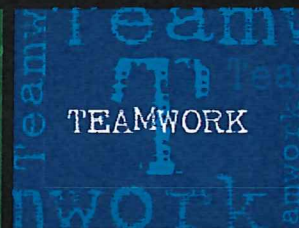
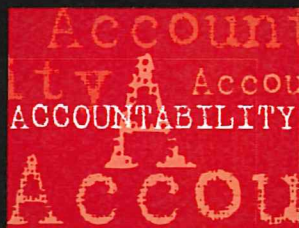
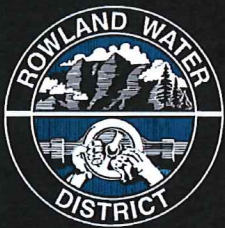


ROWLAND WATER DISTRICT

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

RWD BOARD VISION



Our Mission:

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

DEDICATED-RELIABLE-OUTSTANDING-PROFESSIONAL SERVICE"

**Board of Directors Adjourned Regular
Meeting
November 17, 2015
6:00 p.m.**



AGENDA

Adjourned Regular Meeting of the Board of Directors

November 17, 2015

6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

Szu Pei Lu-Yang, President

Robert W. Lewis, Vice President

Anthony J. Lima

John Bellah

Teresa P. Rios

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEMS

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

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

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

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

Tab 1 CONSENT CALENDAR

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

- 1.1 Approval of the Minutes of Regular Board Meeting held on October 13, 2015**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.2 Demands on General Fund Account for September 2015**
Recommendation: The Board of Directors approve the demands on the general fund account as presented.
- 1.3 Investment Report for September 2015**
Recommendation: The Board of Directors approve the Investment Report as presented.
- 1.4 Water Purchases for September 2015**
For information purposes only.

Next Regular Board Meeting: December 8, 2015, 6:00 p.m.

Tab 2 ACTION ITEMS

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

- 2.1 Review and Approve Directors' Meeting Reimbursements for October 2015**
Recommendation: The Board of Directors approve the Meeting Reimbursements as presented.
- 2.2 Discuss Termination of Memorandum of Agreement with *The Furman Group***
Recommendation: The Board of Directors approve the termination of the Agreement.
- 2.3 Receive and File Rowland Water District's Quarterly Investment Report as of September 30, 2015**
No recommendation provided.
- 2.4 Receive and File Rowland Water District's Statement of Operations For Period Ending September 30, 2015**
No recommendation provided.
- 2.5 Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2014-2015 Prepared by White Nelson Diehl Evans LLP**
No recommendation provided.

- 2.6 Approve NBS Proposal for a Water and Recycled Water Rate and Capacity Fee Study**
Recommendation: The Board of Directors the NBS Proposal as submitted.
- 2.7 Select Voting Delegate to Vote at the ACWA Fall Conference for ACWA President and Vice President for the 2016-2017 Term**
No recommendation provided.
- 2.8 Approve First Amendment to Joint Use Agreement and Agreement for Relocation of Waterlines – Alameda Corridor-East Project Nogales Street Grade Separation dated October 8, 2013**
Recommendation: The Board of Directors approve the Amendment as presented.
- 2.9 Discuss OPARC – Fire Hydrant Painting Program**
Intentionally left blank.
- 2.10 Public Relations (Rose Perea)**
- **Teachers’ Comments on Theatre Group Fall Tour October 5-13, 2015**
 - **Communications Outreach (CV Strategies)**
 - **Education Update**
- For information purposes only.*
- 2.11 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
- **Regional Chamber of Commerce San Gabriel Valley, Legislative Power Luncheon, November 20, 2015, 11:30 a.m., Diamond Bar Golf Course, 22751 Golden Springs Dr., Diamond Bar, CA**

Tab 3 LEGISLATIVE INFORMATION

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

Tab 4 REVIEW OF CORRESPONDENCE

Intentionally left blank.

Tab 5 COMMITTEE REPORTS

- 5.1 Three Valleys Municipal Water District (Directors Lu-Yang/Lima)**
- Agenda Regular Board Meeting held October 21, 2015
 - Action Line Regular Board Meeting held October 21, 2015
- 5.2 Joint Powers Insurance Authority (Director Lewis/Mr. Coleman)**
- ACWA JPIA Risk Assessment Visit Letter
- For information purposes only*

There are no tabs for the remainder of the meeting.

- 5.3 **Association of California Water Agencies** (Directors Lewis/Bellah)
- 5.4 **Puente Basin Water Agency** (Directors Lima/Lewis)
- 5.5 **Project Ad-Hoc Committee** (Directors Lima/Lu-Yang)
- 5.6 **Regional Chamber of Commerce-Government Affairs Committee**
(Directors Lewis/Bellah)
- 5.7 **PWR Joint Water Line Commission** (Directors Lima/Rios)
- 5.8 **Sheriff's Community Advisory Council** (Directors Lu-Yang/Rios)

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

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

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

Directors' and General Manager's Comments

Future Agenda Items

Late Business

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

ADJOURNMENT

President SZU PEI LU-YANG, Presiding

Tab

1.1



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
October 13, 2015 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None

OTHERS PRESENT:

Joseph Byrne, Legal Counsel, Best Best & Krieger
Erin La Combe Gilhuly, CV Strategies
Joe Ruzicka, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
David Malkin, Resident

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Rose Perea, Director of Administrative Services
Dave Warren, Director of Operations

ADDITION(S) TO THE AGENDA

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

2.3

Approve “Six Month Paid Internship Employment Agreement with Rowland Water District”

General Manager, Tom Coleman, discussed the provisions of the Agreement as it aligned with the Memorandum of Understanding (MOU) between the District and the Fairplex Education Foundation which was approved at the September 15, 2015 Board meeting. He requested that the Board approve the Agreement as presented providing staff with the flexibility to modify the Agreement as needed.

After Discussion, a motion was made by Director Lewis, seconded by Director Bellah, and unanimously carried, to approve the Agreement as presented with the provision that staff be allowed the flexibility to modify the Agreement as needed.

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

2.4

Approve Moving Forward with the Implementation of the ACWA/JPIA High Deductible Health Plan (HDHP) and Health Savings Account (HSA) and with the Preparation of the Appropriate Documentation to Finalize

After discussion and upon motion made by Director Lewis, seconded by Director Lima, and unanimously carried, staff was instructed to move forward with the implementation of the ACWA/JPIA HDHP and HSA and to prepare the necessary documentation in order to finalize in time for the 2017 enrollment period.

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

2.5

Public Relations (Rose Perea)

Mrs. Perea reported that staff is preparing for the Buckboard Days Parade to be held on October 17, 2015 and is getting the float ready for parade day. Brittnie Van de Car, Public Relations Representative, has scheduled 14 classroom presentations during the months of October and November. The rain barrel distribution took place on October 9, between the hours of 9:00 a.m. and 3:30 p.m. and it was a huge success. The District celebrated “Customer Appreciation Week” during the week of October 5-9, 2015, and distributed approximately 500 thank you envelopes containing poppy seeds, a pen and a refrigerator magnet to customers that came into the office and to those who picked up their rain barrels. Customers were provided coffee and cookies in the lobby on Monday, October 5, to jump start the week. “Staff Appreciation” week was celebrated in conjunction with the Customer Appreciation Week. Each day staff was provided with a different treat such as: popcorn on Monday, hot dogs on Tuesday, nacho bar on Wednesday, and cookie bar on Thursday, culminating with a Taco Man luncheon on Friday. Staff was very appreciative.

Communications Outreach (CV Strategies)

Erin La Combe-Gilhuly, CV Strategies, reported that the District's drought conservation efforts were featured in the September issue of the ACWA News. The truck "Drought/Conserve 20%" tailgate wraps were designed and produced by CV Strategies and the first three will be installed on District trucks tomorrow. The opinion piece on the conservation numbers and messaging regarding the struggles and challenges of the "one-size-fits-all" mandates handed down by the DWR is being drafted for publication in all local newspapers and media outlets. The press release on the re-appointments of Directors Rios and Lima has been prepared for distribution following their formal appointment by the Board of Supervisors in November. A press release will also be distributed to local media in connection with the Intern Program/District MOU with the Learning Center at the Fairplex.

Education Update

For information purposes only.

2.6

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

- **ACWA 2015 Regulatory Summit, October 14, 2015, 9:00 a.m.- 5:00 p.m., Doubletree Hotel, Ontario, CA**

Upon motion by Director Lima, seconded by Director Rios, and unanimously carried, the Board approved the attendance of Directors Lewis and Bellah at the Summit and authorized the payment of the stipend to each.

Staff was asked to make reservations for Directors Bellah and Lewis to attend.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Legal counsel, Joe Byrne, discussed several water bills which were recently adopted by the Legislature and signed by the Governor.

Tab 4 REVIEW OF CORRESPONDENCE

None.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Director Lima reported on the Board meeting held on October 7, 2015.

5.2

Joint Powers Insurance Authority

Director Lewis noted that a meeting will be held on November 30, 2015 prior to the commencement of the ACWA Fall Conference.

5.3

Association of California Water Agencies

Director Lewis advised that the Region 8 Slate had been elected.

5.4

Puente Basin Water Agency

Director Lima reported on the meeting held on October 8, 2015, and advised that the Cal Domestic project awarded to Doty Bros. has an anticipated completion date of February 2016. He also noted that progress with the WRRDA funding is presently stalled and requires legislative review and that due to the lack of congressional action, the contract with the Furman Group was terminated with the intention to move forward at a later date when Congress renews the WRRDA legislation.

5.5

Project Ad-Hoc Committee

Nothing to report.

5.6

Regional Chamber of Commerce

Director Lewis reported that the Public Policy Platform had been approved and that the operating procedures will be approved in December.

5.7

PWR Joint Water Line Commission

Director Lima reported that the next meeting will be held in October 15, 2015

5.8

Sheriff's Community Advisory Council

Nothing to report.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

Due to Mr. Henry's absence from the meeting, Mr. Warren provided the reports in the following order:

6.2

Finance Report

Director of Operations, Dave Warren, presented a water supply allocation chart which illustrated an 18.9% reduction in water sales for the second month in a row. The revenue impact of reduced demand through August is down and District reserves are up.

6.1

Operations Report

Mr. Warren also provided pictures of a new 16" service installation at Nogales and Valley. He provided an update on the Cal Domestic/RWD Interconnection Permit Amendment which was submitted for approval on October 5, 2015.

6.3

Personnel Report

Nothing to report.

Tab 7 ATTORNEY'S REPORT

Legal counsel's report was included in the Legislative Update portion of the Agenda.

Directors' and General Manager's Comments

Director Bellah provided his comments in connection with his attendance at the CUEMA Conference held on September 10, 2015, and the CSDA Conference held on September 21-24, 2015.

Director Rios thanked the District Public Relations Representative, Brittnie Van De Car, for her assistance in providing her with conservation information for distribution to her students.

Future Agenda Items

None.

Late Business

None.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:22 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
TOM COLEMAN
Board Secretary

Tab

1.2

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
20159						
09/15	09/02/2015	20159	1050	ACWA JOINT POWERS INSURANCE A	LIABILITY INSURANCE TO 10-01-16	32,350.00
Total 20159:						32,350.00
20160						
09/15	09/02/2015	20160	62528	AM CONSERVATION GROUP INC	SHOWERHEADS	1,372.00
Total 20160:						1,372.00
20161						
09/15	09/02/2015	20161	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE (2 MONTHS)	727.77
Total 20161:						727.77
20162						
09/15	09/02/2015	20162	62597	BEST BEST & KRIEGER	LEGAL FEES-GENERAL COUNSEL	3,005.55
09/15	09/02/2015	20162	62597	BEST BEST & KRIEGER	LEGAL FEES-LABOR & EMPLOYMENT	1,424.35
09/15	09/02/2015	20162	62597	BEST BEST & KRIEGER	LEGAL FEES-CELL LEASES & RELATED ISSUES	3,732.75
09/15	09/02/2015	20162	62597	BEST BEST & KRIEGER	LEGAL FEES-PP&E ANNUAL BILLING	2,100.00
Total 20162:						10,262.65
20163						
09/15	09/02/2015	20163	62524	BRITTNIE VAN DE CAR	MILEAGE REIMBURSEMENT	44.28
Total 20163:						44.28
20164						
09/15	09/02/2015	20164	62439	CVSTRATEGIES	COMMUNICATION SERVICES	6,531.41
Total 20164:						6,531.41
20165						
09/15	09/02/2015	20165	62505	D & H WATER SYSTEMS	1 PAX MIXER MODEL PWM-400 w/BALE HANDLE -	32,050.00
09/15	09/02/2015	20165	62505	D & H WATER SYSTEMS	RESERVOIR CONTROL SYSTEMS (RCS)	190,800.00
09/15	09/02/2015	20165	62505	D & H WATER SYSTEMS	TAX	23,270.75
Total 20165:						246,120.75
20166						
09/15	09/02/2015	20166	2125	DANIELS TIRE SERVICE	TIRES TRUCK 11	1,274.62
09/15	09/02/2015	20166	2125	DANIELS TIRE SERVICE	WHEEL ALIGNMENT-TRUCK 11	69.99
Total 20166:						1,344.61
20167						
09/15	09/02/2015	20167	16	DAVE WARREN	TOTAL EXPENSES-GAS	219.40
Total 20167:						219.40
20168						
09/15	09/02/2015	20168	32	DAVID A MILLER	MILEAGE REIMBURSEMENT	65.55

