



# Board of Directors *Regular Meeting*



**C**OMMUNICATION  
Sharing our value with  
the community

**E**NGAGEMENT  
Building awareness and participation  
within our organization, our community  
and our industry

**T**EAMWORK  
Connecting with each other to  
advance the organization

**R**ESILIENCE  
Adapting well in the face  
of adversity

**A**CCOUNTABILITY  
Acting responsibly and with our  
customers in mind

**E**XCELLENCE  
Providing the very best for  
our customers

**January 14, 2025, at 6:00 p.m.**

---

3021 Fullerton Road, Rowland Heights, CA 91748  
(562) 697-1726 | [RWD.org](http://RWD.org)



## **AGENDA**

Regular Meeting of the Board of Directors  
3021 Fullerton Road  
Rowland Heights, CA 91748  
January 14, 2025 -- 6:00 PM

---

---

Any member of the public may participate in the Board meeting by physical attendance, by teleconference, and video conference by utilizing the following link:

Link to join meeting: [Zoom Meeting](#)  
Meeting ID: 875 989 9861

or

Teleconference: **(669) 900-6833 -- Passcode: 8759899861#**

*Any member of the public wishing to make any comments to the Board of Directors may do so by accessing the link or number referenced above and being acknowledged by the chair at the appropriate time in the meeting prior to making his or her comment(s). Agenda materials are available for public review at <https://www.rwd.org/agendas-minutes/>. 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.*

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL OF DIRECTORS**

John Bellah, President  
Vanessa Hsu, Vice President  
Robert W. Lewis  
Anthony J. Lima  
Szu Pei Lu-Yang

### **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 Gabriela Palomares, Executive Services Manager, at (562) 383-2323, or writing to Rowland Water District, at 3021 Fullerton Road, Rowland Heights, CA 91747. 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.*

## **DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)**

- Notifications Due to Just Cause
- Requests Due to Emergency Circumstances

### **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 December 10, 2024](#)**

*Recommendation: The Board of Directors approve the Minutes as presented.*

**1.2 [Demands on General Fund Account for December 2024](#)**

*Recommendation: The Board of Directors approve the demands on the general fund account as presented.*

**1.3 [Investment Report for November 2024](#)**

*Recommendation: The Board of Directors approve the Investment Report as presented.*

**1.4 [Water Purchases for November 2024](#) - For information only.**

**1.5 [California Reservoir Conditions](#) – For information only.**

**1.6 [Consider Rescheduling November’s Regular Board Meeting](#)**

*Recommendation: The Board of Directors reschedule November’s Regular Board Meeting date to November 4, 2025.*

***Regular Board Meeting:*** February 11, 2025

### **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 “Draft” Rowland Water District Financial Audit Report for Fiscal Year 2023-2024 Prepared by Nigro & Nigro, PC](#)**

*Recommendation: The Board of Directors receive a presentation by Mr. Paul Kaymark of Nigro & Nigro, PC, and approve the “draft” RWD Financial Audit Report for FY 2023-2024:*

*A. Presentation to the Board*

*B. [Communications Letter](#)*

*C. [Financials](#)*

**2.2 [Review and Approve Directors’ Meeting Reimbursement for December 2024](#)**

*Recommendation: The Board of Directors approve the Meeting Reimbursement as presented.*

**2.3 Receive and File the Puente Basin Water Agency Financial Statements for Fiscal Year 2023-2024 Prepared by C.J. Brown & Company CPAs**

*Recommendation: The Board receive and file the Puente Basin Water Agency Financial Statements for FY 2023-2024 as included in the Board packet.*

**2.4 Receive and File the Pomona-Walnut-Rowland Joint Water Line Commission Financial Statements for FY 2023-2024 Prepared by Fedak & Brown LLP**

*Recommendation: The Board receive and file the P-W-R JWL Financial Statements for FY 2023-2024 as included in the Board packet.*

**2.5 Urban Water Institute Call for Nominations for Board of Director**

*Recommendation: The Board discuss the UWI's call for nominations and provide direction if any.*

**2.6 Approve Changes in the IRS Mileage Rate from 67 to 70 cents effective January 1, 2025**

*Recommendation: The Board of Directors approve the IRS rate as presented.*

**3. PUBLIC RELATIONS**

**3.1 Community Relations & Education Update**

Mrs. Gildea

**3.2 Communications Outreach**

CV Strategies

**4. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS**

*(Including items that may have arisen after posting of the agenda)*

**4.1 Three Valley Leadership Breakfast – February 27, 2025, Kellogg West Conference Center Cal Poly Pomona**

**5. LEGISLATIVE INFORMATION**

**6. REVIEW OF CORRESPONDENCE**

**6.1 ACWA/JPIA President's Special Recognition Award**

**7. COMMITTEE & ORGANIZATION REPORTS *(verbal reports)***

- |     |   |                          |
|-----|---|--------------------------|
| 7.1 | Joint Powers Insurance Authority                          | Directors Lu-Yang/Hsu    |
| 7.2 | Three Valleys Municipal Water District                    | Directors Lima/Bellah    |
| 7.3 | Association of California Water Agencies                  | Directors Lewis/Bellah   |
| 7.4 | Puente Basin Water Agency                                 | Directors Lewis/Lima     |
| 7.5 | Project Ad-Hoc Committee                                  | Directors Lima/Lu-Yang   |
| 7.6 | Regional Chamber of Commerce-Government Affairs Committee | Directors Bellah/Lewis   |
| 7.7 | P-W-R Joint Water Line Commission                         | Directors Lima/Bellah    |
| 7.8 | Rowland Heights Community Coordinating Council            | Directors Lu-Yang/Bellah |
| 7.9 | Local Agency Formation Commission                         | Director Lewis           |

**8. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

**8.1 Finance Report**

Mrs. Malner

**8.2 Operations Report**

Mr. Davidson



8.3 Project Updates

Mr. Moisisio

8.4 Personnel Report

Mr. Coleman

## 9. ATTORNEY'S REPORT

Mr. Byrne

## 10. CLOSED SESSION

### a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – [§54956.8]

Property: Portion of Property Located at Anaheim & Puente Road  
City of Industry, CA  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: City of Industry  
Under Negotiation: Price and Terms

### b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [§54956.9]

Paragraph (1) of subdivision (d) of §54956.9  
Haste, et al. vs Rowland Water District

### c. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

### d. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:  
One case.

## 11. RECONVENE/REPORT ON CLOSED SESSION

### General Manager's and Directors' 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 John Bellah, Presiding



**Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District**  
December 10, 2024 – 6:00 p.m.  
3021 Fullerton Road  
Rowland Heights, CA 91748

---

---

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

President Szu Pei Lu-Yang  
Vice President John Bellah  
Director Vanessa Hsu  
Director Robert W. Lewis  
Director Anthony J. Lima

**ABSENT:**

None.

**OTHERS PRESENT:**

Joseph Byrne, Legal Counsel, Best Best & Krieger  
Sam Johnson, Partner, Best Best & Krieger  
Jody Roberto, TVMWD  
Mike Ti, TVMWD  
Kirk Howie, TVMWD  
Tara Bravo-Mullaly, CV Strategies

**ROWLAND WATER DISTRICT STAFF**

Tom Coleman, General Manager  
Dusty Moisio, Assistant General Manager  
Myra Malner, Director of Finance  
Gabriela Palomares, Executive Services Manager  
Elisabeth Mendez, Compliance & Safety Manager  
Brittnie Gildea, Education & Community Outreach Coordinator  
Robert Leamy, Water Systems Supervisor

**ADDITION(S) TO THE AGENDA** – None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS - None.**

**1. ADMINISTER OATHS OF OFFICE**

Mrs. Jody Roberto, in her capacity as elected Board of Director of Three Valleys Municipal Water District, administered oaths of office to the following two individuals for the offices of Director in Divisions 1 and 2 as listed below:

- Vanessa Hsu, Division 1, full term ending December 1, 2028
- Anthony J. Lima, Division 2, full term ending December 1, 2028

**2. CONSENT CALENDAR**

Upon motion by Director Lewis, seconded by Director Lima, the Consent Calendar was unanimously approved as follows:

- 2.1 Approval of Minutes of Regular Board Meeting held on November 12, 2024
- 2.2 Approval of Minutes of Special Board Meeting held on November 26, 2024
- 2.3 Demands on General Fund Account for November 2024
- 2.4 Investment Report for October 2024
- 2.5 Water Purchases for October 2024
- 2.6 California Reservoir Conditions
- 2.7 Reschedule the May 13, 2025, Regular Board meeting to May 20, 2025

(Motion Passed 5-0)

**3. ACTION ITEMS**

**3.1 Review and Approve Directors' Meeting Reimbursements for November 2024**

Upon motion by Director Lima, seconded by Director Lewis, the Board unanimously approved the Directors' Meeting Reimbursement Report as presented. (Motion Passed 5-0)

**3.2 Approve Executive Officer Positions of the Board of Directors for Calendar Year 2025**

Upon motion by Director Lewis, seconded by Director Lu-Yang, the Board of Directors conducted is biennial rotation of officer positions and unanimously approved as follows:

John Bellah, to serve as Board President for the calendar years 2025 and 2026

Vanessa Hsu, to serve as Board Vice-President for the calendar years 2025 and 2026

(Motion Passed 5-0)

Although the rotation of officer positions was conducted, Director Lu-Yang continued to chair the remainder of the meeting.

**3.3 Consider 5<sup>th</sup> Amendment to the Agreement for Employment of General Manager**

Upon motion by Director Lewis, seconded by Director Lima, the Board unanimously approved the Fifth Amendment to the Agreement for Employment of General Manager comprising of a \$6,000 total merit increase to the General Manger's salary effective January 1, 2025. (Motion Passed 5-0)

**3.4 Consider Adoption of RWD Resolution No. 12-2024, Reappointing the District Treasurer and Delegating Authority of the Investment of Surplus Funds of the District to the General Manager/Treasurer**

Upon motion by Director Lewis, seconded by Director Lima, the Board unanimously adopted RWD Resolution No. 12-2024, Re-Appointing the District Treasurer and Delegating Authority for the

Investment of Surplus Funds of the District to the General Manager/Treasurer by the following roll call vote:

AYES: Directors Bellah, Hsu, Lewis, Lima, Lu-Yang  
NOES: None  
ABSENT: None  
ABSTAIN: None

(Motion Passed 5-0)

**3.5 Consider Adoption of Resolution No. 12.1-2024 of the Board of Directors Appointing Representatives to the Puente Basin Water Agency**

Upon motion by Director Lima, seconded by Director Hsu, the Board unanimously adopted RWD Resolution No. 12.1-2024, Appointing Anthony J. Lima and Robert W. Lewis as representatives and Tom Coleman as alternate representative of the RWD to serve on the Commission of the Puente Basin Water Agency by the following roll call vote:

AYES: Directors Bellah, Hsu, Lewis, Lima, Lu-Yang  
NOES: None  
ABSENT: None  
ABSTAIN: None

(Motion Passed 5-0)

**3.6 Confirm Appointment of Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission**

Upon motion by Director Lewis, seconded by Director Hsu, the Board unanimously appointed Anthony J. Lima as Commissioner, and John Bellah as alternate, to serve on the Pomona-Walnut-Rowland Line Commission. (Motion Passed 5-0)

**3.7 Review and Approve Board of Directors Committee Assignments for 2025**

Upon motion by Director Lewis, seconded by Director Lima, the Board unanimously approved Committee assignments for 2025, as listed below:

<b>Association of California Water Agencies</b>	Director Lewis Director Bellah (Alternate)
<b>ACWA/Joint Powers Insurance Authority</b>	Director Lu-Yang Director Hsu (Alternate)
<b>ACWA Region 8</b>	Director Lewis
<b>Local Agency Formation Commission (LAFCO)</b>	Director Lewis
<b>PWR Joint Water Line Commission</b>	Director Lima Director Bellah (Alternate)
<b>Puente Basin Water Agency</b>	Director Lewis Director Lima Tom Coleman (Alternate)
<b>Rowland Heights Community Coordinating Council</b>	Director Bellah Director Lu-Yang



<b>RWD Project Ad-Hoc Committee</b>	Director Lima Director Lu-Yang
<b>San Gabriel Valley Regional Chamber of Commerce-Government Affairs Committee</b>	Director Bellah Director Lewis (Alternate)
<b>Three Valleys Municipal Water District</b>	Director Lima Director Bellah (Alternate)

### **3.8 Approve 3% Cost of Living Increase for all Employees Based on Merit**

A motion was made by Director Hsu, and seconded by Director Lima, to approve a 3% Cost of Living Increase for all employees based on merit effective January 1, 2025. (Motion Passed 5-0)

### **3.9 Review and Approve Schedule of Monthly Salary Ranges Effective January 1, 2025**

Upon motion by Director Lima, seconded by Director Lewis, the Board unanimously approved the Schedule of Monthly Salary Ranges Effective January 1, 2025, as included in the Board packet. (Motion Passed 5-0)

### **3.10 Request Funds for an Emergency Mainline Replacement on Vantage Point in the Amount of \$75,000**

Assistant General Manager Dusty Mosio presented a request for funding to support an emergency mainline replacement on Vantage Point. He reported that the agenda initially listed the funding request in the amount of \$75,000. However, subsequent project assessments revealed the need for additional improvements, increasing the amount to \$285,000.

Following discussion, upon motion by Director Lima, seconded by Director Hsu, the Board unanimously approved the request for funding in the amount of \$285,000 for the mainline replacement on Vantage Point. (Motion Passed 5-0)

## **4. PUBLIC RELATIONS**

### **4.1 Community Relations and Education Update**

Ms. Gildea reported that in response to state-mandated water conservation measures, District staff is rolling out a marketing plan for water conservation to reach our residential community. She showcased the light post banner marketing strategy. Following that discussion on outreach, Mrs. Gildea reported on educational programs in progress, such as the Mini Solar Boat Challenge and teacher submittals for educational grants, also known as Splash Cash. Her presentation ended with a video highlighting a meal disbursement drive, hosted by the RUSD Family Resource Center, in which RWD staff and other local organizations volunteered in.

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

Tara Mullay-Bravo of CV Strategies advised that she delivered a PowerPoint presentation to the ACWA Communications Committee on December 3, 2024, highlighting RWD's employee-driven Caring for Our Neighbors Committee. She explained the committee's purpose and various community initiatives.

## **5. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS (INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE AGENDA)**

### **5.1 ACWA DC2025 Washington, D.C. Conference, February 25-27, 2025**

Director Lewis expressed interest in attending the conference and asked staff to follow-up with registration and travel requirements.

## **6. LEGISLATIVE INFORMATION**

As a matter of information, General Manager Tom Coleman reported on SB366 – The California Water Plan: long term supply targets. He advised that although the bill was vetoed by Governor Newsom on November 30, 2024, the CA Water For All Coalition will continue to advocate for its Passage through the 2025 legislative session. PBWA commissioners will be presented with a request to approve funding to support this effort in the amount of \$20,000, with RWD and Walnut Valley Water District cost sharing equally, each contributing \$10,000.

## **7. REVIEW OF CORRESPONDENCE**

- 7.1** The Board received a letter of appreciation from Industry Business Council dated October 30, 2024, thanking the District for its banner and ad sponsorship for the Industry Hills Rodeo event held October 12-13, 2024.
- 7.2** The Board received a letter of appreciation from the Rowland Unified School District Family Resource Center dated November 13, 2024.
- 7.3** In discussing the Urban Water Institute's call for nominations for representatives to serve as UWI Board of Directors, Director Bellah asked that this item be placed on a subsequent Board agenda for further consideration.

## **8. COMMITTEE REPORTS**

- 8.1 Joint Powers Insurance Authority** – ACWA/JPIA Fall Summit was held December 2-3, 2024. Director Lu-Yang provided a synopsis key takeaway from summit programs.
- 8.2 Three Valleys Municipal Water District** – Director Lima reported on TVMWD's November 20th Board meeting activities.
- 8.3 Association of California Water Agencies** – ACWA Fall Conference was held on December 3-5, 2024. Director Lewis reported on ACWA Region 8 and Finance Committee matters.
- 8.4 Puente Basin Water Agency (PBWA)** – The next PBWA meeting is scheduled for December 12, 2024.
- 8.5 Project Ad-Hoc Committee** – None.
- 8.6 Regional Chamber of Commerce** – None.
- 8.7 P-W-R Joint Waterline Commission** – None.
- 8.8 Rowland Heights Community Coordinating Council (RHCCC)** – None.
- 8.9 Local Agency Formation Commission** – None.

## **9. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

### **9.1 Finance Report**

Director of Finance, Myra Malner, presented a year-to-date Financial Dashboard containing comparative graphs of Revenue and Expense by Category and Consumption by Class through October 2024 and answered questions posed by Board members.

Mrs. Malner followed with a presentation on the District's CalPERS Unfunded Accrued Liability investment portfolio and the funding status of the Other Post Employment Benefits (OPEB) account.

## 9.2 Operations Report

The Board was provided with the field operations tasks completed during November 2024 (as listed below):

- Water Samples - 213
- Site Inspections – 68
- Service Orders Completed - 365
- Meters Replaced - 40
- Modules Replaced - 18
- Dig Alerts - 230
- Service Lines Replaced - 8
- System Valves Replaced - 0
- Air Releases Inspections - 0
- Recycled Water Inspections – 11

As a matter of information, Mr. Robert Leamy, Water Systems Supervisor, took a moment to review and entertain questions regarding the District's water sampling program.

## 9.3 Projects Update – None.

## 9.4 Personnel Report – General Manager Tom Coleman reported on the status of the Customer Service Supervisor and Customer Service Representative recruitments.

In response to a Director inquiry about the District's internship program, Mrs. Elisabeth Mendez, Safety and Compliance Manager, explained that there are currently no interns on staff, as the previous group successfully completed their assignments related to the lead and copper program. She added that a new recruitment cycle is scheduled to begin in January 2025.

## 10. ATTORNEY'S REPORT – None.

## 11. CLOSED SESSION – 8:18 p.m.

A Closed Session was held in connection with the items listed below:

### a. Conference with Real Property Negotiator - [§54956.8]

Property: Portion of Property Located at  
Anaheim & Puente Road  
City of Industry  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: City of Industry  
Under Negotiation: Price and Terms

### b. Conference with Legal Counsel – Existing Litigation [§54956.9]

Paragraph (1) of subdivision (d) of §54956.9  
Haste, et al. vs Rowland Water District

### c. Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 Once case.

## 12. Reconvene/Report on Closed Session – 9:16 p.m.

**Closed Session Announcements** – It was reported by Legal Counsel that the Board was briefed on the facts and circumstances of the closed session matters and no reportable action was taken on the matters.

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

General Manager Tom Coleman provided an update on a variety of different matters, including certain organizational issues and the Brown Act, California's open meeting law, and its provisions on teleconferencing. Mr. Coleman touched on public access and participation, and quorum requirements.

**Future Agenda Item(s)** – None.

**Late Business** – None.

A motion was made by Director Hsu to adjourn the meeting. The meeting was adjourned at 9:27 p.m.

\_\_\_\_\_  
SZU PEI LU-YANG  
Presiding Director

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



## Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34197</b>						
12/24	12/06/2024	34197	62854	ARIGATO RENTAL SERVICES	STAFF CHRISTMAS LUNCHEON	2,467.48
Total 34197:						2,467.48
<b>34198</b>						
12/24	12/06/2024	34198	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	59,020.79
12/24	12/06/2024	34198	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	724.95
12/24	12/06/2024	34198	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	66.96
12/24	12/06/2024	34198	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	4,297.68
12/24	12/06/2024	34198	1000	ACWA JPIA	RETIREES HEALTH BENEFITS	14,227.63
12/24	12/06/2024	34198	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	9,229.82
Total 34198:						87,567.83
<b>34199</b>						
12/24	12/06/2024	34199	62622	AKM CONSULTING ENGINEERS	RES 2 AND 16 INLET MODIFICATIONS	1,882.00
12/24	12/06/2024	34199	62622	AKM CONSULTING ENGINEERS	RWD ON CALL SERVICES	418.00
12/24	12/06/2024	34199	62622	AKM CONSULTING ENGINEERS	COI RWSC ASSESSMENT	175.00
Total 34199:						2,475.00
<b>34200</b>						
12/24	12/06/2024	34200	62554	APPLIED TECHNOLOGY GROUP	EMERGENCY RADIOS	360.00
Total 34200:						360.00
<b>34201</b>						
12/24	12/06/2024	34201	62854	ARIGATO RENTAL SERVICES	STAFF CHRISTMAS LUNCHEON	215.50
Total 34201:						215.50
<b>34202</b>						
12/24	12/06/2024	34202	62117	BRENNTAG PACIFIC INC	AQUALAS 40" NSF-WBS	1,237.69
Total 34202:						1,237.69
<b>34203</b>						
12/24	12/06/2024	34203	62790	C & K TIRE SERVICE	FLAT REPAIR TRUCK 38	201.03
Total 34203:						201.03
<b>34204</b>						
12/24	12/06/2024	34204	62631	CHARLES W WULFF JR	D4 REVIEW COURSES	1,950.00
Total 34204:						1,950.00
<b>34205</b>						
12/24	12/06/2024	34205	1900	CLINICAL LAB OF S B	WATER SAMPLES-SEPTEMBER	3,240.00
12/24	12/06/2024	34205	1900	CLINICAL LAB OF S B	WATER SAMPLES-OCTOBER	2,296.00
Total 34205:						5,536.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34206</b>						
12/24	12/06/2024	34206	62645	CORE & MAIN	HACH FREE AMMONIA & MONOCHLORAMINE	3,439.06
Total 34206:						3,439.06
<b>34207</b>						
12/24	12/06/2024	34207	62439	CVSTRATEGIES	COMMUNICATION SERVICES-ANNUAL REPORT (O	3,680.00
12/24	12/06/2024	34207	62439	CVSTRATEGIES	COMMUNICATION SERVICES-STATE OF THE DIST	1,802.50
12/24	12/06/2024	34207	62439	CVSTRATEGIES	COMMUNICATION SERVICES-BOARD SUPPORT (O	1,893.75
12/24	12/06/2024	34207	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES (	3,875.00
Total 34207:						11,251.25
<b>34208</b>						
12/24	12/06/2024	34208	62891	DAVID WARREN	WEBSITE REDESIGN	300.00
Total 34208:						300.00
<b>34209</b>						
12/24	12/06/2024	34209	2550	FRONTIER	PHONE SERVICE (2 MONTHS)	1,010.58
Total 34209:						1,010.58
<b>34210</b>						
12/24	12/06/2024	34210	62580	GMC ELECTRICAL, INC	RE-INSTALLATION - MATERIALS AND LABOR	2,655.64
Total 34210:						2,655.64
<b>34211</b>						
12/24	12/06/2024	34211	2690	HARPER & ASSOCIATES ENG.	RES 8 REHABILITATION	3,888.00
Total 34211:						3,888.00
<b>34212</b>						
12/24	12/06/2024	34212	62624	HASA INC	CHEMICALS FOR RCS	992.32
12/24	12/06/2024	34212	62624	HASA INC	CHEMICALS FOR RCS	583.72
Total 34212:						1,576.04
<b>34213</b>						
12/24	12/06/2024	34213	244	INFOSEND INC	BILLING SERVICE	86.65
12/24	12/06/2024	34213	244	INFOSEND INC	BILLING SERVICE	2,657.59
12/24	12/06/2024	34213	244	INFOSEND INC	BILLING SERVICE	2,630.41
Total 34213:						5,374.65
<b>34214</b>						
12/24	12/06/2024	34214	3080	J COLON COATINGS INC	REHABILITATION RES 8	40,141.51
Total 34214:						40,141.51
<b>34215</b>						
12/24	12/06/2024	34215	62782	JR'S ENVIRONMENTAL SERVICES	CALIBRATION-NOGALES LIFT STATION	1,995.00
12/24	12/06/2024	34215	62782	JR'S ENVIRONMENTAL SERVICES	CALIBRATION-NOGALES LIFT STATION	1,995.00
Total 34215:						3,990.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34216</b>						
12/24	12/06/2024	34216	62128	LEWIS ENGRAVING INC	NAME PLATES	40.07
Total 34216:						40.07
<b>34217</b>						
12/24	12/06/2024	34217	62915	MATT CHLOR INC	DECHLORINATED, FLUSHED, CHLORINATED 8" PIP	2,990.00
Total 34217:						2,990.00
<b>34218</b>						
12/24	12/06/2024	34218	233	MCCALL'S METER SALES & SVC	FIELD METER TEST	735.00
Total 34218:						735.00
<b>34219</b>						
12/24	12/06/2024	34219	62649	OPARC	PAINTING FIRE HYDRANTS-OCT	3,725.31
Total 34219:						3,725.31
<b>34220</b>						
12/24	12/06/2024	34220	4500	PETTY CASH	MISC EXPENSES	965.43
Total 34220:						965.43
<b>34221</b>						
12/24	12/06/2024	34221	62839	PrintMyStuff.com	CHRISTMAS CARDS	165.66
Total 34221:						165.66
<b>34222</b>						
12/24	12/06/2024	34222	62771	PUBLIC WATER AGENCIES GROUP	ASSESSMENT FOR EMERGENCY PREPARDNESS	2,029.06
Total 34222:						2,029.06
<b>34223</b>						
12/24	12/06/2024	34223	62660	PUENTE HILLS FORD	MAINTENANCE TRUCKS 2, 6, 29, 43, 45	2,369.50
Total 34223:						2,369.50
<b>34224</b>						
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	538.74
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	905.24
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	250.75
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR FIRE HYDRANT REPLACEMENT	618.50
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	1,507.46
12/24	12/06/2024	34224	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR YORBITA MAIN REPLACEMENT	1,779.86
Total 34224:						5,600.55
<b>34225</b>						
12/24	12/06/2024	34225	62691	SJ LYONS CONSTRUCTION INC	ARTIGAS GENERATOR CANOPY	3,040.00
12/24	12/06/2024	34225	62691	SJ LYONS CONSTRUCTION INC	REPLACE WATER HEATER IN OFFICE	1,350.32
Total 34225:						4,390.32

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34226</b>						
12/24	12/06/2024	34226	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	45,249.47
12/24	12/06/2024	34226	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	5,027.71
Total 34226:						50,277.18
<b>34227</b>						
12/24	12/06/2024	34227	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	806.72
Total 34227:						806.72
<b>34228</b>						
12/24	12/06/2024	34228	62562	WOODARD & CURRAN	AS NEEDED POTABLE WATER SUPPORT SERVICE	8,778.75
Total 34228:						8,778.75
<b>34229</b>						
12/24	12/10/2024	34229	3375	ANTHONY J. LIMA	MILEAGE REIMBURSEMENT	64.32
Total 34229:						64.32
<b>34230</b>						
12/24	12/10/2024	34230	62233	JOHN BELLAH	MILEAGE REIMBURSEMENT	64.32
Total 34230:						64.32
<b>34231</b>						
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	349,622.40
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,882.96
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	2,394.36
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,435.18
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	5,648.56
12/24	12/12/2024	34231	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	32,276.24
Total 34231:						393,259.70
<b>34232</b>						
12/24	12/12/2024	34232	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	201,184.05
12/24	12/12/2024	34232	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	411,116.80
12/24	12/12/2024	34232	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	6,404.27
12/24	12/12/2024	34232	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,518.92
12/24	12/12/2024	34232	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	2,233.30
Total 34232:						622,457.34
<b>34233</b>						
12/24	12/12/2024	34233	1050	ACWA JPIA	LIABILITY INSURANCE TO 10-01-25	189,022.96
Total 34233:						189,022.96
<b>34234</b>						
12/24	12/12/2024	34234	400	AT&T MOBILITY	MOBILE PHONES, IPADS	1,552.67
Total 34234:						1,552.67
<b>34235</b>						
12/24	12/12/2024	34235	62810	BREAKING THE CHAIN CONSULTING	CSS INTERVIEWS	3,000.00



