGEND**



PROPOSED ANNEXATION AREA



EXISTING LIGHTING MAINTENANCE DISTRICT 1687

PROPOSED ANNEXATION TO COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687  
AND COUNTY LIGHTING DISTRICT LLA-1  
(UNINCORPORATED ZONE)

LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS  
TRAFFIC AND LIGHTING DIVISION  
STREET LIGHTING SECTION

**CLMD 1687  
ROWLAND HEIGHTS AREA**

Prepared By	TD	Sheet 1 of 1	SUP. DIST. 4
Recommended By	<i>[Signature]</i>	Date	7/28/17
Approved By	<i>[Signature]</i>	Date	8/1/17

ANNEXATION TO: CO LIGHTING MAINT DIST NO 1687  
 ACCOUNT NUMBER: 019.40  
 TRA: 08371  
 EFFECTIVE DATE: 07/01/2017  
 ANNEXATION NUMBER: L 070-2009 PROJECT NAME: L 070-2009  
 DISTRICT SHARE: 0.020194327

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.342747181	34.2757 %	0.020194327	0.006921559	-0.007082924	0.335664257
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000119969	0.0119 %	0.020194327	0.000002422	0.000000000	0.000119969
003.01	L A COUNTY LIBRARY	0.024877816	2.4877 %	0.020194327	0.000502390	-0.000502390	0.024375426
005.05	ROAD DIST # 1	0.006140694	0.6140 %	0.020194327	0.000124007	-0.000124007	0.006016687
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.184456754	18.4456 %	0.020194327	0.003724980	-0.003724980	0.180731774
007.31	L A C FIRE-FFW	0.007870699	0.7870 %	0.020194327	0.000158943	0.000000000	0.007870699
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001874456	0.1874 %	0.020194327	0.000037853	-0.000037853	0.001836603
030.70	LA CO FLOOD CONTROL MAINT	0.010608108	1.0608 %	0.020194327	0.000214223	-0.000214223	0.010393885
061.80	GREATER L A CO VECTOR CONTROL	0.000402141	0.0402 %	0.020194327	0.000008120	-0.000008120	0.000394021
066.80	CO SANIT DIST NO 21 OPERATING	0.013522038	1.3522 %	0.020194327	0.000273068	-0.000273068	0.013248970
300.70	ROWLAND WATER DISTRICT	0.005561051	0.5561 %	0.020194327	0.000112301	-0.000112301	0.005448750
365.15	THREE VY MWD ROWLAND AREA	0.004340416	0.4340 %	0.020194327	0.000087651	-0.000087651	0.004252765
400.00	EDUCATIONAL REV AUGMENTATION FD	0.068344416	6.8344 %	0.020194327	0.001380169	EXEMPT	0.068344416
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.020194327	0.002663180	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001487810	0.1487 %	0.020194327	0.000030045	EXEMPT	0.001487810
400.21	CHILDREN'S INSTIL TUITION FUND	0.002952753	0.2952 %	0.020194327	0.000059628	EXEMPT	0.002952753
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.031867902	3.1867 %	0.020194327	0.000643550	EXEMPT	0.031867902
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000307594	0.0307 %	0.020194327	0.000006211	EXEMPT	0.000307594
918.03	ROWLAND UNIFIED SCHOOL DISTRICT	0.152331063	15.2331 %	0.020194327	0.003076223	EXEMPT	0.152331063

ANNEXATION NUMBER: L 070-2009 PROJECT NAME: L 070-2009

TRA: 08371

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
918.06	CO.SCH.SERV.FD.-ROWLAND	0.007473158	0.7473 %	0.020194327	0.000150915	EXEMPT	0.007473158
918.07	DEV.CTR.HDCPD.MINOR-ROWLAND	0.000836331	0.0836 %	0.020194327	0.000016889	EXEMPT	0.000836331
***019.40	CO LIGHTING MAINT DIST NO 1687	0.000000000	0.0000 %	0.020194327	0.000000000	0.000000000	0.012167517
TOTAL:		1.000000000	100.0000 %		0.020194327	-0.012167517	1.000000000

# Tab

# 2.6

## LICENSE AGREEMENT

This License Agreement ("**Agreement**") is made effective as of the \_\_\_ day of \_\_\_\_\_, 2018, by and between INDUSTRY CHESTNUT ST, LLC, a Delaware limited liability company ("**Licensee**") and the Rowland Water District, a California County Water District ("**Licensor**").