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20168:						65.55
20169						
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	90 POUND JACKHAMMER "APT"	939.53
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	14" CHAINSAW (MS211 14" BAR)	348.77
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	14" CHOP SAW (HUSQUARNA K760)	1,003.00
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	MULTIGRIP GA97HEA GENERATOR	4,309.41
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	WHEEL KIT FOR GENERATOR	174.70
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	BATTERY FOR GENERATOR	94.59
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	100' PULLING CABLES	84.12
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	WILDEN XP58 2" PUMP	2,040.56
09/15	09/02/2015	20169	62351	ELITE EQUIPMENT INC.	2" x 20" SUCTION HOSE W/SCREEN	830.65
Total 20169:						9,825.33
20170						
09/15	09/02/2015	20170	24701	GRAINGER	TOOLS & SUPPLIES	160.36
09/15	09/02/2015	20170	24701	GRAINGER	BALLAST	161.04
Total 20170:						321.40
20171						
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	1,261.26
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	577.01
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	47.58
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	84.24
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	167.97
09/15	09/02/2015	20171	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIAL FOR RCS	29.91
Total 20171:						2,167.97
20172						
09/15	09/02/2015	20172	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.67
09/15	09/02/2015	20172	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
Total 20172:						6,973.67
20173						
09/15	09/02/2015	20173	27211	HILL BROS CHEMICAL CO	SUPPLIES FOR RES	1,034.19
Total 20173:						1,034.19
20174						
09/15	09/02/2015	20174	244	INFOSEND INC	BILLING SERVICE	1,677.52
Total 20174:						1,677.52
20175						
09/15	09/02/2015	20175	3105	JACK'S LOCK & KEY	KEYS	82.84
Total 20175:						82.84
20176						
09/15	09/02/2015	20176	3300	LAGERLOF SENEAL ET AL	LA REGION=NPDES PERMIT	311.67

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20176:						311.67
20177						
09/15	09/02/2015	20177	28	MARCOS ASPEITIA IV	MILEAGE REIMBURSEMENT	55.20
Total 20177:						55.20
20178						
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	706.04
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	CREDIT MEMO	311.29-
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	189.46
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	780.46
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	32.01
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	224.12
09/15	09/02/2015	20178	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	171.90
Total 20178:						1,792.70
20179						
09/15	09/02/2015	20179	62448	PARS	GASBY 45 MANAGEMENT FEE	391.15
Total 20179:						391.15
20180						
09/15	09/02/2015	20180	62630	PEP BOYS	SUPPLIES FOR VEHICLES	124.57
09/15	09/02/2015	20180	62630	PEP BOYS	SUPPLIES FOR VEHICLES	16.35
Total 20180:						140.92
20181						
09/15	09/02/2015	20181	5100	PUENTE READY MIX INC	WASH CONCRETE SAND	732.01
Total 20181:						732.01
20182						
09/15	09/02/2015	20182	62447	REEB GOVERNMENT RELATIONS LLC	LOBBYIST	1,500.00
Total 20182:						1,500.00
20183						
09/15	09/02/2015	20183	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	305.20
09/15	09/02/2015	20183	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	844.76
09/15	09/02/2015	20183	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	309.87
Total 20183:						1,459.83
20184						
09/15	09/02/2015	20184	3550	SOUTHERN COUNTIES FUELS	DIESEL CLEAR	1,050.00
09/15	09/02/2015	20184	3550	SOUTHERN COUNTIES FUELS	CREDIT TAX	98.77-
Total 20184:						951.23
20185						
09/15	09/02/2015	20185	6500	THERMALAIR INC	MAINTENANCE SERVICE	412.79

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20185:						412.79
20186						
09/15	09/02/2015	20186	62577	TOM COLEMAN	TOTAL EXPENSES-D5 EXAM	120.00
Total 20186:						120.00
20187						
09/15	09/02/2015	20187	62625	ULINE, INC	MATERIAL FOR RCS	1,943.97
09/15	09/02/2015	20187	62625	ULINE, INC	WHITE LIT MAILER 50/1600	53.48
Total 20187:						1,997.45
20188						
09/15	09/02/2015	20188	2900	VULCAN MATERIAL COMPANY	COLD MIX	1,444.14
Total 20188:						1,444.14
20233						
09/15	09/15/2015	20233	4750	PWR JT WATER LINE COMMISSION	569.6 AC FT-JULY 2015 WATER	512,070.40
09/15	09/15/2015	20233	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	11,348.45
09/15	09/15/2015	20233	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,137.31
09/15	09/15/2015	20233	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	2,208.05
Total 20233:						526,764.21
20234						
09/15	09/15/2015	20234	117	ACE PELIZON PLUMBING INC	NEW URINAL SET UP	999.20
Total 20234:						999.20
20235						
09/15	09/15/2015	20235	1000	ACWA/JPIA	EMPLOYEE HEALTH BENEFITS	37,329.12
09/15	09/15/2015	20235	1000	ACWA/JPIA	EMPLOYEE VISION BENEFITS	487.14
09/15	09/15/2015	20235	1000	ACWA/JPIA	EMPLOYEE ASSISTANCE PROGRAM	58.19
09/15	09/15/2015	20235	1000	ACWA/JPIA	DIRECTORS HEALTH BENEFITS	6,945.26
09/15	09/15/2015	20235	1000	ACWA/JPIA	RETIREEES HEALTH BENEFITS	10,474.44
Total 20235:						55,294.15
20236						
09/15	09/15/2015	20236	62528	AM CONSERVATION GROUP INC	FROG MOISTURE METER	1,690.00
09/15	09/15/2015	20236	62528	AM CONSERVATION GROUP INC	HOSE NOZZLE BLUE	785.00
Total 20236:						2,475.00
20237						
09/15	09/15/2015	20237	1165	ANTIMITE TERMITE & PEST	MONTHLY PEST CONTROL SERVICE	105.00
Total 20237:						105.00
20238						
09/15	09/15/2015	20238	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	275.14
Total 20238:						275.14

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount	
20239	09/15	09/15/2015	20239	1079	CA-NV SECTION AWWA	CROSS CONNECTION SPECIALIST RENEWAL-DAV	80.00
Total 20239:						80.00	
20240	09/15	09/15/2015	20240	62552	CINTAS CORP-FIRST AID & SAFETY	FIRST AID-CLEANED, ORGANIZED & RESTOCKED	608.14
Total 20240:						608.14	
20241	09/15	09/15/2015	20241	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	3,034.67
Total 20241:						3,034.67	
20242	09/15	09/15/2015	20242	21051	CULVER COMPANY INC	WATER DROP RULERS	1,072.67
Total 20242:						1,072.67	
20243	09/15	09/15/2015	20243	62631	CW WULFF ASSOCIATES	D4 & D5 EXAM REVIEW WORKSHOP	5,100.00
Total 20243:						5,100.00	
20244	09/15	09/15/2015	20244	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	2,100.00
Total 20244:						2,100.00	
20245	09/15	09/15/2015	20245	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	174.35
Total 20245:						174.35	
20246	09/15	09/15/2015	20246	2300	FEDERAL EXPRESS	POSTAGE	37.92
Total 20246:						37.92	
20247	09/15	09/15/2015	20247	24701	GRAINGER	TOOLS & SUPPLIES	119.38
Total 20247:						119.38	
20248	09/15	09/15/2015	20248	2690	HARPER & ASSOCIATES ENG.	Engineering services prep of tech and inspection of Re	7,831.25
09/15	09/15/2015	20248	2690	HARPER & ASSOCIATES ENG.	Engineering services tech specs and inspection for Re	5,685.00	
Total 20248:						13,516.25	
20249	09/15	09/15/2015	20249	379	HIGHROAD INFORMATION TECHNOL	ANTI-SPAM EDITION SMA RENEWAL FOR 1 YR FO	1,457.00
Total 20249:						1,457.00	

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
20250						
09/15	09/15/2015	20250	62265	HI-WAY SAFETY INC	MESSAGE BOARD TRAILER 96LE3, 96X48	16,154.94
Total 20250:						16,154.94
20251						
09/15	09/15/2015	20251	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	712.74
09/15	09/15/2015	20251	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	1,081.08
09/15	09/15/2015	20251	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	712.26
Total 20251:						2,506.08
20252						
09/15	09/15/2015	20252	244	INFOSEND INC	BILLING SERVICE	1,581.12
09/15	09/15/2015	20252	244	INFOSEND INC	BILLING SERVICE	2,130.86
Total 20252:						3,711.98
20253						
09/15	09/15/2015	20253	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	288.24
09/15	09/15/2015	20253	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	145.86
09/15	09/15/2015	20253	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	390.96
Total 20253:						825.06
20254						
09/15	09/15/2015	20254	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
09/15	09/15/2015	20254	62066	JANITORIAL SYSTEMS	WINDOW CLEANING INSIDE & OUT	300.00
Total 20254:						900.00
20255						
09/15	09/15/2015	20255	62272	MAIN SAN GABRIEL BASIN	WATER PRODUCED FISCAL YR 2014-15	54,356.10
Total 20255:						54,356.10
20256						
09/15	09/15/2015	20256	62573	MANAGED MOBILE INC	90 DAY INSPECTION FOR TRAILER	165.68
Total 20256:						165.68
20257						
09/15	09/15/2015	20257	62601	ORCHARD DALE WATER DISTRICT	WHEELING AGREEMENT-ODWD	44.47
Total 20257:						44.47
20258						
09/15	09/15/2015	20258	62612	RENE'S TIRE SERVICE INC	TIRE REPAIR	10.00
Total 20258:						10.00
20259						
09/15	09/15/2015	20259	62611	RITA GIACALONE Ph.D.	CONSULTING SERVICES	6,701.06
Total 20259:						6,701.06

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
20260						
09/15	09/15/2015	20260	62562	RMC WATER AND ENVIRONMENT	Engineering Services	20,127.35
09/15	09/15/2015	20260	62562	RMC WATER AND ENVIRONMENT	RECYCLED WATER ON CALL SERVICES	1,768.75
09/15	09/15/2015	20260	62562	RMC WATER AND ENVIRONMENT	POTABLE WATER ON CALL SERVICES	12,313.50
09/15	09/15/2015	20260	62562	RMC WATER AND ENVIRONMENT	PHASE 2 GRADE SEPARATION	103.40
09/15	09/15/2015	20260	62562	RMC WATER AND ENVIRONMENT	Engineering Services July 1 to Aug 14, 2015	11,634.20
Total 20260:						45,947.20
20261						
09/15	09/15/2015	20261	62062	ROBERT LEAMY	MILEAGE REIMBURSEMENT	62.10
Total 20261:						62.10
20262						
09/15	09/15/2015	20262	62460	RYAN WHITE	MILEAGE REIMBURSEMENT	43.13
09/15	09/15/2015	20262	62460	RYAN WHITE	TOTAL EXPENSES-D3 RENEWAL	90.00
Total 20262:						133.13
20263						
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	1" ARI AV/AR VLV #D-040P01WS W/SCREEN	2,917.00
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	2" ARI AV/AR VLV #D-040P01WS W/SCREEN	2,066.70
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	MPW AERVOE MARKING PAINT 20 OZ WHITE #207	51.00
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	MPW AERVOE MARKING PAINT 20 OZ PURPLE #20	508.72
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	HE68 6" x 6" CI HYD EXT CL BO 8H	227.16
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	C865CCDC8 CLOW 865 FIRE HYD DC 8H	3,507.84
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	HE188 6" X 18" CI HYD EXT CL BO 8H	733.23
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	512.19
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	1,576.86
09/15	09/15/2015	20263	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	13.63
Total 20263:						12,114.33
20264						
09/15	09/15/2015	20264	339	S C W U A	VENDORS FAIR REGISTRATIONS (13)	325.00
Total 20264:						325.00
20265						
09/15	09/15/2015	20265	5750	SHERWIN WILLIAMS	PAINT	258.55
Total 20265:						258.55
20266						
09/15	09/15/2015	20266	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	1,264.65
Total 20266:						1,264.65
20267						
09/15	09/15/2015	20267	6500	THERMALAIR INC	REPLACE CONDENSER FAN MOTOR	1,050.00
09/15	09/15/2015	20267	6500	THERMALAIR INC	REPAIRED WIRING & REPLACED FAN BLADE	625.64
Total 20267:						1,675.64
20268						
09/15	09/15/2015	20268	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	1,221.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20268:						1,221.00
20269						
09/15	09/15/2015	20269	62568	XCEPTIONAL NETWORKS, INC	UPLOAD ON HOLD MESSAGE & FIX BOARDROOM	47.50
Total 20269:						47.50
20270						
09/15	09/15/2015	20270	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	6.67
Total 20270:						6.67
20271						
09/15	09/25/2015	20271	750	A & B ELECTRIC	INSTALL POWER & CONNECT NEW MAG METER F	1,552.67
09/15	09/25/2015	20271	750	A & B ELECTRIC	MOUNT & WIRE IN NEW PAX MIXER	3,020.20
09/15	09/25/2015	20271	750	A & B ELECTRIC	INSTALLED ELECTRICAL FOR PAX MIXER & OTHE	4,603.87
Total 20271:						9,176.74
20272						
09/15	09/25/2015	20272	400	AT&T MOBILITY	MOBILE PHONES, IPADS	1,994.03
Total 20272:						1,994.03
20273						
09/15	09/25/2015	20273	62432	AZUSA LAND RECLAMATION	HAUL DIRT	150.00
Total 20273:						150.00
20274						
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	25.00
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	475.00
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	120.96
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	15.70
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	160.80
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	630.13
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	851.23
09/15	09/25/2015	20274	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	53.17
Total 20274:						2,331.99
20275						
09/15	09/25/2015	20275	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 20275:						430.00
20276						
09/15	09/25/2015	20276	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,214.00
Total 20276:						1,214.00
20277						
09/15	09/25/2015	20277	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	27,619.86
Total 20277:						27,619.86