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
12/24	12/12/2024	34235	62810	BREAKING THE CHAIN CONSULTING	2025 LEADERSHIP ACADEMY TUITION (3)	3,375.00
Total 34235:						6,375.00
<b>34236</b>						
12/24	12/12/2024	34236	1079	CA-NV SECTION AWWA	CROSS CONNECTION SPECIALIST RENEWAL-ROB	125.00
Total 34236:						125.00
<b>34237</b>						
12/24	12/12/2024	34237	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	1,832.94
Total 34237:						1,832.94
<b>34238</b>						
12/24	12/12/2024	34238	62705	COMP	PHYSICAL EXAM	95.00
12/24	12/12/2024	34238	62705	COMP	QUICK TEST	70.00
12/24	12/12/2024	34238	62705	COMP	LIFT TEST	70.00
12/24	12/12/2024	34238	62705	COMP	BAT TEST	50.00
Total 34238:						285.00
<b>34239</b>						
12/24	12/12/2024	34239	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	100.00
Total 34239:						100.00
<b>34240</b>						
12/24	12/12/2024	34240	62891	DAVID WARREN	WEBSITE REDESIGN	120.00
Total 34240:						120.00
<b>34241</b>						
12/24	12/12/2024	34241	62351	ELITE EQUIPMENT INC.	REPAIR BOMAG RAMMER	529.58
12/24	12/12/2024	34241	62351	ELITE EQUIPMENT INC.	REPAIR HONDA GENERATOR	245.12
Total 34241:						774.70
<b>34242</b>						
12/24	12/12/2024	34242	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	296.55
Total 34242:						296.55
<b>34243</b>						
12/24	12/12/2024	34243	62580	GMC ELECTRICAL, INC	ANNUAL CATHODIC PROTECTION SYSTEM SERVI	3,900.00
12/24	12/12/2024	34243	62580	GMC ELECTRICAL, INC	ANNUAL CATHODIC PROTECTION SERVICE	600.00
Total 34243:						4,500.00
<b>34244</b>						
12/24	12/12/2024	34244	24701	GRAINGER	TOOLS & SUPPLIES	463.92
Total 34244:						463.92
<b>34245</b>						
12/24	12/12/2024	34245	2600	HACH COMPANY	COMPLIANCE EQUIPMENT	2,572.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34245:						2,572.00
<b>34246</b>						
12/24	12/12/2024	34246	2630	HADDICK'S TOWING LLC	TOWING CHARGE-TRUCK #6	100.00
12/24	12/12/2024	34246	2630	HADDICK'S TOWING LLC	TOWING CHARGE-TRUCK #31	140.00
Total 34246:						240.00
<b>34247</b>						
12/24	12/12/2024	34247	2690	HARPER & ASSOCIATES ENG.	RES 8 REHABILITATION	14,364.00
12/24	12/12/2024	34247	2690	HARPER & ASSOCIATES ENG.	RES 8 REHABILITATION	3,966.00
Total 34247:						18,330.00
<b>34248</b>						
12/24	12/12/2024	34248	62624	HASA INC	CHEMICALS FOR RCS	437.79
12/24	12/12/2024	34248	62624	HASA INC	CHEMICALS FOR RCS	408.60
12/24	12/12/2024	34248	62624	HASA INC	CHEMICALS FOR RCS	309.37
12/24	12/12/2024	34248	62624	HASA INC	CHEMICALS FOR RCS	650.85
Total 34248:						1,806.61
<b>34249</b>						
12/24	12/12/2024	34249	62849	HAYES AUTOMATION INC.	WATER QUALITY TESTING SUPPLIES	982.14
12/24	12/12/2024	34249	62849	HAYES AUTOMATION INC.	WATER QUALITY TESTING SUPPLIES	1,763.30
Total 34249:						2,745.44
<b>34250</b>						
12/24	12/12/2024	34250	2724	HOME DEPOT CREDIT SERVICES	TOOLS & SUPPLIES	1,614.83
12/24	12/12/2024	34250	2724	HOME DEPOT CREDIT SERVICES	MAINTENANCE & OPERATION	240.44
12/24	12/12/2024	34250	2724	HOME DEPOT CREDIT SERVICES	LOCKER ROOM REMODEL	299.62
Total 34250:						2,154.89
<b>34251</b>						
12/24	12/12/2024	34251	62834	HPS WEST, INC.	2" FLG MS 4G CF	991.12
Total 34251:						991.12
<b>34252</b>						
12/24	12/12/2024	34252	244	INFOSEND INC	BILLING SERVICE	166.60
12/24	12/12/2024	34252	244	INFOSEND INC	BILLING SERVICE	1,617.78
Total 34252:						1,784.38
<b>34253</b>						
12/24	12/12/2024	34253	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	660.00
Total 34253:						660.00
<b>34254</b>						
12/24	12/12/2024	34254	62713	JCL TRAFFIC SERVICES	TOOLS & SUPPLIES	4,051.96
Total 34254:						4,051.96

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34255</b>						
12/24	12/12/2024	34255	62664	M & J TREE SERVICE	INSTALL 5 YARD OF DG WITH STABILIZER & PLANT	1,800.00
Total 34255:						1,800.00
<b>34256</b>						
12/24	12/12/2024	34256	62573	MANAGED MOBILE INC	MAINTENANCE TRUCK 28	1,047.99
Total 34256:						1,047.99
<b>34257</b>						
12/24	12/12/2024	34257	62915	MATT CHLOR INC	CHLORINATED 310 FT OF 8" PIPE	2,990.00
Total 34257:						2,990.00
<b>34258</b>						
12/24	12/12/2024	34258	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES	163.66
12/24	12/12/2024	34258	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR VANTAGE POINT MAIN REPLACEM	741.93
Total 34258:						905.59
<b>34259</b>						
12/24	12/12/2024	34259	62858	NORTHSTAR CHEMICAL	CHEMICALS FOR WBS	1,346.15
Total 34259:						1,346.15
<b>34260</b>						
12/24	12/12/2024	34260	62448	PARS	GASBY 45 MANAGEMENT FEE	1,936.42
Total 34260:						1,936.42
<b>34261</b>						
12/24	12/12/2024	34261	46201	PITNEY BOWES BANK INC PURCHAS	POSTAGE METER-LEASING CHARGE	244.84
Total 34261:						244.84
<b>34262</b>						
12/24	12/12/2024	34262	5100	PUENTE READY MIX INC	W/CON PLANT SALES-SAND	1,305.43
12/24	12/12/2024	34262	5100	PUENTE READY MIX INC	CRUSHER BASE	1,380.25
Total 34262:						2,685.68
<b>34263</b>						
12/24	12/12/2024	34263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	662.62
12/24	12/12/2024	34263	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	718.63
12/24	12/12/2024	34263	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	1,291.99
12/24	12/12/2024	34263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	1,169.79
12/24	12/12/2024	34263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	1,186.98
Total 34263:						5,030.01
<b>34264</b>						
12/24	12/12/2024	34264	62883	SALINAS TIRES & WHEELS	TIRE TRUCK 29	1,210.68
Total 34264:						1,210.68

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34265</b>						
12/24	12/12/2024	34265	62534	SHRED IT C/O STERICYCLE INC	SHREDDING SERVICE	139.61
Total 34265:						139.61
<b>34266</b>						
12/24	12/12/2024	34266	5900	SOCALGAS	GAS UTILITY BILL	271.74
Total 34266:						271.74
<b>34267</b>						
12/24	12/12/2024	34267	62813	SOUTHLAND CIVIL ENGINEERING & S	ESTABLISH PROPERTY BOUNDARY FOR WEST AN	8,750.00
Total 34267:						8,750.00
<b>34268</b>						
12/24	12/12/2024	34268	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	250.50
Total 34268:						250.50
<b>34269</b>						
12/24	12/12/2024	34269	62914	VAULT PRO INC.	NEW VAULT DOOR FOR OFFICE	10,520.18
Total 34269:						10,520.18
<b>34270</b>						
12/24	12/12/2024	34270	62795	VEGA AMERICAS INC	VEGABAR 38 M12 CONNECTION CABLE	806.79
Total 34270:						806.79
<b>34271</b>						
12/24	12/12/2024	34271	2900	VULCAN MATERIAL COMPANY	COLD MIX	2,485.49
Total 34271:						2,485.49
<b>34272</b>						
12/24	12/12/2024	34272	382	W A RASIC CONSTRUCTION CO INC	GRANBY RCS BUILDING CONCRETE REPAIR	4,775.00
12/24	12/12/2024	34272	382	W A RASIC CONSTRUCTION CO INC	CUATRO BOOSTER PUMP STATION	175,750.00
Total 34272:						180,525.00
<b>34273</b>						
12/24	12/20/2024	34273	62886	BODY TECHNIQUES LLC	ROWLAND WATER DISTRICT WELLNESS	1,111.46
Total 34273:						1,111.46
<b>34274</b>						
12/24	12/20/2024	34274	4600	AIRGAS USA LLC	TANK RENTAL	123.24
Total 34274:						123.24
<b>34275</b>						
12/24	12/20/2024	34275	62622	AKM CONSULTING ENGINEERS	GRANBY RES INLET CLA-VAL	209.00
12/24	12/20/2024	34275	62622	AKM CONSULTING ENGINEERS	RES 4 STRUCTURAL ANALYSIS	1,290.00
12/24	12/20/2024	34275	62622	AKM CONSULTING ENGINEERS	ARTIGAS CBS BUILDING	4,079.00



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34275:						5,578.00
<b>34276</b>						
12/24	12/20/2024	34276	62917	AMBERWICK CORPORATION	FLUORESCENT LIGHTS	1,003.34
Total 34276:						1,003.34
<b>34277</b>						
12/24	12/20/2024	34277	62554	APPLIED TECHNOLOGY GROUP	EMERGENCY RADIOS	360.00
12/24	12/20/2024	34277	62554	APPLIED TECHNOLOGY GROUP	FINANCE CHARGE	5.40
Total 34277:						365.40
<b>34278</b>						
12/24	12/20/2024	34278	62860	AQUATIC INFORMATICS INC	BASIC SUPPORT	2,812.80
Total 34278:						2,812.80
<b>34279</b>						
12/24	12/20/2024	34279	62901	AQUATRAX LLC	WATER AUDIT VALIDATION 2023	1,500.00
Total 34279:						1,500.00
<b>34280</b>						
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	5,754.14
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-ENVIORNMENTAL LAW	1,366.20
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-LABOR AND EMPLOYMENT	1,049.80
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-REAL PROPERTY	1,076.40
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	14,205.20
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-LABOR AND EMPLOYMENT	1,086.00
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-WATER RATES	1,159.20
12/24	12/20/2024	34280	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-REAL PROPERTY	82.80
Total 34280:						25,779.74
<b>34281</b>						
12/24	12/20/2024	34281	62810	BREAKING THE CHAIN CONSULTING	1 DAY COACHING/CONSULTING	3,000.00
Total 34281:						3,000.00
<b>34282</b>						
12/24	12/20/2024	34282	1476	BUSINESS CARD (VISA)	MISC EXPENSES	639.71
12/24	12/20/2024	34282	1476	BUSINESS CARD (VISA)	IT LICENSING	191.88
12/24	12/20/2024	34282	1476	BUSINESS CARD (VISA)	CONFERENCE & MEETING EXPENSES	612.85
12/24	12/20/2024	34282	1476	BUSINESS CARD (VISA)	TOOLS & SUPPLIES	236.36
12/24	12/20/2024	34282	1476	BUSINESS CARD (VISA)	VEHICLE EXPENSE	84.30
Total 34282:						1,765.10
<b>34283</b>						
12/24	12/20/2024	34283	62790	C & K TIRE SERVICE	FLAT REPAIR TRUCK #38	201.03
12/24	12/20/2024	34283	62790	C & K TIRE SERVICE	FLAT REPAIR TRUCK 37	201.03
Total 34283:						402.06

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34284</b>						
12/24	12/20/2024	34284	403	CASELLE INC	CONTRACT SUPPORT CHARGES	2,265.00
Total 34284:						2,265.00
<b>34285</b>						
12/24	12/20/2024	34285	6966	CINTAS	UNIFORM RENTAL	6,187.01
Total 34285:						6,187.01
<b>34286</b>						
12/24	12/20/2024	34286	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	17,823.00
12/24	12/20/2024	34286	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	17,823.00-
12/24	12/20/2024	34286	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	4,478.60
12/24	12/20/2024	34286	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	4,478.60-
Total 34286:						.00
<b>34287</b>						
12/24	12/20/2024	34287	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,768.00
Total 34287:						1,768.00
<b>34288</b>						
12/24	12/20/2024	34288	62645	CORE & MAIN	HACH FREE CHLORINE CHEMKEY, HACH NITRITE	1,412.03
Total 34288:						1,412.03
<b>34289</b>						
12/24	12/20/2024	34289	62882	CREATIVE MC	BLACK 3 IN 1 BUILT IN POWER BANK WITH LOGO	3,478.50
Total 34289:						3,478.50
<b>34290</b>						
12/24	12/20/2024	34290	62891	DAVID WARREN	CONTRACT WORK ON MAKING CONSERVATION A	2,700.00
Total 34290:						2,700.00
<b>34291</b>						
12/24	12/20/2024	34291	62445	EXCEL DOOR & GATE COMPANY	PERFORM SERVICE AND REPAIRS ON MAIN GATE	516.53
Total 34291:						516.53
<b>34292</b>						
12/24	12/20/2024	34292	2550	FRONTIER	INTERNET ACCESS	890.00
Total 34292:						890.00
<b>34293</b>						
12/24	12/20/2024	34293	5600	G M SAGER CONSTRUCTION	ASPHALT	20,022.75
Total 34293:						20,022.75
<b>34294</b>						
12/24	12/20/2024	34294	24701	GRAINGER	SUPPLIES FOR RES	42.43

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34294:						42.43
<b>34295</b>						
12/24	12/20/2024	34295	62812	GROWING ROOTS LLC	MONTHLY PLANT CARE	350.00
Total 34295:						350.00
<b>34296</b>						
12/24	12/20/2024	34296	62526	HARRINGTON INDUSTRIAL PLASTICS	SUPPLIES FOR RES	1,981.43
12/24	12/20/2024	34296	62526	HARRINGTON INDUSTRIAL PLASTICS	REPLACEMENT TUBING-WBS	1,038.32
Total 34296:						3,019.75
<b>34297</b>						
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	542.86
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	490.32
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	621.66
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	647.93
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	647.93
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	291.86
12/24	12/20/2024	34297	62624	HASA INC	CHEMICALS FOR RCS	437.79
Total 34297:						3,680.35
<b>34298</b>						
12/24	12/20/2024	34298	379	HIGHROAD INFORMATION TECHNOL	MAINTENANCE, SUPPORT AND SOFTWARE RENE	11,584.00
12/24	12/20/2024	34298	379	HIGHROAD INFORMATION TECHNOL	MANAGED IT SERVICES	7,201.00
Total 34298:						18,785.00
<b>34299</b>						
12/24	12/20/2024	34299	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR WBS	1,127.15
12/24	12/20/2024	34299	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	756.79
12/24	12/20/2024	34299	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	717.81
Total 34299:						2,601.75
<b>34300</b>						
12/24	12/20/2024	34300	3000	INDUSTRY BUSINESS COUNCIL	MEMBERSHIP DUES	275.00
Total 34300:						275.00
<b>34301</b>						
12/24	12/20/2024	34301	2975	INDUSTRY LIFT INC	SERVICE CALL	238.14
Total 34301:						238.14
<b>34302</b>						
12/24	12/20/2024	34302	62435	INDUSTRY PUBLIC UTILITY COMMISSI	PUMPING POWER-PUMPSTATION 2A	5,907.28
Total 34302:						5,907.28
<b>34303</b>						
12/24	12/20/2024	34303	244	INFOSEND INC	BILLING SERVICE	2,340.31
12/24	12/20/2024	34303	244	INFOSEND INC	BILLING SERVICE	2,294.28

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34303:						4,634.59
<b>34304</b>						
12/24	12/20/2024	34304	62777	J DE SIGIO CONSTRUCTION INC	1" WATER SERVICE-1910 TIBURON CT	11,285.00
Total 34304:						11,285.00
<b>34305</b>						
12/24	12/20/2024	34305	62066	JANITORIAL SYSTEMS	WINDOW CLEANING	450.00
Total 34305:						450.00
<b>34306</b>						
12/24	12/20/2024	34306	62128	LEWIS ENGRAVING INC	NAME PLATE & BADGE	63.17
Total 34306:						63.17
<b>34307</b>						
12/24	12/20/2024	34307	62835	LOWE'S	TOOLS & SUPPLIES	1,332.32
12/24	12/20/2024	34307	62835	LOWE'S	SUPPLIES FOR MAINS	210.63
12/24	12/20/2024	34307	62835	LOWE'S	SUPPLIES FOR RES	24.73
Total 34307:						1,567.68
<b>34308</b>						
12/24	12/20/2024	34308	62664	M & J TREE SERVICE	MAINTENANCE FOR NOVEMBER-WBS	600.00
12/24	12/20/2024	34308	62664	M & J TREE SERVICE	MAINTENANCE SERVICE 6 SITES	6,600.00
12/24	12/20/2024	34308	62664	M & J TREE SERVICE	TRIMMED EUCALYPTUS	1,500.00
Total 34308:						8,700.00
<b>34309</b>						
12/24	12/20/2024	34309	62573	MANAGED MOBILE INC	FLEET MAINTENANCE MANAGEMENT FEE	55.00
12/24	12/20/2024	34309	62573	MANAGED MOBILE INC	SERVICE CALL TRUCK 28	720.70
Total 34309:						775.70
<b>34310</b>						
12/24	12/20/2024	34310	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	467.13
12/24	12/20/2024	34310	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR BUILDING	39.54
Total 34310:						506.67
<b>34311</b>						
12/24	12/20/2024	34311	62525	MORROW-MEADOWS CORPORATION	TROUBLESHOOT BREAKER	656.04
Total 34311:						656.04
<b>34312</b>						
12/24	12/20/2024	34312	62735	MUTUAL OF OMAHA	LIFE INSURANCE	598.50
12/24	12/20/2024	34312	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,649.26
12/24	12/20/2024	34312	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	66.50
Total 34312:						2,314.26

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>34313</b>						
12/24	12/20/2024	34313	62918	ORANGE COUNTY WINWATER WORK	SUPPLIES FOR MAINS	1,743.59
Total 34313:						1,743.59
<b>34314</b>						
12/24	12/20/2024	34314	62448	PARS	GASBY 45 MANAGEMENT FEE	1,898.01
Total 34314:						1,898.01
<b>34315</b>						
12/24	12/20/2024	34315	62771	PUBLIC WATER AGENCIES GROUP	ASSESSMENT FOR EMERGENCY PREPAREDNESS	2,029.06
Total 34315:						2,029.06
<b>34316</b>						
12/24	12/20/2024	34316	62660	PUENTE HILLS FORD	MAINTENANCE TRUCK 31	396.54
12/24	12/20/2024	34316	62660	PUENTE HILLS FORD	MAINTENANCE TRUCK 31	2,628.98
Total 34316:						3,025.52
<b>34317</b>						
12/24	12/20/2024	34317	5100	PUENTE READY MIX INC	CAB BASE	1,376.42
Total 34317:						1,376.42
<b>34318</b>						
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	64.87
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	33.16
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	389.61
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR VANTAGE POINTE MAIN REPLACE	10,402.46
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	1,161.25
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	1,523.41
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	453.88
12/24	12/20/2024	34318	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR VANTAGE POINTE MAIN REPLACE	16,222.67
Total 34318:						30,251.31
<b>34319</b>						
12/24	12/20/2024	34319	5750	SHERWIN WILLIAMS COMPANY	TOOLS & SUPPLIES	30.15
Total 34319:						30.15
<b>34320</b>						
12/24	12/20/2024	34320	3550	SOUTHERN COUNTIES FUELS	UNLEADED FUEL	5,947.03
12/24	12/20/2024	34320	3550	SOUTHERN COUNTIES FUELS	FUEL SURCHARGE	9.92
12/24	12/20/2024	34320	3550	SOUTHERN COUNTIES FUELS	REGULATORY COMPLIANCE	12.95
Total 34320:						5,969.90
<b>34321</b>						
12/24	12/20/2024	34321	62813	SOUTHLAND CIVIL ENGINEERING & S	ESTABLISH PROPERTY BOUNDARY FOR WEST AN	4,712.50
Total 34321:						4,712.50
<b>34322</b>						
12/24	12/20/2024	34322	62895	STAPLES	OFFICE SUPPLIES	1,118.85

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34322:						1,118.85
<b>34323</b>						
12/24	12/20/2024	34323	62595	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE	3,630.00
Total 34323:						3,630.00
<b>34324</b>						
12/24	12/20/2024	34324	62521	TRIEPEI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	375.00
Total 34324:						375.00
<b>34325</b>						
12/24	12/20/2024	34325	62565	UNIVAR USA INC.	SOD HYPO 12.5% LIQUICHLOR-WBS	1,500.58
Total 34325:						1,500.58
<b>34326</b>						
12/24	12/20/2024	34326	62916	UPPER SAN GABRIEL VALLEY MWD	REIMBURSEMENT FOR SGVW TOUR	701.95
Total 34326:						701.95
<b>34327</b>						
12/24	12/20/2024	34327	2360	USC FOUNDATION OFFICE	ANNUAL MEMBERSHIP RENEWAL	562.25
Total 34327:						562.25
<b>34328</b>						
12/24	12/20/2024	34328	62850	VALLEY VISTA SERVICES INC	TRASH SERVICE	272.99
Total 34328:						272.99
<b>34329</b>						
12/24	12/20/2024	34329	3025	VOLVO CONSTRUCTION EQUIPMENT	P-185 COMPRESSOR (DOOSAN)	1,898.36
Total 34329:						1,898.36
<b>34330</b>						
12/24	12/20/2024	34330	382	W A RASIC CONSTRUCTION CO INC	JOB 21TX73-16" AC MAIN LEAK REPAIR-AZUSA/GA	19,108.33
12/24	12/20/2024	34330	382	W A RASIC CONSTRUCTION CO INC	JOB 24SC86-2" WATER SERVICE-17585 COLIMA	19,783.00
Total 34330:						38,891.33
<b>34331</b>						
12/24	12/20/2024	34331	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	648.82
Total 34331:						648.82
<b>34332</b>						
12/24	12/20/2024	34332	62432	WASTE MANAGEMENT COMPANY	HAUL DIRT	3,916.30
Total 34332:						3,916.30
<b>34333</b>						
12/24	12/20/2024	34333	7950	WESTERN WATER WORKS SUPPLY	SUPPLIES FOR HYDRANTS	1,544.25

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 34333:						1,544.25
<b>34334</b>						
12/24	12/20/2024	34334	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	17,823.00
Total 34334:						17,823.00
<b>34335</b>						
12/24	12/20/2024	34335	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	4,478.60
Total 34335:						4,478.60
<b>12132024</b>						
12/24	12/13/2024	121320	62493	CADWAY INC (CAL DOMESTIC WATER	WATER CHARGE	65,753.59
Total 12132024:						65,753.59
Grand Totals:						2,080,774.40

## Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	348,127.82	.00	348,127.82
222100	22,301.60	2,103,076.00-	2,080,774.40-
51110-0	65,753.59	.00	65,753.59
51310-0	994,199.49	.00	994,199.49
51410-1	3,668.48	.00	3,668.48
51410-2	3,401.88	.00	3,401.88
51410-3	2,394.36	.00	2,394.36
51410-5	12,052.83	.00	12,052.83
51510-0	46,058.74	22,301.60-	23,757.14
52210-0	656.04	.00	656.04
52310-0	51,156.75	.00	51,156.75
54210-0	10,963.53	.00	10,963.53
54211-0	26,151.34	.00	26,151.34
54212-0	727.49	.00	727.49
54213-0	12,177.25	.00	12,177.25
54214-0	33.16	.00	33.16
54215-0	7,315.76	.00	7,315.76
54216-0	806.79	.00	806.79
54217-0	8,537.60	.00	8,537.60
54218-0	4,765.00	.00	4,765.00
54219-0	6,849.89	.00	6,849.89
56210-0	15,326.68	.00	15,326.68
56211-0	5,667.37	.00	5,667.37
56214-0	1,118.85	.00	1,118.85
56215-0	837.25	.00	837.25
56216-0	268.90	.00	268.90
56217-0	128.64	.00	128.64
56218-0	25,779.74	.00	25,779.74
56218-2	4,058.12	.00	4,058.12
56219-0	8,135.69	.00	8,135.69
56220-0	8,466.00	.00	8,466.00

GL Account	Debit	Credit	Proof
56221-0	14,729.75	.00	14,729.75
56223-0	612.85	.00	612.85
56226-0	11,775.88	.00	11,775.88
56310-0	189,022.96	.00	189,022.96
56312-0	31,853.38	.00	31,853.38
56320-0	12,026.95	.00	12,026.95
56411-0	59,020.79	.00	59,020.79
56413-0	4,297.68	.00	4,297.68
56415-0	724.95	.00	724.95
56416-0	598.50	.00	598.50
56417-0	14,227.63	.00	14,227.63
56418-0	1,649.26	.00	1,649.26
56419-0	66.96	.00	66.96
56421-0	9,296.32	.00	9,296.32
56710-0	3,034.44	.00	3,034.44
56812-0	5,696.13	.00	5,696.13
57310-0	25,359.25	.00	25,359.25
57312-0	12,574.19	.00	12,574.19
57314-0	6,450.17	.00	6,450.17
57315-0	7,304.00	.00	7,304.00
57320-0	125.00	.00	125.00
57321-0	13,746.53	.00	13,746.53
57323-0	3,297.40	.00	3,297.40
Grand Totals:	2,125,377.60	2,125,377.60-	.00

Report Criteria:

Report type: GL detail





# ROWLAND WATER DISTRICT

## CASH AND INVESTMENTS

### As of November 30, 2024

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
<b>Cash</b>								
Citizens Business Bank							\$ 2,846,408	
<b>Total Cash</b>							<b>\$ 2,846,408</b>	
<b>Local Agency Investment Fund (LAIF)</b>	N/A					4.48%	\$ 9,163,546	38.33%
<b>Citizens Trust Investments (US Bank Custodian)</b>								
Fed'I National Mtg. Assn. - XP73	3 Year	300,000	100.0000	99.7550	5/28/2025	4.01%	\$ 299,265	1.25%
Fed'I Home Loan Mtg. Corp. - 1YX5	2 Year	500,000	100.0000	100.0500	3/26/2026	5.05%	\$ 500,250	2.09%
Fed'I Home Loan Mtg. Corp. - 1M91	4 Year	300,000	100.0000	100.2400	4/28/2028	5.49%	\$ 300,720	1.26%
Fed'I National Mtg. Assn. - 06M0	4 Year	200,000	100.0000	99.8410	12/16/2024	0.50%	\$ 199,682	0.84%
Fed'I Home Loan Mtg. Corp. - 4C27	5 Year	350,000	100.0000	97.5790	7/29/2025	0.72%	\$ 341,527	1.43%
Fed'I National Mtg. Assn. - 4XZ1	5 Year	200,000	100.0000	97.8970	6/30/2025	0.76%	\$ 195,794	0.82%
Fed'I National Mtg. Assn. - AX89	3 Year	400,000	99.5500	99.5600	7/21/2028	4.12%	\$ 398,240	1.67%
Fed'I Home Loan Banks - L7D0	5 Year	200,000	99.7900	97.1320	8/26/2025	0.51%	\$ 194,264	0.81%
Fed'I Home Loan Banks - N6N5	4 Year	200,000	100.0000	98.4850	4/29/2025	0.71%	\$ 196,970	0.82%
Fed'I Home Loan Banks - LGR9	5 Year	500,000	100.0000	95.8040	2/26/2026	0.89%	\$ 479,020	2.00%
Fed'I Home Loan Banks - LLD4	5 Year	250,000	99.9250	95.6190	3/17/2026	0.91%	\$ 239,048	1.00%
Fed'I Home Loan Banks - MUX8	5 Year	200,000	99.9300	95.4930	3/30/2026	0.92%	\$ 190,986	0.80%
Fed'I Home Loan Banks - PUY9	4 Year	200,000	100.0000	99.1270	2/28/2025	1.01%	\$ 198,254	0.83%
Fed'I Home Loan Banks - P6M2	5 Year	200,000	100.0000	94.2620	9/30/2026	1.08%	\$ 188,524	0.79%
Fed'I Home Loan Bank - Q7E7	5 Year	200,000	99.9050	95.6280	6/30/2026	1.57%	\$ 191,256	0.80%
Fed'I Home Loan Bank - QJD6	4 Year	200,000	99.7190	94.8420	10/27/2026	1.58%	\$ 189,684	0.79%
Fed'I Home Loan Bank - 2TD7	4 Year	500,000	100.0000	98.8890	6/23/2028	4.10%	\$ 494,445	2.07%
Fed'I Home Loan Bank - 3ED1	3 Year	500,000	100.0000	99.5550	10/21/2027	4.17%	\$ 497,775	2.08%
Fed'I Home Loan Bank - 36C2	4 Year	700,000	100.0000	99.4390	10/10/2028	4.27%	\$ 696,073	2.91%
Fed'I Home Loan Bank - 3G72	3 Year	200,000	100.0000	99.8330	10/22/2027	4.26%	\$ 199,666	0.84%
Fed'I Home Loan Bank - 3NZ2	2 Year	500,000	99.9250	100.0130	8/13/2027	4.50%	\$ 500,065	2.09%
Fed'I Home Loan Bank - WLZ1	2 Year	180,000	99.9180	100.6770	6/12/2026	4.72%	\$ 181,219	0.76%
Fed'I Home Loan Bank - WS92	2 Year	200,000	99.8530	100.3460	9/12/2025	4.86%	\$ 200,692	0.84%
Fed'I Home Loan Bank - 0UQ0	3 Year	500,000	100.0000	100.7350	4/15/2027	4.96%	\$ 503,675	2.11%
Fed'I Home Loan Bank - 0C56	2 Year	300,000	100.0000	99.9220	8/28/2025	5.13%	\$ 299,766	1.25%
Air Prods & Chems Inc. - 8BB1	5 Year	255,000	104.1940	97.4450	10/15/2025	1.54%	\$ 248,485	1.04%
Apple Inc. - 3DT4	5 Year	200,000	102.4560	98.4770	5/11/2025	1.14%	\$ 196,954	0.82%
Apple Inc. - 3BZ2	2 Year	300,000	94.5180	96.9550	8/4/2026	2.53%	\$ 290,865	1.22%
Apple Inc. - 3CJ7	3 Year	200,000	96.8220	98.0490	2/9/2027	3.42%	\$ 196,098	0.82%
Deere John Capital - EWT2	2 Year	150,000	100.5690	100.8130	3/3/2026	5.01%	\$ 151,220	0.63%
Emerson Elec Co - 1BQ6	4 Year	200,000	90.3290	90.8770	12/21/2028	2.20%	\$ 181,754	0.76%
Florida Pwr & Lt Co - 1FZ5	5 Year	800,000	108.9188	99.4350	4/1/2025	2.87%	\$ 795,480	3.33%
Home Depot Inc - 6BN1	2 Year	200,000	93.7730	96.0960	9/15/2026	2.21%	\$ 192,192	0.80%
Honeywell International - 6BL9	2 Year	150,000	94.6540	96.5880	11/1/2026	2.59%	\$ 144,882	0.61%
John Deere Capital Corporation - EXB0	4 Year	200,000	101.1140	101.7500	11/1/2026	4.86%	\$ 203,500	0.85%
Paccar Financial Corp. - RQ66	5 Year	500,000	104.7908	99.4560	2/6/2025	1.81%	\$ 497,280	2.08%
Texas Instruments - 8CE2	3 Year	400,000	100.6293	100.5530	2/8/2027	4.57%	\$ 402,212	1.68%
Toyota Mtr Corp - THP3	2 Year	200,000	93.8350	96.8920	10/16/2025	0.83%	\$ 193,784	0.81%
Intl Bank for Recon & Dev - 8JB0	5 Year	400,000	98.7800	98.4920	4/22/2025	0.64%	\$ 393,968	1.65%
Cash Reserve Account						4.52%	\$ 2,776,018	11.61%
<b>Total Citizens Trust Investments</b>							<b>\$ 14,741,550</b>	<b>61.67%</b>
<b>Total Investments</b>							<b>\$ 23,905,096</b>	<b>100.00%</b>
<b>Total Cash &amp; Investments</b>							<b>\$ 26,751,503</b>	

Market values determined on last business day of the month. 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 show above are based on annual rates of return.