### Recitals

A. Licensor is the owner of that certain approximate 0.008 acres (350 square feet) of land located at Chestnut Street, Industry, California (Assessor's Parcel Number 8242-012-901) ("**Licensed Property**"), which is depicted in the attached Exhibit A.

B. Licensor desires to grant to Licensee an exclusive right to enter upon and use the Licensed Property for the purposes set forth herein ("**License**").

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

### Agreement

1. Use of Licensed Property. Licensor hereby grants to Licensee an exclusive right to use the Licensed Property for any and all legal uses consistent with the use of the adjacent parcels owned by Licensee ("**Permitted Use**").
2. Term. The License shall commence on April 1, 2018 ("**Commencement Date**") and shall be a month-to-month license ("**License Term**"), terminable by Licensor or Licensee upon no less than thirty (30) days prior written notice to the other.
3. Rent. Licensee shall pay to Licensor rent ("**Rent**") in the amount of thirty five dollars (\$35.00) per month, on a fully gross basis. Rent shall be paid in advance on or before the fifth (5<sup>th</sup>) day of each calendar month during the License Term.
4. Permitted Improvements. Licensee shall have the right to grade, pave, and light the Licensed Property ("**Improvements**"). Any other improvements shall require the consent of Licensor, which shall not be unreasonably withheld, conditioned or delayed. A reasonable consideration in deciding whether to provide such consent shall be whether any improvement may reasonably be removed within the thirty (30) day notice period for termination of the License. After the expiration or earlier termination of this Agreement, if requested in writing by Licensor on or before the expiration or earlier termination of this Agreement, Licensee shall remove the Improvements and any other improvements constructed by Licensee from the Licensed Property and, if requested, restore the Licensed Property to its original condition.
5. Licensor's Rights of Access. Licensor shall have the right to access the Licensed Property upon twenty four (24) hours notice to perform any inspections or related activity that does not interfere with Licensee's use of the Licensed Property.



6. Insurance. Licensee shall maintain a commercial general liability insurance policy covering Licensee's use of the Licensed Property, with a limit not less than Five Million Dollars (\$5,000,000.00) per any one occurrence (limit can be met through excess or umbrella policy). Such policy shall name Licensor as an additional insured.

7. Indemnity. Licensee shall indemnify Licensor against and hold Licensor harmless from any and all costs, claims or liability to the extent arising from or in connection with: (a) the negligence or willful misconduct of Licensee or its agents, employees, contractors, licensees or invitees in or about the Licensed Property; and (b) any breach or default in the performance of Licensee's obligations under this Agreement. Licensee shall defend Licensor against any such cost, claim or liability at Licensee's expense with counsel reasonably acceptable to Licensor. Licensee shall not have any obligation to indemnify Licensor to the extent of negligence or willful misconduct by Licensor. Licensor shall indemnify Licensee against and hold Licensee harmless from any and all costs, claims or liability to the extent arising from or in connection with: (a) the negligence or willful misconduct of Licensor or its agents, employees, contractors, licensees or invitees in or about the Licensed Property; and (b) any breach or default in the performance of Licensor's obligations under this Agreement. Licensor shall defend Licensee against any such cost, claim or liability at Licensor's expense with counsel reasonably acceptable to Licensee. Licensor shall not have any obligation to indemnify Licensee to the extent of negligence or willful misconduct by Licensee. The indemnification obligations of Licensee and Licensor under this Section shall survive the expiration or earlier termination of this Agreement.

8. No Brokers. Licensee represents and warrants to Licensor that no brokers were used by Licensee in connection with this Agreement and that no broker or similar commissions are due to any party claiming through Licensee in connection herewith. Licensor represents and warrants to Licensee that no brokers were used by Licensor in connection with this Agreement and that no broker or similar commissions are due to any party claiming through Licensor in connection herewith. Licensee and Licensor each hereby agree to indemnify and defend the other for any claims arising from any breach by said party of the foregoing representation. The terms of this Section shall survive the expiration or termination of this Agreement.