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
20278						
09/15	09/25/2015	20278	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,968.75
Total 20278:						1,968.75
20279						
09/15	09/25/2015	20279	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	137.75
Total 20279:						137.75
20280						
09/15	09/25/2015	20280	24701	GRAINGER	TOOLS & SUPPLIES	161.04
09/15	09/25/2015	20280	24701	GRAINGER	SINGLE DRUM SPILL CONTAINER 65 GAL	144.22
Total 20280:						305.26
20281						
09/15	09/25/2015	20281	2690	HARPER & ASSOCIATES ENG.	Harper tech of spec and inspection Res. 13	5,145.00
09/15	09/25/2015	20281	2690	HARPER & ASSOCIATES ENG.	Engineering services for prep of tech specs and inspec	6,405.00
Total 20281:						11,550.00
20282						
09/15	09/25/2015	20282	62112	HERCULES INDUSTRIES INC.	MATERIAL FOR RES	727.70
Total 20282:						727.70
20283						
09/15	09/25/2015	20283	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
09/15	09/25/2015	20283	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.67
Total 20283:						6,973.67
20284						
09/15	09/25/2015	20284	27211	HILL BROS CHEMICAL CO	SUPPLIES FOR RES	1,034.19
Total 20284:						1,034.19
20285						
09/15	09/25/2015	20285	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	10,123.39
Total 20285:						10,123.39
20286						
09/15	09/25/2015	20286	244	INFOSEND INC	BILLING SERVICE	34.81
Total 20286:						34.81
20287						
09/15	09/25/2015	20287	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	491.60
Total 20287:						491.60
20288						
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	156.39
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	151.94
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	245.31

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	154.85
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPLIES FOR RES	309.95
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	174.78
09/15	09/25/2015	20288	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	76.66
Total 20288:						1,269.88
20289						
09/15	09/25/2015	20289	62610	LA HABRA HEIGHTS COUNTY WATER	WHEELING CHARGE-LHH	205.50
09/15	09/25/2015	20289	62610	LA HABRA HEIGHTS COUNTY WATER	WATER PURCHASE	1,691.47
Total 20289:						1,896.97
20290						
09/15	09/25/2015	20290	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RES	183.67
09/15	09/25/2015	20290	257	MCMaster-CARR SUPPLY CO	MATERIAL FOR RCS	17.61
Total 20290:						201.28
20291						
09/15	09/25/2015	20291	62476	NETWORKFLEET INC	MONTHLY SERVICE	399.20
Total 20291:						399.20
20292						
09/15	09/25/2015	20292	189	NOBEL SYSTEMS	GIS SUBSCRIPTION	5,000.00
Total 20292:						5,000.00
20293						
09/15	09/25/2015	20293	62448	PARS	POST RETIREMENT HEALTH CARE PLAN FEES	402.15
Total 20293:						402.15
20294						
09/15	09/25/2015	20294	62630	PEP BOYS	AUTO SUPPLIES	32.68
Total 20294:						32.68
20295						
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR LA HABRA HEIGHTS MAINTEN	10,322.82
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES SIX BASIN	19,897.52
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESEMENT FOR LA HABRA OPERATING EXPEN	390.64
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	1,732.50
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR SIX BASIN GROUNDWATER PR	287,187.96
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	3,360.00
09/15	09/25/2015	20295	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	1,154.48
Total 20295:						324,045.92
20296						
09/15	09/25/2015	20296	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	91.56
Total 20296:						91.56
20297						
09/15	09/25/2015	20297	62534	SHRED IT USA	SHREDDING SERVICE	81.60

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20297:						81.60
20298						
09/15	09/25/2015	20298	6075	STAPLES CREDIT PLAN	OFFICE SUPPLIES	71.41
Total 20298:						71.41
20299						
09/15	09/25/2015	20299	6600	THREE VALLEYS MUN WATER DIST	LEADERSHIP BREAKFAST-RESERVATIONS 9	180.00
Total 20299:						180.00
20300						
09/15	09/25/2015	20300	62395	TRANSWORLD SYSTEMS INC	COLLECTION FEES	2,538.44
Total 20300:						2,538.44
20301						
09/15	09/25/2015	20301	62626	TRI COUNTY PUMP COMPANY	BOOSTER 4 PUMP:REMOVE PUMP & TRANSPORT	2,075.00
09/15	09/25/2015	20301	62626	TRI COUNTY PUMP COMPANY	DISASSEMBLE, INSPECT, DOCUMENT & ADVISE	680.00
Total 20301:						2,755.00
20302						
09/15	09/25/2015	20302	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	214.50
Total 20302:						214.50
20303						
09/15	09/25/2015	20303	323	UPS	POSTAGE	22.87
Total 20303:						22.87
20304						
09/15	09/25/2015	20304	62353	VERIZON BUSINESS	PHONE SYSTEM-VOIP/VOICE LINE	904.64
Total 20304:						904.64
20305						
09/15	09/25/2015	20305	382	W A RASIC CONSTRUCTION CO INC	RECLAIM WATER REPAIR-EPPERSON & ARENTH	9,209.80
Total 20305:						9,209.80
20306						
09/15	09/25/2015	20306	7700	WALNUT VALLEY WATER DISTRICT	DISTRICT COSTS-INVENTORY ITEMS FOR THE SIX	174.94
Total 20306:						174.94
20307						
09/15	09/25/2015	20307	205	WARREN GRAPHICS	LETTERHEAD, WINDOW & REG ENVELOPES	587.25
Total 20307:						587.25
20308						
09/15	09/25/2015	20308	2212	WHITE NELSON DIEHL EVANS LLP	FIRST INTERIM BILLING FISCAL YR 6/30/15	13,000.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20308:						13,000.00
20309						
09/15	09/25/2015	20309	321	WIENHOFF DRUG TESTING INC	PRE-EMPLOYEMENT TEST	65.00
Total 20309:						65.00
20310						
09/15	09/25/2015	20310	62568	XCEPTIONAL NETWORKS, INC	MONTHLY AGREEMENT	300.00
Total 20310:						300.00
20311						
09/15	09/25/2015	20311	62485	YOUTH SCIENCE CENTER	SPONSORSHIP-FIFTH GRAD WATER EDUCATION	2,500.00
Total 20311:						2,500.00
20312						
09/15	09/30/2015	20312	62524	BRITTNIE VAN DE CAR	MILEAGE REIMBURSEMENT	67.85
09/15	09/30/2015	20312	62524	BRITTNIE VAN DE CAR	TOTAL EXPENSES-MWD EDUCATION MEETING	12.60
Total 20312:						80.45
20313						
09/15	09/30/2015	20313	62548	CORPORATE BUSINESS INTERIORS	BALANCE-CUSTOMER SERVICE RECONFI	4,957.00
Total 20313:						4,957.00
20314						
09/15	09/30/2015	20314	2075	CROCKER SIGNS & SCREEN PRINTIN	SERIOUS DOUGHT SIGNS	861.10
Total 20314:						861.10
20315						
09/15	09/30/2015	20315	34	CRYSTAL RODRIGUEZ	TOTAL EXPENSES-CUSTOMER SERVICE APPRECI	333.44
Total 20315:						333.44
20316						
09/15	09/30/2015	20316	2125	DANIELS TIRE SERVICE	TIRE TRUCK 5	156.79
Total 20316:						156.79
20317						
09/15	09/30/2015	20317	15	DAVE SHUBIN	MILEAGE REIMBURSEMENT	115.00
Total 20317:						115.00
20318						
09/15	09/30/2015	20318	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 20318:						170.00
20319						
09/15	09/30/2015	20319	62526	HARRINGTON INDUSTRIAL PLASTICS	MATERIALS FOR RCS	202.07

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 20319:						202.07
20320						
09/15	09/30/2015	20320	379	HIGHROAD INFORMATION TECHNOL	500 GB HARD DRIVE FOR DUSTY'S PC	309.30
Total 20320:						309.30
20321						
09/15	09/30/2015	20321	244	INFOSEND INC	BILLING SERVICE	3,131.66
Total 20321:						3,131.66
20322						
09/15	09/30/2015	20322	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	249.90
09/15	09/30/2015	20322	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	326.67
09/15	09/30/2015	20322	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	186.73
09/15	09/30/2015	20322	62624	INTER VALLEY POOL SUPPLY INC	SUPPLIES FOR RES	30.66
Total 20322:						793.96
20323						
09/15	09/30/2015	20323	62581	KELLER AMERICA, INC	LEVEL TRANSMITTER	696.26
Total 20323:						696.26
20324						
09/15	09/30/2015	20324	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	255.96
09/15	09/30/2015	20324	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	782.69
09/15	09/30/2015	20324	62583	LINCOLN FINANCIAL GROUP	DIRECTORS LIFE & AD&D BENEFITS	34.40
Total 20324:						1,073.05
20325						
09/15	09/30/2015	20325	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	226.10
09/15	09/30/2015	20325	257	MCMASTER-CARR SUPPLY CO	MATERIAL FOR RCS	383.64
Total 20325:						609.74
20326						
09/15	09/30/2015	20326	62596	NATIONAL METER & AUTOMATION, IN	12" M2000 MAG METER W/HARD RUBBER LINER,	5,353.14
Total 20326:						5,353.14
20327						
09/15	09/30/2015	20327	62582	PACIFIC HYDROTECH CORPORATION	Payment 12 Invoice C131412	52,563.70
Total 20327:						52,563.70
20328						
09/15	09/30/2015	20328	46201	PITNEY BOWES GLOBAL FINANCIAL	POSTAGE METER-QUARTERLY BILL	263.28
Total 20328:						263.28
20329						
09/15	09/30/2015	20329	62125	PREMIER ACCESS	EMPLOYEES' DENTAL BENEFITS	2,814.60
09/15	09/30/2015	20329	62125	PREMIER ACCESS	RETIREEES' DENTAL BENEFITS	690.25

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
09/15	09/30/2015	20329	62125	PREMIER ACCESS	DIRECTORS DENTAL BENEFITS	552.73
Total 20329:						4,057.58
20330						
09/15	09/30/2015	20330	335	PUBLIC SAFETY APPREC LUNCHEON	2015-PUBLIC SAFETY LUCHEON	300.00
Total 20330:						300.00
20331						
09/15	09/30/2015	20331	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	1,170.00
09/15	09/30/2015	20331	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES SIX BASIN	22,479.03
09/15	09/30/2015	20331	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEES SIX BASIN	441.23
Total 20331:						24,090.26
20332						
09/15	09/30/2015	20332	62562	RMC WATER AND ENVIRONMENT	PHASE 2 GRADE SEPARATION	10,383.00
09/15	09/30/2015	20332	62562	RMC WATER AND ENVIRONMENT	Engineering services 8-1-2015 to 8-31-2015	5,452.90
Total 20332:						15,835.90
20333						
09/15	09/30/2015	20333	62084	WESTIN ENGINEERING INC	ENGINEERING-CMMS IMPLEMENTATION	1,240.00
Total 20333:						1,240.00
20334						
09/15	09/30/2015	20334	7975	WEWAC	WEWAC PROGRAMS FOR 2015-16	1,500.00
Total 20334:						1,500.00
91515						
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	317,436.90
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,409.90
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,665.02
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,360.71
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	9,993.79
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	MWD LRP CREDIT	18,380.00
09/15	09/15/2015	91515	62558	PUENTE BASIN WATER AGENCY	WATER RESEARCH FOUNDATION DUES	1,030.00
Total 91515:						314,516.32
91815						
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	201.07
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	88.28
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	408.44
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	262.48
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	681.38
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	6,863.96
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	723.05
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	69.45
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	65.00
09/15	09/18/2015	91815	1070	AMERICAN EXPRESS	CONFERENCE, MEETINGS & MISC EXPENSES	6,104.30
Total 91815:						15,467.41

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
92815						
09/15	09/28/2015	92815	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,290.38
09/15	09/28/2015	92815	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	29,613.43
Total 92815:						<u>32,903.81</u>
Grand Totals:						<u><u>2,017,864.70</u></u>

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11141-0	268,413.30	.00	268,413.30
11184-0	4,957.00	.00	4,957.00
11185-0	16,563.38	.00	16,563.38
11505-0	126,570.80	.00	126,570.80
222100	18,790.06	2,036,654.76-	2,017,864.70-
51210-0	1,691.47	.00	1,691.47
51310-0	883,863.40	18,380.00-	865,483.40
51410-1	3,568.76	.00	3,568.76
51410-2	2,547.21	.00	2,547.21
51410-3	1,665.02	.00	1,665.02
51410-5	21,342.24	.00	21,342.24
51510-0	28,840.86	.00	28,840.86
51610-0	249.97	.00	249.97
51910-0	4,514.48	.00	4,514.48
52210-0	2,755.00	.00	2,755.00
52310-0	39,736.82	.00	39,736.82
54209-0	9,209.80	.00	9,209.80
54210-0	6,170.91	.00	6,170.91
54211-0	1,956.33	.00	1,956.33
54212-0	6,905.81	.00	6,905.81
54213-0	6,581.39	311.29-	6,270.10
54214-0	1,978.29	.00	1,978.29
54215-0	4,861.37	.00	4,861.37
54216-0	696.26	.00	696.26
54219-0	340,894.14	.00	340,894.14
56210-0	3,208.64	98.77-	3,109.87
56211-0	793.30	.00	793.30
56212-0	69.45	.00	69.45
56214-0	1,336.06	.00	1,336.06
56215-0	2,620.00	.00	2,620.00
56216-0	1,509.14	.00	1,509.14
56217-0	459.78	.00	459.78
56218-0	11,762.65	.00	11,762.65
56218-1	2,902.50	.00	2,902.50
56218-2	311.67	.00	311.67
56219-0	7,273.56	.00	7,273.56
56220-0	15,713.64	.00	15,713.64
56221-0	13,708.38	.00	13,708.38
56223-0	1,156.38	.00	1,156.38
56310-0	32,350.00	.00	32,350.00
56312-0	23,193.47	.00	23,193.47
56320-0	13,337.07	.00	13,337.07
56411-0	37,329.12	.00	37,329.12