# ROWLAND WATER DISTRICT

## PROFIT & LOSS (Unaudited)

### November 2024

	Nov-24	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
<b>1 OPERATING REVENUE</b>						
2 Water Sales	\$ 1,487,159	\$ 8,269,131	\$ 17,115,100	\$ 8,845,969	48%	\$ 7,578,318
3 Meter Charges	1,043,403	5,212,953	12,650,700	7,437,747	41%	5,031,234
4 Customer Fees	31,531	764,433	377,500	(386,933)	202%	502,816
5 Contract Income	17,144	111,619	214,400	102,781	52%	109,133
6 RWD Labor Sales/Reimbursements	8,510	140,091	235,800	95,709	59%	115,895
7 Capacity Fees	29,478	69,770	50,000	(19,770)	140%	54,110
8 Flow Tests	1,950	10,400	16,600	6,200	63%	8,775
9 Return Check Fees	360	2,220	7,200	4,980	31%	2,460
10 Uncollectable	-	-	(59,500)	(59,500)	0%	-
<b>11 TOTAL OPERATING REVENUE</b>	<b>2,619,535</b>	<b>14,580,616</b>	<b>30,607,800</b>	<b>16,027,184</b>	<b>48%</b>	<b>13,402,741</b>
<b>12 NON-OPERATING REVENUE</b>						
13 Property Taxes	6,031	18,786	436,800	418,014	4%	22,753
14 Interest Income	24,614	287,316	600,000	312,684	48%	183,347
15 Miscellaneous Income	79,696	98,469	25,000	(73,469)	394%	9,823
<b>16 TOTAL NON-OPERATING REVENUE</b>	<b>110,340</b>	<b>404,570</b>	<b>1,061,800</b>	<b>657,230</b>	<b>38%</b>	<b>215,923</b>
<b>17 TOTAL REVENUES</b>	<b>2,729,876</b>	<b>14,985,186</b>	<b>31,669,600</b>	<b>16,684,414</b>	<b>47%</b>	<b>13,618,664</b>
<b>18 OPERATING EXPENSES</b>						
19 Source of Supply						
20 Water Purchases	912,165	5,452,991	11,670,800	6,217,809	47%	5,048,064
21 Pumping Power	45,434	242,896	522,300	279,404	47%	232,908
22 Fixed Charges	21,518	107,588	322,100	214,512	33%	105,320
23 Chemicals	5,037	40,618	86,000	45,382	47%	34,929
24 Total Source of Supply	984,155	5,844,093	12,601,200	6,757,107	46%	5,421,220
25 Maintenance of Water System	34,451	362,175	818,200	456,025	44%	405,459
26 Service Contracts	22,922	190,923	458,900	267,977	42%	238,259
27 Assessments	19,415	221,785	296,200	74,415	75%	124,485
28 Vehicle Expense	14,458	65,191	163,600	98,409	40%	85,311
29 Tools & Supplies	8,898	18,970	44,200	25,230	43%	15,441
30 Equipment Expense	1,483	24,569	39,400	14,831	62%	24,572
31 Maintenance & Operations	10,394	28,548	100,000	71,452	29%	58,935
32 Engineering	17,947	110,322	200,000	89,678	55%	66,038
33 Water Tests	7,304	11,448	25,000	13,552	46%	12,640
34 Conservation	20,645	24,240	57,300	33,060	42%	20,473
35 Community Outreach	18,320	49,660	188,700	139,040	26%	59,133
<b>36 TOTAL OPERATING EXPENSES</b>	<b>1,160,393</b>	<b>6,951,925</b>	<b>14,992,700</b>	<b>8,040,775</b>	<b>46%</b>	<b>6,531,965</b>
<b>37 ADMINISTRATIVE EXPENSES</b>						
38 Liability Insurance	189,023	304,945	226,900	(78,045)	134%	201,687
39 IT Support Services	8,091	52,161	139,200	87,039	37%	78,102
40 IT Licensing	46,376	149,046	313,400	164,354	48%	131,330
41 Director Expense	26,422	76,129	198,500	122,371	38%	59,585
42 Bank / Management Fees	24,227	125,657	294,100	168,443	43%	87,907
43 Legal Fees	27,809	72,107	158,500	86,393	45%	56,475
44 Compliance	10,512	45,977	183,600	137,623	25%	58,340
45 Auditing & Accounting	12,250	25,950	35,000	9,050	74%	26,100
46 Utility Services	13,719	52,900	133,900	81,000	40%	59,281
47 Dues & Memberships	1,500	47,447	65,900	18,453	72%	44,381



# ROWLAND WATER DISTRICT

## PROFIT & LOSS (Unaudited)

### November 2024

	Nov-24	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
48 Conference & Meetings	488	23,565	47,700	24,135	49%	13,580
49 Office Expenses	1,325	10,400	31,800	21,400	33%	5,847
50 Seminars/Training	8,325	52,878	118,300	65,422	45%	36,812
51 Miscellaneous Expense	7,601	79,612	154,100	74,488	52%	55,042
<b>52 TOTAL ADMINISTRATIVE EXPENSES</b>	<b>377,667</b>	<b>1,118,772</b>	<b>2,100,900</b>	<b>982,128</b>	<b>53%</b>	<b>914,470</b>
<b>53 PERSONNEL EXPENSES</b>						
54 Wages						
55 Operations	106,215	480,639	1,396,600	915,961	34%	493,748
56 Distribution	120,108	559,727	1,438,000	878,273	39%	455,509
57 Administration	166,458	742,364	1,868,200	1,125,836	40%	642,086
58 Total Wages	392,781	1,782,731	4,702,800	2,920,069	38%	1,591,344
59 Payroll Taxes	21,628	113,937	334,800	220,863	34%	105,608
60 Workers Compensation	-	19,290	106,800	87,510	18%	19,239
61 Unemployment	-	-	6,200	6,200	0%	85
62 CalPERS	47,473	352,104	791,200	439,096	45%	223,845
63 OPEB Contributions	-	-	-	-	0%	-
64 EE & Retiree Health Insurance	58,705	368,206	1,027,900	659,694	36%	372,797
<b>65 TOTAL PERSONNEL EXPENSES</b>	<b>520,587</b>	<b>2,636,267</b>	<b>6,969,700</b>	<b>4,333,433</b>	<b>38%</b>	<b>2,312,919</b>
<b>66 TOTAL EXPENSES</b>	<b>2,058,647</b>	<b>10,706,964</b>	<b>24,063,300</b>	<b>13,356,336</b>	<b>44%</b>	<b>9,759,354</b>
<b>67 NET INCOME / (LOSS) - BEFORE DEBT SERVICE &amp; CAPITAL EXPENDITURES</b>	<b>671,229</b>	<b>4,278,222</b>	<b>7,606,300</b>	<b>3,328,078</b>	<b>56%</b>	<b>3,859,310</b>
68 Less: Total Debt Service	(355,899)	(2,090,899)	(2,441,800)	350,901	86%	(1,738,087)
69 Less: CalPERS (Bond Debt Savings)	-	-	-	-	0%	-
70 Less: Capital Expenses (Current Year)	(32,062)	(510,661)	(5,676,300)	5,165,639	9%	(686,179)
<b>71 CASH INCREASE / (DECREASE)</b>	<b>\$ 283,268</b>	<b>\$ 1,676,662</b>	<b>\$ (511,800)</b>	<b>\$ 2,188,462</b>		<b>\$ 1,435,044</b>

*\*No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*



## Rowland Water District

# Profit & Loss Analysis and Variance Report

November 2024

### 1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is at 48%.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 41%.
4. Customer Fees – various fees conditionally charged to customers such as penalties, new service connections, reconnections, backflow administration, cross connections, connections and recycled water checks/inspections. These types of fees are unpredictable in nature and can often trend over/under expected budget. YTD is at high 202% due to new service connections.
5. Contract Income – contains revenues from cell tower lease contracts. YTD is at 52%.
6. RWD Labor Sales/Reimbursements – water sold on construction invoices, City of Industry labor sales and Puente Basin Water Agency (PBWA) and Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is high at 59% due to project management and administration on new service connections.
7. Capacity Fees – fees imposed on any property or person requesting a new, additional or larger connection to the District's potable water system (fees vary by meter size). These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is high at 140% due to capacity fees on new service connections.
8. Flow Tests – fire flow tests performed by District personnel to measure the volume of water available at a specific hydrant (\$350 per test). YTD is at 63%.
9. Return Check Fees – customers are charged a fee when the District is paid with insufficient funds checks and checks are returned by the bank. These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is currently at 31%.
10. Uncollectable – the District analyzes customer receivables at the end of each year and recognizes an expense equal to the estimated amount of cash that may not be collected. Uncollectable expense will be zero until assessed at the year-end audited financial statements.

### 11. TOTAL OPERATING REVENUE

### 12. NON-OPERATING REVENUE



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 4% since the bulk of receipts happen between December and May each year and can cause YTD% to trend over/under expected budget %.
14. Interest Income – includes interest and dividends received on District investments. YTD is at 48%.
15. Miscellaneous Income – includes income from various sources such as recycling and refunds. YTD is high at 394% due to a vendor refund.
16. **TOTAL NON-OPERATING REVENUE**
17. **TOTAL REVENUES**
18. **OPERATING EXPENSES**
19. **SOURCE OF SUPPLY**
20. Water Purchases – Includes variable costs of potable water from Three Valleys Municipal Water District (TVMWD) and California Domestic Water Company (CalDomestic), and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). YTD is at 47%.
21. Pumping Power – the cost of electricity used for pumping water. YTD is at 47%.
22. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 33%.
23. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is at 47%.
24. **TOTAL SOURCE OF SUPPLY**
25. Maintenance of Water System – the costs of repairs and maintenance on elements of the District water system such as main lines, services, meters, reservoirs, valves, hydrants, and telemetry system. YTD is at 44%.
26. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, security system monitoring and maintenance, Caselle maintenance and support, Harmony renewal and other services. YTD is at 42%.
27. Assessments – operating costs billed to RWD for their share of PWR JWLC, which is billed quarterly, and PBWA, which is billed monthly. YTD can trend over/under budget due to the timing of billing. YTD is high at 75% due to PBWA lease payments from July through December.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

28. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is at 40%.
29. Tools & Supplies – small tools and supplies used in the field. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 43%.
30. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of equipment expenses. YTD is at 62%.
31. Maintenance & Operations – various costs incurred for District maintenance and operations not directly related to the water system. YTD can trend over/under budget due to the timing of maintenance and operations. YTD is at 29%.
32. Engineering – general engineering costs related to District operations. YTD is high at 55% due to the cost of the water distribution system leak detection program.
33. Water Tests – laboratory testing and sampling of District water. YTD is at 46%.
34. Conservation – water conservation programs and efforts. YTD is 42%.
35. Community Outreach – costs related to public relations and community outreach. YTD is at 26%.
36. **TOTAL OPERATING EXPENSES**
37. **ADMINISTRATIVE EXPENSES**
38. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 134% due to higher ACWA JPIA insurance rates increase.
39. IT Support Services – information technology support services. YTD is at 37%.
40. IT Licensing – includes costs for various software licenses. YTD is at 48%.
41. Director Expense – costs for director compensation and benefits. YTD is at 38% of budget.
42. Bank/Management Fees – includes various banking fees, Paymentus and InvoiceCloud fees (for processing customer payments) and investment administrative fees. YTD is at 43%.
43. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is at 45%.
44. Compliance – includes costs for State Water Resources Control Board (SWRCB) compliance, LA County property taxes, various employee certifications, District permits, and maintenance costs for equipment compliance. YTD is at 25%.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

- 45. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is high at 74% due to timing of audit bill and budgeting method used.
- 46. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 40%.
- 47. Dues & Memberships – costs for district memberships, dues and subscriptions to various agencies such as the Water Education Foundation, Association of California Water Agencies, Urban Water Institute, California Special Districts Association and American Water Works Association. YTD is at 72%.
- 48. Conference & Meetings – conference attendance and meeting expenses. YTD is at 49%.
- 49. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is at 33%.
- 50. Seminars/Training – employee seminars and training. YTD is at 45%.
- 51. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 52%.
- 52. **TOTAL ADMINISTRATIVE EXPENSES**
- 53. **PERSONNEL EXPENSES**
- 54. **WAGES**
- 55. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 34%.
- 56. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 39%.
- 57. Administration – wages expense (regular) attributable to Administration. YTD is at 40%.
- 58. **TOTAL WAGES**
- 59. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 34%.
- 60. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 18%.
- 61. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 0%.





## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

- 62. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made monthly and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. YTD is at 45%.
- 63. OPEB Contributions – includes retirement costs for other post-employment benefits that provides medical, dental and vision coverage. There will be no OPEB contributions for the current fiscal year as the Public Agency Retirement Services (PARS) trust is fully funded.
- 64. EE & Retiree Health Insurance – includes the cost of health, dental, vision, life, and disability insurance for current employees as well as health insurance for retired employees. YTD is at 36%.
- 65. **TOTAL PERSONNEL EXPENSES**
- 66. **TOTAL EXPENSES**
- 67. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through November 2024.
- 68. Less: Total Debt Service – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).
- 69. Less: CalPERS (Bond Debt Savings) – includes bond debt refunding savings for paying down the CalPERS unfunded accrued liability. Payments are made in December and June. There will be no CalPERS Bond Debt Savings for the current fiscal year
- 70. Less: Capital Expenses (Current-Year) – includes expenses related to current-year district projects and capital assets, excluding projects funded by bond proceeds (debt). YTD is at 9%.
- 71. **CASH INCREASE / (DECREASE)**





## Rowland Water District

# Profit & Loss Analysis and Variance Report

November 2024

### 1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is at 48%.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 41%.
4. Customer Fees – various fees conditionally charged to customers such as penalties, new service connections, reconnections, backflow administration, cross connections, connections and recycled water checks/inspections. These types of fees are unpredictable in nature and can often trend over/under expected budget. YTD is at high 202% due to new service connections.
5. Contract Income – contains revenues from cell tower lease contracts. YTD is at 52%.
6. RWD Labor Sales/Reimbursements – water sold on construction invoices, City of Industry labor sales and Puente Basin Water Agency (PBWA) and Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is high at 59% due to project management and administration on new service connections.
7. Capacity Fees – fees imposed on any property or person requesting a new, additional or larger connection to the District's potable water system (fees vary by meter size). These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is high at 140% due to capacity fees on new service connections.
8. Flow Tests – fire flow tests performed by District personnel to measure the volume of water available at a specific hydrant (\$350 per test). YTD is at 63%.
9. Return Check Fees – customers are charged a fee when the District is paid with insufficient funds checks and checks are returned by the bank. These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is currently at 31%.
10. Uncollectable – the District analyzes customer receivables at the end of each year and recognizes an expense equal to the estimated amount of cash that may not be collected. Uncollectable expense will be zero until assessed at the year-end audited financial statements.

### 11. TOTAL OPERATING REVENUE

### 12. NON-OPERATING REVENUE



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 4% since the bulk of receipts happen between December and May each year and can cause YTD% to trend over/under expected budget %.
14. Interest Income – includes interest and dividends received on District investments. YTD is at 48%.
15. Miscellaneous Income – includes income from various sources such as recycling and refunds. YTD is high at 394% due to a vendor refund.
16. **TOTAL NON-OPERATING REVENUE**
17. **TOTAL REVENUES**
18. **OPERATING EXPENSES**
19. **SOURCE OF SUPPLY**
20. Water Purchases – Includes variable costs of potable water from Three Valleys Municipal Water District (TVMWD) and California Domestic Water Company (CalDomestic), and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). YTD is at 47%.
21. Pumping Power – the cost of electricity used for pumping water. YTD is at 47%.
22. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 33%.
23. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is at 47%.
24. **TOTAL SOURCE OF SUPPLY**
25. Maintenance of Water System – the costs of repairs and maintenance on elements of the District water system such as main lines, services, meters, reservoirs, valves, hydrants, and telemetry system. YTD is at 44%.
26. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, security system monitoring and maintenance, Caselle maintenance and support, Harmony renewal and other services. YTD is at 42%.
27. Assessments – operating costs billed to RWD for their share of PWR JWLC, which is billed quarterly, and PBWA, which is billed monthly. YTD can trend over/under budget due to the timing of billing. YTD is high at 75% due to PBWA lease payments from July through December.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

28. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is at 40%.
29. Tools & Supplies – small tools and supplies used in the field. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 43%.
30. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of equipment expenses. YTD is at 62%.
31. Maintenance & Operations – various costs incurred for District maintenance and operations not directly related to the water system. YTD can trend over/under budget due to the timing of maintenance and operations. YTD is at 29%.
32. Engineering – general engineering costs related to District operations. YTD is high at 55% due to the cost of the water distribution system leak detection program.
33. Water Tests – laboratory testing and sampling of District water. YTD is at 46%.
34. Conservation – water conservation programs and efforts. YTD is 42%.
35. Community Outreach – costs related to public relations and community outreach. YTD is at 26%.
36. **TOTAL OPERATING EXPENSES**
37. **ADMINISTRATIVE EXPENSES**
38. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 134% due to higher ACWA JPIA insurance rates increase.
39. IT Support Services – information technology support services. YTD is at 37%.
40. IT Licensing – includes costs for various software licenses. YTD is at 48%.
41. Director Expense – costs for director compensation and benefits. YTD is at 38% of budget.
42. Bank/Management Fees – includes various banking fees, Paymentus and InvoiceCloud fees (for processing customer payments) and investment administrative fees. YTD is at 43%.
43. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is at 45%.
44. Compliance – includes costs for State Water Resources Control Board (SWRCB) compliance, LA County property taxes, various employee certifications, District permits, and maintenance costs for equipment compliance. YTD is at 25%.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

45. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is high at 74% due to timing of audit bill and budgeting method used.
46. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 40%.
47. Dues & Memberships – costs for district memberships, dues and subscriptions to various agencies such as the Water Education Foundation, Association of California Water Agencies, Urban Water Institute, California Special Districts Association and American Water Works Association. YTD is at 72%.
48. Conference & Meetings – conference attendance and meeting expenses. YTD is at 49%.
49. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is at 33%.
50. Seminars/Training – employee seminars and training. YTD is at 45%.
51. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 52%.
52. **TOTAL ADMINISTRATIVE EXPENSES**
53. **PERSONNEL EXPENSES**
54. **WAGES**
55. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 34%.
56. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 39%.
57. Administration – wages expense (regular) attributable to Administration. YTD is at 40%.
58. **TOTAL WAGES**
59. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 34%.
60. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 18%.
61. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 0%.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2024

- 62. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made monthly and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. YTD is at 45%.
- 63. OPEB Contributions – includes retirement costs for other post-employment benefits that provides medical, dental and vision coverage. There will be no OPEB contributions for the current fiscal year as the Public Agency Retirement Services (PARS) trust is fully funded.
- 64. EE & Retiree Health Insurance – includes the cost of health, dental, vision, life, and disability insurance for current employees as well as health insurance for retired employees. YTD is at 36%.
- 65. **TOTAL PERSONNEL EXPENSES**
- 66. **TOTAL EXPENSES**
- 67. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through November 2024.
- 68. Less: Total Debt Service – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).
- 69. Less: CalPERS (Bond Debt Savings) – includes bond debt refunding savings for paying down the CalPERS unfunded accrued liability. Payments are made in December and June. There will be no CalPERS Bond Debt Savings for the current fiscal year
- 70. Less: Capital Expenses (Current-Year) – includes expenses related to current-year district projects and capital assets, excluding projects funded by bond proceeds (debt). YTD is at 9%.
- 71. **CASH INCREASE / (DECREASE)**

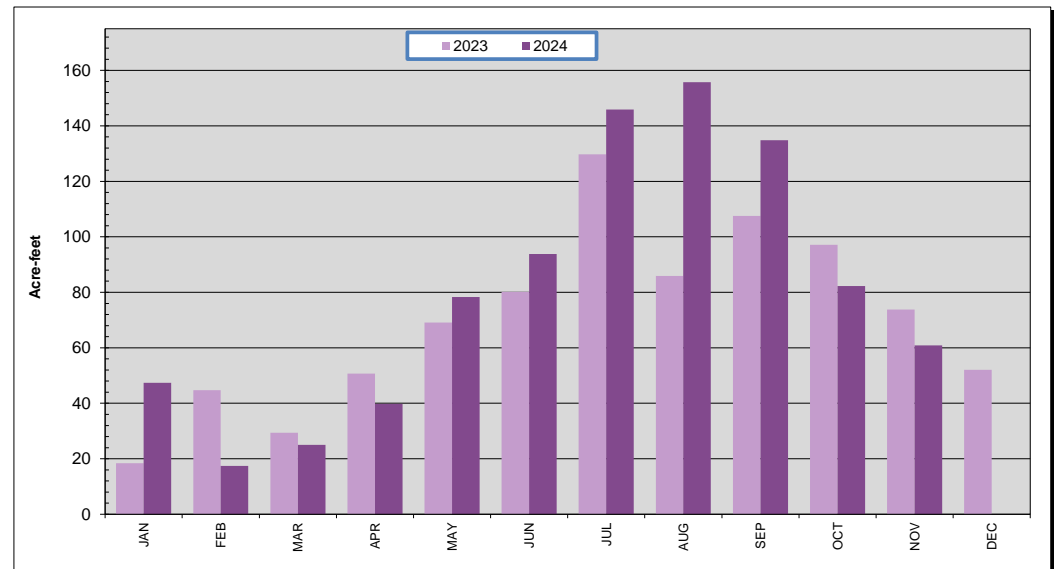
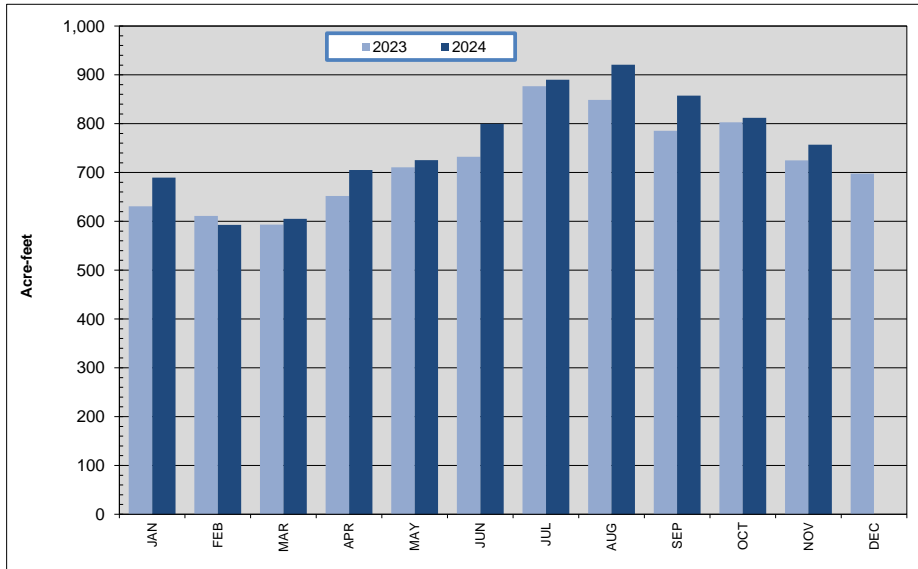


## Water Purchases for CY 2024 (Acre-feet)



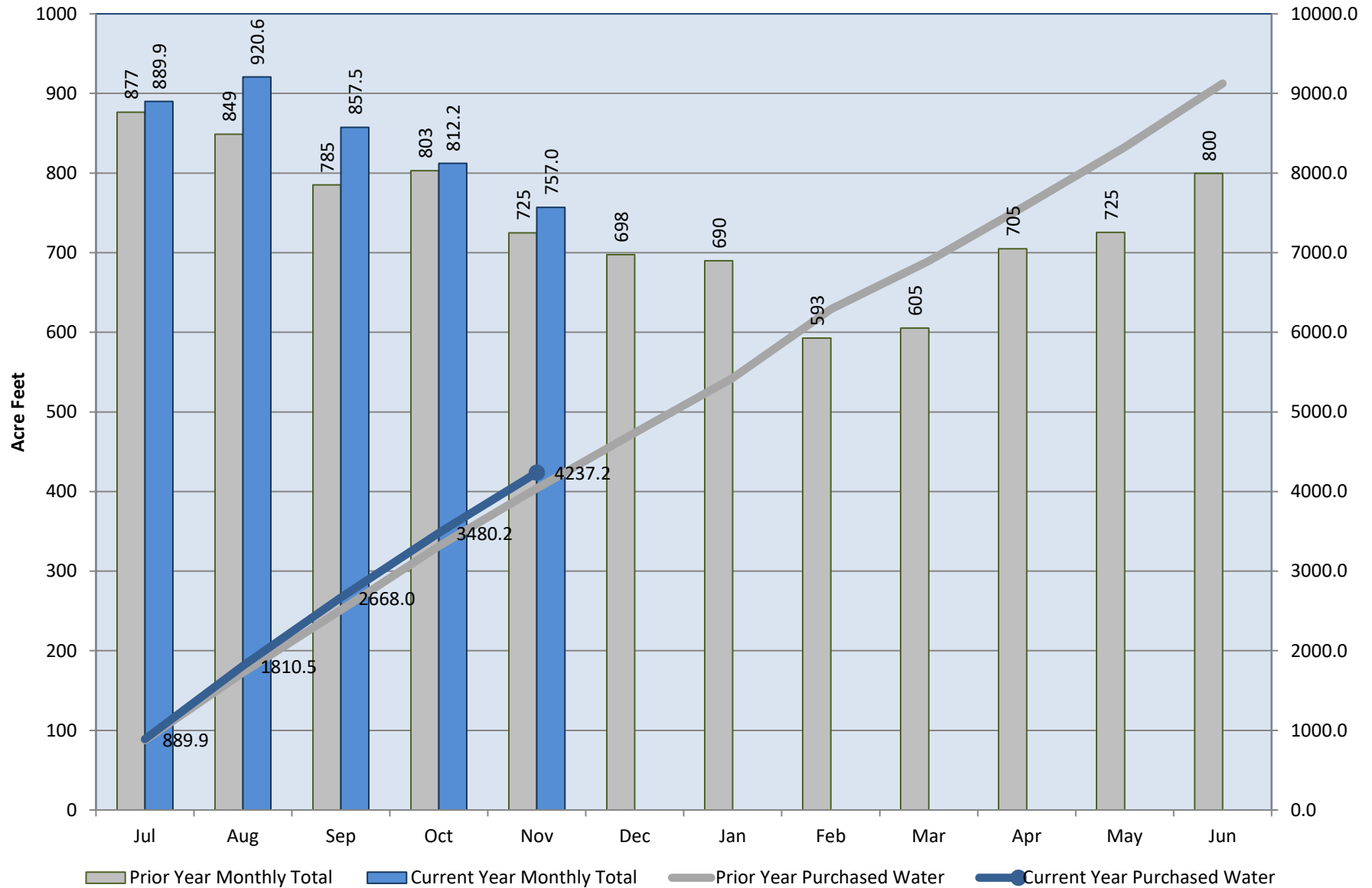
	POTABLE SYSTEM						TOTAL
	WBS	LHH	PM-9	PM-22	JWL		
					PM-15	Miramar	
JAN	189.0	0.0	0.0	219.5	138.3	142.9	689.7
FEB	100.3	0.0	0.0	232.4	260.1	0.0	592.8
MAR	155.6	0.0	0.0	133.0	316.6	0.0	605.2
APR	191.9	0.0	0.0	199.8	313.3	0.0	705.0
MAY	10.4	0.0	0.0	284.5	139.9	290.6	725.4
JUN	0.0	0.0	0.0	313.0	146.8	339.7	799.5
JUL	0.0	0.0	0.0	361.2	224.8	303.9	889.9
AUG	0.0	0.0	0.0	352.2	270.3	298.1	920.6
SEP	0.0	0.0	0.0	297.5	262.2	297.8	857.5
OCT	51.1	0.0	0.0	276.6	159.2	325.3	812.2
NOV	152.7	0.0	0.0	262.5	85.6	256.2	757.0
DEC							0.0
TOTAL	851.0	0.0	0.0	2,932.2	2,317.1	2,254.5	8,354.8

RECYCLED SYSTEM							TOTAL
Well 1	Wet Well	WVWD	Industry	Potable Make-up	Nogales Dewatering	Fullerton Dewatering	
14.9	14.8	0.0	4.1	0.0	13.6	0.0	47.4
1.0	4.8	0.0	0.6	0.0	11.0	0.0	17.4
5.9	7.1	1.0	1.5	0.0	9.5	0.0	25.0
4.0	15.7	1.0	1.1	2.0	16.0	0.0	39.8
24.3	26.8	2.0	10.2	0.0	15.0	0.0	78.3
29.7	21.0	2.0	30.1	0.0	11.0	0.0	93.8
30.0	0.0	3.0	99.9	0.0	3.2	0.0	136.1
29.9	0.0	4.0	112.7	0.0	9.1	0.0	155.7
25.4	18.9	3.0	74.2	0.0	13.3	0.0	134.8
21.9	0.0	1.0	45.7	2.3	2.0	0.0	72.9
0.0	15.3	1.0	40.8	1.6	2.2	0.0	60.9
							0.0
<b>187.0</b>	<b>124.4</b>	<b>18.0</b>	<b>420.9</b>	<b>5.9</b>	<b>105.9</b>	<b>0.0</b>	<b>862.1</b>



# Potable Water Purchases For FY 2024-2025

(Acre-feet)