9. Remedies. In the event of any default by Licensor or Licensee under the terms of this Agreement, the non-defaulting party shall be entitled to all remedies available at law or in equity, including without limitation an injunction and/or specific performance of this Agreement. Either party's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

10. Assignment. Licensee may not assign this Agreement without the consent of Licensor.

11. General Provisions.

(a) This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

(b) Each party and its counsel have had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or against or interpreted to the benefit or disadvantage of any party by reason of any party having or being deemed to have structured or drafted such provision.

(c) No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the parties hereto.

(d) No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

(e) This Agreement shall be construed in accordance with, and governed by, the laws of the State of California, without regard to conflict of law principles.

(f) The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

(g) In the event of any dispute arising out of the enforcement or interpretation of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs from the non-prevailing party, to include any reasonable attorney's fees and costs on appeal.

(h) This Agreement may be executed in any number of counterparts or by facsimile, each of which shall be an original and all of which shall constitute one and the same instrument. A facsimile or electronically transmitted signature on this Agreement shall be deemed an original.

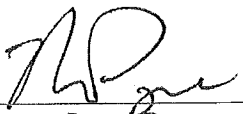
*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed upon the date and year first above written.

**LICENSEE:**

INDUSTRY CHESTNUT ST, LLC,  
a Delaware limited liability company

By: PDC LA/SD LLC,  
a Delaware limited liability company  
Manager

By:   
Mark D. Payne, Local Partner

Address of Licensee:

Industry Chestnut St, LLC  
Attn: Mark Payne  
20411 SW Birch Street, Suite 200  
Newport Beach, CA 92660

**LICENSOR:**

**ROWLAND WATER DISTRICT**

By: \_\_\_\_\_  
Tom Coleman  
General Manager

Address of Licensor:

Rowland Water District  
Attn: Tom Coleman, General Manager  
3021 Fullerton Road  
Rowland Heights, CA 91748

**EXHIBIT "A"**

PARCEL: 8242-012-901

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, TRACT NO. 4380, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 48 PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE MOST NORTHERLY LINE OF PARCEL MAP NO. 2, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 23 PAGES 17 THROUGH 19 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 2200.00 FEET, THROUGH WHICH A RADIAL LINE OF SAID CURVE BEARS SOUTH 14° 40' 05" WEST, WHICH CURVE IS ALSO TANGENT TO THE NORTHERLY LINE OF THAT CERTAIN STRIP OF LAND 60.00 FEET WIDE, HAVING A BEARING OF SOUTH 75° 19' 55" EAST AND INDICATED AS "FUTURE STREET", AS SHOWN ON SAID PARCEL MAP NO. 2; THENCE, NORTH 14° 40' 05" EAST 100.00 FEET;

THENCE SOUTH 4° 50' 26" WEST 66.33 FEET TO THE TRUE POINT OF BEGINNING.

THENCE, SOUTH 18° 25' 29" WEST 35.00 FEET; THENCE, SOUTH 71° 34' 31" EAST 10.00 FEET;

THENCE NORTH 18° 25' 29" EAST 35.00 FEET; THENCE, NORTH 71° 34' 31" WEST 10.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM: THAT PORTION LYING WITHIN THE RIGHT-OF-WAY OF FUTURE CHESTNUT STREET 60.00 FEET WIDE, AS SHOWN ON SAID PARCEL MAP NO. 2.

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**Rowland Water District  
Communication Strategies Update  
March 6, 2018**

**• Consumer Confidence Report**

- GM letter being developed
- Layout underway
- Tables pending

**• Wonderful World of Water**

- Press Release distributed
- Slider online

**• Social Media**

- Monitoring, messaging and training

**• Leaks 101 Pocket Guide**

- Complete and printed
- Distribution pending

**• Strategic Plan Update**

- Erin developing initial update concepts and topics
- Board workshops to follow

**• Additional Press Releases**

- Annual Audit Completion (pending finalized audit)
- AMI Consideration
- Fix-A-Leak Week

• **Additional Sliders**

- Poster Contest
- Template Development

• **Miscellaneous**

- Bill Redesign
- Website (sliders and text updated as needed)
- On-Hold Messages