GL Account	Debit	Credit	Proof
56413-0	2,814.60	.00	2,814.60
56415-0	487.14	.00	487.14
56416-0	255.96	.00	255.96
56417-0	11,164.69	.00	11,164.69
56418-0	782.69	.00	782.69
56419-0	58.19	.00	58.19
56421-0	7,532.39	.00	7,532.39
56710-0	6,515.65	.00	6,515.65
56811-0	13,000.00	.00	13,000.00
56812-0	4,768.08	.00	4,768.08
57312-0	6,836.55	.00	6,836.55
57314-0	3,170.47	.00	3,170.47
57315-0	1,968.75	.00	1,968.75
57316-0	14,082.25	.00	14,082.25
57319-0	7,070.05	.00	7,070.05
57320-0	90.00	.00	90.00
57321-0	488.48	.00	488.48
Grand Totals:	<u>2,055,444.82</u>	<u>2,055,444.82-</u>	<u>.00</u>

Report Criteria:
Report type: GL detail

Report Criteria:
Detail Report

Check Number	Date	Payee					
20189	09/03/2015	MICHAEL QUOC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	14-15N	PROJECT REFUND-2353 SANDRA GLEN	24110-0	799.00	799.00
20190	09/03/2015	YONGLIANG LI					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	460616-24	DEPOSIT REFUND	22810-0	140.03	140.03
20191	09/03/2015	PAVEMENT RECYCLING SYSTEMS					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	26-00	DEPOSIT REFUND	22810-0	294.80	
		2	26-00	CREDIT REFUND	15210-0	626.11	920.91
20192	09/03/2015	JUEIYIN CHEN					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	365157-53	DEPOSIT REFUND	22810-0	66.85	
		2	365157-53	CREDIT REFUND	15210-0	79.23	146.08
20193	09/03/2015	SEQUEL CONTRACTORS INC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	25-00	DEPOSIT REFUND	22810-0	694.11	694.11
20194	09/03/2015	JUN GAO					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	407294-32	DEPOSIT REFUND	22810-0	152.36	152.36
20195	09/03/2015	TERESA MODIE					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	648458-61	DEPOSIT REFUND	22810-0	270.09	270.09
20196	09/03/2015	FENG GAO					

Sequence	Source	Description	GL Account	Amount	Check Amount
1	721913-94	DEPOSIT REFUND	22810-0	105.80	105.80
20197 09/03/2015 DONNA STEINMETZ					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	324985-73	DEPOSIT REFUND	22810-0	140.97	140.97
20198 09/03/2015 LIN LIN KUO LEE					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	213980-27	DEPOSIT REFUND	22810-0	98.93	98.93
20199 09/03/2015 FACHIN HSU					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	237625-15	DEPOSIT REFUND	22810-0	181.39	181.39
20200 09/03/2015 ZHIXIA DUAN					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	106928-26	DEPOSIT REFUND	22810-0	255.79	255.79
20201 09/03/2015 TINNIE KO JUNG EIKER					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	819321-95	DEPOSIT REFUND	22810-0	95.64	95.64
20202 09/03/2015 YONG MEI LI					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	759461-55	DEPOSIT REFUND	22810-0	149.66	149.66
20203 09/03/2015 MARGARET HOI					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	535414-43	DEPOSIT REFUND	22810-0	160.42	160.42
20204 09/03/2015 LI XIE					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	830170-30	DEPOSIT REFUND	22810-0	124.61	124.61

Check Number	Date	Payee						
20205	09/03/2015	CHENXUAN ZHANG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	790692-94	DEPOSIT REFUND	22810-0	107.31	107.31
20206	09/03/2015	OLIVER KUO YANG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	489007-25	DEPOSIT REFUND	22810-0	234.46	234.46
20207	09/03/2015	ISTER KAM YAN WONG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	350225-78	DEPOSIT REFUND	22810-0	133.68	133.68
20208	09/03/2015	INTERIOR DEMOLITION INC						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	24-00	DEPOSIT REFUND	22810-0	9.74	9.74
20209	09/03/2015	INTERNATIONAL LINE BUILDERS						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	1675-00	DEPOSIT REFUND	22810-0	694.90	694.90
20210	09/03/2015	WEI YU						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	875976-86	DEPOSIT REFUND	22810-0	167.60	167.60
20211	09/03/2015	JUNRONG LI						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	145154-71	DEPOSIT REFUND	22810-0	176.61	176.61
20212	09/03/2015	KAREN HSIAO						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	263303-67	DEPOSIT REFUND	22810-0	150.79	150.79
20213	09/03/2015	MANNLIH JUDY NIEH						

Sequence	Source	Description	GL Account	Amount	Check Amount
1	769662-17	DEPOSIT REFUND	22810-0	155.41	155.41

20214 09/03/2015 XIAOYAN ZHU

Sequence	Source	Description	GL Account	Amount	Check Amount
1	16400-26	DEPOSIT REFUND-18256 BARROSO ST	22810-0	130.67	130.67

20215 09/03/2015 DONG MEI ZHANG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	718296-34	DEPOSIT REFUND	22810-0	212.68	212.68

20216 09/03/2015 HAIFENG ZHANG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	137084-15	DEPOSIT REFUND	22810-0	163.86	163.86

20217 09/03/2015 TONG GAO

Sequence	Source	Description	GL Account	Amount	Check Amount
1	795757-72	CREDIT REFUND-1737 MANOR GATE	15210-0	76.52	76.52

20218 09/03/2015 LI YONGJUN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	588622-22	CREDIT REFUND-2768 SOMERSET	15210-0	56.21	56.21

20219 09/03/2015 TIM WONG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	362426-76	CREDIT REFUND-3562 NORMANDY WAY	15210-0	76.66	76.66

20220 09/03/2015 YONG FEN CHEN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	325796-47	CREDIT REFUND	15210-0	56.97	56.97

20221 09/03/2015 SEI GIN CHUNG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	291367-41	CREDIT REFUND-2067 CALLE BOGOTA	15210-0	163.27	163.27

Check Number	Date	Payee						
20222	09/03/2015	TOP FORTUNE INVESTMENT LLC						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	677406-90	CREDIT REFUND-1441 GLORIOSA AVE	15210-0	49.42	49.42
20223	09/03/2015	BAYANI ALCANTARA AQUINO						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	563311-80	CREDIT REFUND-18829 VILLA PARK	15210-0	24.96	24.96
20224	09/03/2015	NING TA HSU						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	399256-02	CREDIT REFUND-19037 BRITTANY PL	15210-0	69.76	69.76
20225	09/03/2015	CINJUNTAK TJIANG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	795024-19	CREDIT REFUND-16624 SURREY PL	15210-0	93.50	93.50
20226	09/03/2015	PETER SHIN						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	471646-42	CREDIT REFUND-2346 ALMEZA AVE	15210-0	26.80	26.80
20227	09/03/2015	JIANN SHIEH						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	301652-16	CREDIT REFUND-2230 TOMICH ROAD	15210-0	114.94	114.94
20228	09/03/2015	MARGARET HOI						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	535414-43	CREDIT REFUND-19002 STEWART COURT	15210-0	76.16	76.16
20229	09/03/2015	RICOH L ZHANG						
			Sequence	Source	Description	GL Account	Amount	Check Amount
			1	885984-40	CREDIT REFUND-1622 BATSON	15210-0	252.20	252.20
20230	09/03/2015	CHRISTIAN CHAO						

Sequence	Source	Description	GL Account	Amount	Check Amount
1	269068-61	CREDIT REFUND-2151 CAMARINA DR	15210-0	159.18	159.18

Grand Totals:

8,070.05

Report Criteria:
Detail Report

Tab

1.3



Rowland Water District Memorandum

To: Thomas Coleman, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: October 1, 2015

Subject: Investment Update – September 2015

Economic Review: The next meeting of the Federal Reserve is scheduled for October 27th. The last meeting was held on September 16th. The Fed Funds rate remains at a target range of 0 to ¼ percent. At the meeting, the Federal Reserve stated “economic activity has been expanding moderate pace. Household spending and business fixed investment have been increasing moderately, and the housing sector has improved further; however, net exports have been soft. The labor market continued to improve, with solid job gains and declining unemployment. On balance, labor market indicators show that underutilization of labor resources has diminished since early this year. Inflation has continued to run below the Committee’s longer-run objective, partly reflecting declines in energy prices and in prices of non-energy imports.” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 1.1 for the month of August. The previous reading was 1.4 in July.

LAIF Update: LAIF ended the month of August with a yield of 0.33%. This represents a .01 basis point increase from the month of July. A comparison with last year shows a .07 basis point increase from August 2014 when the yield stood at 0.26%.

RWD Investments: Rowland Water District’s bond portfolio carries an average yield of 1.19%. This represents no change from the month of August and a 0.86 basis point premium to LAIF. The District had no bond purchases or maturities in the month of September. The District CD Placement program carries an effective yield of 0.74% and an average maturity of 665 days.

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



COMPARATIVE PURCHASED WATER REPORT FOR THE MONTH OF AUGUST 2015

SOURCE / DESCRIPTION	2015			2014		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
WATER CHARGES:						
POTABLE WATER						
PUENTE BASIN WATER AGENCY / TVMWD	390.4	352,817.05	903.73	498.6	436,275.00	875.00
POMONA-WALNUT-ROWLAND JWLC	551.7	495,978.30	899.00	614.6	537,775.00	875.00
LA HABRA HEIGHTS	4.1	1,691.47	412.55	0.0	-	
WATER REPLENISHMENT DISTRICT (WRD)	0.0	-		0.0	-	
	946.2	850,486.82		1,113.2	974,050.0	
RECLAIMED WATER	122.5	28,840.86	235.44	58.0	13,935.08	240.26
TOTAL WATER CHARGES	1,068.7	879,327.68		1,171.2	987,985.08	
FIXED CHARGES:						
PUENTE BASIN WATER AGENCY / TVMWD						
CAPACITY RESERVATION		9,993.79			6,490.47	
CONNECTED CAPACITY		1,409.90			1,322.62	
WATER USE CHARGE		1,360.71			992.23	
EQUIV. SMALL METER		1,665.02			1,642.66	
SUBTOTAL		14,429.42			10,447.98	
PWR JWLC						
CAPACITY RESERVATION		11,348.45			7,370.26	
CONNECTED CAPACITY		1,137.31			1,066.91	
WATER USE CHARGE		2,208.05			2,301.90	
DEPRECIATION		-			-	
REPLACEMENT		-			-	
BUDGET ASSESSMENT		-			-	
SUBTOTAL		14,693.81			10,739.07	
LHH / OCWD						
WHEELING CHARGE	4.1	205.50	50.00			
SUBTOTAL						
TOTAL FIXED CHARGES		29,328.73			21,187.05	
TOTAL PURCHASED WATER CHARGES		908,656.41			1,009,172.13	
AVERAGE WATER CHARGE:		\$ 850.24			\$ 861.66	

ROWLAND WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
FOR MONTH ENDED SEPTEMBER 30, 2015



CASH	
Citizens Business Bank	1,220,957.78
Comerica Bank MMIA	14,130.25
TOTAL CASH	1,235,088.03

COMERICA SECURITIES CD PLACEMENT	NA	1mth - 2 Years	NA	NA	NA	0.74%	665	2,184,000.00	11.37%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	NA	NA	0.33%	NA	3,220,588.74	16.77%

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

	Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
US Treasury Note	5 Year	250,000.00	100.266	101.029	03/31/16	2.25%	NA	252,572.50	1.32%
US Treasury Note	5 Year	250,000.00	101.219	100.953	07/31/16	1.50%	NA	252,382.50	1.31%
US Treasury Note	5 Year	250,000.00	101.231	100.641	10/31/16	1.00%	NA	251,602.50	1.31%
Fedl Natl Mtg Assn	5 Year	250,000.00	100.639	100.965	11/15/16	1.38%	NA	252,412.50	1.31%
US Treasury Note	5 Year	250,000.00	99.942	100.506	11/30/16	0.88%	NA	251,265.00	1.31%
Fed Natl Mtg Assn	5 Year	200,000.00	101.194	100.955	01/30/17	1.25%	NA	201,910.00	1.05%
Fed Natl Mtg Assn	5 Year	250,000.00	100.083	100.139	08/28/17	0.88%	NA	250,347.50	1.30%
US Treasury Note	5 Year	250,000.00	99.559	99.953	09/30/17	0.63%	NA	249,882.50	1.30%
Fed Natl Mtg Assn	5 Year	250,000.00	100.019	100.253	12/20/17	0.88%	NA	250,632.50	1.31%
Fed Home Loan Mtg Corp	5 Year	200,000.00	99.289	99.916	01/12/18	0.75%	NA	199,832.00	1.04%
US Treasury Note	5 Year	200,000.00	99.742	99.928	02/28/18	0.75%	NA	199,856.00	1.04%
US Treasury Note	4 Year	250,000.00	99.539	101.349	06/30/18	1.38%	NA	253,372.50	1.32%
Fed Natl Mtg Assn	5 Year	500,000.00	100.300	99.940	05/21/18	0.88%	NA	499,700.00	2.60%
US Treasury Note	5 Year	250,000.00	99.727	101.294	09/30/18	1.38%	NA	253,235.00	1.32%
US Treasury Note	5 Year	250,000.00	99.868	101.219	11/30/18	1.38%	NA	253,047.50	1.32%
US Treasury Note	5 Year	250,000.00	99.137	101.544	12/31/18	1.50%	NA	253,860.00	1.32%
US Treasury Note	5 Year	250,000.00	100.172	101.503	01/31/19	1.50%	NA	253,757.50	1.32%
US Treasury Note	5 Year	250,000.00	99.140	101.448	02/28/19	1.50%	NA	253,620.00	1.32%
US Treasury Note	5 Year	250,000.00	99.617	101.833	03/31/19	1.63%	NA	254,582.50	1.32%
US Treasury Note	5 Year	250,000.00	98.719	100.536	04/30/19	1.26%	NA	251,340.00	1.32%
US Treasury Note	5 Year	100,000.00	98.532	100.148	10/31/19	1.27%	NA	100,148.00	1.33%
US Treasury Note	5 Year	250,000.00	99.359	100.406	01/31/20	1.38%	NA	251,015.00	1.31%
US Treasury Note	5 Year	250,000.00	99.047	99.206	03/31/20	1.14%	NA	248,015.00	0.52%
US Treasury Note	5 Year	250,000.00	99.016	100.266	04/30/20	1.38%	NA	250,665.00	1.31%
Fed Natl Mtg Assn	5 Year	500,000.00	98.867	100.000	06/22/20	1.50%	NA	250,000.00	1.29%
Cash Reserve Account						0.01%		81,418.09	0.42%
Total BNY Mellon Investments								6,320,471.59	32.92%