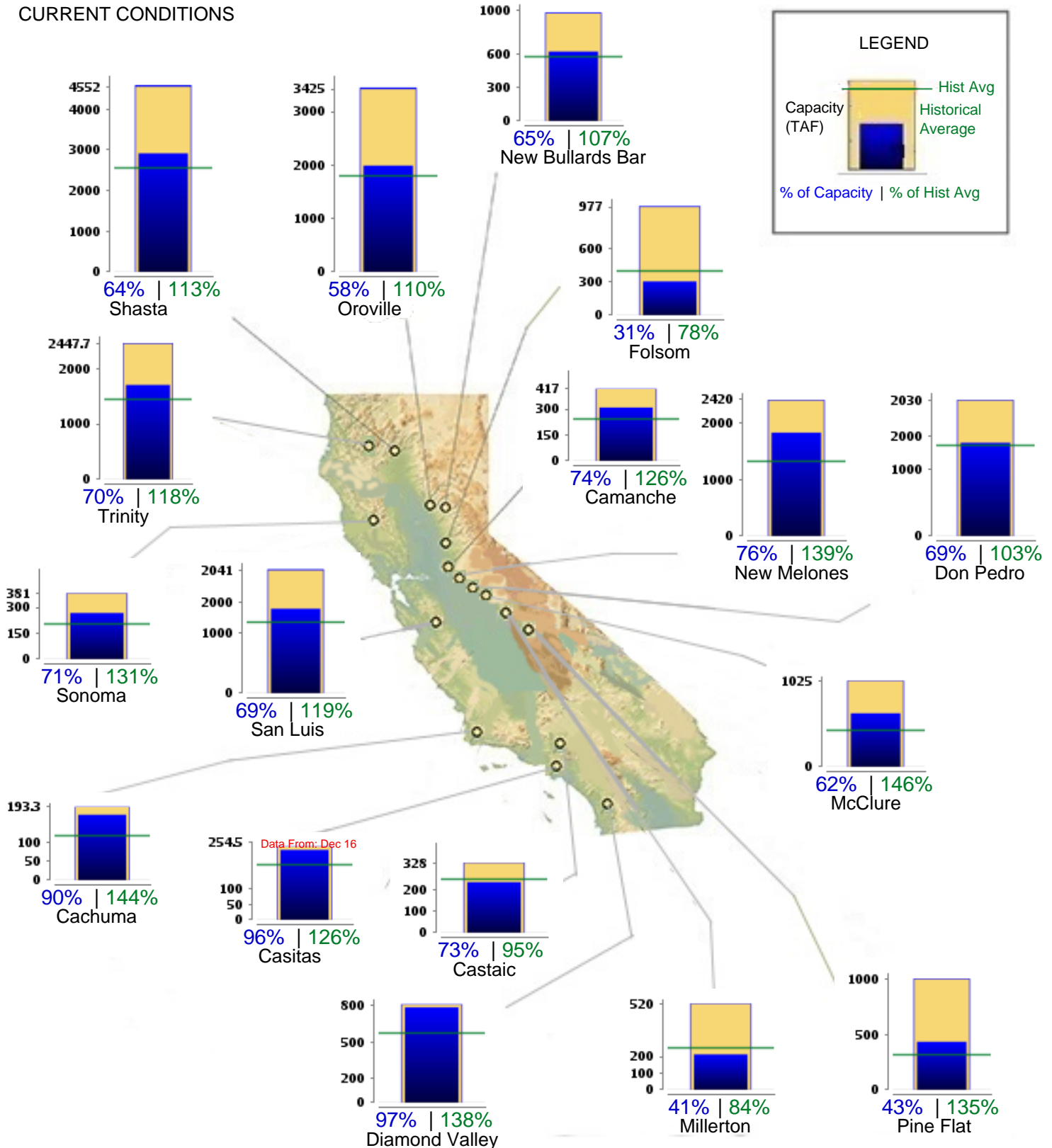


# CURRENT RESERVOIR CONDITIONS

## CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - December 17, 2024

### CURRENT CONDITIONS





**ROWLAND WATER DISTRICT**  
**Report to the Board of Directors**  
**For the Fiscal Year Ended**  
**June 30, 2024**

NIGRO  
& NIGRO<sup>PC</sup>



Board of Directors  
Rowland Water District  
Rowland Heights, California

We are pleased to present this report related to our audit of the financial statements of the Rowland Water District (District) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

NIGRO & NIGRO, PC

Murrieta, California  
January 14, 2025

**ROWLAND WATER DISTRICT**  
*Table of Contents*  
*For the Fiscal Year Ended June 30, 2024*

---

	<u><b>Page</b></u>
<b>Required Communications .....</b>	<b>4</b>
<b>Summary of Adjusting Journal Entries .....</b>	<b>8</b>

---

---

## ***Required Communications***

---

---

## ROWLANDWATER DISTRICT

### Required Communications

For the Fiscal Year Ended June 30, 2024

---

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities with Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
<b>Accounting Policies and Practices</b>	<p><b>Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p><b>Adoption of, or Change in, Significant Accounting Policies or Their Application</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<b>Audit Adjustments</b>	Audit adjustments are summarized in the attached <b>Summary of Adjusting Journal Entries</b> .
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**ROWLAND WATER DISTRICT***Required Communications**For the Fiscal Year Ended June 30, 2024*

---

<b>Area</b>	<b>Comments</b>
<b>Discussions With Management</b>	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 auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	No significant difficulties were encountered in performing our audit.
<b>Required Supplementary Information</b>	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"><li>1. Management's Discussion and Analysis</li><li>2. Required Pension Plan Disclosures</li><li>3. Required OPEB Plan Disclosures</li></ol> <p>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.</p>

**ROWLAND WATER DISTRICT**  
*Required Communications*  
*For the Fiscal Year Ended June 30, 2024*

---

Area	Comments
<b>Supplementary Information</b>	<p>We were engaged to report on the,</p> <p>Supplementary Information:</p> <ol style="list-style-type: none"><li>1. Schedule of Other Operating Expenses</li><li>2. Schedule of General and Administrative Expenses</li></ol> <p>Which accompanies the financial statements but are not RSI. With respect to this 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 supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

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

---

---

## ***Summary of Adjusting Journal Entries***

---

---



## ROWLAND WATER DISTRICT

### *Summary of Adjusting Journal Entries For the Fiscal Year Ended June 30, 2024*

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To fully depreciate disposed items			
57110-0	DEPRECIATION-FIELD	1,977.85	
49511-0	GAIN ON SALE OF ASSETS		1,977.85
<b>Total</b>		<b>1,977.85</b>	<b>1,977.85</b>
<b>Adjusting Journal Entries JE # 2</b>			
To reclass OPEB reimbursement payment			
58000-0	FIDUCIARY ADMIN EXP-OPEB	194,407.75	
56900-1	OPEB-DEFERRED CONTRIBUTIONS		194,407.75
<b>Total</b>		<b>194,407.75</b>	<b>194,407.75</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record GASB 75			
23092-0	NET OPEB LIABILITY	2,182,434.00	
13902-0	OPEB DEFERRED OUTFLOWS		329,998.00
13902-1	DOR-OPEB RELATED		208,233.00
23093-0	OPEB DEFERRED INFLOWS		1,480,583.00
56900-0	ANNUAL OPEB COST		117,809.00
56900-1	OPEB-DEFERRED CONTRIBUTIONS		45,811.00
<b>Total</b>		<b>2,182,434.00</b>	<b>2,182,434.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To record GASB 68			
23090-0	NET PENSION LIABILITY	1,085,933.00	
23091-0	DEFERRED INFLOWS - ACTUARIAL	212,679.00	
56401-0	PENSION EXPENSE/(INCOME)	571,400.00	
13901-0	DEFERRED OUTFLOWS - CONTRIB.		1,870,012.00
<b>Total</b>		<b>1,870,012.00</b>	<b>1,870,012.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
To record GASB 87			
23094-0	DEFERRED INFLOWS - LEASES	165,751.00	
42380-0	CONTRACT INCOME	12,466.00	
14500-0	LEASE RECEIVABLE		161,226.00
49210-0	INTEREST INCOME		16,991.00
<b>Total</b>		<b>178,217.00</b>	<b>178,217.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>4,427,048.60</b>	<b>4,427,048.60</b>

**ROWLAND WATER DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2024  
(With Comparative Amounts as of June 30, 2023)**

**NIGRO & NIGRO<sup>PC</sup>**

# ROWLAND WATER DISTRICT

For the Fiscal Year Ended June 30, 2024

## Table of Contents

---

### FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Proprietary Fund:	
Balance Sheets .....	10
Statements of Revenues, Expenses and Changes in Net Position.....	11
Statements of Cash Flows.....	12
Notes to Financial Statements .....	14

### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net Pension Liability .....	44
Schedule of the District's Contributions to the Defined Benefit Pension Plan.....	45
Schedule of Changes in the District's Net OPEB Liability and Related Ratios.....	46
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan.....	47

### SUPPLEMENTARY INFORMATION

Schedule of Other Operating Expenses .....	48
Schedule of General and Administrative Expenses.....	49

### OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	50
---	----

---

---

## ***Financial Section***

---

---



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Rowland Water District  
Rowland Heights, California

### Opinion

We have audited the accompanying financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024 and 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the OPEB Plan 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.

## **Supplementary 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 as a whole. 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 supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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.

## **Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which such partial information was derived.

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

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 14, 2024, 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California  
January 14, 2024

## **ROWLAND WATER DISTRICT**

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

---

Management's Discussion and Analysis (MD&A) offers readers of Rowland Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2024. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- In fiscal year 2024, the District's net position increased 7.29%, or \$6,031,070 from the prior year's net position of \$82,718,369 to \$88,749,439, as a result of the year's operations.
- In fiscal year 2024, operating revenues decreased 1.43%, or \$428,395 from \$29,959,151 to \$29,530,756, from the prior year, primarily due to decreases in new service connections.
- In fiscal year 2024, operating expenses before depreciation expense increased by 7.87% or \$1,605,120 from \$20,386,811 to \$21,991,931, from the prior year, primarily due to increases in source of supply expenses.

### **REQUIRED FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a 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 revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related 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 (Unaudited)*

*For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

---

#### FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's 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, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

#### Condensed Balance Sheets

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 25,283,147	\$ 21,628,340	\$ 3,654,807
Non-current assets	34,818,504	31,720,451	3,098,053
Capital assets, net	71,498,570	70,747,620	750,950
<b>Total assets</b>	<u>131,600,221</u>	<u>124,096,411</u>	<u>7,503,810</u>
<b>Deferred outflows of resources</b>	<u>6,645,899</u>	<u>9,219,142</u>	<u>(2,573,243)</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 138,246,120</u>	<u>\$ 133,315,553</u>	<u>\$ 4,930,567</u>
<b>Liabilities:</b>			
Current liabilities	\$ 7,544,492	\$ 6,827,614	\$ 716,878
Non-current liabilities	36,485,236	39,404,770	(2,919,534)
<b>Total liabilities</b>	<u>44,029,728</u>	<u>46,232,384</u>	<u>(2,202,656)</u>
<b>Deferred inflows of resources</b>	<u>5,466,953</u>	<u>4,364,800</u>	<u>1,102,153</u>
<b>Net position:</b>			
Net investment in capital assets	39,678,570	37,712,620	1,965,950
Restricted	3,316,790	-	3,316,790
Unrestricted	45,754,079	45,005,749	748,330
<b>Total net position</b>	<u>88,749,439</u>	<u>82,718,369</u>	<u>6,031,070</u>
<b>Total liabilities, deferred outflows of resources and net position</b>	<u>\$ 138,246,120</u>	<u>\$ 133,315,553</u>	<u>\$ 4,930,567</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$88,749,439 as of June 30, 2024.

## ROWLAND WATER DISTRICT

### *Management's Discussion and Analysis (Unaudited)*

*For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

---

#### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

##### Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (45% as of June 30, 2024) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2024, the District showed a positive balance in its unrestricted net position of \$45,754,079 which may be utilized in future years.

##### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>
Operating revenues	\$ 29,530,756	\$ 29,959,151	\$ (428,395)
Operating expenses	<u>(21,991,931)</u>	<u>(20,386,811)</u>	<u>(1,605,120)</u>
<b>Operating income before depreciation</b>	7,538,825	9,572,340	(2,033,515)
Depreciation expense	<u>(3,363,615)</u>	<u>(3,232,422)</u>	<u>(131,193)</u>
<b>Operating income</b>	4,175,210	6,339,918	(2,164,708)
Non-operating revenues(expenses), net	<u>755,860</u>	<u>(435,046)</u>	<u>1,190,906</u>
<b>Change in net position before capital</b>	4,931,070	5,904,872	(973,802)
<b>Capital contributions:</b>			
Contributed capital-other	<u>1,100,000</u>	<u>2,673,580</u>	<u>(1,573,580)</u>
<b>Change in net position</b>	6,031,070	8,578,452	(2,547,382)
Net position:			
<b>Beginning of year</b>	<u>82,718,369</u>	<u>74,139,917</u>	<u>8,578,452</u>
<b>End of year</b>	<u>\$ 88,749,439</u>	<u>\$ 82,718,369</u>	<u>\$ 6,031,070</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased 7.29%, or \$6,031,070 from the prior year's net position of \$82,718,369 to \$88,749,439, as a result of the year's operations.

**ROWLAND WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

---

**FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Revenues**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
<b>Operating revenues:</b>			
Water sales	\$ 15,926,705	\$ 15,115,558	\$ 811,147
Water service charges	12,312,083	11,840,892	471,191
New service connections	466,217	2,100,118	(1,633,901)
Reimbursements	262,840	428,319	(165,479)
Other operating revenues	562,911	474,264	88,647
<b>Total operating revenues</b>	<u>29,530,756</u>	<u>29,959,151</u>	<u>(428,395)</u>
<b>Non-operating revenues:</b>			
Property taxes	638,141	575,898	62,243
Investment earnings	1,137,818	63,714	1,074,104
Rental and contract revenue	235,211	209,311	25,900
Other non-operating revenues	27,643	107,149	(79,506)
Change in investment in joint-ventures	658,677	-	658,677
Contributed capital-other	1,100,000	2,673,580	(1,573,580)
<b>Total non-operating revenues</b>	<u>3,797,490</u>	<u>3,629,652</u>	<u>167,838</u>
<b>Total revenues</b>	<u>\$ 33,328,246</u>	<u>\$ 33,588,803</u>	<u>\$ (260,557)</u>

In fiscal year 2024, operating revenues decreased 1.43%, or \$428,395 from \$29,959,151 to \$29,530,756, from the prior year, primarily due to decreases in new service connections.

Also, non-operating revenues increased by 4.62%, or \$167,838 from \$3,629,652 to \$3,797,490 due to the increase in investment earnings of \$1,137,818

**ROWLAND WATER DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Increase (Decrease)</u>
<b>Operating expenses:</b>			
Source of supply	\$ 11,266,648	\$ 10,354,361	\$ 912,287
Pumping and power	1,736,997	1,368,677	368,320
Transmission and distribution	2,002,932	1,830,038	172,894
Customer services	-	56,704	(56,704)
Other operating expenses	568,097	544,960	23,137
General and administrative	6,417,257	6,232,071	185,186
<b>Total operating expenses</b>	<u>21,991,931</u>	<u>20,386,811</u>	<u>1,605,120</u>
Depreciation expense	<u>3,363,615</u>	<u>3,232,422</u>	<u>131,193</u>
<b>Non-operating expenses:</b>			
Interest expense	878,415	881,000	(2,585)
Contributions to joint-venture	1,063,215	778,176	285,039
Change in investment in joint-ventures	-	(268,058)	268,058
<b>Total non-operating expenses</b>	<u>1,941,630</u>	<u>1,391,118</u>	<u>550,512</u>
<b>Total expenses</b>	<u>\$ 27,297,176</u>	<u>\$ 25,010,351</u>	<u>\$ 2,286,825</u>

In fiscal year 2024, operating expenses before depreciation expense increased by 7.87% or \$1,605,120 from \$20,386,811 to \$21,991,931, from the prior year, primarily due to increases in source of supply expenses.

**Capital Assets**

	<u>Balance June 30, 2024</u>	<u>Balance June 30, 2023</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 6,852,285	\$ 5,565,968
Depreciable assets	112,424,801	109,739,084
Accumulated depreciation	<u>(47,778,516)</u>	<u>(44,557,432)</u>
<b>Total capital assets, net</b>	<u>\$ 71,498,570</u>	<u>\$ 70,747,620</u>

At the end of year 2024, the District's investment in capital assets amounted to \$71,498,570 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$4,114,565 for various projects and equipment. See Note 6 for further information.

**ROWLAND WATER DISTRICT**

*Management’s Discussion and Analysis (Unaudited)*  
*For the Year Ended June 30, 2024 (With Comparable Amounts as of June 30, 2023)*

---

**FINANCIAL ANALYSIS OF THE DISTRICT (continued)**

**Debt Administration**

The long-term debt of the District is summarized below:

	Balance	Balance
Long-term debt:	June 30, 2024	June 30, 2023
Bonds payable	\$ 34,790,000	\$ 36,170,000

Long-term debt had no change during the 2024 fiscal year. There were no principal payments due during the year. See Note 8 for further information.

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION**

The District’s Board of Directors and management considered many factors when setting the fiscal year 2024, user fees, and charges. A projection is made on the acre feet of water that will be purchased and sold. The District also looks at the increased cost of 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. Some 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 vehicle expenses and insurance coverages. The District’s customer base has not changed significantly; therefore, revenue and costs are more easily projected. Questions concerning the information about the economic analysis, revenue and expense assumptions, and other budgetary process parameters utilized in the annual budget preparation can be obtained from the District’s Finance Officer.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District’s funding sources, customers, stakeholders and other interested parties with an overview of the District’s financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District’s Director of Finance, 3021 S. Fullerton Rd., Rowland Heights, CA 91748 – (562) 697-1726.

# ROWLAND WATER DISTRICT

## Balance Sheets

June 30, 2024 (With Comparative Amounts as of June 30, 2023)

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2024</b>	<b>2023</b>
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\$ 15,223,774	\$ 10,710,204
Investments (Note 2)	5,299,761	3,952,146
Accrued interest receivable	200,161	82,913
Accounts receivable, net (Note 3)	3,525,229	3,356,806
Property taxes receivable	12,793	14,680
Lease receivable (Note 4)	154,307	177,771
Other receivables	146,691	2,850,495
Inventory – water-in-storage	118,881	109,290
Inventory – materials and supplies	461,195	272,928
Prepaid expenses	140,355	101,107
<b>Total current assets</b>	<b>25,283,147</b>	<b>21,628,340</b>
<b>Non-current assets:</b>		
Investments (Note 2)	7,122,572	7,862,225
Restricted – investments (Note 2)	1,253,621	-
Investments in joint-ventures (Note 5)	23,882,056	23,223,378
Lease receivable (Note 4)	497,086	634,848
Net OPEB asset (Note 9)	2,063,169	-
Capital assets – not being depreciated (Note 6)	6,852,285	5,565,968
Capital assets – being depreciated, net (Note 6)	64,646,285	65,181,652
<b>Total non-current assets</b>	<b>106,317,074</b>	<b>102,468,071</b>
<b>Total assets</b>	<b>131,600,221</b>	<b>124,096,411</b>
<b>Deferred outflows of resources:</b>		
Deferred amounts related to refunding of long-term debt (Note 8)	2,970,000	3,135,000
Deferred amounts related to net OPEB liability(asset) (Note 9)	609,483	1,147,714
Deferred amounts related to net pension liability (Note 10)	3,066,416	4,936,428
<b>Total deferred outflows of resources</b>	<b>6,645,899</b>	<b>9,219,142</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 138,246,120</b>	<b>\$ 133,315,553</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,002,969	\$ 2,609,478
Deposits and unearned revenues	2,648,175	2,686,105
Accrued interest payable	56,002	56,573
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	102,346	95,458
Bonds payable (Note 8)	1,735,000	1,380,000
<b>Total current liabilities</b>	<b>7,544,492</b>	<b>6,827,614</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	307,038	286,374
Bonds payable (Note 8)	33,055,000	34,790,000
Net OPEB liability (Note 9)	-	119,265
Net pension liability (Note 10)	3,123,198	4,209,131
<b>Total non-current liabilities</b>	<b>36,485,236</b>	<b>39,404,770</b>
<b>Total liabilities</b>	<b>44,029,728</b>	<b>46,232,384</b>
<b>Deferred inflows of resources:</b>		
Deferred amounts related to leases (Note 4)	620,616	786,367
Deferred amounts related to net OPEB liability(asset) (Note 9)	2,712,718	1,232,135
Deferred amounts related to net pension liability (Note 10)	2,133,619	2,346,298
<b>Total deferred inflows of resources</b>	<b>5,466,953</b>	<b>4,364,800</b>
<b>Net position:</b>		
Net investment in capital assets (Note 11)	39,678,570	37,712,620
Restricted for OPEB expenses (Note 9)	2,063,169	-
Restricted for pension expenses (Note 2)	1,253,621	-
Unrestricted	45,754,079	45,005,749
<b>Total net position</b>	<b>88,749,439</b>	<b>82,718,369</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 138,246,120</b>	<b>\$ 133,315,553</b>

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

**ROWLAND WATER DISTRICT***Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<b>2024</b>	<b>2023</b>
<b>Operating revenues:</b>		
Water sales	\$ 15,926,705	\$ 15,115,558
Water service charges	12,312,083	11,840,892
New service connections	466,217	2,100,118
Reimbursements	262,840	428,319
Other operating revenues	562,911	474,264
<b>Total operating revenues</b>	<b>29,530,756</b>	<b>29,959,151</b>
<b>Operating expenses:</b>		
Source of supply	11,266,648	10,354,361
Pumping and power	1,736,997	1,368,677
Transmission and distribution	2,002,932	1,830,038
Customer services	-	56,704
Other operating	568,097	544,960
General and administrative	6,417,257	6,232,071
<b>Total operating expenses</b>	<b>21,991,931</b>	<b>20,386,811</b>
<b>Operating income before depreciation</b>	<b>7,538,825</b>	<b>9,572,340</b>
Depreciation expense	(3,363,615)	(3,232,422)
<b>Operating income</b>	<b>4,175,210</b>	<b>6,339,918</b>
<b>Non-operating revenues(expenses):</b>		
Property taxes	638,141	575,898
Investment earnings	1,137,818	63,714
Rental and contract revenue	235,211	209,311
Other non-operating revenues	27,643	107,149
Interest expense	(878,415)	(881,000)
Contributions to joint-venture (Note 5)	(1,063,215)	(778,176)
Change in investment in joint-ventures (Note 5)	658,677	268,058
<b>Total non-operating revenues(expenses), net</b>	<b>755,860</b>	<b>(435,046)</b>
<b>Change in net position before capital contributions</b>	<b>4,931,070</b>	<b>5,904,872</b>
<b>Capital contributions:</b>		
Contributed capital-other	1,100,000	2,673,580
<b>Total capital contributions</b>	<b>1,100,000</b>	<b>2,673,580</b>
<b>Change in net position</b>	<b>6,031,070</b>	<b>8,578,452</b>
<b>Net position:</b>		
Beginning of year	82,718,369	74,139,917
End of year	<u>\$ 88,749,439</u>	<u>\$ 82,718,369</u>

**ROWLAND WATER DISTRICT***Statements of Cash Flows**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 33,386,536	\$ 28,583,779
Cash paid to employees for salaries and wages	(4,136,555)	(3,428,917)
Cash paid to vendors and suppliers for materials and services	<u>(17,263,659)</u>	<u>(18,463,134)</u>
<b>Net cash provided by operating activities</b>	<u>11,986,322</u>	<u>6,691,728</u>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	<u>640,028</u>	<u>580,147</u>
<b>Net cash provided by non-capital financing activities</b>	<u>640,028</u>	<u>580,147</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(4,114,565)	(5,189,744)
Interest paid on long-term debt	<u>(713,986)</u>	<u>(716,173)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(4,828,551)</u>	<u>(5,905,917)</u>
<b>Cash flows from investing activities:</b>		
Change in investments	(1,194,822)	(84,754)
Investment earnings	230,570	50,974
Contributions to joint-ventures	<u>(2,319,977)</u>	<u>(2,092,510)</u>
<b>Net cash used in investing activities</b>	<u>(3,284,229)</u>	<u>(2,126,290)</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	4,513,570	(760,332)
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>10,710,204</u>	<u>11,470,536</u>
End of year	<u><u>\$ 15,223,774</u></u>	<u><u>\$ 10,710,204</u></u>



**ROWLAND WATER DISTRICT***Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 4,175,210	\$ 6,339,918
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	3,363,615	3,232,422
Allowance for bad debt	(83,284)	(83,284)
Rental and contract revenue	235,211	209,311
Other non-operating revenues	27,643	107,149
<b>Change in assets – (increase)decrease:</b>		
Accounts receivable, net	(85,139)	250,239
Lease receivable	161,226	(134,496)
Other receivables	3,803,804	(66,344)
Inventory – water-in-storage	(9,591)	(9,772)
Inventory – materials and supplies	(188,267)	(92,546)
Prepaid expenses	(39,248)	(13,680)
<b>Change in deferred outflows of resources – (increase)decrease</b>		
Deferred amounts related to net OPEB liability	538,231	(667,277)
Deferred amounts related to net pension liability	1,870,012	(1,411,399)
<b>Change in liabilities – increase(decrease):</b>		
Accounts payable and accrued expenses	393,491	(210,697)
Deposits and unearned revenues	(37,930)	(1,784,956)
Compensated absences	27,552	49,142
Net OPEB liability(asset)	(2,182,434)	1,077,889
Net pension liability	(1,085,933)	1,122,701
<b>Change in deferred inflows of resources – increase(decrease)</b>		
Deferred amounts related to leases	(165,751)	127,009
Deferred amounts related to net OPEB liability	1,480,583	(837,115)
Deferred amounts related to net pension liability	(212,679)	(512,486)
<b>Total adjustments</b>	<u>7,811,112</u>	<u>351,810</u>
<b>Net cash provided by operating activities</b>	<u>\$ 11,986,322</u>	<u>\$ 6,691,728</u>
<b>Noncash investing, capital and financing transactions:</b>		
Change in fair-value of investments	<u>\$ 71,153</u>	<u>\$ (15,223)</u>
Amortization of deferred amounts related to refunding of long-term debt	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>

## ROWLAND WATER DISTRICT

### *Notes to Financial Statements*

*June 30, 2024*

---

#### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Description of Organization**

The Rowland Water District (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 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.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

##### **B. Basis of Presentation, Basis of Accounting**

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

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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

###### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

###### 2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

###### 3. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

###### 4. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 5. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

###### 6. 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.

###### 7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$10,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Transmission and distribution system	15-75 years
Equipment	5-10 years

###### 8. Deferred Outflows/Inflows of Resources

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

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

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 9. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave (employee benefits). Liabilities for vacation leave are recorded when benefits are earned. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Also, in accordance with the District's policy, employees may accrue unlimited sick time. Upon attaining 352 hours, the employee may exercise the option to exchange 50% of sick leave hours earned in the previous twelve-months 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.

###### 10. 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 and addition to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

###### 12. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. 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 amounts held for the net OPEB asset expenses in future periods.
- **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".

##### D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### E. Property Taxes

The Los Angeles County Assessor's Office assesses all real and personal property within the County each year. The Los Angeles County Tax Collector's Office bills and collects the District's share of property taxes. The Los Angeles County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Los Angeles County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1  
Levy date July 1  
Due dates November 1 and March 1  
Collection dates December 10 and November 10

#### NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 15,223,774
Investments – current	5,299,761
Investments – non-current	7,122,572
Restricted – investments	<u>1,253,621</u>
<b>Total cash and investments</b>	<b><u>\$ 28,899,728</u></b>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2024</u>
Petty cash	\$ 400
Demand deposits held with financial institutions	5,084,208
Local Agency Investment Fund (LAIF)	10,139,166
Investments in Section 115 Trust	1,253,621
Investments	<u>12,422,333</u>
<b>Total cash and investments</b>	<b><u>\$ 28,899,728</u></b>

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Demand Deposits with Financial Institutions

At June 30, 2024, the carrying amount of the District's demand deposits were \$5,084,208 and the financial institution's balances were \$5,085,770. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

##### Custodial Credit Risk – Deposits

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, 2024, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

##### Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State's cash flow and strengthen the financial security of local public agencies. PMIA's policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount 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 the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2023, the District held \$10,139,166 in LAIF.

##### Investments in Section 115 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 CalPERS pension plans. The Section 115 Pension Trust's specific cash and investments are managed by a third party portfolio manager under guidelines approved by the District.



**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**Investments**

The District's investments as of June 30, 2024 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. government sponsored agency securities	Level 2	A to AAA	\$ 7,906,292	\$ 2,670,896	\$ 4,064,564	\$ 1,170,832
Medium-term notes	Level 2	A to AAA	3,937,070	2,049,894	581,856	1,305,320
Money-market mutual funds	N/A	AAA	578,971	578,971	-	-
<b>Total investments</b>			<b>\$ 12,422,333</b>	<b>\$ 5,299,761</b>	<b>\$ 4,646,420</b>	<b>\$ 2,476,152</b>

**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.

Authorized Investment Type	Maximum Maturity	Maximum 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	30%	5%
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

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 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 of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Government Sponsored Agency Securities:	None	None	None
Federal Home Loan Bank	None	None	None
Federal Home Loan Mortgage Corporation	None	None	None
Federal National Mortgage Association	None	None	None
Federal Farm Credit Bank	None	None	None
State and Local Agency Obligations	None	None	None
Banker's Acceptances	1-year	None	None
Medium- Term Notes	3-year	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
Local Agency Investment Fund (LAIF)	None	None	None

##### 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.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2024.

##### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2024. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Concentration of Credit Risk

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

Issuer	Amount
U.S. government sponsored agency securities:	
Federal Farm Credit Banks Funding Corporation	\$ 1,135,498
Federal Home Loan Bank	\$ 4,658,573
Federal Home Loan Mortgage Corpoartion	\$ 1,391,829

##### 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 quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. All of the District's investments were assigned a Level 2 input on the Investment Table.