**Press Releases**

Date	News Story	In Process	Completed	Distributed
2/7/17	Conservation Mandates	*****		
3/23/17	Fix-A-Leak Week	*****	*****	*****
3/28/17	CAPIO Submissions	*****	*****	*****
6/15/17	Annual Budget	*****	*****	*****
6/28/17	Media Contest Winners	*****	*****	*****
6/28/17	Poster Contest Winners	*****	*****	*****
7/1/17	CCR Availability	*****	*****	*****
7/7/17	AMI	*****		
8/25/17	Buckboard Days	*****	*****	*****
8/27/17	Recycled Water Expansion	*****	*****	*****
8/27/17	Election Changes	*****	*****	*****
9/20/17	Filling Station	*****	*****	
10/10/17	Newsletter Redesign	*****	*****	
10/27/17	ACWA Finalist	*****	*****	*****
11/1/17 & 12/1/17	OPARC in Municipal Water Leader	*****	*****	*****
1/5/18	GM Evaluation	*****	*****	*****
1/5/18	Annual Audit Completion	*****	*****	
2/27/18	Fix-A-Leak Week	*****	*****	*****
2/27/18	Wonderful World of Water	*****	*****	*****
3/10/18	AMI Consideration	*****		



## Memorandum

To: Board of Directors

From: Brittnie Van De Car  
Public Affairs Representative

Date: March 6, 2018

Re: Public Affairs & Education Update

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- **Classroom Presentations:**

- Northam Elementary School
  - March 7<sup>th</sup>
    - 2<sup>nd</sup> Grade
    - States of Water
    - 2 Presentations
    - 50 Students
  - March 8<sup>th</sup>
    - 2<sup>nd</sup> Grade
    - States of Water
    - 1 Presentation
    - 25 Students
- Blandford Elementary School
  - March 9<sup>th</sup>
    - Kinder
    - Water Cycle Bracelet
    - 2 Presentations
    - 42 Students
- Rorimer Elementary School
  - March 13<sup>th</sup>
    - 2<sup>nd</sup> Grade
    - Water Cycle Bracelet
    - 3 Presentations
    - 67 Students
  - March 14<sup>th</sup>
    - 3<sup>rd</sup> Grade
    - Wonderful World of Water
    - 1 Presentation
    - 19 Students
  - March 14<sup>th</sup>
    - 2<sup>nd</sup> Grade
    - Water Cycle Bracelet
    - 1 Presentation
    - 17 Students