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

	Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
Fedl Natl Mtg Assn	5 Year	480,000.00	100.625	100.801	09/28/16	1.25%	NA	483,844.80	2.52%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.898	100.965	11/15/16	1.38%	NA	504,825.00	2.63%
Fedl Home Loan Mtg Corp	5 Year	465,000.00	100.427	100.636	03/08/17	1.00%	NA	467,957.40	2.44%
Fedl Home Loan Mtg Corp	5 Year	250,000.00	102.124	101.066	05/12/17	1.25%	NA	252,665.00	1.32%
Fedl Home Loan Mtg Corp	5 Year	250,000.00	100.793	100.682	06/29/17	1.00%	NA	251,705.00	1.31%
Fedl Natl Mtg Assn	5 Year	485,000.00	101.342	100.139	08/28/17	0.88%	NA	485,674.15	2.53%
Fedl Natl Mtg Assn	5 Year	495,000.00	100.650	100.253	12/20/17	0.88%	NA	496,252.35	2.58%
Fedl Home Loan Mtg Corp	5 Year	495,000.00	100.066	99.916	01/12/18	0.75%	NA	494,584.20	2.58%
Fedl Natl Mtg Assn	5 Year	495,000.00	100.448	100.153	02/08/18	0.88%	NA	495,757.35	2.58%
Fedl Home Loan Mtg Corp	5 Year	495,000.00	100.392	100.085	03/07/18	0.88%	NA	495,420.75	2.58%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.530	99.940	05/21/18	0.88%	NA	499,700.00	2.60%
Fedl Natl Mtg Assn	4 Year	250,000.00	98.671	100.702	09/27/18	1.27%	NA	251,755.00	1.31%
Fedl Natl Mtg Assn	5 Year	245,000.00	100.061	101.788	11/27/18	1.63%	NA	249,380.60	1.30%
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.581	99.942	08/01/19	1.25%	NA	274,840.50	1.43%
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.344	99.797	10/02/19	1.25%	NA	274,441.75	1.43%
Fedl Farm Credit Bank	5 Year	240,000.00	98.229	99.513	10/22/19	1.29%	NA	238,831.20	1.24%
ML Bank Deposit (Cash Account)						0.01%		23,075.12	0.12%
Total Merrill Lynch Investments								6,240,710.17	32.50%

TOTAL INVESTMENTS		17,965,770.50	100%
TOTAL CASH AND INVESTMENTS		19,200,858.53	
Weighted Average Yield of Total Investment Portfolio:		0.89%	

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


 Sean S. Henry, Finance Officer

Tab

1.4

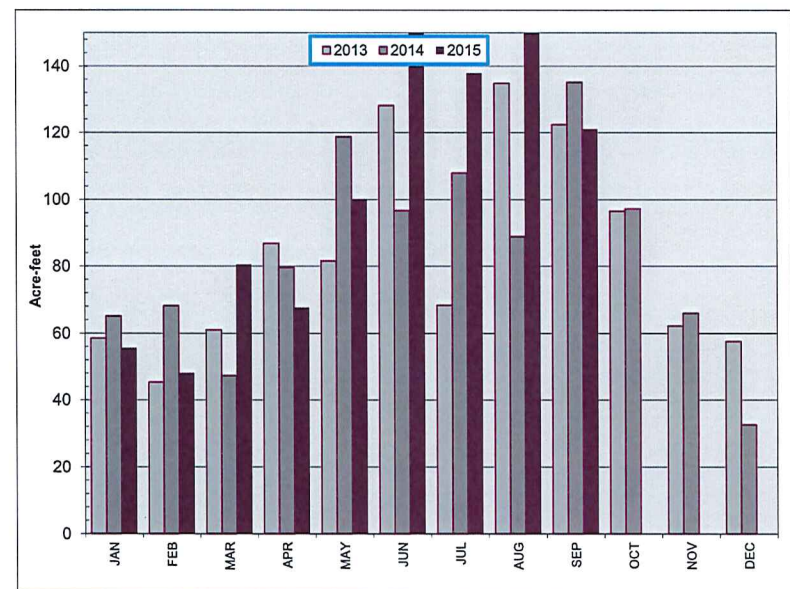
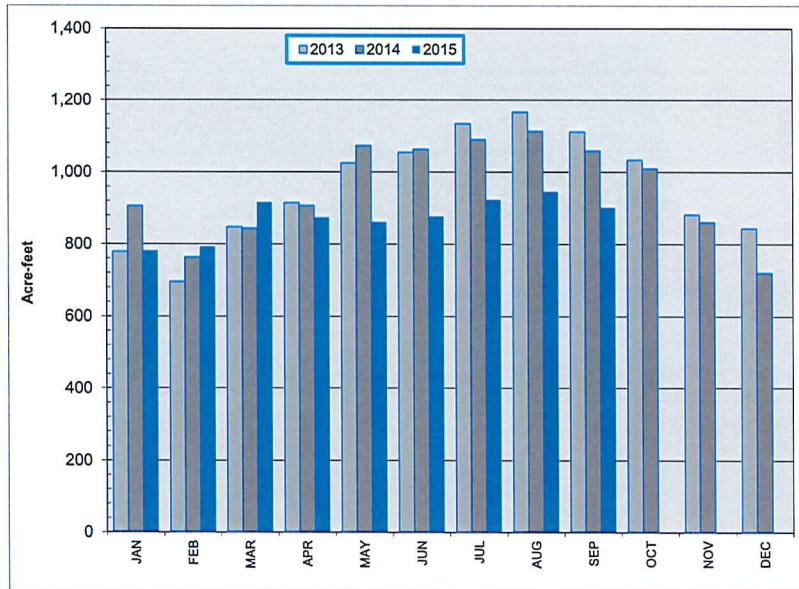


Water Purchases for CY 2015 (Acre-feet)



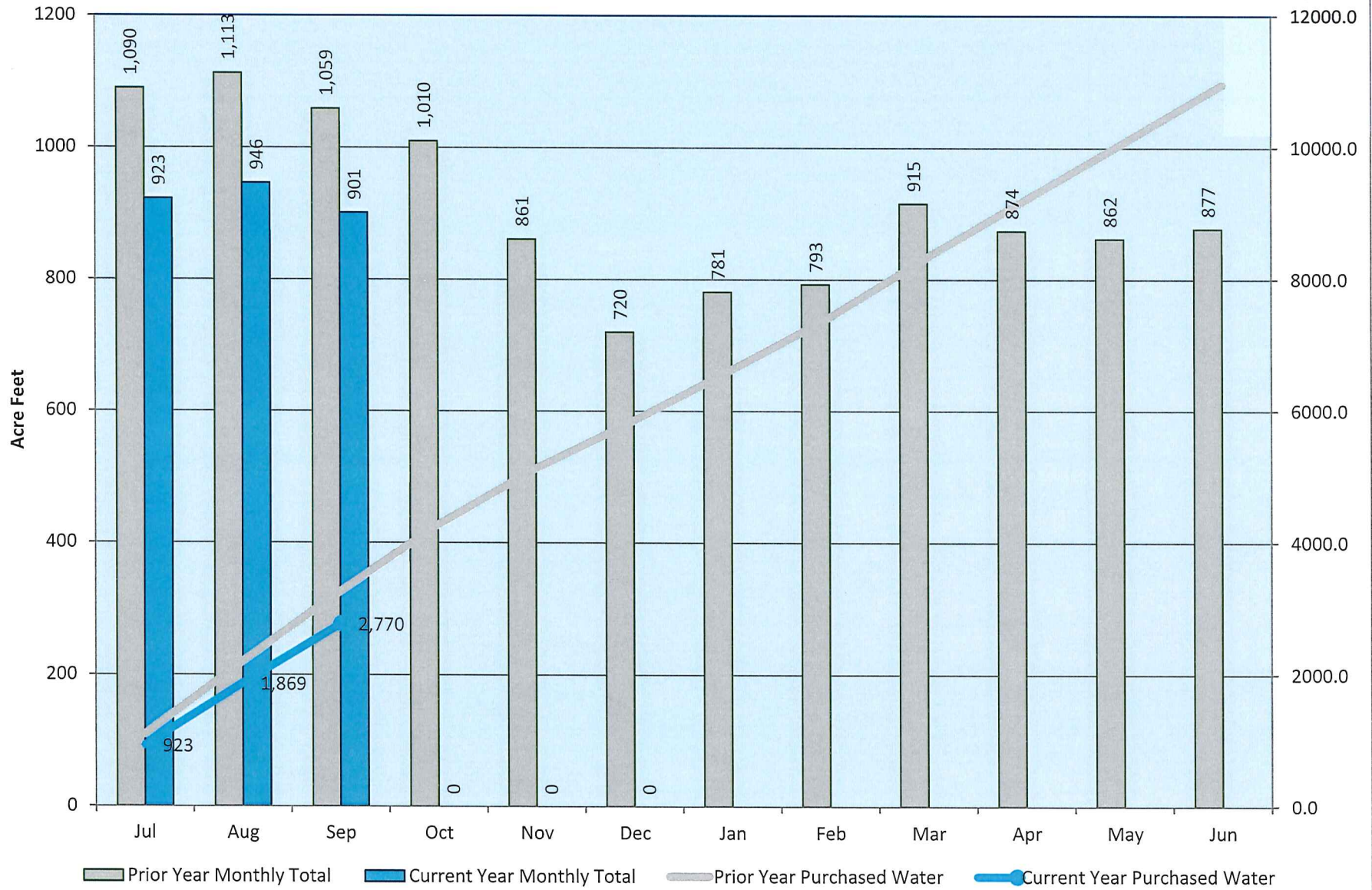
	POTABLE SYSTEM				TOTAL
	LHH	PM-22	JWL		
			PM-15	Miramar	
JAN	81.7	275.5	355.9	68.2	781.3
FEB	106.2	344.5	308.8	33.2	792.7
MAR	82.0	565.1	213.1	55.3	915.5
APR	27.9	538.0	293.5	14.5	873.9
MAY	93.1	290.8	358.7	119.2	861.8
JUN	3.1	331.4	405.7	136.9	877.1
JUL	0.0	353.1	458.7	110.9	922.7
AUG	4.1	390.4	551.7	0.0	946.2
SEP	0.0	321.7	579.5	0.0	901.2
OCT					0.0
NOV					0.0
DEC					0.0
TOTAL	398.1	3,410.5	3,525.6	538.2	7,872.4

RECYCLED SYSTEM					TOTAL
Well 1	Wet Well	WVWD	Industry	Potable Make-up	
0.0	8.2	0.0	47.4	0.0	55.6
2.1	11.3	1.0	33.7	0.0	48.1
14.7	4.0	1.0	60.8	0.0	80.5
20.5	2.3	2.0	42.9	0.0	67.7
17.4	5.3	3.0	74.4	0.0	100.1
8.1	15.5	3.0	168.1	0.0	194.7
2.4	7.3	3.0	125.2	0.0	137.9
28.4	29.0	3.0	119.2	0.0	179.6
21.3	21.6	2.0	76.2	0.0	121.1
					0.0
					0.0
					0.0
114.9	104.5	18.0	747.9	0.0	985.3



Potable Water Purchases For FY 2015-2016

(Acre-feet)



Tab

2.1



OCTOBER 2015-DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
Anthony J. Lima					
	10/7/2015	Three Valleys Board Meeting	\$110.00		Mileage
	10/8/2015	PBWA Meeting at Walnut	\$110.00		Mileage
	10/13/2015	RWD Board Meeting	\$110.00		
	10/15/2015	PWR Meeting	\$110.00		Mileage
	10/17/2015	Buckboard Day Parade		X	
	10/21/2015	Three Valleys Board Meeting	\$110.00		Mileage
	10/22/2015	Project Ad-Hoc Meeting	\$110.00		
		TOTAL PAYMENT	\$660.00		
John Bellah					
	10/13/2015	RWD Board Meeting	\$88.00		
	10/14/2015	ACWA Regulatory Summit	\$88.00		
	10/17/2015	Buckboard Day Parade		X	
	10/22/2015	Babcock Lab Seminar & Tour		X	
	10/24/15- 10/25/15	MWD-Delta Bay Tour	\$176.00		
		TOTAL PAYMENT	\$352.00		
Robert W. Lewis					
	10/8/2015	PBWA Meeting at Walnut	\$110.00		
	10/12/2015	SGV Chamber Gov Affairs	\$110.00		
	10/13/2015	RWD Board Meeting	\$110.00		
	10/14/2015	ACWA Regulatory Summit	\$110.00		
	10/17/2015	Buckboard Day Parade		X	
	10/24/15- 10/25/15	MWD-Delta Bay Tour	\$220.00		
	10/29/2015	Three Valleys Leadership breakfast		X	
	10/29/2015	Public Safety Appreciation Luncheon		X	
		TOTAL PAYMENT	\$660.00		