#### NOTE 3 – ACCOUNTS RECEIVABLE, NET

The balance at June 30, 2024 consists of the following;

Description	June 30, 2024
Accounts receivable	\$ 3,567,270
Allowance for doubtful accounts	<u>(42,041)</u>
<b>Total accounts receivable, net</b>	<b><u>\$ 3,525,229</u></b>

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES**

Changes in the District's lease receivable for the year ended June 30, 2024 was as follows:

<b>Description</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
Cellular antenna site rental 1	\$ 96,313	\$ 21,064	\$ (25,179)	\$ 92,198
Cellular antenna site rental 2	33,814	-	(33,814)	-
Cellular antenna site rental 3	-	-	-	-
Cellular antenna site rental 4	144,767	-	(47,270)	97,497
Cellular antenna site rental 5	355,610	-	(37,669)	317,941
Cellular antenna site rental 6	182,115	-	(38,358)	143,757
	<u>\$ 812,619</u>	<u>\$ 21,064</u>	<u>\$ (182,290)</u>	<u>\$ 651,393</u>

Changes in the District's lease receivable for the year ended June 30, 2023 was as follows:

<b>Description</b>	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
Cellular antenna site rental 1	\$ 10,122	\$ 106,489	\$ (20,298)	\$ 96,313
Cellular antenna site rental 2	77,456	-	(43,642)	33,814
Cellular antenna site rental 3	9,615	12,369	(21,984)	-
Cellular antenna site rental 4	189,669	-	(44,902)	144,767
Cellular antenna site rental 5	391,261	-	(35,651)	355,610
Cellular antenna site rental 6	-	198,952	(16,837)	182,115
	<u>\$ 678,123</u>	<u>\$ 317,810</u>	<u>\$ (183,314)</u>	<u>\$ 812,619</u>

The District is reporting a total lease receivable of \$651,393 and \$812,619 and a total related deferred inflows of resources of \$786,367 and \$659,358 for the years ending June 30, 2024 and 2023, respectively. Also, the District is reporting total lease revenue of \$182,290 and \$183,314 and interest revenue of \$16,991 and \$14,132 related to lease payments received for the years ending June 30, 2024 and 2023, respectively. The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District's leases are summarized as follows:

***Cellular Antenna Site Rental 1***

The District, on January 1, 2023, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$106,489. There was a remeasurement of the lease to account for an amendment as of July 1, 2023. The lease receivable was remeasured to \$117,377 as of July 1, 2023. As of June 30, 2024 the value of the lease receivable was \$92,198. The lease is required to make monthly fixed payments of \$2,271 for the remaining 60 months, then increasing 10% every 5 years. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$92,198 as of June 30, 2024. The District recognized lease revenue of \$25,687 and interest revenue of \$1,564 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

##### ***Cellular Antenna Site Rental 2***

The District, on July 1, 2021, renewed a continuous lease for 45 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$159,593. As of June 30, 2024, the value of the lease receivable was \$0. The lease is required to make monthly fixed payments of \$3,864 for the remaining term of the lease, then increasing 2.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$0 as of June 30, 2024. The District recognized lease revenue of \$33,814 and interest revenue of \$282 during the fiscal year. This lease term has ended as of June 30, 2024.

##### ***Cellular Antenna Site Rental 3***

This lease term has ended as of June 30, 2023.

##### ***Cellular Antenna Site Rental 4***

The District, on June 1, 2021, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$235,795. As of June 30, 2024, the value of the lease receivable was \$97,497. The lease is required to make monthly fixed payments of \$4,658 for the next 11 months, then increasing 3.0% per year. The lease had a monthly rental increase of \$1,212 effective as of March 2022 due to additional site rental space. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$90,388 as of June 30, 2024. The District recognized lease revenue of \$47,270 and interest revenue of \$2,465 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

##### ***Cellular Antenna Site Rental 5***

The District, on May 1, 2021, commenced a continuous lease for 120 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$430,536. As of June 30, 2024, the value of the lease receivable was \$317,941. The lease is required to make monthly fixed payments of \$3,713 for the remaining 6 months, then increasing 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$296,353 as of June 30, 2024. The District recognized lease revenue of \$37,668 and interest revenue of \$7,112 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

##### ***Cellular Antenna Site Rental 6***

The District, on February 1, 2023, commenced a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$198,952. As of June 30, 2024, the value of the lease receivable was \$143,757. The lease is required to make monthly fixed payments of \$3,605 for the remaining 7 months, then increasing 3.0% every year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$142,582 as of June 30, 2024. The District recognized lease revenue of \$38,358 and interest revenue of \$3,642 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)**

Minimum future lease receipts for the next eight fiscal years are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 154,307	\$ 12,295	\$ 166,602
2026	155,825	9,181	165,006
2027	111,649	6,536	118,185
2028	84,149	4,377	88,526
2029	49,004	2,909	51,913
2030-2031	96,459	2,678	99,137
Total	\$ 651,393	\$ 37,976	\$ 689,369
Current	(154,307)		
Long-term	\$ 497,086		

Changes in the District's deferred inflows of resources related to leases for June 30, 2024 is as follows:

<b>Description</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
Cellular antenna site rental 1	\$ 95,840	\$ 21,537	\$ (26,084)	\$ 91,293
Cellular antenna site rental 2	31,918	-	(31,918)	-
Cellular antenna site rental 3	-	-	-	-
Cellular antenna site rental 4	137,547	-	(47,159)	90,388
Cellular antenna site rental 5	338,689	-	(42,336)	296,353
Cellular antenna site rental 6	182,373	-	(39,791)	142,582
	<u>\$ 786,367</u>	<u>\$ 21,537</u>	<u>\$ (187,288)</u>	<u>\$ 620,616</u>

Changes in the District's deferred inflows of resources related to leases for June 30, 2023 is as follows:

<b>Description</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
Cellular antenna site rental 1	\$ 9,922	\$ 106,489	\$ (20,571)	\$ 95,840
Cellular antenna site rental 2	74,476	-	(42,558)	31,918
Cellular antenna site rental 3	9,229	12,369	(21,598)	-
Cellular antenna site rental 4	184,706	-	(47,159)	137,547
Cellular antenna site rental 5	381,025	-	(42,336)	338,689
Cellular antenna site rental 6	-	198,952	(16,579)	182,373
	<u>\$ 659,358</u>	<u>\$ 317,810</u>	<u>\$ (190,801)</u>	<u>\$ 786,367</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2024, will be amortized in future periods as follows:

<b>Amortization Period Fiscal Year Ended June 30</b>	<b>Deferred Inflows of Resources</b>
2025	\$ 155,369
2026	151,439
2027	108,210
2028	78,589
2029	42,336
2030-2031	84,673
Total	<u>\$ 620,616</u>

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 5 – INVESTMENTS IN JOINT-VENTURES**

The balance at June 30, 2024 consists of the following;

<u>Investments in Joint-Ventures</u>	<u>PBWA</u>	<u>PWR-JWLC</u>	<u>Total</u>
Balance – beginning of year	\$ 22,299,660	\$ 923,718	23,223,378
Change in investment in joint-ventures	633,030	25,647	658,677
Balance – end of year	<u>\$ 22,932,690</u>	<u>\$ 949,365</u>	<u>\$ 23,882,055</u>

**Puente Basin Water Agency (PBWA)**

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 changes in its investment in Puente Basin Water Agency consist of the following as of June 30, 2024:

<u>Description</u>	<u>June 30, 2024</u>
Balance – beginning of year	\$ 22,299,660
Share of net income	<u>633,030</u>
Balance – end of year	<u>\$ 22,932,690</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2024, including the participants' approximate percentage shares:

<u>Description</u>	<u>June 30, 2024</u>	<u>District Share 50%</u>
Total assets	<u>\$ 83,432,096</u>	
Total liabilities	\$ 37,566,716	
Total net position	<u>45,865,380</u>	<u>\$ 22,932,690</u>
Total liabilities and net position	<u>\$ 83,432,096</u>	

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 5 – INVESTMENTS IN JOINT-VENTURES (continued)

##### Pomona-Walnut-Rowland Joint Water Line Commission (PWR-JWLC)

The District is a member of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission). The Commission was formed under the Joint Powers Agreement (the JPA) of 1956 between the City of Pomona, the Walnut Valley Water District (WVWD), and the Rowland Water District (RWD). 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 as well as a capital surcharge for the future replacement of the pipeline. For the year ended June 30, 2024, the District did not remit assessments for their share of general and administrative costs and future replacement costs. 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 changes in its investment in the Commission consisted of the following as of June 30, 2024:

Description	June 30, 2024
Balance – beginning of year	\$ 923,718
Share of net income	25,647
Balance – end of year	<u>\$ 949,365</u>

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, 2024, including the participants' approximate percentage shares:

Description	June 30, 2024	Member Share		
		City of Pomona 25.8%	WVWD 45.1%	RWD 29.1%
Total assets	<u>\$ 6,771,399</u>			
Total liabilities	\$ 3,508,976			
Total net position	3,262,423	<u>\$ 841,705</u>	<u>\$ 1,471,353</u>	<u>\$ 949,365</u>
Total liabilities and net position	<u>\$ 6,771,399</u>			



**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 6 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

<b>Description</b>	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance June 30, 2024</b>
<b>Non-depreciable assets:</b>				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction-in-process	5,299,628	3,807,609	(2,521,292)	6,585,945
<b>Total non-depreciable assets</b>	<b>5,565,968</b>	<b>3,807,609</b>	<b>(2,521,292)</b>	<b>6,852,285</b>
<b>Depreciable assets:</b>				
Sources of supply	2,110,034	-	-	2,110,034
Pumping	11,182,387	190,756	-	11,373,143
Transmission and distribution system	82,469,108	1,533,053	(9,127)	83,993,034
Telemetry equipment	2,396,972	243,469	(54,419)	2,586,022
Office building and equipment	8,795,854	510,031	(55,995)	9,249,890
General plant	1,508,195	-	(22,990)	1,485,205
Transportation equipment	1,276,534	350,939	-	1,627,473
<b>Total depreciable assets</b>	<b>109,739,084</b>	<b>2,828,248</b>	<b>(142,531)</b>	<b>112,424,801</b>
<b>Accumulated depreciation:</b>				
Sources of supply	(1,391,604)	(67,773)	-	(1,459,377)
Pumping	(5,817,529)	(412,279)	-	(6,229,808)
Transmission and distribution system	(30,856,063)	(2,067,970)	9,127	(32,914,906)
Telemetry equipment	(1,263,317)	(107,153)	54,419	(1,316,051)
Office building and equipment	(3,748,094)	(482,298)	55,995	(4,174,397)
General plant	(610,618)	(70,212)	22,990	(657,840)
Transportation equipment	(870,207)	(155,930)	-	(1,026,137)
<b>Total accumulated depreciation</b>	<b>(44,557,432)</b>	<b>(3,363,615)</b>	<b>142,531</b>	<b>(47,778,516)</b>
<b>Total depreciable assets, net</b>	<b>65,181,652</b>	<b>(535,367)</b>	<b>-</b>	<b>64,646,285</b>
<b>Total capital assets, net</b>	<b>\$ 70,747,620</b>	<b>\$ 3,272,242</b>	<b>\$ (2,521,292)</b>	<b>\$ 71,498,570</b>

**NOTE 7 – COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended June 30, 2024, were as follows:

<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
<u>\$ 381,832</u>	<u>\$ 385,148</u>	<u>\$ (357,596)</u>	<u>\$ 409,384</u>	<u>\$ 102,346</u>	<u>\$ 307,038</u>

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

#### NOTE 8 – BONDS PAYABLE

Water Revenue Refunding Bonds, Series 2021A were issued on September 7, 2021, in the amount of \$36,170,000 to refund \$16,460,000 of outstanding balance on the 2012 Series A Water Revenue Bonds and to refund \$16,395,000 of outstanding balance on the 2014 Series A Water Revenue Refunding Bonds. The prior obligations were issued to finance certain improvements and to finance a purchase contract. The bonds were issued at par. The refunding of the two debts provided the District with a net present value savings of \$3,926,597 and a cash flow savings of \$4,050,571.

These bonds mature in various amounts through December 1, 2042. Interest is payable semiannually on December 1 and June 1 at rates ranging from 0.317% to 2.863%. 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 2021A for the year ended June 30, 2024:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2023			June 30, 2024		
2021A Series Water Revenue Refunding Bonds	\$ 36,170,000	\$ -	\$ (1,380,000)	\$ 34,790,000	\$ 1,735,000	\$ 33,055,000

Maturities of the Water Revenue Refunding Bonds, Series 2023A and interest payments subsequent to June 30, 2024, are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,735,000	\$ 706,784	\$ 2,441,784
2026	1,745,000	694,197	2,439,197
2027	1,770,000	677,172	2,447,172
2028	1,785,000	656,599	2,441,599
2029	1,820,000	632,320	2,452,320
2030-2034	9,585,000	2,666,427	12,251,427
2035-2039	10,715,000	1,523,770	12,238,770
2040-2043	5,635,000	271,913	5,906,913
Total	34,790,000	\$ 7,829,182	\$ 42,619,182
Current	(1,735,000)		
Long-term	\$ 33,055,000		

The following is a summary of the changes in deferred amounts related to refunding for the year ended June 30, 2024:

Description	Balance	Additions	Deductions	Balance
	July 1, 2023			June 30, 2024
Deferred amounts related to refunding	\$ 3,135,000	\$ -	\$ (165,000)	\$ 2,970,000

The District will amortize this amount at \$165,000 per year until the fiscal year ended June 30, 2043.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

##### Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2024
OPEB related deferred outflows	\$ 609,483
Net other post-employment benefits liability(asset)	(2,063,169)
OPEB related deferred inflows	2,712,718

#### A. General Information about the OPEB Plan

##### Plan Description

The District has an agent multiple-employer other post-employment benefit plan that provides medical, dental, and vision coverage to 27 active employees, 10 retired employees, and 7 covered dependents of retirees through the ACWA health program as of the measurement date, June 30, 2023. 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 and covered spouse.

An employee may also be eligible for retiree medical, dental, and vision benefits if, at the time of retirement from the District, the employee has at least twenty-five (25) years of service in the water utility industry, has been employed by the District for a minimum continuous period of five (5) years, and has attained a minimum age of fifty (50) years. For purposes of this benefit, "retirement from the District" means the employee's effective retirement date is within 120 days of separation from employment with the District and the employee receive either a service or disability retirement allowance from CalPERS resulting from his or her service to the District.

##### 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; however, recently contributions have been made to an OPEB Trust.

##### Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2023, the measurement period, the District's contributions totaling \$45,811 including an implied subsidy of \$45,811. Payments made during the June 30, 2024 fiscal year end were reimbursed from the OPEB trust.

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**A. General Information about the OPEB Plan (continued)**

**Accounting for the Plan**

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

**Method Used to Value Investments**

Investments are reported in the accompanying financial statements at fair value, which is 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 measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

**B. Net OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	6.30%
Inflation	2.50%
Payroll increases	3.25%
Healthcare Trend Rates	Pre-65 - 6.95% trending down annually to 5.0% by 2029 and later Post-65 - 5% trending down annually to 5.0% by 2029 and later
Morbidity	CalPERS 2021 Study
Mortality	CalPERS 2021 Study
Disability	Not valued
Retirement	2021 CalPERS Public Agency Miscellaneous experience study; 2.5% @55 and 2% @62
Percent Married	80% of future retirees would enroll a spouse

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
June 30, 2024

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**B. Net OPEB Liability (continued)**

**Actuarial Assumptions (continued)**

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
PARS moderate investment policy:		
Equity	48.25%	5.65%
Fixed income	45.00%	1.39%
REITs	1.75%	5.06%
Cash	5.00%	0.00%
<b>Total</b>	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.30%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in the Net OPEB Liability**

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan Fiduciary</u>	<u>Net</u>
	<u>OPEB Liability</u>	<u>Net Position</u>	<u>OPEB Liability</u>
<b>Balance at July 1, 2023 (Measurement date July 1, 2022)</b>	<b>\$ 6,620,196</b>	<b>\$ 6,500,931</b>	<b>\$ 119,265</b>
<b>Changes for the year:</b>			
Service cost	110,543	-	110,543
Interest	425,284	-	425,284
Differences in experience	(1,282,972)	-	(1,282,972)
Changes in assumption	(585,641)	-	(585,641)
Employer contributions	-	375,809	(375,809)
Net investment income	-	473,839	(473,839)
Benefit payments	(375,809)	(375,809)	-
Net changes	(1,708,595)	473,839	(2,182,434)
<b>Balance at June 30, 2024 (Measurement date June 30, 2023)</b>	<b>\$ 4,911,601</b>	<b>\$ 6,974,770</b>	<b>\$ (2,063,169)</b>

**ROWLAND WATER DISTRICT***Notes to Financial Statements**June 30, 2024***NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****C. Changes in the Net OPEB Liability (continued)****Changes of Assumptions**

In fiscal year 2023-24, the measurement period, there was a decrease in the discount rate from 6.5% to 6.3% and the CalPERS 2021 Study reports were used in assumptions.

**Change of Benefit Terms**

In fiscal year 2023-24, the measurement period, there were no changes to the actuarial assumptions.

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.30%) or 1 percentage point higher (7.30%) than the current discount rate:

	<b>1% Decrease 5.3%</b>	<b>Discount Rate 6.3%</b>	<b>1% Increase 7.3%</b>
<b>Net OPEB Liability</b>	<u>\$ (1,331,184)</u>	<u>\$ (2,063,169)</u>	<u>\$ (2,662,560)</u>

**Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	<b>Healthcare Cost</b>		
	<b>7.0% Decreasing to 4.0%</b>	<b>8.0% Decreasing to 5.0%</b>	<b>9.0% Decreasing to 6.0%</b>
<b>Net OPEB Liability</b>	<u>\$ (2,747,401)</u>	<u>\$ (2,063,169)</u>	<u>\$ (1,189,356)</u>

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense/(credit) of \$117,799. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Account Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions made after the measurement date	\$ 45,811	\$ -
Changes in assumptions	-	(930,931)
Differences between expected and actual experience	36,242	(1,781,797)
Differences between projected and actual earnings on OPEB plan investments	527,430	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 609,483</u>	<u>\$ (2,712,728)</u>

**ROWLAND WATER DISTRICT***Notes to Financial Statements**June 30, 2024*

---

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)**

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$45,811 as deferred inflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Amortization Period</b>	<b>Deferred</b>
<b>Fiscal Year Ended June 30</b>	<b>Outflows/(Inflows)</b>
	<b>of Resources</b>
2025	\$ (227,742)
2026	(252,890)
2027	(176,801)
2028	(253,232)
2029	(305,195)
Thereafter	<u>(933,196)</u>
<b>Total</b>	<b><u>\$ (2,149,056)</u></b>

At June 30, 2024, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

**NOTE 10 – PENSION PLAN****Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<b>Description</b>	<b>2024</b>
Pension related deferred outflows	\$ 3,066,416
Net pension liability	3,123,198
Pension related deferred inflows	2,133,619

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 10 – PENSION PLAN (continued)**

**A. General Information about the Pension Plan**

**The Plan**

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<b>Miscellaneous Plans</b>	
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2023	12.210%	7.470%

**Plan Description**

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

At June 30, 2023 measurement date, the following members were covered by the benefit terms:

<b>Plan Members</b>	<b>Miscellaneous Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Active members	14	10	24
Transferred and terminated members	13	9	22
Retired members and beneficiaries	23	-	23
<b>Total plan members</b>	<b>50</b>	<b>19</b>	<b>69</b>

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.



## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

#### NOTE 10 – PENSION PLAN (continued)

##### A. General Information about the Pension Plan (continued)

###### 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.

###### 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.

Contributions for the year ended June 30, 2024, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 294,725	\$ 115,008	\$ 409,733

##### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

###### Proportionate Share of Net Pension Liability and Pension Expense

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, 2023, 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, 2022, rolled forward to June 30, 2023, 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 following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2024:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	
Measurement Date	June 30, 2023	June 30, 2022	
Percentage of Risk Pool Net Pension Liability	0.062459%	0.089954%	-0.027495%
Percentage of Plan Net Pension Liability	0.025035%	0.036440%	-0.011405%

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
June 30, 2024

---

**NOTE 10 – PENSION PLAN (continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Proportionate Share of Net Pension Liability and Pension Expense (continued)**

The District's proportionate share percentage of the net pension liability for the June 30, 2023, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2022 (Measurement Date)	\$ 23,423,289	\$ 19,214,158	\$ 4,209,131
Balance as of June 30, 2023 (Measurement Date)	\$ 25,945,264	\$ 22,822,066	\$ 3,123,198
<b>Change in Plan Net Pension Liability</b>	<b>\$ 2,521,975</b>	<b>\$ 3,607,908</b>	<b>\$ (1,085,933)</b>

For the year ended June 30, 2023, the District recognized pension expense of \$981,133. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 409,733	\$ -
Difference between actual and proportionate share of employer contributions	1,798,576	(21,848)
Adjustment due to differences in proportions	4,322	(2,087,021)
Differences between expected and actual experience	159,550	(24,750)
Differences between projected and actual earnings on pension plan investments	505,674	-
Changes in assumptions	188,562	-
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<b>\$ 3,066,417</b>	<b>\$ (2,133,619)</b>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 3.8 years.

**ROWLAND WATER DISTRICT**  
*Notes to Financial Statements*  
*June 30, 2024*

---

**NOTE 10 – PENSION PLAN (continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

**Proportionate Share of Net Pension Liability and Pension Expense (continued)**

An amount of \$409,733 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, 2025. 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:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 37,560
2026	46,143
2027	424,851
2028	14,511
<b>Total</b>	<b>\$ 523,065</b>

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ending June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2023, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. 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+ 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 fund.

**ROWLAND WATER DISTRICT***Notes to Financial Statements**June 30, 2024***NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)****Long-term Expected Rate of Return (continued)**

The expected rate of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<b>Investment Type<sup>1</sup></b>	<b>New Strategic Allocation</b>	<b>Real Return<sup>1,2</sup></b>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

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

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

**Discount Rate**

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

**Subsequent Events**

There were no subsequent events that would materially affect the results in this disclosure.

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

<b>Plan Type</b>	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate</b>	<b>Current</b>	<b>Discount Rate</b>
	<b>- 1%</b>	<b>Discount</b>	<b>+ 1%</b>
	<b>5.90%</b>	<b>Rate 6.90%</b>	<b>7.90%</b>
CalPERS – Miscellaneous Plan	\$ 6,632,185	\$ 3,123,198	\$ 235,001

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 10 – PENSION PLAN (continued)

##### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

###### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

##### C. Payable to the Pension Plans

At June 30, 2023, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2024.

#### NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30, 2024:

Net investment in capital assets consisted of the following as of June 30, 2023:

Description	June 30, 2024	June 30, 2023
<b>Net investment in capital assets:</b>		
Capital assets – not being depreciated	\$ 6,852,285	5,565,968
Capital assets, net – being depreciated	64,646,285	65,181,652
Deferred amounts related to refunding of debt	2,970,000	3,135,000
Bonds payable – current portion	(1,735,000)	(1,380,000)
Bonds payable – non-current portion	<u>(33,055,000)</u>	<u>(34,790,000)</u>

#### NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 13 – RISK MANAGEMENT POOL

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. Further information about the Insurance Authority is as follows:

<b>A. Entity</b>	ACWA-JPIA
<b>B. Purpose</b>	To pool member contributions and realize the advantages of self-insurance
<b>C. Participants</b>	As of September 30, 2023 – 401 member districts
<b>D. Governing board</b>	Nine representatives employed by members
<b>E. Condensed financial information</b>	September 30, 2023
<b>Audit dated</b>	March 20, 2024
<b>Statement of financial position:</b>	<b>Sept 30, 2023</b>
<b>Total assets</b>	<u>\$ 288,462,503</u>
<b>Deferred outflows</b>	<u>4,654,911</u>
<b>Total liabilities</b>	<u>167,203,667</u>
<b>Deferred inflows</b>	<u>5,200,835</u>
<b>Net position</b>	<u><u>\$ 120,712,912</u></u>
<b>Statement of revenues, expenses and changes in net position:</b>	
<b>Total revenues</b>	\$ 248,013,664
<b>Total expenses</b>	<u>(240,084,673)</u>
<b>Change in net position</b>	7,928,991
<b>Beginning – net position</b>	<u>112,783,921</u>
<b>Ending – net position</b>	<u><u>\$ 120,712,912</u></u>
<b>F. Member agencies share of year-end financial position</b>	Not Calculated

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 \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, 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.

**Cyber Liability** - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

## ROWLAND WATER DISTRICT

### Notes to Financial Statements

June 30, 2024

---

#### NOTE 13 – RISK MANAGEMENT POOL (continued)

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.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

#### NOTE 14 – COMMITMENTS AND CONTINGENCIES

##### Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months or less), including any options to extend, regardless of their probability of being exercised. Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

##### Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

##### Construction Commitments

As of June 30, 2024, the District had commitments with respect to unfinished capital projects of approximately \$4.2 million to be paid from a combination of State and local funds.

#### NOTE 15 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 14, 2024, the date which the financial statements were available to be issued.

---

---

***Required Supplementary Information***

---

---



**ROWLAND WATER DISTRICT***Schedule of the District's Proportionate Share of the Net Pension Liability  
For the Year Ended June 30, 2024***Last Ten Fiscal Years\*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</b>
June 30, 2014	0.03764%	\$ 2,341,881	\$ 2,046,157	114.45%	83.35%
June 30, 2015	0.04441%	3,309,528	2,161,937	153.08%	78.38%
June 30, 2016	0.04547%	3,934,518	2,099,673	187.39%	75.20%
June 30, 2017	0.04646%	4,607,714	2,167,973	212.54%	74.47%
June 30, 2018	0.04698%	4,527,220	2,279,335	198.62%	75.80%
June 30, 2019	0.04831%	4,950,633	2,353,585	210.34%	74.70%
June 30, 2020	0.04936%	5,370,506	2,587,427	207.56%	74.08%
June 30, 2021	0.05707%	3,086,430	2,715,233	113.67%	86.19%
June 30, 2022	0.03644%	4,209,131	2,572,145	163.64%	82.03%
June 30, 2023	0.02504%	3,123,198	3,183,868	98.09%	87.96%

**Notes to Schedule:****Benefit Changes:**

There were no changes in benefits.

**Changes in Assumptions:****From fiscal year June 30, 2015 and 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.

**From fiscal year June 30, 2017 to June 30, 2018:**

The discount rate was reduced from 7.65% to 7.15%.

**From fiscal year June 30, 2018 to June 30, 2019:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2019 to June 30, 2020:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2020 to June 30, 2021:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2021 to June 30, 2022:**

There were no significant changes in assumptions.

**From fiscal year June 30, 2022 to June 30, 2023:**

The discount rate was reduced from 7.15% to 6.90%.

**From fiscal year June 30, 2023 to June 30, 2024:**

There were no significant changes in assumptions.