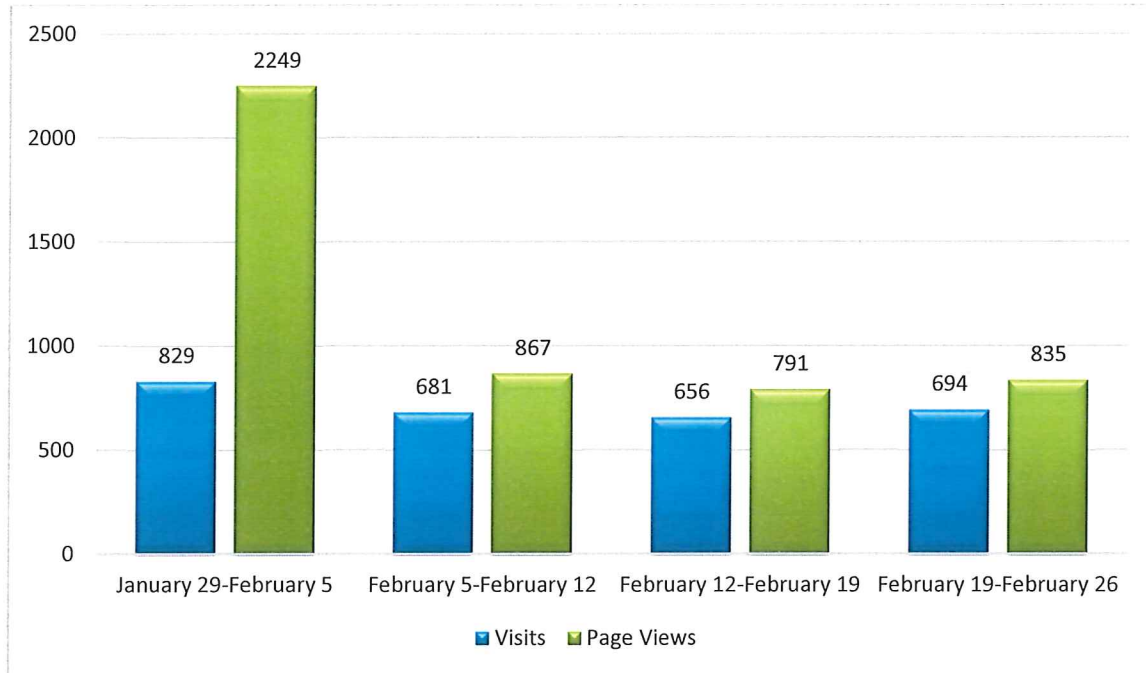
- Jellick Elementary School
  - March 20<sup>th</sup>
    - Kinder
    - Water Cycle Bracelet
    - 2 Presentations
    - 57 Students
  - March 21<sup>st</sup>
    - Kinder
    - Water Cycle Bracelet
    - 1 Presentation
    - 22 Students
- Rorimer Elementary School
  - March 22<sup>nd</sup>
    - 3<sup>rd</sup> Grade
    - Wonderful World of Water
    - 3 Presentations
    - 54 Students
  - **TOTAL STUDENTS: 353 Reached**
- Book is completed and I am now presenting it in the classes
  - I am meeting with Miriam Kim, Director of Elementary Education at Rowland Unified School District on February 27<sup>th</sup> so we can have a plan to market the book to the principals and 3<sup>rd</sup> grade teachers.
- Delivered over 1,700 sheets of poster paper to 11 of our 14 schools. Excited to have Yorbita Elementary participate in our program. 36 Teachers requested paper with some requesting for entire grade.
  - The deadline for poster submissions is April 26<sup>th</sup> at 5:00 p.m. and the theme is "Wild about Saving Water"
- Attended Jellick Elementary School's EduBuck's aquarium day on February 27<sup>th</sup>. 5<sup>th</sup> grade team leader applied for an EduBuck to have the aquarium come out to the school for the day (pictures to follow on social media).
- Preparing for Fix a Leak Week-March 19-22<sup>nd</sup>
  - Will have the portable filling station outside the lobby during the week and will be giving a collapsible bottle to each customer while supplies last along with dye tablets and information on fixing leaks. A table will also be in the lobby with handouts.
- Working with 5<sup>th</sup> grade lead teachers to work on new STEAM (Science, Technology, Engineering, ART and Math) curriculum
- Updating website to make it less busy with less redundancies with forms and documents in repeated places
- 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
  - The feedback is used to develop and enhance future presentations