Szu-Pei Lu					
	10/13/2015	RWD Board Meeting	\$110.00		
	10/21/2015	Three Valleys Board Meeting	\$110.00		Mileage
	10/22/2015	Project Ad-Hoc Meeting	\$110.00		
	10/24/15- 10/25/15	MWD-Delta Bay Tour	\$220.00		Mileage
		TOTAL PAYMENT	\$550.00		
Teresa Rios					
	10/13/2015	RWD Board Meeting	\$110.00		
	10/24/15- 10/25/15	MWD-Delta Bay Tour	\$220.00		
		TOTAL PAYMENT	\$330.00		

APPROVED FOR PAYMENT:

Tom Coleman

Tab

2.2



January 26, 2015

MEMORANDUM OF AGREEMENT

1. PARTIES. This Memorandum of Agreement (“Agreement”) is by and between The Furman Group, Inc. (hereinafter “TFG”) and the Walnut Valley Water District, the Rowland Water District and the Three Valleys Municipal Water District, hereinafter known collectively as the “Group”.
2. PURPOSE. Pursuant to this Agreement, TFG will continue to provide the Group with professional Federal government relations and other consulting services to advance and promote the Group’s objectives as they relate to the Pomona Basin Regional Groundwater Project.
3. TERM. This Agreement shall commence on March 1, 2015 and shall end on February 28, 2017 unless modified, extended, or terminated pursuant to a mutual agreement by the parties.
4. FEES. In consideration for services to be rendered pursuant to this Agreement, the Group shall pay to TFG a monthly retainer fee of \$10,000. TFG shall render a monthly invoice to the Group in care of the Walnut Valley Water District.
5. EXPENSES. The Group shall reimburse TFG for all out-of-pocket expenses incurred by TFG in its representation of the Group. These of-pocket expenses shall include local travel and taxi fares, business related meals and similar expenses.
6. TERMINATION. Either party to this Agreement may terminate the Agreement for any reason by providing thirty (30) days written notice to the other party.
7. INDEPENDENT CONTRACTOR STATUS. It is understood and agreed that TFG does at all times in performing services under this Agreement act as an independent contractor and is neither an employee or agent of the Group.
8. ENTIRE AGREEMENT. This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto. No other agreement, statement or promise relating to the subject matter of this Agreement shall be valid or binding upon the parties hereto.

This Agreement is entered into as of the date first above written.

AGREED:



for The Furman Group, Inc.

AGREED:



for The Walnut Valley Water District

AGREED:



for The Rowland Water District

AGREED:



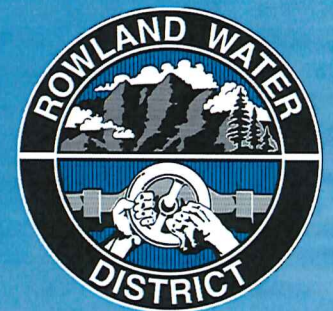
for The Three Valleys Municipal
Water District

Tab

2.3

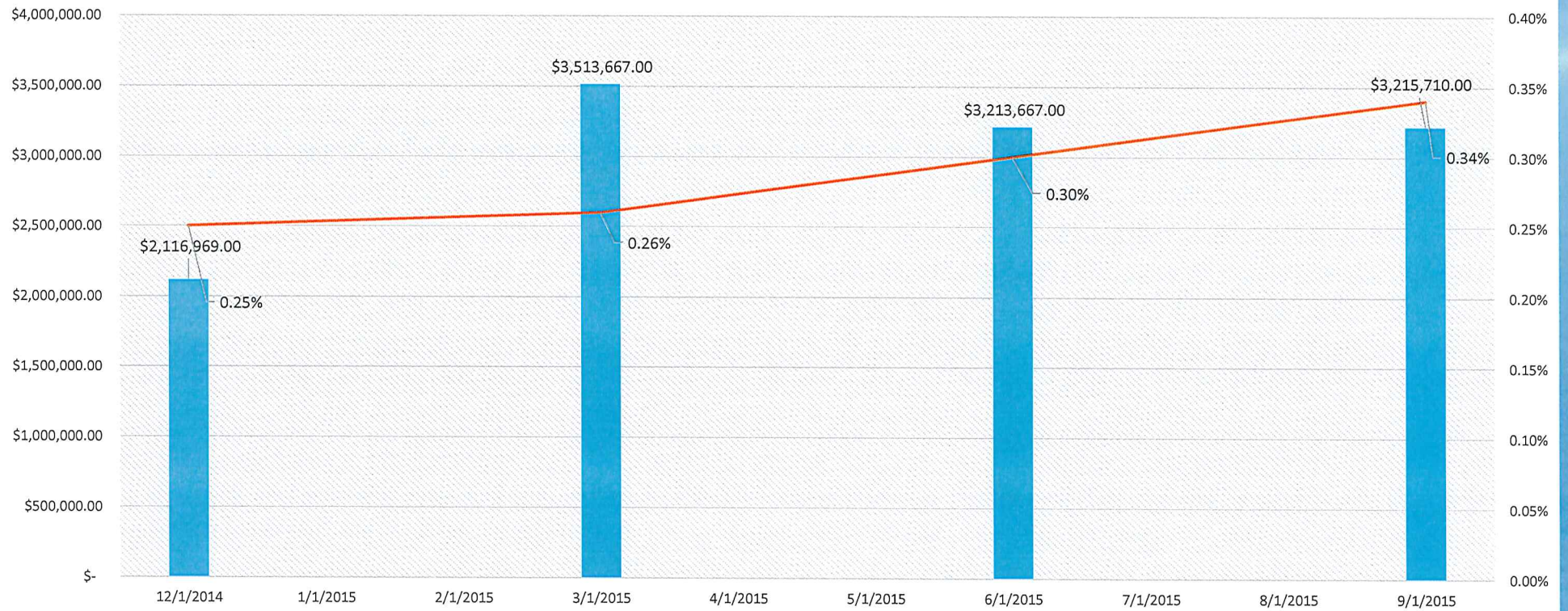
QUARTERLY INVESTMENT REVIEW

September 30, 2015



LOCAL AGENCY INVESTMENT FUND

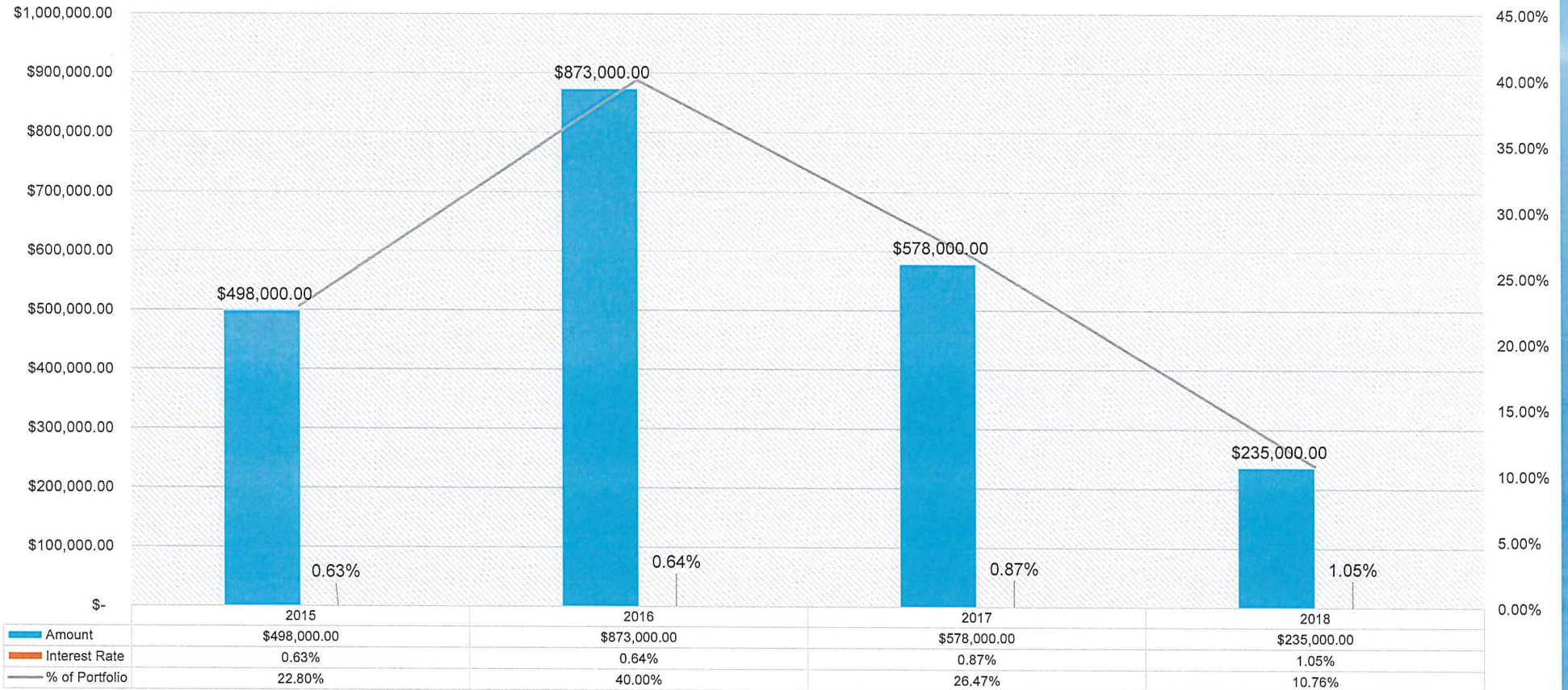
LAIF VALUE = \$3,215,710.00



	12/31/2014	3/31/2015	6/30/2015	9/30/2015
Account Balance	\$2,116,969.00	\$3,513,667.00	\$3,213,667.00	\$3,215,710.00
Interest Rate	0.25%	0.26%	0.30%	0.34%