**ROWLAND WATER DISTRICT***Schedule of the District's Contributions to the Defined Benefit Pension Plan  
For the Year Ended June 30, 2024***Last Ten Fiscal Years\*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
June 30, 2015	\$ 334,790	\$ (334,790)	\$ -	\$ 2,161,937	15.49%
June 30, 2016	337,455	(337,455)	-	2,099,673	16.07%
June 30, 2017	371,209	(371,209)	-	2,167,973	17.12%
June 30, 2018	414,273	(414,273)	-	2,279,335	18.18%
June 30, 2019	483,791	(483,791)	-	2,353,585	20.56%
June 30, 2020	570,560	(570,560)	-	2,587,427	22.05%
June 30, 2021	642,042	(642,042)	-	2,715,233	23.65%
June 30, 2022	710,829	(3,072,829)	(2,362,000)	2,572,145	119.47%
June 30, 2023	657,138	(2,095,073)	(1,437,935)	3,183,868	65.80%
June 30, 2024	409,733	(409,733)	-	3,668,985	11.17%

**Notes to Schedule:**

<b>Fiscal Year</b>	<b>Valuation Date</b>	<b>Actuarial Cost Method</b>	<b>Asset Valuation Method</b>	<b>Inflation</b>	<b>Investment Rate of Return</b>
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Market Value	2.30%	6.90%

**Amortization Method**

Level percentage of payroll, closed

**Salary Increases**

Depending on age, service, and type of employment

**Investment Rate of Return**

Net of pension plan investment expense, including inflation

**Retirement Age**

50 years (2%@55 and 2%@60), 52 years (2%@62)

**Mortality**

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

# ROWLAND WATER DISTRICT

## Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2024

	Last Ten Fiscal Years*						
Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability:</b>							
Service cost	\$ 110,543	\$ 105,279	\$ 152,983	\$ 145,698	\$ 124,022	\$ 99,230	\$ 121,597
Interest	425,284	417,637	442,272	417,667	427,189	394,763	450,304
Changes of assumptions	(585,641)	-	(168,050)	-	(262,190)	-	(526,713)
Differences between expected and actual experience	(1,282,972)	(3,185)	(410,394)	51,531	(253,977)	11,333	(710,721)
Changes of benefit terms	-	-	-	-	-	151,163	-
Benefit payments	(375,809)	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)	(154,372)
<b>Net change in total OPEB liability</b>	<b>(1,708,595)</b>	<b>87,664</b>	<b>(249,965)</b>	<b>393,672</b>	<b>(150,732)</b>	<b>477,337</b>	<b>(819,905)</b>
<b>Total OPEB liability - beginning</b>	<b>6,620,196</b>	<b>6,532,532</b>	<b>6,782,497</b>	<b>6,388,825</b>	<b>6,539,557</b>	<b>6,062,220</b>	<b>6,882,125</b>
<b>Total OPEB liability - ending</b>	<b>4,911,601</b>	<b>6,620,196</b>	<b>6,532,532</b>	<b>6,782,497</b>	<b>6,388,825</b>	<b>6,539,557</b>	<b>6,062,220</b>
<b>Plan fiduciary net position:</b>							
Contributions - employer	375,809	432,067	1,686,776	641,224	605,776	599,152	574,372
Net investment income	473,839	(990,225)	1,194,246	166,568	264,426	203,849	261,561
Administrative expense	-	-	-	-	-	(10,222)	(850)
Benefit payments	(375,809)	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)	(154,372)
<b>Net change in plan fiduciary net position</b>	<b>473,839</b>	<b>(990,225)</b>	<b>2,614,246</b>	<b>586,568</b>	<b>684,426</b>	<b>613,627</b>	<b>680,711</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,500,931</b>	<b>7,491,156</b>	<b>4,876,910</b>	<b>4,290,342</b>	<b>3,605,916</b>	<b>2,992,289</b>	<b>2,311,578</b>
<b>Plan fiduciary net position - ending</b>	<b>6,974,770</b>	<b>6,500,931</b>	<b>7,491,156</b>	<b>4,876,910</b>	<b>4,290,342</b>	<b>3,605,916</b>	<b>2,992,289</b>
<b>District's net OPEB liability</b>	<b>\$ (2,063,169)</b>	<b>\$ 119,265</b>	<b>\$ (958,624)</b>	<b>\$ 1,905,587</b>	<b>\$ 2,098,483</b>	<b>\$ 2,933,641</b>	<b>\$ 3,069,931</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>142.01%</b>	<b>98.20%</b>	<b>114.67%</b>	<b>71.90%</b>	<b>67.15%</b>	<b>55.14%</b>	<b>49.36%</b>
<b>Covered-employee payroll</b>	<b>\$ 3,341,037</b>	<b>\$ 3,301,898</b>	<b>\$ 3,095,166</b>	<b>\$ 2,856,168</b>	<b>\$ 2,728,686</b>	<b>\$ 2,285,510</b>	<b>\$ 2,174,023</b>
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	<b>-61.75%</b>	<b>3.61%</b>	<b>-30.97%</b>	<b>66.72%</b>	<b>76.90%</b>	<b>128.36%</b>	<b>141.21%</b>

### Notes to Schedule:

#### Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits  
Measurement Date June 30, 2018 – Coverage expanded to spouses for future retirees hired on or after July 1, 2009 if they have 25 years of service, effective fiscal year ending June 30, 2018  
Measurement Date June 30, 2019 – There were no changes in benefits  
Measurement Date June 30, 2020 – There were no changes in benefits  
Measurement Date June 30, 2021 – There were no changes in benefits  
Measurement Date June 30, 2022 – There were no changes in benefits  
Measurement Date June 30, 2023 – There were no changes in benefits

#### Changes in Assumptions:

Measurement Date June 30, 2017 – Average per capita claims cost was updated to reflect actual 2017 premiums, health care cost trend rate was updated to reflect 2018 industry survey data, and mortality table was updated to reflect most recent CalPERS studies.  
Measurement Date June 30, 2018 – There were no changes in benefits  
Measurement Date June 30, 2019 – Census data from the plans participants was updated, which decreased the total OPEB liability by \$262,190.  
Measurement Date June 30, 2020 – There were no changes in benefits  
Measurement Date June 30, 2021 – There were no changes in benefits  
Measurement Date June 30, 2022 – There were no changes in benefits  
Measurement Date June 30, 2023 – The discount rate was reduced to 6.30% from 6.5% and CalPERS 2021 Experience Study was used for assumptions

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

# ROWLAND WATER DISTRICT

## Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan For the Year Ended June 30, 2024

Fiscal Year Ended	Last Ten Fiscal Years*						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 45,811	\$ 393,663	\$ 296,665	\$ 308,417	\$ 354,481	\$ 343,260	\$ 343,260
Contributions in relation to the actuarially determined contributions	(45,811)	(375,809)	(1,686,776)	(641,224)	(605,776)	(599,152)	(599,152)
Contribution deficiency (excess)	\$ -	\$ 17,854	\$ (1,390,111)	\$ (332,807)	\$ (251,295)	\$ (255,892)	\$ (255,892)
Covered payroll	\$ 3,341,037	\$ 3,301,898	\$ 3,095,166	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510	\$ 2,174,023
Contributions as a percentage of covered payroll	1.37%	11.38%	54.50%	22.45%	22.20%	26.22%	27.56%

### Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>							
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Inflation	2.50%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Mortality	(6)	(2)	(2)	(2)	(2)	(2)	(2)
Morbidity	(6)	(3)	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%	80%	80%	80%
Healthcare trend rates	(7)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2014 Study

(3) CalPERS 2013 Study

(4) CalPERS Public Agency Miscellaneous 2.5% @55 and 2% @62

(5) Pre-65 - 8.00% trending down 0.25% annually to 5.00% in 2031 and later  
Post-65 - 5.50% trending down 0.25% annually to 5.00% in 2021 and later

(6) CalPERS 2021 Study

(7) Pre-65 - 7.74% trending down to 4.50%

Post-65 - 4.85% trending down to 4.50%

\* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

---

---

## ***Supplementary Information***

---

---

**ROWLAND WATER DISTRICT***Schedule of Other Operating Expenses**For the Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

---

	<u>2024</u>	<u>2023</u>
<b>Other Operating Expenses:</b>		
Certification, fees and permits	\$ 135,545	\$ 151,449
Engineering	241,544	253,805
Maintenance and operations	116,407	67,723
Small tools and supplies	42,859	44,406
Water tests	<u>31,742</u>	<u>27,577</u>
<b>Total Other Operating Expenses</b>	<u><u>\$ 568,097</u></u>	<u><u>\$ 544,960</u></u>

**ROWLAND WATER DISTRICT***Schedule of General and Administrative Expenses**For the Year Ended June 30, 2024 (With Comparative Amounts as of June 30, 2023)*

---

	<u>2024</u>	<u>2023</u>
<b>General and Administrative Expenses:</b>		
Salaries and wages	\$ 1,671,168	\$ 1,533,509
Payroll taxes	282,485	237,782
Employee benefits	751,465	658,953
OPEB expenses	(200,638)	(231,818)
Pension expenses	2,351,939	1,469,987
Director's fees and expenses	155,068	154,659
Bank service charges	235,476	198,600
Community outreach	121,111	125,054
Conferences, training and travel	162,859	167,328
Conservation rebate program	63,047	101,615
Information technology	492,593	476,192
Insurance – liability and workers' compensation	275,192	227,222
Membership fees and dues	57,053	51,914
Miscellaneous	182,766	157,053
Office supplies	23,022	28,780
Professional services	198,683	194,808
Repairs and maintenance	42,617	40,393
Service contracts	438,635	376,316
Taxes, permits and fees	13,272	13,754
Uncollectable accounts	(22,982)	(13,326)
Utilities	130,573	127,364
Vehicle expenses	186,675	135,932
<b>Total General and Administrative Expenses</b>	<u>\$ 7,612,079</u>	<u>\$ 6,232,071</u>

---

---

***Other Independent Auditors' Reports***

---

---





**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 (District), which comprise the balance sheet as of June 30, 2023, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2024.

**Report on 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) as a basis for designing audit procedures 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Murrieta, California  
January 14, 2024



## December 2024 -DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments (Submit expense report if claiming mileage and/or meal reimbursement)
<b>Anthony J. Lima</b>					
	12/10/2024	RWD Board Meeting	\$230.00		
	12/12/2024	PBWA	\$230.00		Mileage
		<b>TOTAL PAYMENT</b>	<b>\$460.00</b>		
<b>John Bellah</b>					
	12/3/2024	ACWA Fall Conference	\$230.00		Mileage
	12/4/2024	ACWA Fall Conference	\$230.00		
	12/5/2024	ACWA Fall Conference	\$230.00		
	12/10/2024	RWD Board Meeting	\$230.00		
	12/18/2024	TVMWD Board Meeting	\$230.00		Mileage
		<b>TOTAL PAYMENT</b>	<b>\$1,150.00</b>		
<b>Robert W. Lewis</b>					
	12/3/2024	ACWA Fall Conference	\$230.00		
	12/4/2024	ACWA Fall Conference	\$230.00		
	12/5/2024	ACWA Fall Conference	\$230.00		
	12/10/2024	RWD Board Meeting	\$230.00		
	12/12/2024	PBWA	\$230.00		
		<b>TOTAL PAYMENT</b>	<b>\$1,150.00</b>		
<b>Szu Pei Lu-Yang</b>					
	12/10/2024	RWD Board Meeting	\$230.00		
		<b>TOTAL PAYMENT</b>	<b>\$230.00</b>		
<b>Vanessa Hsu</b>					
	12/1/2024	ACWA Fall Conference	\$230.00		
	12/2/2024	ACWA Fall Conference	\$230.00		
	12/3/2024	ACWA Fall Conference	\$230.00		
	12/4/2024	ACWA Fall Conference	\$230.00		
	12/5/2024	ACWA Fall Conference	\$230.00		
	12/10/2024	RWD Board Meeting	\$230.00		
		<b>TOTAL PAYMENT</b>	<b>\$1,380.00</b>		

APPROVED FOR PAYMENT:



Tom Coleman

**Puente Basin Water Agency**

**Management Report**

**June 30, 2024**



**C.J. Brown & Company CPAs**  
An Accountancy Corporation

# **Puente Basin Water Agency**

## **Management Report**

### **Table of Contents**

<u>Item</u>	<u>Page No.</u>
General Introduction	1-2
<b>Appendix:</b>	
Audit/Finance Committee Letter	1-4
Schedule of Audit Adjusting Journal Entries	5



Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

## C.J. Brown & Company CPAs

An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

### **CONFIDENTIAL**

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

#### **Dear Commissioners of the Board:**

In planning and performing our audit of the financial statements of the Puente Basin Water Agency (Agency) as of and for the year ended June 30, 2024, 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, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

#### **Current Year Comment and Recommendation**

##### **Disclosure of Audit Adjustments and Reclassifications**

As your external auditor, we assume that the books and records of the Agency are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Executive Committee to gain a full and complete understanding and appreciation of the scope and extent of the audit process, we have presented these audit adjustments and reclassifications as an attachment to this letter.

**Current Year Comment and Recommendation, continued**

Disclosure of Audit Adjustments and Reclassifications, continued

There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Executive Committee with a better understanding of the scope of the audit.

*Management's Response*

We have reviewed and approved the audit adjustment entries provided by the auditor and have entered the entries into the Agency's accounting system.

**Prior Year Comment and Recommendation**

**None noted**

\* \* \* \* \*

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
December 12, 2024

**APPENDIX**

**Puente Basin Water Agency**

**Audit/Finance Committee Letter**

**June 30, 2024**





Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

# C.J. Brown & Company CPAs

## An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

We have audited the financial statements of the business-type activities of the Puente Basin Water Agency (Agency) for the year ended June 30, 2024, and have issued our report thereon dated December 12, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 24, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 12, 2024.

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

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As auditors of the Agency, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity’s Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on 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 markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and cash equivalents is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and cash equivalents in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are 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 disclosure affecting the financial statements were:

The disclosure of fair value of cash and cash equivalents in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected 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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached schedule on page 5 discloses all material misstatements that we identified as a result of our audit procedures that we brought to the attention of, and corrected by, management.

### **Disagreements with Management**

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

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 12, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

**Conclusion**

We appreciate the cooperation extended us by Jared Macias, Administrative Officer, Myra Malner, Treasurer, and the Agency's staff, in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the Agency.

This information is intended solely for the information and use of the Board of Commissioners and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
December 12, 2024

**Puente Basin Water Agency  
Schedule of Audit Adjusting Entries  
June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
CPE- To record the bond issued in PBWA's name to be reimbursed by Walnut Valley Water District.			
1901-W	Long Term Receivable - WVWD	30,740,000.00	
1910-W	Bond Premium Deferral- WVWD	2,526,793.00	
2210-W	Bond Premium- WVWD	1.00	
1910-W	Bond Premium Deferral- WVWD		1.00
2203-W	Long Term Debt - WVWD		30,740,000.00
2210-W	Bond Premium- WVWD		2,526,793.00
<b>Total</b>		<b><u>33,266,794.00</u></b>	<b><u>33,266,794.00</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
CPE- To record accrued interest on water bond to be paid by Walnut Valley through PBWA.			
1401-W	Interest Receivable - WVWD	103,408.15	
2101-W	Interest Payable - WVWD		103,408.15
<b>Total</b>		<b><u>103,408.15</u></b>	<b><u>103,408.15</u></b>
	<b>Total Adjusting Journal Entries</b>	<b><u>33,370,202.15</u></b>	<b><u>33,370,202.15</u></b>
	<b>Total All Journal Entries</b>	<b><u>33,370,202.15</u></b>	<b><u>33,370,202.15</u></b>

**Legend:**

CPE	Client Prepared Adjusting Journal Entry
-----	---



**Puente Basin Water Agency**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**

## **Our Focus**

***“Achieving a sustainable and reliable local water supply through innovative planning and regionally-beneficial projects”***

**Puente Basin Water Agency  
Board of Commissioners as of June 30, 2024**

<u>Name</u>	<u>Title</u>	<u>Member Agency</u>	<u>Elected*/ Appointed</u>
Robert W. Lewis	Chair	Rowland Water District	Appointed
Henry Woo	Vice-Chair	Walnut Valley Water District	Appointed
Anthony J. Lima	Commissioner	Rowland Water District	Appointed
Theresa Lee	Commissioner	Walnut Valley Water District	Appointed

**Puente Basin Water Agency  
Jared Macias, Administrative Officer  
271 S. Brea Canyon Road  
Walnut, California 91789  
(909) 595-1268 – [www.puentebasin.com](http://www.puentebasin.com)**



**Puente Basin Water Agency**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**



**Puente Basin Water Agency  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2024 and 2023**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i
 <b>Financial Section</b>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14
Notes to the Basic Financial Statements	15-28
 <b>Report on Internal Controls and Compliance</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29-30

## **Financial Section**





Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

# C.J. Brown & Company CPAs

## An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

### **Independent Auditor's Report**

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

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

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), as of and for the years ended, June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent Auditor's Report, continued**

### ***Auditor's Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

## **Independent Auditor's Report, continued**

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance. This report can be found on pages 28 and 29.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
December 12, 2024

**Puente Basin Water Agency  
Management's Discussion and Analysis  
For the Fiscal Years Ended June 30, 2024 and 2023**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Puente Basin Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

**Financial Highlights**

Fiscal Year 2024

- The Agency's net position as of June 30, 2024, was \$45,865,381, an increase of \$1,266,060, or 2.84% from the prior year.
- Operating revenues amounted to \$14,087,691 for the year, a decrease of \$2,484,827 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2024, the total of these pass-through costs were reflected in both the revenues amounting to \$12,539,526 and expenses amounting to \$12,537,466 of the Agency.
- Operating expenses including depreciation for the year totaled \$14,876,134 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 of \$3,681, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,060 acre-feet of water. The costs related to the production of water totaled \$1,492,524 for the year. These costs included the use of stored water in the amount of \$602,111, that was purchased and paid for in prior years.
- In 2024, the Agency recorded an additional \$1,560,527 in construction costs related to the Pomona Basin project which is currently being constructed. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2024, the ending balance of the Pomona Basin project totaled \$10,476,271.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2024, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,572,335.

Fiscal Year 2023

- The Agency's net position as of June 30, 2023, was \$44,599,321, an increase of \$3,135,477, or 7.56% from the prior year.
- Operating revenues amounted to \$16,572,518 for the year, a decrease of \$2,604,164 from the prior year.

**Puente Basin Water Agency  
Management's Discussion and Analysis, continued  
For the Fiscal Years Ended June 30, 2024 and 2023**

**Financial Highlights, continued**

Fiscal Year 2023, continued

- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2023, the total of these pass-through costs were reflected in both the revenues amounting to \$14,949,929 and expenses amounting to \$14,947,869 of the Agency.
- Operating expenses including depreciation for the year totaled \$17,543,703 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 of \$2,895, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,390 acre-feet of water. The costs related to the production of water totaled \$1,883,237 for the year. These costs included the use of stored water in the amount of \$778,655, that was purchased and paid for in prior years.
- In 2023, the Agency recorded an additional \$2,063,479 in construction costs related to the Pomona Basin project which is currently being constructed. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2023, the ending balance of the Pomona Basin project totaled \$8,915,744.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2023, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,623,819.

**Required 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 Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and the Statements 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.

Statements of Net Position

The Statements of Net Position present the Agency's financial position (assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as of June 30, 2024 and 2023. The Statements of Net Position include all the Agency's investments in resources (assets) and the obligations to creditors (liabilities). They also provide the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2024 and 2023, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,865,381 and \$44,599,321, respectively.



**Puente Basin Water Agency  
Management's Discussion and Analysis, continued  
For the Fiscal Years Ended June 30, 2024 and 2023**

**Required Financial Statements, continued**

Statements of Revenues, Expenses & Changes in Net Position

All 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 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 changes in net position for the years ending June 30, 2024 and 2023, were \$1,266,060 and \$3,135,477, respectively.

Statements of Cash Flows

The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Agency's cash receipts and cash payments during the fiscal year. The statements report 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 cash came from, what was cash used for, and what was the change in cash balance during the year.

As of June 30, 2024, cash and cash equivalents totaled \$460,682, an increase of \$105,710 from the previous fiscal year. As of June 30, 2023, cash and cash equivalents totaled \$354,972, a decrease of \$768,066 from the previous fiscal year.

**Financial Analysis of the Agency**

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 Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the Agency's finances in a way that will help answer that question. Measuring the change in the Agency's *net position*, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is one way to measure financial health or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 28.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Net Position**

**Condensed Statements of Net Position**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
<b>Assets:</b>					
Cash & investments	\$ 460,682	354,972	105,710	1,123,038	(768,066)
Accrued interest receivable	106,465	2,049	104,416	1,292	757
Accounts receivable	2,997,156	2,591,658	405,498	3,855,973	(1,264,315)
Grants receivable	278,029	278,029	-	278,029	-
Water-in-storage inventory	14,918,620	14,977,731	(59,111)	13,127,717	1,850,014
Installment purchase receivable	33,266,792	-	33,266,792	-	-
Capital assets, net	31,774,553	30,643,311	1,131,242	29,009,117	1,634,194
<b>Total assets</b>	<u>83,802,297</u>	<u>48,847,750</u>	<u>34,954,547</u>	<u>47,395,166</u>	<u>1,452,584</u>
<b>Liabilities:</b>					
Accounts payable	2,994,381	2,624,610	369,771	4,261,296	(1,636,686)
Accrued interest payable	103,408	-	103,408	-	-
Long-term debt	34,839,127	1,623,819	33,215,308	1,670,026	(46,207)
<b>Total liabilities</b>	<u>37,936,916</u>	<u>4,248,429</u>	<u>33,688,487</u>	<u>5,931,322</u>	<u>(1,682,893)</u>
<b>Net position:</b>					
Net investment in capital assets	30,202,218	29,019,492	1,182,726	27,339,091	1,680,401
Unrestricted	15,663,163	15,579,829	83,334	14,124,753	1,455,076
<b>Total net position</b>	<u>\$ 45,865,381</u>	<u>44,599,321</u>	<u>1,266,060</u>	<u>41,463,844</u>	<u>3,135,477</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As seen from the table above, the Agency's net position exceeded liabilities by \$45,865,381 and \$44,599,321 for the fiscal years ending June 30, 2024 and 2023, respectively.

By far, the largest component of net position is the Agency's net investment in capital assets. As of June 30, 2024 and 2023, net investment in capital assets increased by \$1,182,726 and \$1,680,401, from the prior year, respectively. These increases were due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2024 and 2023, the balance in construction-in-process amounted to \$10,476,271 and \$8,915,744, respectively.

In 2024, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds related to capital facilities of WVWD with an additional \$2,526,792 recorded as bond premium. In accordance with the installment purchase agreement, WVWD is obligated to pay the interest and principal payments related to the bonds and the premium. To account for the debt and installment purchase agreement, a liability and corresponding asset was recorded. As of June 30, 2024, the balance of the installment purchase receivable and related liability was \$33,266,792. The Series 2024A Water Revenue Bonds are reported in the fiscal year ending June 30, 2024 financial statements of Walnut Valley Water District.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

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

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
<b>Operating revenues:</b>					
Sale of water (TVMWD)	\$ 12,539,526	14,949,929	(2,410,403)	18,324,933	(3,375,004)
Sale of water (Project)	1,015,535	1,224,669	(209,134)	583,439	641,230
Member assessments	330,505	250,628	79,877	173,810	76,818
Other revenue	202,125	147,292	54,833	94,500	52,792
<b>Total operating revenues</b>	<u>14,087,691</u>	<u>16,572,518</u>	<u>(2,484,827)</u>	<u>19,176,682</u>	<u>(2,604,164)</u>
<b>Non-operating revenues:</b>					
Investment income, net of fair market value	13,922	10,588	3,334	-	10,588
<b>Total non-operating revenues</b>	<u>13,922</u>	<u>10,588</u>	<u>3,334</u>	<u>-</u>	<u>10,588</u>
<b>Total revenues</b>	<u>14,101,613</u>	<u>16,583,106</u>	<u>(2,481,493)</u>	<u>19,176,682</u>	<u>(2,593,576)</u>
<b>Operating expenses:</b>					
Water supply (TVMWD)	12,537,466	14,947,869	(2,410,403)	18,322,873	(3,375,004)
Water supply (Project)	1,497,818	1,887,194	(389,376)	807,255	1,079,939
Engineering	1,500	1,200	300	1,200	-
Professional services	320,738	187,962	132,776	122,600	65,362
Legal	8,655	6,873	1,782	5,553	1,320
Administrative	71,606	75,058	(3,452)	69,280	5,778
Accounting	9,066	8,262	804	9,237	(975)
Depreciation and amortization	429,285	429,285	-	414,968	14,317
<b>Total operating expenses</b>	<u>14,876,134</u>	<u>17,543,703</u>	<u>(2,667,569)</u>	<u>19,752,966</u>	<u>(2,209,263)</u>
<b>Non-operating expenses:</b>					
Investment expense, net of fair market value	-	-	-	3,440	(3,440)
Interest expense	63,046	62,973	73	64,859	(1,886)
<b>Total non-operating expenses</b>	<u>63,046</u>	<u>62,973</u>	<u>73</u>	<u>68,299</u>	<u>(5,326)</u>
<b>Total expenses</b>	<u>14,939,180</u>	<u>17,606,676</u>	<u>(2,667,496)</u>	<u>19,821,265</u>	<u>(2,214,589)</u>
<b>Net loss before capital contributions</b>	(837,567)	(1,023,570)	186,003	(644,583)	(378,987)
<b>Capital contributions</b>	<u>2,103,627</u>	<u>4,159,047</u>	<u>(2,055,420)</u>	<u>634,247</u>	<u>3,524,800</u>
<b>Changes in net position</b>	1,266,060	3,135,477	(1,869,417)	(10,336)	3,145,813
<b>Net position, beginning of year</b>	<u>44,599,321</u>	<u>41,463,844</u>	<u>3,135,477</u>	<u>41,474,180</u>	<u>(10,336)</u>
<b>Net position, end of year</b>	<u>\$ 45,865,381</u>	<u>44,599,321</u>	<u>1,266,060</u>	<u>41,463,844</u>	<u>3,135,477</u>

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Revenues, Expenses, and Changes in Net Position, continued**

Fiscal Year 2024 – Revenues and Expenses

For fiscal year 2024, the Agency had total operating revenues of \$14,087,691, a decrease of \$2,484,827 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 \$12,539,526, a decrease of \$2,410,403 from the prior year. In addition, the Cal Domestic project produced 1,060 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,771,890, an increase of \$602,111 from prior year. 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 \$330,505, an increase of \$79,877 over the prior year.

For fiscal year 2024, the Agency had total operating expenses (including depreciation) of \$14,876,134, a decrease of \$2,667,569 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$14,035,284 for the year, a decrease of \$2,799,779 from the prior year.

Capital contributions for the year totaled \$2,103,627, a decrease of \$2,055,420 from the prior year, which was primarily due to decreases of \$2,085,669 in contributions sourcing from stored water from member agencies, offset by an increase of \$30,249 in capital contributions from member agency assessments. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Fiscal Year 2023 – Revenues and Expenses

For fiscal year 2023, the Agency had total operating revenues of \$16,572,518, a decrease of \$2,604,164 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 \$14,949,929, a decrease of \$3,375,004 from the prior year. In addition, the Cal Domestic project produced 1,390 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,883,237, an increase of \$968,221 from prior year. 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 \$250,628, an increase of \$76,818 over the prior year.

For fiscal year 2023, the Agency had total operating expenses (including depreciation) of \$17,543,703, a decrease of \$2,209,263 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$16,835,063 for the year, a decrease of \$2,295,065 from the prior year.

Capital contributions for the year totaled \$4,159,047, an increase of \$3,524,800 from the prior year, which was primarily due to increases of \$2,148,069 in contributions sourcing from stored water from member agencies and \$1,376,731 in capital contributions from member agency assessments. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Capital Asset Administration**

Changes in capital assets for 2024, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ 19,318,698	1,560,527	-	20,879,225
Depreciable and amortizable assets	13,854,616	-	-	13,854,616
Accumulated depreciation and amortization	<u>(2,530,003)</u>	<u>(429,285)</u>	<u>-</u>	<u>(2,959,288)</u>
Total capital assets, net	<u>\$ 30,643,311</u>	<u>1,131,242</u>	<u>-</u>	<u>31,774,553</u>

Changes in capital assets for 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2023</u>
Capital assets:				
Non-depreciable assets	\$ 17,255,219	2,063,479	-	19,318,698
Depreciable and amortizable assets	13,854,616	-	-	13,854,616
Accumulated depreciation and amortization	<u>(2,100,718)</u>	<u>(429,285)</u>	<u>-</u>	<u>(2,530,003)</u>
Total capital assets, net	<u>\$ 29,009,117</u>	<u>1,634,194</u>	<u>-</u>	<u>30,643,311</u>

As of June 30, 2024 and 2023, the Agency's cumulative investment in capital assets was \$31,774,553 and \$30,643,311, respectively. As of June 30 2024 and 2023, additions were \$1,560,527 and \$2,063,479, respectively. These assets were comprised of construction-in-process capital assets related to several alternative water supply projects.

**Debt Administration**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
Long-term debt:					
2024 Series A Water Revenue Bonds (WVWD Project)	\$ 33,266,792	-	33,266,792	-	-
Capital lease payable	<u>1,572,335</u>	<u>1,623,819</u>	<u>(51,484)</u>	<u>1,670,026</u>	<u>(46,207)</u>
Total	<u>\$ 34,839,127</u>	<u>1,623,819</u>	<u>33,215,308</u>	<u>1,670,026</u>	<u>(46,207)</u>

As of June 30, 2024, the Agency's long-term debt amounted to \$34,839,127, an increase from issued bonds of \$33,266,792 offset by a decrease due to lease payments of \$51,484 as compared to the prior fiscal year.

As of June 30, 2023, the Agency's long-term debt amounted to \$1,623,819, a decrease from lease payments of \$46,207 as compared to the prior fiscal year.

**Puente Basin Water Agency  
Management's Discussion and Analysis, continued  
For the Fiscal Years Ended June 30, 2024 and 2023**

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Treasurer, Myra Malner, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.

# **Basic Financial Statements**

**Puente Basin Water Agency**  
**Statements of Net Position**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 460,682	354,972
Accrued interest receivable	106,465	2,049
Accounts receivable	2,997,156	2,591,658
Grants receivable	278,029	278,029
Water-in-storage inventory	14,918,620	14,977,731
<b>Total current assets</b>	<u>18,760,952</u>	<u>18,204,439</u>
<b>Non-current assets:</b>		
Long-term assets – due after one year:		
Installment purchase receivable (note 3)	33,266,792	-
Capital assets – not being depreciated and amortized (note 4)	20,879,225	19,318,698
Capital assets – being depreciated and amortized, net (note 4)	10,895,328	11,324,613
<b>Total non-current assets</b>	<u>65,041,345</u>	<u>30,643,311</u>
<b>Total assets</b>	<u>83,802,297</u>	<u>48,847,750</u>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	2,994,381	2,624,610
Accrued interest payable	103,408	-
Long-term liabilities – due in one year:		
Capital lease payable (note 5)	57,076	51,484
<b>Total current liabilities</b>	<u>3,154,865</u>	<u>2,676,094</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Bond payable (note 5)	33,266,792	-
Capital lease payable (note 5)	1,515,259	1,572,335
<b>Total non-current liabilities</b>	<u>34,782,051</u>	<u>1,572,335</u>
<b>Total liabilities</b>	<u>37,936,916</u>	<u>4,248,429</u>
<b>Net position: (note 6)</b>		
Net investment in capital assets	30,202,218	29,019,492
Unrestricted	15,663,163	15,579,829
<b>Total net position</b>	<u>\$ 45,865,381</u>	<u>44,599,321</u>

See accompanying notes to the basic financial statements



**Puente Basin Water Agency**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>		
Sale of water to member agencies – TVMWD	\$ 12,539,526	14,949,929
Sale of water to member agencies – Project	1,015,535	1,224,669
Member assessments	330,505	250,628
Water leases	123,125	120,625
Other water service charges	79,000	26,667
<b>Total operating revenues</b>	<u>14,087,691</u>	<u>16,572,518</u>
<b>Operating expenses:</b>		
Water supply – TVMWD	12,537,466	14,947,869
Water supply – Project	1,497,818	1,887,194
Engineering	1,500	1,200
Professional services	320,738	187,962
Legal	8,655	6,873
Administrative	71,606	75,058
Accounting	9,066	8,262
<b>Total operating expenses</b>	<u>14,446,849</u>	<u>17,114,418</u>
<b>Operating loss before depreciation and amortization expense</b>	(359,158)	(541,900)
Depreciation and amortization expense	(429,285)	(429,285)
<b>Operating loss</b>	<u>(788,443)</u>	<u>(971,185)</u>
<b>Non-operating revenue(expense):</b>		
Investment income, net of fair market value	13,922	10,588
Interest expense – long-term debt	(63,046)	(62,973)
<b>Total non-operating revenue(expense), net</b>	<u>(49,124)</u>	<u>(52,385)</u>
<b>Net loss before capital contributions</b>	<u>(837,567)</u>	<u>(1,023,570)</u>
<b>Capital contributions:</b>		
Capital contributions – member agency assessments	1,560,627	1,530,378
Contributions – stored water purchases from member agencies	543,000	2,628,669
<b>Total capital contributions</b>	<u>2,103,627</u>	<u>4,159,047</u>
<b>Changes in net position</b>	1,266,060	3,135,477
<b>Net position, beginning of the year</b>	<u>44,599,321</u>	<u>41,463,844</u>
<b>Net position, end of year</b>	<u>\$ 45,865,381</u>	<u>44,599,321</u>

See accompanying notes to the basic financial statements

**Puente Basin Water Agency**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash received for water sales and assessments	\$ 13,682,193	17,836,833
Cash paid to vendors and suppliers for materials and services	<u>(14,017,967)</u>	<u>(20,601,118)</u>
<b>Net cash used in operating activities</b>	<u>(335,774)</u>	<u>(2,764,285)</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(1,560,527)	(2,063,479)
Capital contributions	2,103,627	4,159,047
Payments received for loans receivable	(33,266,792)	-
Principal paid on debt service	33,215,308	(46,207)
Interest paid on debt	<u>40,362</u>	<u>(62,973)</u>
<b>Net cash provided by capital and related financing activities</b>	<u>531,978</u>	<u>1,986,388</u>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings	<u>(90,494)</u>	<u>9,831</u>
<b>Net cash (used in) provided by investing activities</b>	<u>(90,494)</u>	<u>9,831</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	105,710	(768,066)
<b>Cash and cash equivalents, beginning of year</b>	<u>354,972</u>	<u>1,123,038</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 460,682</u></u>	<u><u>354,972</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ <u>(788,443)</u>	<u>(971,185)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation and amortization expense	429,285	429,285
(Increase)Decrease in assets:		
Accounts receivable	(405,498)	1,264,315
Inventory – water	59,111	(1,850,014)
Increase in liabilities:		
Accounts payable and accrued expenses	<u>369,771</u>	<u>(1,636,686)</u>
Total adjustments	<u>452,669</u>	<u>(1,793,100)</u>
<b>Net cash used in operating activities</b>	<u><u>\$ (335,774)</u></u>	<u><u>(2,764,285)</u></u>

See accompanying notes to the basic financial statements

**Puente Basin Water Agency**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the 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 (RWD) and Walnut Valley Water District (WVWD). 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's purpose is to achieve a sustainable and reliable local water supply through innovative planning and the development of regionally beneficial projects. 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.