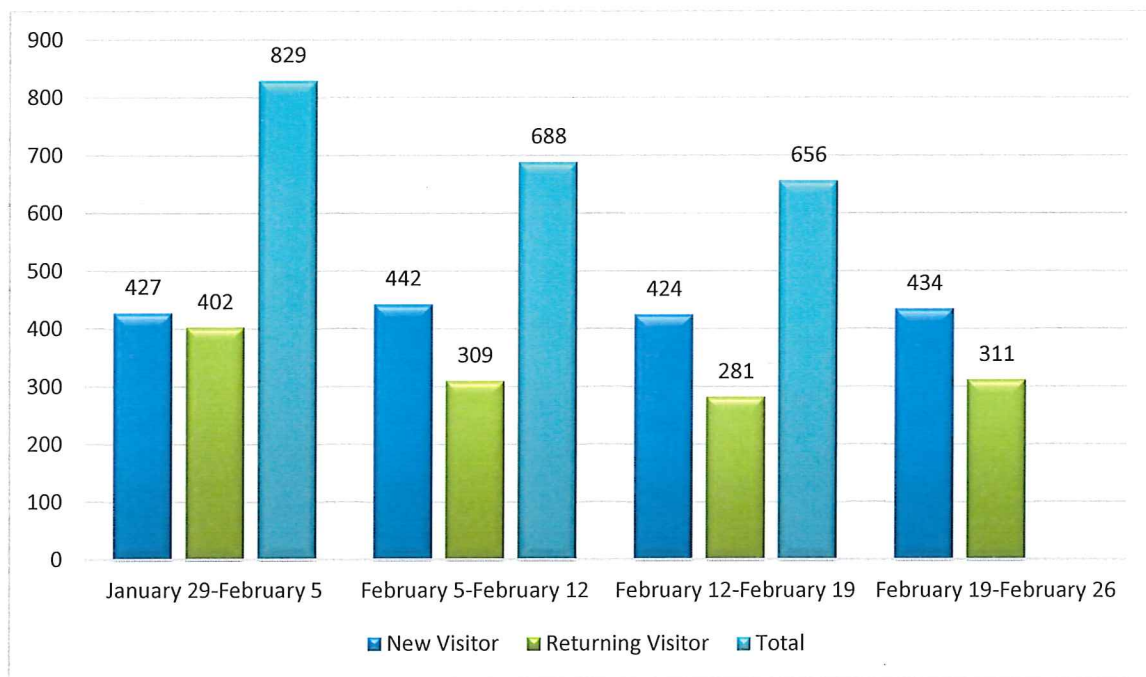
- Keeping up-to-date with the WaterSense partnership program:
- Printing appropriate promotional material and placing it at the Customer Service Counter for distribution to customers
- Attending bi-monthly webinars on upcoming promotional items and programs put on by the Environmental Protection Agency (EPA) WaterSense program
- Updating the Lobby Player on a daily/weekly basis
- 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
- Adding all new customer emails to Constant Contact to be utilized as a customer newsletter database
- Creating content, ideas and layout for Rowland Quarterly
- Checking the District’s FaceBook and Twitter page Daily
  - Have created a daily “theme” for FaceBook and Twitter
  - Have a Rowland Hashtag that is on all of our posts #DiscoverRWD and #RWDeducation for all educational posts
- Maintain and view District website on a daily basis
  - Update pages
  - Make relevant changes
  - Updating the Drought Monitor page weekly
  - Upload the Board packet, minutes and agendas when necessary
- Attended the monthly WEWAC meeting on Wednesday, February 28, 2018