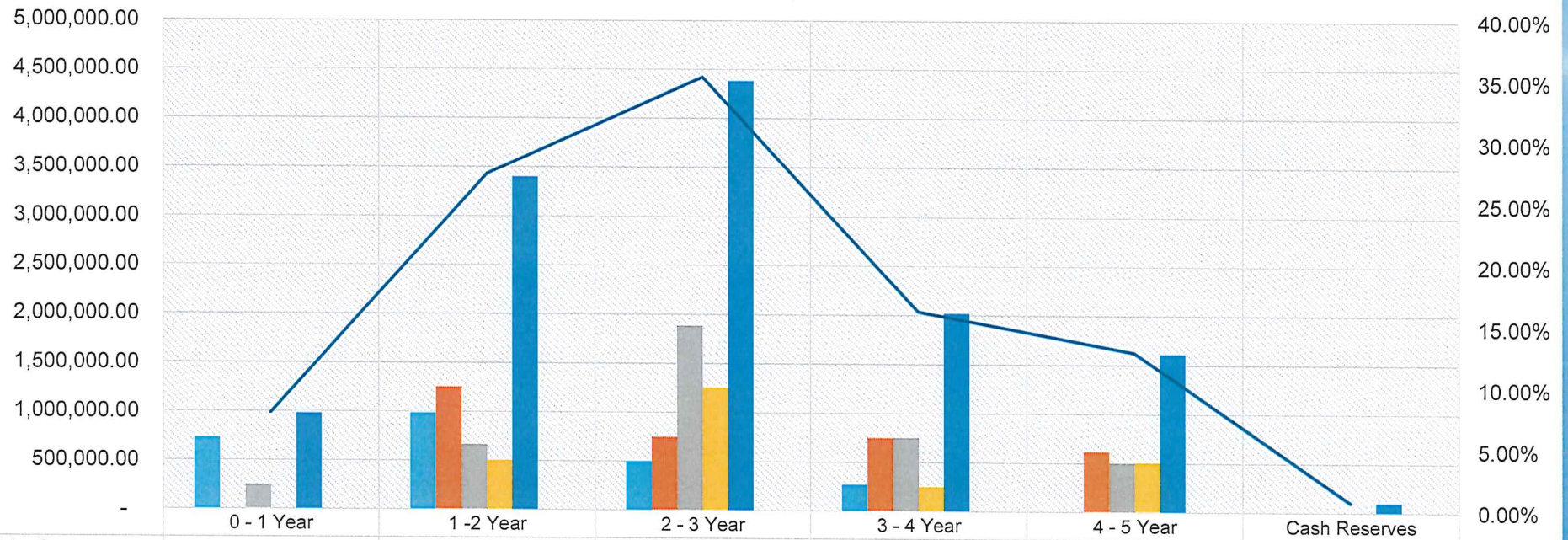
CD PLACEMENT PROGRAM

CD PORTFOLIO VALUE = \$2,184,000.00



FIXED INCOME PORTFOLIO

PORTFOLIO VALUE = \$12,499,493.00



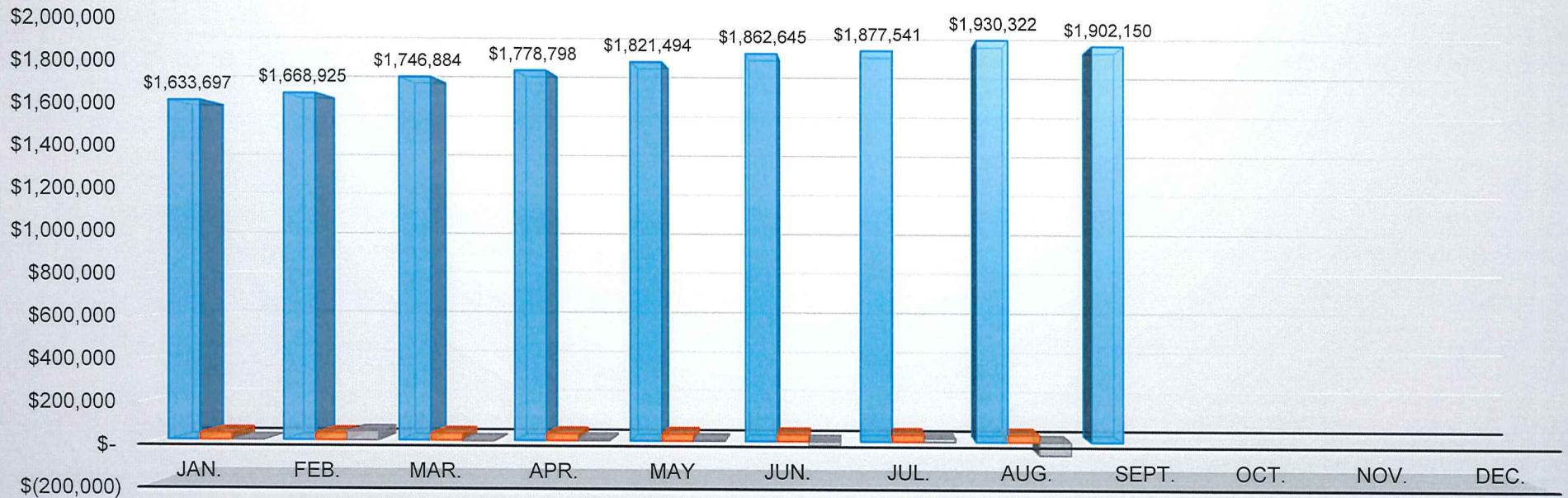
Jul. - Sept.	730,000.00	985,000.00	500,000.00	275,000.00	-	
Oct. - Dec.	-	1,250,000.00	745,000.00	745,000.00	615,000.00	
Jan. - Mar.	250,000.00	665,000.00	1,885,000.00	750,000.00	500,000.00	
Apr. - Jun.	-	500,000.00	1,250,000.00	250,000.00	500,000.00	
Total Bond Portfolio	980,000.00	3,400,000.00	4,380,000.00	2,020,000.00	1,615,000.00	104,493.21
Interest Rate	1.67%	1.05%	0.96%	1.44%	1.30%	0.01%
% of Portfolio	7.91%	27.43%	35.34%	16.30%	13.03%	0.84%

GASB 45 OPEB TRUST

OPEB TRUST VALUE = \$1,902,150.00

1 YEAR RETURN = -0.27%

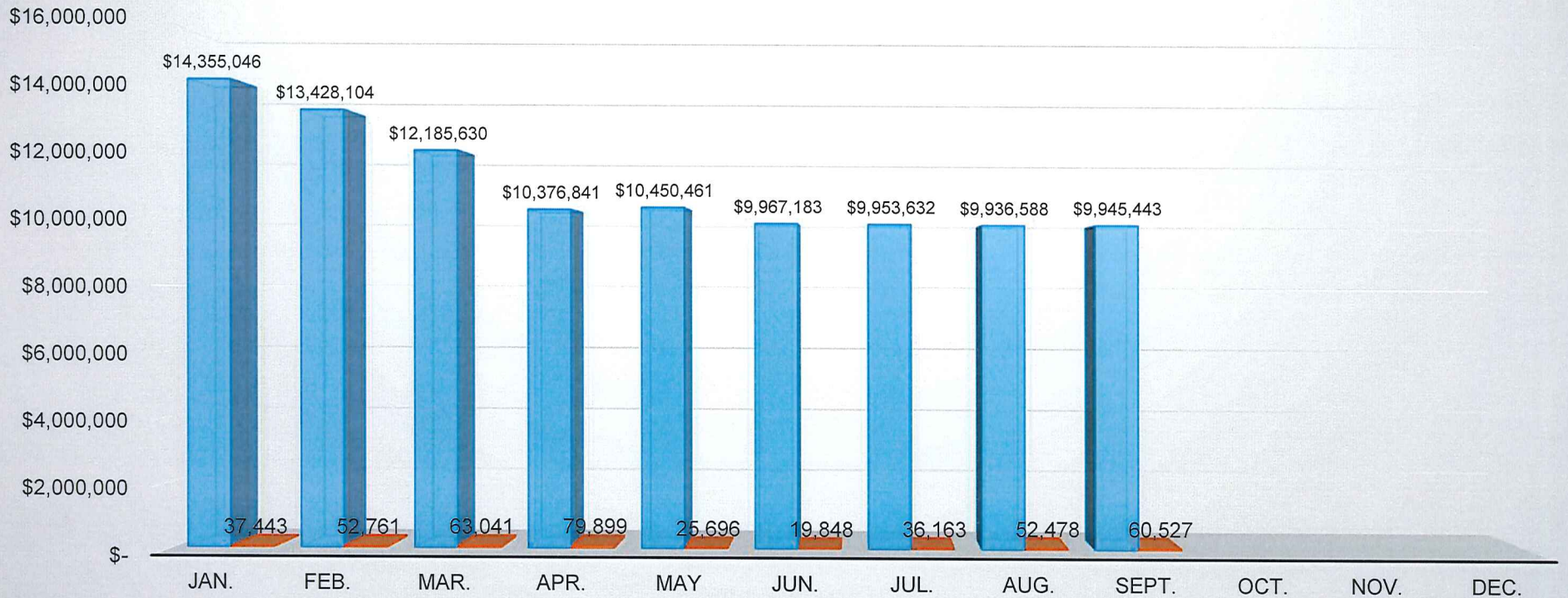
3 YEAR RETURN = 7.19%



	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Balance	\$1,633,697	\$1,668,925	\$1,746,884	\$1,778,798	\$1,821,494	\$1,862,645	\$1,877,541	\$1,930,322	\$1,902,150			
Contribution	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000				
Earnings/Loss	228	42,960	(3,086)	7,696	6,151	(20,104)	17,782	(63,173)				

2012 ACQUISITIONS FUND

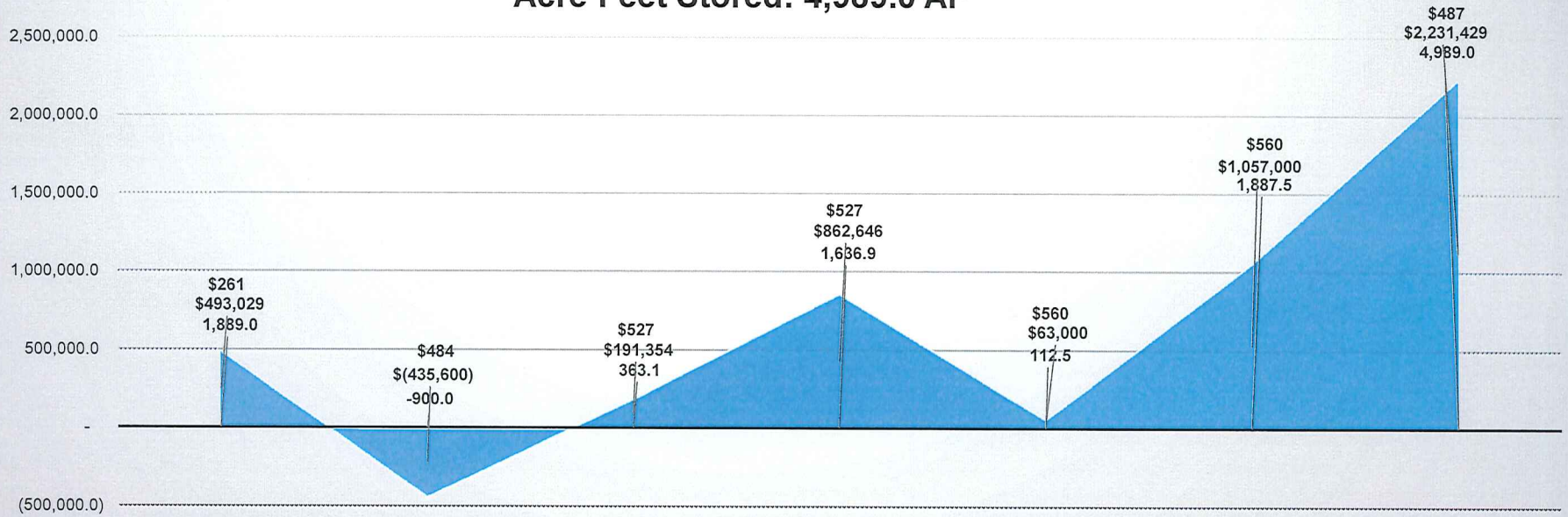
ACQUISITION FUND VALUE = \$10,005,970.00



	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Balance	\$14,355,04	\$13,428,10	\$12,185,63	\$10,376,84	\$10,450,46	\$9,967,183	\$9,953,632	\$9,936,588	\$9,945,443			
Accrued Income	37,443	52,761	63,041	79,899	25,696	19,848	36,163	52,478	60,527			

CYCLIC STORAGE VALUE

Water in Storage Audited Value = \$2,475,537.00
Acre Feet Stored: 4,989.0 AF



	6/30/09	2/15/11	11/30/11	12/31/11	10/31/12	11/30/12	Totals
■ Purchase Cost (\$/AF)	\$261	\$484	\$527	\$527	\$560	\$560	\$487
■ Purchase Cost	\$493,029	\$(435,600)	\$191,354	\$862,646	\$63,000	\$1,057,000	\$2,231,429
- AF Purchased	1,889.0	-900.0	363.1	1,636.9	112.5	1,887.5	4,989.0

■ AF Purchased ■ Purchase Cost ■ Purchase Cost (\$/AF)

ROWLAND WATER DISTRICT PORTFOLIO SUMMARY

Unrestricted

- Local Agency Investment Fund \$3,215,710.00
- CD Placement Portfolio \$2,184,000.00
- Fixed Income Portfolio \$12,499,493.00

Restricted

- GASB 45 OPEB Trust \$1,902,150.00
- Acquisition Fund \$10,005,970.00

Water In-Storage

- Cyclic Storage \$2,475,537.00

Totals: \$32,282,860.00

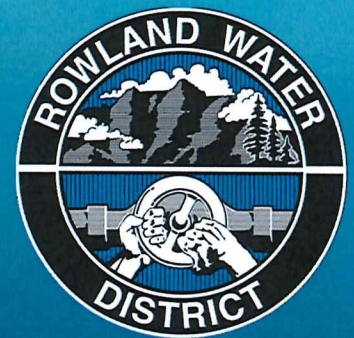
Tab

2.4

STATEMENT OF OPERATIONS

Rowland Water District

July 1, 2015 – September 30, 2015



Summary	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Total Revenues	5,485,549.00	5,097,002.00	22,425,000.00	24.46%
Operating Expenses	3,140,911.00	3,436,627.00	14,655,000.00	21.43%
Administrative Expenses	269,686.00	300,093.00	1,110,000.00	24.30%
Personnel Expenses	1,103,488.00	1,046,464.00	4,840,000.00	23.21%
Total Expenses	4,514,085.00	4,783,184.00	20,605,000.00	21.91%
Net Income	971,464.00	313,818.00	1,820,000.00	53.38%

NET INCOME SUMMARY

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Water Sales (Potable)	3,449,075.00	3,188,167.00	14,300,000.00	24.12%
Water Sales (Recycled)	227,385.00	161,821.00	750,000.00	30.32%
Meter Service Charge	1,606,234.00	1,567,026.00	6,400,000.00	25.10%
Customer Fees	60,777.00	58,284.00	250,000.00	24.31%
Property Taxes	10,514.00	6,617.00	250,000.00	4.21%
Contract Income/ Shared Services	26,971.00	65,360.00	175,000.00	15.41%
Interest Income	54,593.00	49,727.00	300,000.00	18.20%
Totals	5,485,549.00	5,097,002.00	22,425,000.00	24.46%

REVENUE SUMMARY

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Water Purchases (Potable)	2,520,896.00	2,924,046.00	10,000,000.00	25.21%
Water Purchases (Recycled)	77,265.00	50,836.00	200,000.00	38.63%
Fixed Charges	87,681.00	63,561.00	395,000.00	22.20%
Debt Service Expense	0.00	0.00	2,450,000.00	0.00%
Maintenance of Water System	80,196.00	47,120.00	305,000.00	26.29%
Pumping Expense	116,631.00	139,499.00	350,000.00	33.32%
Service Contracts	76,919.00	52,819.00	250,000.00	30.77%
Operating Assessments	22,919.00	26,595.00	250,000.00	9.17%
Water Supply & Develop.	38,164.00	47,935.00	150,000.00	25.44%

OPERATING EXPENSE SUMMARY

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Engineering	9,303.00	8,268.00	20,000.00	46.52%
Maintenance & Operation	7,747.00	7,204.00	30,000.00	25.82%
Vehicle Expense	16,391.00	14,325.00	70,000.00	23.42%
Equipment Expense	12,995.00	3,894.00	20,000.00	64.98%
Tools & Supplies	12,227.00	8,565.00	25,000.00	48.91%
Water Tests	5,419.00	5,259.00	30,000.00	18.06%
Water Conservation	10,492.00	3,873.00	10,000.00	104.92%
Community Outreach	45,666.00	32,868.00	100,000.00	45.67%
Totals	3,140,911.00	3,436,667.00	14,655,000	21.43%