**B. Basis of Accounting and Measurement Focus**

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

The Agency has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 99*

In April 2022, the GASB issued Statement No. 99 – Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

*Governmental Accounting Standards Board Statement No. 99, continued*

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

*Governmental Accounting Standards Board Statement No. 100*

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the Agency's cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**3. Investments and Investment Policy**

The Agency's investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Agency's investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Accounts Receivable and Allowance for Uncollectible Accounts**

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024 and 2023, the Agency had no allowance for uncollectible accounts as management believes all accounts will be collected.

**5. Water-In-Storage Inventory**

Water-in-storage inventory consists primarily of water purchased, contributed, and held in storage with the Main San Gabriel Basin Watermaster, which administers the Main San Gabriel Basin Judgment under which such storage is authorized.

In 2024, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2024, the Agency had a total of 22,817 acre-feet of water-in-storage valued using an average cost of \$645 per acre-foot.

In 2023, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. In addition, the Agency received 2,400 acre-feet from Rowland Water District and Walnut Valley Water District and is held in storage with the Six Basins Watermaster. As of June 30, 2023, the Agency had a total of 21,666 acre-feet of water-in-storage valued using an average cost of \$606 per acre-foot.

**6. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**7. 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. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. 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.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Water mains – 60 years
- Pipelines and improvements – 20 years

Leased right-to-use assets are amortized on a straight-line basis over the life of the lease.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**8. Unearned Revenue**

Unearned revenue consists of cash received prior to services being performed. A liability will be recognized on the financial statements until the services are rendered and completed.

**9. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

**10. Water Sales and Services**

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

**11. Capital Contributions**

Capital contributions represent cash contributed to the Agency by member agencies and by the State.

**12. Budgetary Policies**

The Agency adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**(2) Cash and Cash Equivalents**

Cash and cash equivalents as of June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Cash and investments		
Deposits with financial institutions	\$ 190,713	97,918
Deposits in Local Agency		
Investment Fund (LAIF)	<u>269,969</u>	<u>257,054</u>
Total cash and investments	<u>\$ 460,682</u>	<u>354,972</u>

As of June 30, the Agency's authorized deposits had the following maturities:

	<u>2024</u>	<u>2023</u>
Deposits in Local Agency		
Investment Fund (LAIF)	<u>217 days</u>	<u>260 days</u>

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Cash Equivalents, continued**

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

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the Agency's money	None
Commercial Paper - Non-Pooled Funds ( $< \$100,000,000$ investments)	270 days	25% of the Agency's money	None
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

***Investment in State Investment Pool***

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency'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. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Agency's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Cash Equivalents, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

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 Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. 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 matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

***Credit Risk***

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.

***Concentration of Credit Risk***

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. As of June 30, 2024 and 2023, the Agency's deposit portfolio with a government-sponsored agency, LAIF, is 59% and 72%, respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Agency's total investments.



**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(3) Installment Purchase Receivable**

In fiscal year 2024, the Agency entered into an Installment Purchase Contracts with Walnut Valley Water District (WVWD) related to the issuing of Bonds. WVWD received the proceeds of the Bonds and are required to make semi-annual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semi-annual basis by the Agency to the holders of the Bonds. Please see note 5 for further detail.

**(4) Capital Assets**

Changes in capital assets for the year ended June 30, 2024, are as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-Process	<u>8,915,744</u>	<u>1,560,527</u>	<u>-</u>	<u>10,476,271</u>
Total non-depreciable assets	<u>19,318,698</u>	<u>1,560,527</u>	<u>-</u>	<u>20,879,225</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>12,013,403</u>	<u>-</u>	<u>-</u>	<u>12,013,403</u>
Total depreciable and amortizable assets	<u>13,854,616</u>	<u>-</u>	<u>-</u>	<u>13,854,616</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(471,349)	(88,378)	-	(559,727)
Pumping plant and equipment	<u>(2,058,654)</u>	<u>(340,907)</u>	<u>-</u>	<u>(2,399,561)</u>
Total accumulated depreciation and amortization	<u>(2,530,003)</u>	<u>(429,285)</u>	<u>-</u>	<u>(2,959,288)</u>
Total depreciable and amortizable assets, net	<u>11,324,613</u>	<u>(429,285)</u>	<u>-</u>	<u>10,895,328</u>
Total capital assets, net	\$ <u>30,643,311</u>	<u>1,131,242</u>	<u>-</u>	<u>31,774,553</u>

For the fiscal year ending June 30, 2024, the Agency had additions of \$1,560,527 in construction-in-process.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(4) Capital Assets, continued**

Changes in capital assets for the year ended June 30, 2023, are as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-process	<u>6,852,265</u>	<u>2,063,479</u>	<u>-</u>	<u>8,915,744</u>
Total non-depreciable assets	<u>17,255,219</u>	<u>2,063,479</u>	<u>-</u>	<u>19,318,698</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>12,013,403</u>	<u>-</u>	<u>-</u>	<u>12,013,403</u>
Total depreciable and amortizable assets	<u>13,854,616</u>	<u>-</u>	<u>-</u>	<u>13,854,616</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(382,971)	(88,378)	-	(471,349)
Pumping plant and equipment	<u>(1,717,747)</u>	<u>(340,907)</u>	<u>-</u>	<u>(2,058,654)</u>
Total accumulated depreciation and amortization	<u>(2,100,718)</u>	<u>(429,285)</u>	<u>-</u>	<u>(2,530,003)</u>
Total depreciable and amortizable assets, net	<u>11,753,898</u>	<u>(429,285)</u>	<u>-</u>	<u>11,324,613</u>
Total capital assets, net	<u>\$ 29,009,117</u>	<u>1,634,194</u>	<u>-</u>	<u>30,643,311</u>

For the fiscal year ending June 30, 2023, the Agency had additions of \$2,063,479 in construction-in-process.

***Construction-in-Process***

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Six Basins Groundwater Project	\$ 10,476,271	8,915,744
Total construction-in-process	<u>\$ 10,476,271</u>	<u>8,915,744</u>

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(5) Long-Term Debt**

Changes in long-term debt for the year ended June 30, 2024, are as follows:

	<b>Balance 2023</b>	<b>Additions/ Deletions</b>	<b>Principal Payments</b>	<b>Balance 2024</b>	<b>Current Portion</b>	<b>Long-term Portion</b>
Bonds payable:						
Series 2024A Water Revenue Bonds:						
WVWD - Principal	\$ -	30,740,000	-	30,740,000	-	30,740,000
WVWD - Bond Premium	-	2,526,793	(1)	2,526,792	-	2,526,792
Total bonds payable	-	33,266,793	(1)	33,266,792	-	33,266,792
Capital lease payable	1,623,819	-	(51,484)	1,572,335	57,076	1,515,259
Total	1,623,819	33,266,793	(51,485)	34,839,127	57,076	34,782,051
Current portion	(51,484)			(57,076)		
Non-current portion	\$ 1,572,335			34,782,051		

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

	<b>Balance 2022</b>	<b>Additions/ Deletions</b>	<b>Principal Payments</b>	<b>Balance 2023</b>	<b>Current Portion</b>	<b>Long-term Portion</b>
Capital lease payable	1,670,026	-	(46,207)	1,623,819	51,484	1,572,335
Total	1,670,026	-	(46,207)	1,623,819	51,484	1,572,335
Current portion	(46,207)			(51,484)		
Non-current portion	\$ 1,623,819			1,572,335		

***Series 2024A Water Revenue Bonds – Walnut Valley Water District***

On June 1, 2024, the Agency issued \$30,740,000 of Series 2024A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of Walnut Valley Water District (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 \$2,526,793, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning December 1, 2025 with an interest only payment due on June 1, 2025, interest rates will range from 5% to 4%. The Bonds are scheduled to mature on June 1, 2054. 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 the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(5) Long-Term Debt, continued**

Future annual bond payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	1,345,649	1,345,649
2026	495,000	1,450,400	1,945,400
2027	520,000	1,425,650	1,945,650
2028	545,000	1,399,650	1,944,650
2029	575,000	1,372,400	1,947,400
2030-2034	3,340,000	6,400,500	9,740,500
2035-2039	4,255,000	5,477,950	9,732,950
2040-2044	5,425,000	4,303,750	9,728,750
2045-2049	6,925,000	2,804,500	9,729,500
2050-2054	8,660,000	1,066,400	9,726,400
Total	30,740,000	<u>27,046,849</u>	<u>57,786,849</u>
Premium	2,526,792		
Current	<u>-</u>		
Non-current	\$ <u>33,266,792</u>		

***Lease Payable***

On January 24, 2018, the Agency entered into a lease agreement for the use of a well. This lease has been recorded at the value of the future minimum lease payments as of the inception date in the amount of \$1,841,213. The lease is payable in semi-annual payments of \$50,000, adjusted every July 1 for the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area published by the Bureau of Labor Statistics for the preceding year, through July 31, 2038, at an annual interest rate of 4%.

Future annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 57,076	62,329	119,405
2026	63,001	59,986	122,987
2027	69,273	57,404	126,677
2028	75,909	54,568	130,477
2029	82,930	51,462	134,392
2030-2034	534,742	200,167	734,909
2035-2039	689,404	72,251	761,655
Total	1,572,335	<u>558,167</u>	<u>2,130,502</u>
Current	<u>(57,076)</u>		
Non-current	\$ <u>1,515,259</u>		

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(6) Net Position**

Calculation of net position as of June 30, were as follows:

	<u>2024</u>	<u>2023</u>
Net investment in capital assets:		
Capital assets, net	\$ 31,774,553	30,643,311
Capital lease, current	(57,076)	(51,484)
Capital lease, non-current	<u>(1,515,259)</u>	<u>(1,572,335)</u>
Total investment in capital assets	<u>30,202,218</u>	<u>29,019,492</u>
Unrestricted net position	<u>15,663,163</u>	<u>15,579,829</u>
Total net position	<u>\$ 45,865,381</u>	<u>44,599,321</u>

**(7) Risk Management**

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2024, the Agency participated in the ACWA/JPIA pooled programs for liability, property, programs as follows:

- General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to the following deductibles per occurrence; \$2,500 deductible for buildings, fixed equipment, and personal property; \$1,000 deductible for mobile equipment and \$500 for vehicles. Scheduled vehicles and mobile equipment are covered on an actual cash basis at the time of loss
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer, and funds transfer fraud coverages. subject to \$1,000 deductible per loss.

In addition, the Agency also has the following insurance coverage:

- Cyber liability including cyber security up to \$2,000,000 per member and \$5,000,000 aggregate limit. Cyber liability deductible varies from \$10,000 to \$50,000 depending on Agency scheduled total values.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(7) Risk Management, continued**

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the fiscal years ended June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2024, 2023, and 2022.

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 101***

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

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

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(9) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

***Construction Contracts***

The Agency has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the Agency's member capital contributions.

***Litigation***

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(10) Subsequent Events**

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of December 12, 2024, which is the date the financial statements were available to be issued.



**<Page Intentionally Left Blank>**

# **Report on Internal Controls and Compliance**





**C.J. Brown & Company CPAs**  
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

**Independent Auditor's Report on Internal Controls 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 Commissioners  
Puente Basin Water Agency  
Walnut, 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 Puente Basin Water Agency (Agency) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 12, 2024.

**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 opinion 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

**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.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**

Cypress, California

December 12, 2024

**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Management Report**

**June 30, 2024**



**C.J. Brown & Company CPAs**  
An Accountancy Corporation

# **Pomona-Walnut-Rowland Joint Water Line Commission**

## **Management Report**

### **Table of Contents**

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Summary of Current Year Comments and Recommendations	1
Summary of Prior Year Comments and Recommendations	2
<b>Appendix:</b>	
Audit/Finance Committee Letter	1-4



# C.J. Brown & Company CPAs

## An Accountancy Corporation

Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

### **CONFIDENTIAL**

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

#### **Dear Members of the Board:**

In planning and performing our audit of the financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Commission internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

#### **Current Year Comments and Recommendations**

*No Comments Noted*



## **Prior Year Comments and Recommendations**

### Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the Commission are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Commission's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Commissioners to gain a full and complete understanding and appreciation of the scope and extent of the audit process, we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Commissioners with a better understanding of the scope of the audit.

### *Management's Response*

We have reviewed and approved the audit adjustment entries provided by the auditor and have entered the entries into the Commission's accounting system.

\* \* \* \* \*

This communication is intended solely for the information and use of management, Board of Commissioners, and others within the Commission, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
October 10, 2024

**APPENDIX**

**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Audit/Finance Committee Letter**

**June 30, 2024**



Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

# C.J. Brown & Company CPAs

## An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

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

We have audited the financial statements of the business-type activities of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) for the year ended June 30, 2024, and have issued our report thereon dated October 10, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 24, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 10, 2024.

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

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As the auditor of the Commission, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity’s Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on 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 markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and cash equivalents is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and cash equivalents in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission’s financial statements relate to:

The disclosure of fair value of cash and cash equivalents in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 3 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

### **Significant Unusual Transactions**

For the purpose of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. There was no material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

### **Disagreements with Management**

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

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated October 10, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

The report is intended solely for the information and use of the Executive Committee and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

**Conclusion**

We appreciate the cooperation extended us by Myra Malner, Treasurer, and the rest of the Commission staff in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the Commission.

This information is intended solely for the information and use of the Executive Committee and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
October 10, 2024



**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**



### **Board of Commissioners as of June 30, 2024**

<b>Name</b>	<b>Title</b>	<b>Elected/ Appointed</b>
Scarlett Kwong	Commissioner	Appointed
Anthony J. Lima	Commissioner	Appointed
Victor Preciado	Commissioner	Appointed
Edwin Hilden	Alternate	Appointed
John Bellah	Alternate	Appointed
John Nolte	Alternate	Appointed
Chris Diggs	Alternate	Appointed

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Tom Monk, Administrative Officer**  
**3021 Fullerton Road**  
**Rowland Heights, California 91748**  
**(562) 697-1726 – [www.rwd.org](http://www.rwd.org)**



**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2024 and 2023**

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i
 <b>Financial Section</b>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Basic Financial Statements:	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14
Notes to the Basic Financial Statements	15-25
 <b>Supplementary Information</b>	
Combining Schedules of Revenues, Expenses, and Changes in Net Position	26-27
Schedules of Assets Invested in Capital Assets by Member Agency	28-29
 <b>Report on Internal Controls and Compliance</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30-31

## **Financial Section**





Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

# C.J. Brown & Company CPAs

## An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

### Independent Auditor's Report

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

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

##### *Opinion*

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

##### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent Auditor's Report, continued**

### ***Auditor's Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

## **Independent Auditor's Report, continued**

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The other supplemental information on pages 26 through 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance. This report can be found on pages 30 and 31.

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
October 10, 2024

**<Page Intentionally Left Blank>**



**Pomona-Walnut-Rowland Joint Water Line Commission**  
***Management's Discussion and Analysis***  
**For the Fiscal Years Ended June 30, 2024 and 2023**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) provides an introduction to the financial statements of the Commission for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The Commission's net position increased 2.78% or \$88,135 to \$3,262,423. In 2023, the Commission's net position increased 1.61% or \$50,358 to \$3,174,288.
- The Commission's operating revenues increased 3.94% or \$694,607 to \$18,324,232. In 2023, the Commission's operating revenues decreased 16.87% or \$3,576,792 to \$17,629,625.
- The Commission's non-operating revenues increased 158.98% or \$49,452 to \$80,558. In 2023, the Commission's non-operating revenues increased 1,368.65% or \$28,988 to \$31,106.
- The Commission's operating expenses increased 4.01% or \$706,282 to \$18,331,798. In 2023, the Commission's operating expenses decreased 16.86% or \$3,573,568 to \$17,625,516.
- The Commission had no reportable non-operating expenses in 2024. In 2023, non-operating expense decreased 100% or \$15,504.
- There was no change in capital contributions for the fiscal years ended June 30, 2024 and 2023, respectively.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Commission using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the Commission's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for evaluating the results of operations, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Commission's operations over the past year and can be used to determine if the Commission has successfully recovered all of its costs through its water sales and other charges to its member agencies. In addition to tracking cost recovery performance, these statements can also be used to evaluate the results of operations and creditworthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the Commission's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related 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.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Financial Analysis of the Commission**

One of the most important questions asked about the Commission's finances is, "Is the Commission better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Commission in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Commission's *net position* and changes in them. You can think of the Commission's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 25.

**Statements of Net Position**

<b>Condensed Statements of Net Position</b>					
	<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>2022</b>	<b>Change</b>
<b>Assets:</b>					
Current assets	\$ 4,447,196	3,598,236	848,960	4,221,592	(623,356)
Restricted assets	933,012	889,689	43,323	846,366	43,323
Capital assets, net	1,391,191	1,419,371	(28,180)	1,447,551	(28,180)
<b>Total assets</b>	<b>6,771,399</b>	<b>5,907,296</b>	<b>864,103</b>	<b>6,515,509</b>	<b>(608,213)</b>
<b>Liabilities:</b>					
Current liabilities	3,508,976	2,733,008	775,968	3,391,579	(658,571)
<b>Total liabilities</b>	<b>3,508,976</b>	<b>2,733,008</b>	<b>775,968</b>	<b>3,391,579</b>	<b>(658,571)</b>
<b>Net position:</b>					
Net investment in capital assets	1,391,191	1,419,371	(28,180)	1,447,551	(28,180)
Restricted for capital asset repairs and replacement	933,012	889,689	43,323	846,366	43,323
Unrestricted	938,220	865,228	72,992	830,013	35,215
<b>Total net position</b>	<b>\$ 3,262,423</b>	<b>3,174,288</b>	<b>88,135</b>	<b>3,123,930</b>	<b>50,358</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$3,262,423 and \$3,174,288, as of June 30, 2024 and 2023, respectively.

The Commission's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (3) unrestricted net position.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Net Position, continued**

By far the largest portion of the Commission's net position (43% and 45% as of June 30, 2024 and 2023, respectively) reflects the Commission's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its member agencies; consequently, these assets are not available for future spending.

At the end of fiscal years 2024 and 2023, the Commission showed a positive balance in its unrestricted net position of \$938,220 and \$865,228, respectively, which may be utilized in future years.

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

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2022</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 18,324,232	17,629,625	694,607	21,206,417	(3,576,792)
Non-operating revenue	80,558	31,106	49,452	2,118	28,988
<b>Total revenues</b>	<u>18,404,790</u>	<u>17,660,731</u>	<u>744,059</u>	<u>21,208,535</u>	<u>(3,547,804)</u>
<b>Expenses:</b>					
Operating expenses	18,331,798	17,625,516	706,282	21,199,084	(3,573,568)
Non-operating expense	-	-	-	13,509	(13,509)
Depreciation	28,180	28,180	-	28,180	-
<b>Total expenses</b>	<u>18,359,978</u>	<u>17,653,696</u>	<u>706,282</u>	<u>21,240,773</u>	<u>(3,587,077)</u>
<b>Net income (loss) before capital contributions</b>	<u>44,812</u>	<u>7,035</u>	<u>37,777</u>	<u>(32,238)</u>	<u>39,273</u>
<b>Capital contributions:</b>					
Surcharges	43,323	43,323	-	43,323	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>43,323</u>	<u>-</u>
<b>Change in net position</b>	88,135	50,358	37,777	11,085	39,273
<b>Net position, beginning of period</b>	<u>3,174,288</u>	<u>3,123,930</u>	<u>50,358</u>	<u>3,112,845</u>	<u>11,085</u>
<b>Net position, end of period</b>	<u>\$ 3,262,423</u>	<u>3,174,288</u>	<u>88,135</u>	<u>3,123,930</u>	<u>50,358</u>

The Statement of Revenues, Expenses, and Changes in Net Position show how the Commission's net position changed during the fiscal years. In 2024, net position increased 2.78% or \$88,135 to \$3,262,423, due to net income of \$44,812 from ongoing operations and \$43,323 in capital contributions. In 2023, net position increased 1.61% or \$50,358 to \$3,174,288, due to net income of \$7,035 from ongoing operations and \$43,323 in capital contributions.

A closer examination of net position reveals that:

In 2024, total revenues increased 4.21% or \$744,059 to \$18,404,790. Operating revenues increased 3.94% or \$694,607 to \$18,324,232, due to an increase in water sales to member agencies.

In 2023, total revenues decreased 16.73% or \$3,547,804 to \$17,660,731. Operating revenues decreased 16.87% or \$3,576,792 to \$17,629,625, due primarily to a decrease in water sales to member agencies.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Revenues, Expenses and Changes in Net Position, continued**

In 2024, non-operating revenues increased 158.98% or \$49,452 to \$80,558, due to an increase in investment income.

In 2023, non-operating revenues increased 1,368.65% or \$28,988 to \$31,106, primarily due to an increase of \$30,974 in investment income.

In 2024, total expenses increased 4.00% or \$706,282 to \$18,359,978. Operating expenses increased 4.01% or \$706,282 to \$18,331,798, primarily due to an increase of \$694,607 in water purchases.

In 2023, total expenses decreased 16.89% or \$3,587,077 to \$17,653,696. Operating expenses decreased 16.86% or \$3,573,568 to \$17,625,516, primarily due to a decrease of \$3,577,792 in water purchases.

In 2024 and 2023, there were no reportable non-operating expenses, respectively.

In 2024 and 2023, depreciation expense did not change from prior year, respectively.

As of June 30, 2024 and 2023, total capital contributions were \$43,323, respectively.

**Actual vs. Budget - 2024**

	<b>2024 Actual</b>	<b>2024 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Operating revenues	\$ 18,324,232	21,794,547	(3,470,315)	-15.92%
Non-operating revenues	80,558	7,000	73,558	1050.83%
<b>Total revenues</b>	<u>18,404,790</u>	<u>21,801,547</u>	<u>(3,396,757)</u>	<u>-15.58%</u>
<b>Expenses:</b>				
Operating expenses (incl. depr.)	18,359,978	22,244,547	(3,884,569)	17.46%
<b>Total expenses</b>	<u>18,359,978</u>	<u>22,244,547</u>	<u>(3,884,569)</u>	<u>17.46%</u>
<b>Net (loss) income before capital contributions</b>	<u>44,812</u>	<u>(443,000)</u>	<u>487,812</u>	<u>110.12%</u>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>\$ 88,135</u>	<u>(399,677)</u>	<u>487,812</u>	<u>122.05%</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Revenues, Expenses, and Changes in Net Position, continued**

<b>Actual vs. Budget - 2023</b>				
	<b>2023 Actual</b>	<b>2023 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Operating revenues	\$ 17,629,625	20,648,994	(3,019,369)	-14.62%
Non-operating revenues	31,106	7,000	24,106	344.37%
<b>Total revenues</b>	<u>17,660,731</u>	<u>20,655,994</u>	<u>(2,995,263)</u>	<u>-14.50%</u>
<b>Expenses:</b>				
Operating expenses (incl. depr.)	17,653,696	21,098,994	(3,445,298)	16.33%
<b>Total expenses</b>	<u>17,653,696</u>	<u>21,098,994</u>	<u>(3,445,298)</u>	<u>16.33%</u>
<b>Net (loss) income before capital contributions</b>	<u>7,035</u>	<u>(443,000)</u>	<u>450,035</u>	<u>101.59%</u>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>\$ 50,358</u>	<u>(399,677)</u>	<u>450,035</u>	<u>112.60%</u>

The majority of operating revenue is derived from water sales to member agencies. The Commission predicts water sales by using a three-year rolling average. This is calculated by estimating how many acre-feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the Commission in the efforts to promote water conservation.

In fiscal year 2024, the Commission estimated 17,208 acre-feet of Tier I water purchases at an average rate of \$1,232 per acre-foot. The Commission actually purchased 15,204 acre-feet of Tier I water.

In fiscal year 2023, the Commission estimated 18,050 acre-feet of Tier I water purchases at an average rate of \$1,161 per acre-foot. The Commission actually purchased 14,713 acre-feet of Tier I water.

**Capital Asset Administration**

Changes in capital assets for 2024, were as follows:

	<b>Balance 2023</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance 2024</b>
<b>Capital assets:</b>				
Depreciable assets	\$ 2,470,480	-	-	2,470,480
Accumulated depreciation	<u>(1,051,109)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,079,289)</u>
<b>Total capital assets</b>	<u>\$ 1,419,371</u>	<u>(28,180)</u>	<u>-</u>	<u>1,391,191</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Capital Asset Administration**

Changes in capital assets for 2023, were as follows:

	<u>Balance</u> <u>2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>2023</u>
Capital assets:				
Depreciable assets	\$ 2,470,480	-	-	2,470,480
Accumulated depreciation	<u>(1,022,929)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,051,109)</u>
Total capital assets	<u>\$ 1,447,551</u>	<u>(28,180)</u>	<u>-</u>	<u>1,419,371</u>

At the end of fiscal year 2024 and 2023, the Commission's capital assets amounted to \$1,391,191 and \$1,419,371 (net of accumulated depreciation), respectively. These capital assets include pipelines and improvements, service connections, and telemetry systems. See note 3 to the basic financial statements for further detailed information on the Commission's capital assets.

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

**Fiscal Year 2024 Actual vs. Fiscal Year 2025 Budget**

	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Budget</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Revenues:</b>				
Operating revenues	\$ 18,324,232	20,934,245	(2,610,013)	-14.24%
Non-operating revenues	<u>80,558</u>	<u>457,000</u>	<u>(376,442)</u>	<u>-467.29%</u>
<b>Total revenues</b>	<u>18,404,790</u>	<u>21,391,245</u>	<u>(2,986,455)</u>	<u>-16.23%</u>
<b>Expenses:</b>				
Operating expenses (incl. depr.)	<u>18,359,978</u>	<u>21,384,245</u>	<u>(3,024,267)</u>	<u>-16.47%</u>
<b>Total expenses</b>	<u>18,359,978</u>	<u>21,384,245</u>	<u>(3,024,267)</u>	<u>-16.47%</u>
<b>Net income before</b>				
<b>capital contributions</b>	<u>44,812</u>	<u>7,000</u>	<u>37,812</u>	<u>-84.38%</u>
<b>Capital contributions:</b>				
Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	88,135	50,323	37,812	-42.90%
<b>Net position, beginning of period</b>	<u>3,174,288</u>	<u>3,262,423</u>	<u>(88,135)</u>	<u>-2.78%</u>
<b>Net position, end of period</b>	<u>\$ 3,262,423</u>	<u>3,312,746</u>	<u>(50,323)</u>	<u>-1.54%</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Economic Factors and Next Year's Budget and Rates, continued**

**Fiscal Year 2023 Actual vs. Fiscal Year 2024 Budget**

	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Budget</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Revenues:</b>				
Operating revenues	\$ 17,629,625	21,794,547	(4,164,922)	-23.62%
Non-operating revenues	31,106	7,000	24,106	77.50%
<b>Total revenues</b>	<u>17,660,731</u>	<u>21,801,547</u>	<u>(4,140,816)</u>	<u>-23.45%</u>
<b>Expenses:</b>				
Operating expenses (incl. depr.)	17,653,696	22,244,547	(4,590,851)	-26.01%
<b>Total expenses</b>	<u>17,653,696</u>	<u>22,244,547</u>	<u>(4,590,851)</u>	<u>-26.01%</u>
<b>Net income (loss) before capital contributions</b>	<u>7,035</u>	<u>(443,000)</u>	<u>450,035</u>	<u>6397.09%</u>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	50,358	(399,677)	450,035	893.67%
<b>Net position, beginning of period</b>	<u>3,123,930</u>	<u>3,174,288</u>	<u>(50,358)</u>	<u>-1.61%</u>
<b>Net position, end of period</b>	\$ <u>3,174,288</u>	<u>2,774,611</u>	<u>399,677</u>	<u>12.59%</u>

The Commission's Board of Commissioners and Administrative Officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs.

In fiscal year 2024 and 2023, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line.

In fiscal year 2024 and 2023, an amount equal to \$43,323 of the change in ending net position, shown in the table above, is/was projected to be transferred to reserves for depreciation and replacement, respectively.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions that could have a significant impact on the Commission's current financial position, net position, or operating results in terms of past, present, and future.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Requests for Information**

This financial report is designed to provide the Commission's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Commission's finances and to demonstrate the Commission's accountability with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Myra Malner, Commission Treasurer, at Rowland Water District, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.