# February 2018 Website Google Analytics

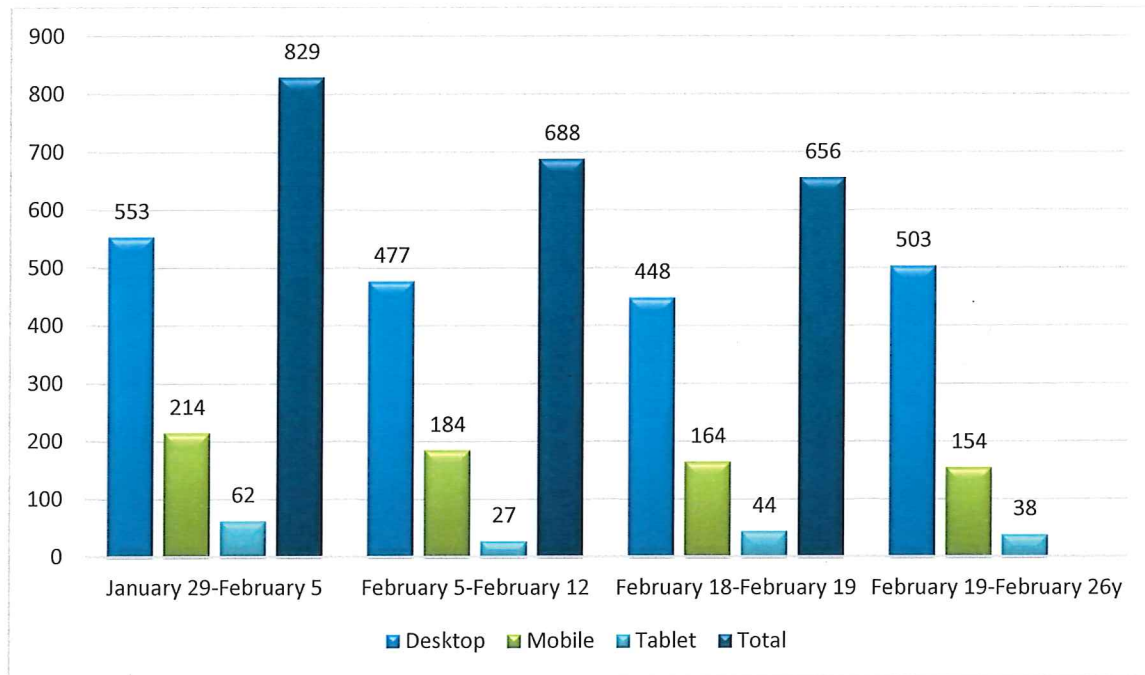
## Website Visits and Pageviews



## New vs. Returning Visitors



## Source of Viewing



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# Action Line

## Regular Board Meeting

### February 21, 2018

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

**FOR ADDITIONAL INFORMATION: 909-621-5568**

#### BOARD MEMBERS

**CARLOS GOYTIA**  
DIVISION I

**DAVID DE JESUS**  
DIVISION II

**BRIAN BOWCOCK**  
DIVISION III

**BOB KUHN**  
DIVISION IV

**JOSEPH RUZICKA**  
DIVISION V

**JOHN MENDOZA**  
DIVISION VI

**DAN HORAN**  
DIVISION VII

#### THREE VALLEYS MWD

1021 E. Miramar Avenue  
Claremont, CA 91711  
909-621-5568 — Phone  
909-625-5470 — Fax  
[www.threevalleys.com](http://www.threevalleys.com)

Board meetings  
are scheduled for  
8:00 a.m. the first  
and third  
Wednesday of  
each month at  
1021 E. Miramar  
Claremont, CA

Item 7 Consent calendar items 7.A-7.F were approved as presented, and included: approval of January 2018 Board of Director minutes, approval of January 2018 financial reports and investment update, FY 17-18 second quarter reserve schedule, tax sharing exchange with County Lighting Maintenance District 1687, Annexation L-007-2009; purchase policy updates, and calendar year imported water purchases for January 2018. **Board Action: Motion 18-02-5164 — moved by Ruzicka, seconded by Horan and passed by a 7-0 unanimous vote.**

Item 8.A.1 The Board was provided a legislative update for February 2018 that addressed some bills that TVMWD may be taking action on, as well as updates on the state draft budget, California WaterFix and legislative vacancies. The Board will be provided its first legislative status report during the second meeting in March.

Item 8.A.2 The Board approved payment of January 2018 director expense reports. **Board Action: Motion 18-02-5165 — moved by Goytia, seconded by Horan and passed by a 7-0 unanimous vote.**

Item 8.B.1 The Board approved awarding of the Grand Avenue Well Project No. 58446 (Phase 1 Drilling/Development) to the lowest apparent bidder, Southwest Pump and Drilling. The base work for this project was bid at \$785,000; additional costs of approximately \$100,000 may occur due to slow drilling conditions "e.g. rock clause". **Board Action: Motion 18-02-5166 — moved by Bowcock, seconded by De Jesus and passed by a 7-0 unanimous vote.**

Item 8.B.2 The Board was provided a project summary update of ongoing projects.

Item 8.B.3 The Board was provided with the January 2018 Miramar Operations report, that also included a summary of activities performed during the annual maintenance shutdown, February 5-9, 2018.

Item 8.C.1 The Board approved the draft FY 18-19 Strategic Plan. A copy of the Strategic Plan will be published to the District Website. **Board Action: Motion 18-02-5167 — moved by Bowcock, seconded by Goytia and passed by a 7-0 unanimous vote.**

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

*Regular Board Meeting  
February 21, 2018 ~  
Page 2 ~*

Item 8.C.2 The Board was provided with the proposed FY 18-19 budget review schedule. The budget workshop is scheduled for Wednesday, March 7, 2018 during the next regular Board Meeting. The FY 18-19 budget and CY 2019 water rates and charges are expected to be approved during the Wednesday, April 18, 2018 regular Board Meeting.

Item 11 Meeting was adjourned to a regular meeting scheduled for Wednesday, March 7, 2018 at 8:00 a.m.