# **Basic Financial Statements**

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 1,499,890	851,246
Accrued interest receivable	17,661	11,838
Accounts receivable	2,928,175	2,733,612
Prepaid expenses	<u>1,470</u>	<u>1,540</u>
<b>Total current assets</b>	<u>4,447,196</u>	<u>3,598,236</u>
<b>Restricted Assets</b>		
Cash and cash equivalents (note 2)	922,181	878,858
Accounts receivable	<u>10,831</u>	<u>10,831</u>
<b>Total restricted assets</b>	<u>933,012</u>	<u>889,689</u>
<b>Non-current assets:</b>		
Capital assets – being depreciated, net (note 3)	<u>1,391,191</u>	<u>1,419,371</u>
<b>Total non-current assets</b>	<u>1,391,191</u>	<u>1,419,371</u>
<b>Total assets</b>	<u>6,771,399</u>	<u>5,907,296</u>
<b>Current liabilities:</b>		
Accounts payable	3,336,498	2,733,008
Related party payables	<u>172,478</u>	<u>-</u>
<b>Total current liabilities</b>	<u>3,508,976</u>	<u>2,733,008</u>
<b>Total liabilities</b>	<u>3,508,976</u>	<u>2,733,008</u>
<b>Net position (note 4):</b>		
Net investment in capital assets	1,391,191	1,419,371
Restricted for capital asset repairs and replacement	933,012	889,689
Unrestricted	<u>938,220</u>	<u>865,228</u>
<b>Total net position</b>	<u><u>\$ 3,262,423</u></u>	<u><u>3,174,288</u></u>

See accompanying notes to the basic financial statements

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>		
Water sales to member agencies	\$ 18,223,432	17,528,825
Member agency assessments	<u>100,800</u>	<u>100,800</u>
<b>Total operating revenues</b>	<u>18,324,232</u>	<u>17,629,625</u>
<b>Operating expenses:</b>		
Water purchases	18,223,432	17,528,825
Maintenance	31,024	18,216
General and administrative	64,200	64,200
Insurance expense	2,282	2,296
Legal fees	215	245
Auditing	3,969	6,156
Other	<u>6,676</u>	<u>5,578</u>
<b>Total operating expenses</b>	<u>18,331,798</u>	<u>17,625,516</u>
<b>Operating income before depreciation</b>	(7,566)	4,109
Depreciation	<u>(28,180)</u>	<u>(28,180)</u>
<b>Operating loss</b>	<u>(35,746)</u>	<u>(24,071)</u>
<b>Non-operating revenue:</b>		
Investment income	80,425	30,974
Other non-operating revenue	<u>133</u>	<u>132</u>
<b>Total non-operating revenue</b>	<u>80,558</u>	<u>31,106</u>
<b>Net income before capital contributions</b>	<u>44,812</u>	<u>7,035</u>
<b>Capital contributions:</b>		
Surcharges	<u>43,323</u>	<u>43,323</u>
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>
<b>Changes in net position</b>	88,135	50,358
<b>Net position, beginning of period</b>	<u>3,174,288</u>	<u>3,123,930</u>
<b>Net position, end of period</b>	<u><u>\$ 3,262,423</u></u>	<u><u>3,174,288</u></u>

See accompanying notes to the basic financial statements

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash received from member agencies	\$ 18,129,669	18,293,181
Cash paid to vendors and suppliers for materials and services	<u>(17,555,760)</u>	<u>(18,284,169)</u>
<b>Net cash provided by operating activities</b>	<u>573,909</u>	<u>9,012</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital surcharge	<u>43,323</u>	<u>43,323</u>
<b>Net cash provided by capital and related financing activities</b>	<u>43,323</u>	<u>43,323</u>
<b>Cash flows from investing activities:</b>		
Investment income, net of fair value	<u>74,735</u>	<u>22,043</u>
<b>Net cash provided by investing activities</b>	<u>74,735</u>	<u>22,043</u>
<b>Net increase in cash and cash equivalents</b>	691,967	74,378
<b>Cash and cash equivalents – beginning of year</b>	<u>1,730,104</u>	<u>1,655,726</u>
<b>Cash and cash equivalents – end of year</b>	<u>\$ 2,422,071</u>	<u>1,730,104</u>
<b>Reconciliation of cash and cash equivalents to statements of financial position:</b>		
Cash and cash equivalents	\$ 1,499,890	851,246
Cash and cash equivalents – restricted	<u>922,181</u>	<u>878,858</u>
<b>Total cash and cash equivalents</b>	<u>\$ 2,422,071</u>	<u>1,730,104</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Operating loss	<u>\$ (35,746)</u>	<u>(24,071)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation	28,180	28,180
<b>Change in assets and liabilities:</b>		
(Increase) decrease in assets:		
Accounts receivable	(194,563)	663,556
Prepaid expenses	70	(82)
Increase (decrease) in liabilities:		
Accounts payable	<u>775,968</u>	<u>(658,571)</u>
<b>Total adjustments</b>	<u>609,655</u>	<u>33,083</u>
<b>Net cash provided by operating activities</b>	<u>\$ 573,909</u>	<u>9,012</u>

See accompanying notes to the basic financial statements

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The Pomona-Walnut-Rowland Joint Water Line Commission (Commission) was formed under the Joint Powers Agreement of 1956 between the City of Pomona, Walnut Valley Water District, and Rowland Water District (the Agreement) for the purpose of acquiring, constructing, maintaining, repairing, managing, operating, and controlling a water transmission pipeline for the benefit of the member agencies. The original agreement was for a term of fifty years and has resulted in substantial cost savings for each of its member agencies. On December 21, 2006, the Agreement was amended, restated, and renewed and will continue to be enforced for twenty years from this date, with three, ten-year extensions allowable upon written consent of each of the member agencies.

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

**B. Basis of Accounting and Measurement Focus**

The Commission reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Commission is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Commission. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which the Commission gives (receives) value without directly (giving) value in exchange.

**C. Financial Reporting**

The Commission's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Commission's proprietary fund.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

The Commission has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 99*

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

*Governmental Accounting Standards Board Statement No. 100*

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the Commission's cash is invested in interest bearing accounts. The Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**3. Investments and Investment Policy**

The Commission's investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Commission's investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Fair Value Measurements**

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation level is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

**5. Restricted Assets**

Restricted assets are financial resources generated for a specific purpose such as capital projects. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

The Commission's restricted assets are the accumulation of capital surcharges assessed to each member agency. These funds are restricted for major repairs and replacement of water.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**6. Accounts Receivable and Allowance for Uncollectible Accounts**

The Commission extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Commission uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2024 and 2023, there is no allowance for uncollectible accounts as management believes all accounts will be collected, respectively.

**7. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**8. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. Commission policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. 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.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Pipelines and improvements – 150 years
- Service connections – 150 years
- Telemetry systems – 10 years
- Valve replacements – 50 years

**9. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

**10. Water Sales and Services**

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

**11. Capital Contributions**

Capital contributions represent cash contributed to the Commission by member agencies for the cost of maintenance and operations of the pipeline.



**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**12. Budgetary Policies**

The Commission adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**(2) Cash and Cash Equivalents**

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

	<u><b>2024</b></u>	<u><b>2023</b></u>
Cash and cash equivalents	\$ 1,499,890	851,246
Cash and cash equivalents – restricted	<u>922,181</u>	<u>878,858</u>
Total cash and cash equivalents	<u><u>\$ 2,422,071</u></u>	<u><u>1,730,104</u></u>

Cash and cash equivalents as of June 30 consist of the following:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Deposits with financial institutions	\$ 862,557	245,192
Deposits in		
Local Agency Investment Fund (LAIF)	<u>1,559,514</u>	<u>1,484,912</u>
Total cash and cash equivalents	<u><u>\$ 2,422,071</u></u>	<u><u>1,730,104</u></u>

As of June 30, the Commission's authorized deposits had the following maturities:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Deposits in		
Local Agency Investment Fund (LAIF)	<u>217 days</u>	<u>260 days</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Cash Equivalents, continued**

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

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the Agency's money	None
Commercial Paper - Non-Pooled Funds (< \$100,000,000 investments)	270 days	25% of the Agency's money	None
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

***Investment in State Investment Pool***

The Commission is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Commission's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Cash Equivalents, continued**

***Interest Rate Risk***

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

***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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Commission's name.

***Credit Risk***

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.

***Concentration of Credit Risk***

The Commission's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Commission's deposit portfolio with governmental agencies, LAIF, is 64% and 86% as of June 30, 2024 and 2023, respectively, of the Commission's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Commission's total investments.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(3) Capital Assets**

Changes in capital assets for the year ended June 30, 2024, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,281,203	-	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,470,480</u>	<u>-</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(927,405)	(17,211)	-	(944,616)
Service connections	(38,111)	(569)	-	(38,680)
Telemetry system	(85,593)	(10,400)	-	(95,993)
Total accumulated depreciation	<u>(1,051,109)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,079,289)</u>
Total depreciable assets, net \$	<u>1,419,371</u>	<u>(28,180)</u>	<u>-</u>	<u>1,391,191</u>

Changes in capital assets for the year ended June 30, 2023, were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,281,203	-	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,470,480</u>	<u>-</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(910,194)	(17,211)	-	(927,405)
Service connections	(37,542)	(569)	-	(38,111)
Telemetry system	(75,193)	(10,400)	-	(85,593)
Total accumulated depreciation	<u>(1,022,929)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,051,109)</u>
Total depreciable assets, net \$	<u>1,447,551</u>	<u>(28,180)</u>	<u>-</u>	<u>1,419,371</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(4) Net Position**

Calculation of net position as of June 30, were as follows:

	<u>2024</u>	<u>2023</u>
<b>Net investment in capital assets:</b>		
Capital assets, net	\$ 1,391,191	1,419,371
<b>Restricted:</b>		
Capital asset repairs and replacement	933,012	889,689
<b>Unrestricted:</b>	<u>938,220</u>	<u>865,228</u>
<b>Total net position</b>	<u><u>\$ 3,262,423</u></u>	<u><u>3,174,288</u></u>

**(5) Risk Management**

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Commission is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2024, the Commission participated in the liability programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000 per occurrence. The JPIA purchases additional excess coverage layers up to \$55 million per occurrence total for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.
- The Commission participates in group purchase Cyber Liability made available for all Agencies participating in the Liability Program. It protects the Commission from risks relating to information technology infrastructure and activities by first and third parties. The limit is \$3,000,000 per loss/\$5,000,000 program annual aggregate.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Commission's insurance coverage during the fiscal years ended June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that has effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 101***

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

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

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, Continued**

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(7) Commitments and Contingencies**

***Litigation***

In the ordinary course of operations, the Commission is subject to claims and litigation from outside parties. After consultation with legal counsel, the Commission believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(8) Subsequent Events**

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of October 10, 2024, which is the date the financial statements were available to be issued.

**<Page Intentionally Left Blank>**



## **Supplementary Information**



**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2024**

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
<b>Operating revenues:</b>			
Water sales to member agencies	\$ 18,223,432	-	18,223,432
Member agency assessments	-	100,800	100,800
<b>Total operating revenues</b>	<u>18,223,432</u>	<u>100,800</u>	<u>18,324,232</u>
<b>Operating expenses:</b>			
Water purchases	18,223,432	-	18,223,432
Maintenance	31,024	-	31,024
General and administrative	-	64,200	64,200
Insurance expense	-	2,282	2,282
Legal fees	-	215	215
Auditing	-	3,969	3,969
Other	-	6,676	6,676
<b>Total operating expenses</b>	<u>18,254,456</u>	<u>77,342</u>	<u>18,331,798</u>
<b>Operating (loss) income before depreciatio</b>	(31,024)	23,458	(7,566)
Depreciation	(28,180)	-	(28,180)
<b>Operating (loss) income</b>	<u>(59,204)</u>	<u>23,458</u>	<u>(35,746)</u>
<b>Non-operating revenue:</b>			
Investment income	80,425	-	80,425
Other non-operating revenue	133	-	133
<b>Total non-operating revenue</b>	<u>80,558</u>	<u>-</u>	<u>80,558</u>
<b>Net income before capital contributions</b>	<u>21,354</u>	<u>23,458</u>	<u>44,812</u>
<b>Capital contributions:</b>			
Surcharges	43,323	-	43,323
<b>Total capital contributions</b>	<u>43,323</u>	<u>-</u>	<u>43,323</u>
<b>Changes in net position</b>	64,677	23,458	88,135
<b>Net position, beginning of period</b>	<u>2,935,583</u>	<u>238,705</u>	<u>3,174,288</u>
<b>Net position, end of period</b>	<u>\$ 3,000,260</u>	<u>262,163</u>	<u>3,262,423</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2023**

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
<b>Operating revenues:</b>			
Water sales to member agencies	\$ 17,528,825	-	17,528,825
Member agency assessments	-	100,800	100,800
<b>Total operating revenues</b>	<u>17,528,825</u>	<u>100,800</u>	<u>17,629,625</u>
<b>Operating expenses:</b>			
Water purchases	17,528,825	-	17,528,825
Maintenance	18,216	-	18,216
General and administrative	-	64,200	64,200
Insurance expense	-	2,296	2,296
Legal fees	-	245	245
Auditing	-	6,156	6,156
Other	-	5,578	5,578
<b>Total operating expenses</b>	<u>17,547,041</u>	<u>78,475</u>	<u>17,625,516</u>
<b>Operating (loss) income before depreciatio</b>	(18,216)	22,325	4,109
Depreciation	(28,180)	-	(28,180)
<b>Operating (loss) income</b>	<u>(46,396)</u>	<u>22,325</u>	<u>(24,071)</u>
<b>Non-operating revenue:</b>			
Unrealized loss on investments, net	30,974	-	30,974
Other non-operating revenue	132	-	132
<b>Total non-operating revenues, net</b>	<u>31,106</u>	<u>-</u>	<u>31,106</u>
<b>Net (loss) income before capital contributions</b>	<u>(15,290)</u>	<u>22,325</u>	<u>7,035</u>
<b>Capital contributions:</b>			
Surcharges	43,323	-	43,323
<b>Total capital contributions</b>	<u>43,323</u>	<u>-</u>	<u>43,323</u>
<b>Changes in net position</b>	28,033	22,325	50,358
<b>Net position, beginning of period</b>	<u>2,907,550</u>	<u>216,380</u>	<u>3,123,930</u>
<b>Net position, end of period</b>	<u>\$ 2,935,583</u>	<u>238,705</u>	<u>3,174,288</u>

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Schedule of Assets Invested in Capital Assets by Member Agency**  
**For the Fiscal Year Ended June 30, 2024**

	<b>City of Pomona</b>	<b>Walnut Valley Water District</b>	<b>Rowland Water District</b>	<b>Total</b>
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	\$ <u>661,501</u>	<u>1,098,251</u>	<u>710,728</u>	<u>2,470,480</u>

\* This schedule does not include accumulated depreciation

**Pomona-Walnut-Rowland Joint Water Line Commission**  
**Schedule of Assets Invested in Capital Assets by Member Agency**  
**For the Fiscal Year Ended June 30, 2023**

	<b>City of Pomona</b>	<b>Walnut Valley Water District</b>	<b>Rowland Water District</b>	<b>Total</b>
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	\$ <u>661,501</u>	<u>1,098,251</u>	<u>710,728</u>	<u>2,470,480</u>

\* This schedule does not include accumulated depreciation

# **Report on Internal Controls and Compliance**







Christopher J. Brown, CPA, CGMA  
Jonathan Abadesco, CPA  
Jeffrey Palmer

# C.J. Brown & Company CPAs

## An Accountancy Corporation

**Cypress Office:**  
10805 Holder Street, Suite 150  
Cypress, California 90630  
(657) 214-2307

**Riverside Office:**  
5051 Canyon Crest Drive, Suite 203  
Riverside, California 92507  
(657) 214-2307

### **Independent Auditor's Report on Internal Controls 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 Commissioners  
Pomona-Walnut-Rowland Joint Water Line Commission  
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 Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 10, 2024.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission'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*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

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

*C.J. Brown & Company, CPAs*

**C.J. Brown & Company, CPAs**  
Cypress, California  
October 10, 2024



**Urban Water Institute**  
14271 Jeffrey Road, #509  
Irvine, CA 92620  
(949) 679-9676

---

November 15, 2024

Dear Rowland Water District,

We are delighted to have you as a valued member of the Urban Water Institute (UWI). As a member in good standing, you have the opportunity to appoint a representative to serve on our Board of Directors.

This is an exciting opportunity to play an active role in shaping the future of water management. Our Board of Directors meets twice yearly on the first day of our Spring and Annual Conferences. These meetings provide a unique opportunity to influence conference topics/speakers and advise on the strategic direction of UWI. In addition to participating in the Board meetings, directors are encouraged to promote UWI membership, conferences and sponsorships to help grow the organization.

To nominate a representative, simply send your nominee's name, bio and professional headshot by January 31, 2025 to [admin@urbanwater.com](mailto:admin@urbanwater.com). Nominees will be voted in at our next Board meeting, scheduled for February 26, 2025 at 10am in Palm Springs.

To see the current list UWI Board members or find out more about our Board structure, visit our website at: [urbanwater.com/board-of-directors](https://urbanwater.com/board-of-directors). Please feel free to reach out with any questions you may have.

Respectfully,

Ane Deister,

UWI Executive Director



# IRS increases the standard mileage rate for business use in 2025; key rate increases 3 cents to 70 cents per mile

IR-2024-312, Dec. 19, 2024

WASHINGTON — The Internal Revenue Service today announced that the optional [standard mileage rate](#) for automobiles driven for business will increase by 3 cents in 2025, while the mileage rates for vehicles used for other purposes will remain unchanged from 2024.

Optional standard mileage rates are used to calculate the deductible costs of operating vehicles for business, charitable and medical purposes, as well as for [active-duty members of the Armed Forces who are moving](#).

Beginning Jan. 1, 2025, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 70 cents per mile [driven for business use](#), up 3 cents from 2024.
- 21 cents per mile driven for medical purposes, the same as in 2024.
- 21 cents per mile driven for moving purposes for qualified active-duty members of the Armed Forces, unchanged from last year.
- 14 cents per mile driven in service of charitable organizations, equal to the rate in 2024.

The rates apply to fully-electric and hybrid automobiles, as well as gasoline and diesel-powered vehicles.

While the mileage rate for charitable use is set by statute, the mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes, meanwhile, is based on only the variable costs from the annual study.

Under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. And only taxpayers who are members of the military on active duty may claim a deduction for moving expenses incurred while relocating under orders to a permanent change of station.

Use of the standard mileage rates is optional. Taxpayers may instead choose to calculate the actual costs of using their vehicle.

Taxpayers using the standard mileage rate for a vehicle they own and use for business must choose to use the rate in the first year the automobile is available for business use. Then, in later years, they can choose to use the standard mileage rate or actual expenses.

For a leased vehicle, taxpayers using the standard mileage rate must employ that method for the entire lease period, including renewals.

[Notice 2025-5](#) [PDF](#) contains the optional 2025 standard mileage rates, as well as the maximum automobile cost used to calculate mileage reimbursement allowances under a fixed-and variable rate (FAVR) plan. The notice also provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in 2025 for which employers may calculate mileage allowances using a cents-per-mile valuation rule or the fleet-average-valuation rule.

*Page Last Reviewed or Updated: 19-Dec-2024*



# Community Relations & Education

## January 2025 Update

### OUTREACH ENGAGEMENT

**Direct Install Program-** Rowland Water District has officially launched the Residential Water Survey and Irrigation Retrofit Program, funded by a \$25,000 MAAP grant issued by the Metropolitan Water District of Southern California (MWD). This initiative is designed to assist customers in conserving water and managing costs through a two-part approach.

The first part of the program offers a free Residential Water Survey to all residential customers, providing an evaluation of water usage both indoors and outdoors to identify potential areas for improvement. The second part focuses on an irrigation retrofit, which is available exclusively to customers identified as residing within Disadvantaged Communities (DACs). Customers participating in the retrofit are eligible for funding of up to \$650, which will be applied toward services provided by WaterWise Consulting, Inc. Any retrofit costs exceeding this amount will be the responsibility of the customer.

This program reflects the District's ongoing commitment to water conservation and resource efficiency within the community.

**FREE**

**RESIDENTIAL WATER SURVEY & IRRIGATION RETROFIT**

- ✓ Indoor & outdoor residential water survey is **FREE** to all customers.
- ✓ Irrigation retrofit is available to qualified residential customers who are in an identified Disadvantaged Community (DAC).

[WWW.RWD.ORG/DIRECT-INSTALL](http://WWW.RWD.ORG/DIRECT-INSTALL)



# Community Relations & Education

## January 2025 Update

**Conservation Campaign-** RWD staff developed a comprehensive marketing plan to align with the new water mandates and regulations. This plan includes media outreach, customer engagement, and incentives for water conservation. The first portion to launch are staff-created lightpost banners that will be hung along the north side of Colima Road targeting the many commuters and shoppers. In addition to lightpost banners, yard signs will be placed strategically around the entire service area and will be available for customers to request and put on their property (both residential and business customers).

### **Education Outreach:**

**Annual Poster Contest-** Staff has launched outreach for the 2025 Water Awareness Poster Contest targeting schools within RWD's service area. The deadline for poster submittals is March 27, 2025.

**Scholar Dollar Program-** The Scholar Dollar Program is currently underway for high schools in our service area. The deadline for high school seniors to submit their application is February 13, 2025.

**Splash Cash Program-** The District received and approved nine Splash Cash applications from Jellick Elementary, Northam Elementary, Rowland Elementary, Telesis Academy and Santana High School. A total allocation of \$13,252.50 in total will be awarded. PWAG CET will reimburse the District for one application amounting to \$1,500.

**Other Water Education/Outreach Activities** - Staff continues attending monthly Conservation and Education Team (CET) meetings. Teachers are encouraged to visit: <https://pwagcet.org/> for resources on water-related lessons and grants.

---

## SOCIAL MEDIA

---

Rowland Water District continually posts updates regarding District information, careers in water, conservation, and water education. These posts are shared on Facebook, Instagram X/Twitter, Nextdoor, and LinkedIn and YouTube when necessary. See below for our social media engagement:



# Community Relations & Education

## January 2025 Update



**CONSTANT CONTACT-** Electronic information sent to customer emails.

December 16, 2024- *2024 Holiday Office Closures*- 46% open rate.

**Total Active Contacts**-16,140





# WHAT'S YOUR *Water Footprint?*

TAKING STEPS TO SAVE

## *Rowland Water District – Board Report*

*January 14, 2025*



### *Earned Media Reach*

- Philippines Trip Release
- State of the District & Annual Report Release
- Splash Cash Release
- MAAP Funding Release



### *Customer Engagement*

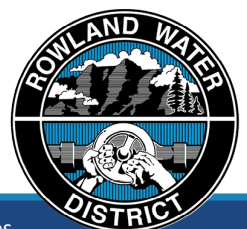
- Value Outreach Discussion & Concepts
- Value Video Series Plan Draft
- Updated Letterhead with New Board Positions



### *Communications Planning*

#### Outreach Plan Implementation for FY 24/25

- Direct customer communications
- Board engagement
- Awards submissions
- Multi-lingual efforts
- Earned media
- Social media strategies



## MARKING A YEAR OF ACHIEVEMENTS WHILE SETTING BOLD GOALS FOR THE FUTURE

BY ROWLAND WATER DISTRICT JAN 2, 2025 MEMBER SUBMITTED NEWS

ROWLAND HEIGHTS — Rowland Water District (RWD) staff received the District presentation to the Board of Directors and accolades from the District.

FIND US ON    

RWD.org



**Contact:** Tara Mulally | 510.300.5843

### **For Immediate Release:**

### **District Increases Environmental Awareness Through Local Classroom Funding**

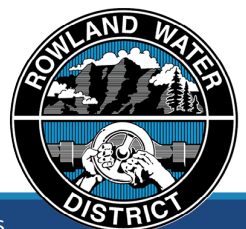
**Rowland Heights, CA (January 3, 2025)** — Rowland Water District (RWD) continues to demonstrate that it is a force for good in the community as its ongoing Splash Cash program awarded more than \$13,000 in grants for water education-related programs for the 2024-2025 school year.

While teachers have the flexibility to create their curriculum or programs, the overall theme is centered around increasing students' awareness of the importance of water as a natural resource in Southern California.

"The Splash Cash Program continues to be a huge success, and we are excited to witness the creative use of funds by our local teachers and students," said RWD Marketing & Social Media Coordinator Brittanie Gildea. "This program provides students with opportunities to go on educational field trips and engage them with hands-on curriculum. It's truly inspiring to see the incredible outcomes that this program offers our community."

The 2024-25 Splash Cash program awarded nine grants submitted from local teachers across five schools in the RWD service area. The winners included:

- Ms. Garrett of Rowland Elementary School
- Ms. Silvers of Rowland Elementary School
- Ms. Minette-Galindo of Northam Elementary School
- Ms. Leuthold of Santana High School
- Ms. Casas of Telesis Academy
- Dr. Navarro of Jellick Elementary School
- Ms. Velasco of Jellick Elementary School
- Ms. Willie of Jellick Elementary School
- Ms. Buck of Jellick Elementary School





YOUR BEST PROTECTION

## ACWA JPIA

P.O. Box 619082  
Roseville, CA  
95661-9082

phone  
916.786.5742  
800.231.5742

[www.acwajpia.com](http://www.acwajpia.com)

### Core Values

- People
- Service
- Integrity
- Innovation

12/2/2024

Rowland Water District (R006)  
3021 S. Fullerton Road  
Rowland Heights, CA 91748

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Rowland Water District (R006) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2025.

Sincerely,

Melody McDonald  
President

Enclosure: President's Special Recognition Award(s)



# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *Rowland Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Property Program for the period 07/01/2020 - 06/30/2023  
announced at the Board of Directors' Meeting in Palm Desert.*

*Melody McDonald*

*Melody McDonald, President*



*December 02, 2024*



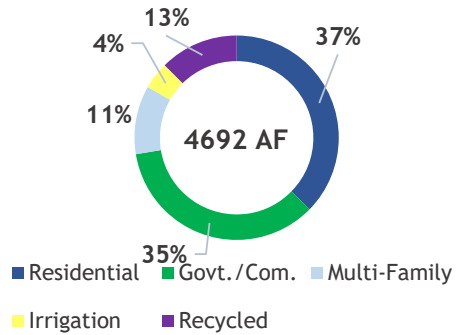


# ROWLAND WATER DISTRICT FINANCIAL DASHBOARD

## November 30, 2024



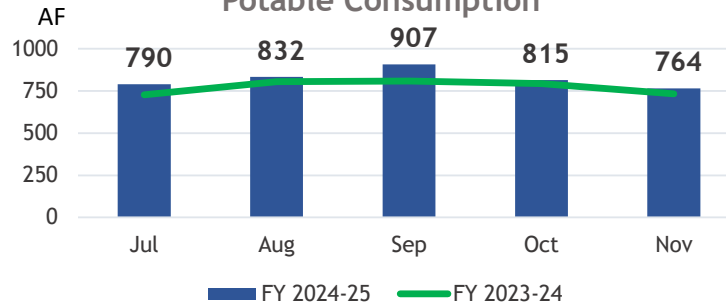
### Consumption by Class



106% of Prior Year

49% of Budget

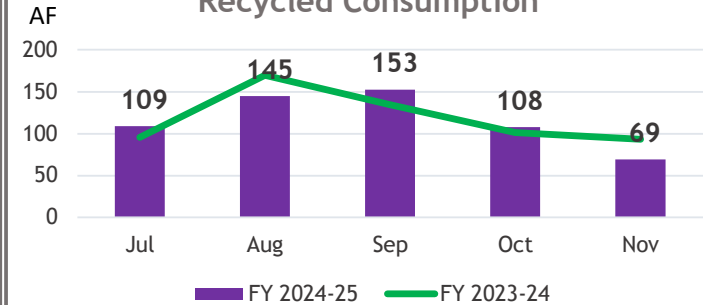
### Potable Consumption



98% of Prior Year

65% of Budget

### Recycled Consumption



YTD Revenue

\$14,985,186

47%

Annual Budget

\$31,669,600

YTD Expense

\$10,706,964

44%

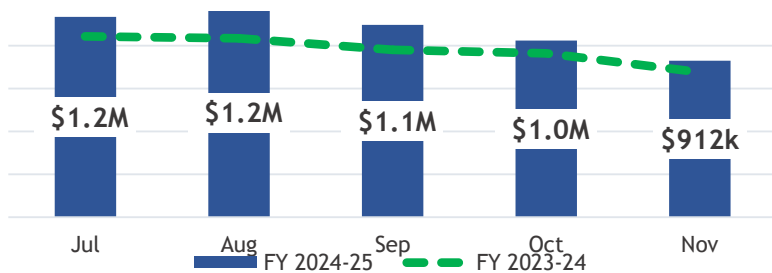
Annual Budget

\$24,063,300

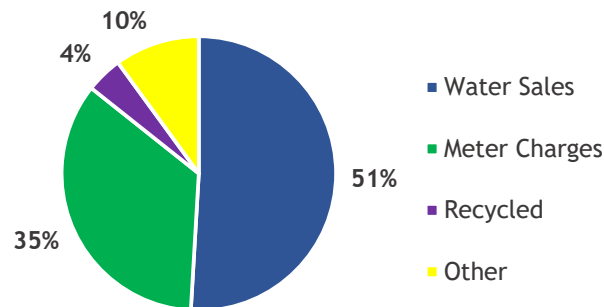
YTD Water Purchases  
of \$5.5 M

51% of YTD Expense

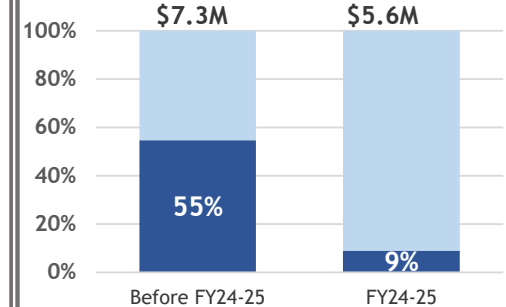
### Water Purchases



### Revenues by Category



### CIP Completion



- 357  
Low Income Assist.



- 81  
Turn-Offs



- 60  
New Applications



- 6869  
- 5052  
Paperless Bills  
Auto Pay



- 605  
Phone Calls