OPERATING EXPENSE - CONTINUED

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Liability Insurance	32,350.00	70,653.00	130,000.00	24.88%
Conferences	10,034.00	16,850.00	60,000.00	16.72%
Seminars and Training	25,088.00	26,238.00	60,000.00	41.81%
IT Support Services	33,834.00	44,924.00	160,000.00	21.15%
Legal Services	30,317.00	9,246.00	95,000.00	31.91%
Directors' Compensation & Benefits	27,767.00	28,274.00	165,000.00	16.83%
Bank and Management Fees	25,561.00	19,704.00	100,000.00	25.56%
Auditing	19,244.00	20,500.00	25,000.00	76.98%
Compliance	12,848.00	3,244.00	75,000.00	17.13%

ADMINISTRATIVE EXPENSE SUMMARY

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Utility Services	22,624.00	24,665.00	90,000.00	25.14%
Memberships	5,160.00	4,765.00	45,000.00	11.47%
Office Expenses	6,112.00	14,430.00	30,000.00	20.37%
Uncollectables	6,952.00	4,228.00	30,000.00	23.17%
Miscellaneous Expenses	11,795.00	12,372.00	45,000.00	26.21%
Totals	269,686.00	300,093.00	1,110,000.00	24.30%

ADMINISTRATIVE EXPENSE - CONTINUED

Categories	09/30/2015	09/30/2014	Budget FY 15-16	% of Budget
Wages – Water Treatment	146,138.00	147,300.00	685,000.00	21.33%
Wages – Mains and Services	160,838.00	159,261.00	775,000.00	20.75%
Wages – Customer Accounts	16,110.00	29,899.00	155,000.00	10.39%
Wages - Administrative	241,753.00	270,826.00	1,100,000.00	21.98%
Payroll Taxes	42,351.00	44,631.00	200,000.00	21.18%
Health Insurance - Employees	118,293.00	130,475.00	635,000.00	18.63%
Health Insurance - Retirees	36,726.00	27,966.00	135,000.00	27.20%
CalPERS Contributions	236,279.00	131,106.00	650,000.00	36.35%
OPEB Trust Contributions	105,000.00	105,000.00	420,000.00	25.00%
Totals	1,103,488.00	1,046,464.00	4,755,000.00	25.40%

PERSONNEL EXPENSE SUMMARY

Puente Basin Water Agency Projects	Rowland Water District Projects
<input type="checkbox"/> Pomona Basin Regional Groundwater ❖ \$658,329.00	<input type="checkbox"/> Fullerton Road Grade Separation ❖ \$166,575.00
<input type="checkbox"/> CDWC Pump Station and Pipeline ❖ \$1,917,950.00	<input type="checkbox"/> Reservoir Control System ❖ \$309,885.00
<input type="checkbox"/> Whitter Booster Station ❖ \$1,207,292.00	<input type="checkbox"/> Reservoir Rehabilitation ❖ \$461,895.00
Total: \$3,783,571.00	Total: \$938,355.00

CAPITAL ASSET SUMMARY

Tab

2.5

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

We have audited the financial statements of Pomona-Walnut-Rowland Joint Water Line Commission (the Commission) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 17, 2015 and in our letter on planning matters dated July 28, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was depreciation expense derived from the estimated useful lives for capital assets which are based on industry standards. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Significant Audit Findings (Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2015.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis which is required supplementary information (RSI) that supplements the 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.

Other Matters (Continued)

We were engaged to report on the schedule of revenues, expenses and changes in net position, and the schedule of assets invested in capital assets by member agency which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, 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.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of Pomona-Walnut-Rowland Joint Water Line Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

White Nelson Dick Evans LLP

Irvine, California
October 6, 2015

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

BASIC FINANCIAL STATEMENTS

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

JUNE 30, 2015 AND 2014

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

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June 30, 2015 and 2014

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Statements of Revenues, Expenses and Changes in Net Position	12
Statements of Cash Flows	13
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Pomona-Walnut-Rowland Joint Water Line Commission (the Commission), as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents..

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pomona-Walnut-Rowland Joint Water Line Commission as of June 30, 2015 and 2014, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

White Nelson Dick Evans LLP

Irvine, California
October 6, 2015

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

This section of the Commission's annual financial report presents our analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Fiscal Year 2015

- The Commission's net position increased by \$33,911 or 1.43 percent.
- During the year, the Commission's total operating revenues decreased to \$17,122,934 or 15.32 percent under the prior year amount, and operating expenses decreased to \$17,134,901 or 15.25 percent under the prior year amount.

Fiscal Year 2014

- The Commission's net position increased by \$42,327 or 1.82 percent.
- During the year, the Commission's total operating revenues increased to \$20,220,911 or 3.17 percent over the prior year amount, and operating expenses increased to \$20,224,212 or 3.14 percent over the prior year amount.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

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

June 30, 2015

FINANCIAL ANALYSIS OF THE COMMISSION

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

NET POSITION

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

TABLE 1
Condensed Statements of Net Position

	Fiscal Year	Fiscal Year	Dollar Change	Fiscal Year	Dollar Change
Assets:					
Current and other assets	\$ 3,850,811	\$ 5,436,194	\$(1,585,383)	\$ 5,023,367	\$ 412,827
Capital assets	1,389,007	1,301,548	87,459	1,315,695	(14,147)
Total Assets	<u>5,239,818</u>	<u>6,737,742</u>	<u>(1,497,924)</u>	<u>6,339,062</u>	<u>398,680</u>
Liabilities:					
Current liabilities	<u>2,837,610</u>	<u>4,369,445</u>	<u>(1,531,835)</u>	<u>4,013,092</u>	<u>356,353</u>
Net Position:					
Net investment in capital assets	1,389,007	1,301,548	87,459	1,315,695	(14,147)
Restricted	543,105	499,782	43,323	456,459	43,323
Unrestricted	470,096	566,967	(96,871)	553,816	13,151
Total Net Position	<u>\$ 2,402,208</u>	<u>\$ 2,368,297</u>	<u>\$ 33,911</u>	<u>\$ 2,325,970</u>	<u>\$ 42,327</u>

Fiscal Year 2015

As you can see from Table 1, net position increased by \$33,911 from fiscal year 2014 to 2015.

A further review of Net Position on Table 1 shows that Restricted Net Assets (those established by Commission policy, enabling legislation, or other legal requirements), increased to \$543,105 in fiscal year 2015 due to the assessment of the Depreciation and Replacement Reserve capital surcharge. This additional \$43,323 was added to the \$499,782 collected in previous years.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

NET POSITION (CONTINUED)

Fiscal Year 2014

As you can see from Table 1, net assets increased by \$42,327 from fiscal year 2013 to 2014.

A further review of Net Assets on Table 1 shows that Restricted Net Assets (those established by Commission policy, enabling legislation, or other legal requirements), increased to \$499,782 in fiscal year 2014 due to the assessment of the Depreciation and Replacement Reserve capital surcharge. This additional \$43,323 was added to the \$456,459 collected in previous years.

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

	Fiscal Year	Fiscal Year	Dollar Change	Fiscal Year	Dollar Change
Operating Revenues:					
Water sales to member agencies	\$17,029,370	\$20,124,285	\$ (3,094,915)	\$19,504,925	\$ 619,360
Member agency assessments	93,564	93,564	-	93,839	(275)
Other income	-	3,062	(3,062)	-	3,062
Total Operating Revenues	<u>17,122,934</u>	<u>20,220,911</u>	<u>(3,097,977)</u>	<u>19,598,764</u>	<u>622,147</u>
Operating Expenses:					
Water operations	17,038,880	20,130,437	(3,091,557)	19,517,354	613,083
Depreciation	16,541	14,147	2,394	14,147	-
General and administration	79,480	79,628	(148)	76,175	3,453
Total Operating Expenses	<u>17,134,901</u>	<u>20,224,212</u>	<u>(3,089,311)</u>	<u>19,607,676</u>	<u>616,536</u>
Operating Loss	(11,967)	(3,301)	(8,666)	(8,912)	5,611
Nonoperating Revenues:					
Investment income	<u>2,555</u>	<u>2,305</u>	<u>250</u>	<u>2,731</u>	<u>(426)</u>
Income (Loss) Before Capital Contributions	(9,412)	(996)	(8,416)	(6,181)	5,185
Capital Contributions - Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>43,323</u>	<u>-</u>
Changes in Net Position	33,911	42,327	(8,416)	37,142	5,185
Net Position At:					
Beginning of Year	<u>2,368,297</u>	<u>2,325,970</u>	<u>42,327</u>	<u>2,288,828</u>	<u>37,142</u>
End of Year	<u>\$ 2,402,208</u>	<u>\$ 2,368,297</u>	<u>\$ 33,911</u>	<u>\$ 2,325,970</u>	<u>\$ 42,327</u>

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

NET POSITION (CONTINUED)

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

Fiscal Year 2015

As you can see in Table 2, Operating Revenues decreased by \$3,097,977, Nonoperating Revenues increased by \$250 and Total Revenues decreased by \$3,097,727.

A closer examination of the source of changes in net position reveals the Commission had an increase in net position of \$33,911 in fiscal year 2015 as opposed to a \$42,327 increase in 2014. This represents a dollar change of \$8,416 or a 22.80 percent decrease. The reason for the variance from 2014 to 2015 was due to a decrease in other income and an increase in maintenance and depreciation expenses as compared to prior years. The increase in nonoperating revenue of \$250 is due to an increase in interest income. The Commission reserves are held in the Local Agency Investment Fund (LAIF) which ended in fiscal year June 30, 2015 with a yield of 0.30% as compared to 0.34% in fiscal year June 30, 2014.

Fiscal Year 2014

As you can see in Table 2, Operating Revenues increased by \$622,147, Nonoperating Revenues decreased by \$426 and Total Revenues increased by \$621,721.

A closer examination of the source of changes in net position reveals the Commission had an increase in net position of \$42,327 in fiscal year 2014 as opposed to a \$37,142 increase in 2013. This represents a dollar change of \$5,185 or a 13.96 percent increase. The reason for the variance from 2013 to 2014 was due to increase in water operation maintenance costs as well as a slight increase in general and administrative expenses costs as compared to prior years. The decrease in nonoperating revenue of \$426 is due to a reduction in interest income. The Commission reserves are held in the Local Agency Investment Fund (LAIF) which ended in fiscal year June 30, 2014 with a yield of 0.22% as compared to 0.24% in fiscal year June 30, 2013.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

NET POSITION (CONTINUED)

TABLE 3
Budget vs. Actual

	Fiscal Year <u>Budget</u>	Fiscal Year <u>Actual</u>	Dollar Change	Total Percent Change
Revenues:				
Operating revenues	\$20,639,181	\$17,122,934	\$(3,516,247)	(17.04) %
Nonoperating revenues	3,000	2,555	(445)	(14.83)
Capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
 Total Revenues	 <u>20,685,504</u>	 <u>17,168,812</u>	 <u>(3,516,692)</u>	 <u>(17.00)</u>
Expenses:				
Water operations	20,545,613	17,038,880	3,506,733	17.07
Depreciation	-	16,541	(16,541)	-
General and administration	<u>93,568</u>	<u>79,480</u>	<u>14,088</u>	<u>15.06</u>
 Total Expenses	 <u>20,639,181</u>	 <u>17,134,901</u>	 <u>3,504,280</u>	 <u>16.98</u>
 Changes in Net Position	 <u>\$ 46,323</u>	 <u>\$ 33,911</u>	 <u>\$ (12,412)</u>	 <u>(26.79) %</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 done by estimating how many acre feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the Commission in the efforts to promote water conservation. In fiscal year 2014-2015, the Commission estimated 22,503 acre-feet of Tier I water at an average rate of \$887 per acre foot. The Commission did not estimate any Tier II purchases in fiscal year 2015. The Commission purchased 18,718 acre-feet in 2015. In fiscal year 2013-2014, the Commission estimated 23,299 acre-feet of Tier I water at an average rate of \$821 per acre foot. The Commission did not estimate any Tier II purchases in fiscal year 2014. The Commission purchased 22,826 acre-feet in 2014.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

CAPITAL ASSETS

The Commission's net investment in capital assets totaled \$1,389,006 as of June 30, 2015. This investment in capital assets includes pipelines and improvements, service connections, telemetry system and engineering costs for proposed roads. There was \$104,000 in additions to capital assets during fiscal year 2014-2015. The addition was in the Telemetry System as two new sites were added. There were no additions or deletions to capital assets during fiscal year 2013-2014.

TABLE 4
Summary of Changes in Capital Assets

	Fiscal Year	Fiscal Year	Dollar Change	Fiscal Year	Dollar Change
Capital assets, being depreciated:					
Pipelines and improvements	\$ 2,036,847	\$ 2,036,847	\$ -	\$ 2,036,847	\$ -
Service connections	85,277	85,277	-	85,277	-
Telemetry system	104,000	29,050	74,950	29,050	-
Engineering for proposed roads	2,201	2,201	-	2,201	-
 Total capital assets, being depreciated	 <u>2,228,325</u>	 <u>2,153,375</u>	 <u>74,950</u>	 <u>2,153,375</u>	 <u>-</u>
Less accumulated depreciation:					
Pipelines and improvements	(801,160)	(787,581)	(13,579)	(774,002)	(13,579)
Service connections	(33,564)	(32,995)	(569)	(32,427)	(568)
Telemetry system	(2,393)	(29,050)	26,657	(29,050)	-
Engineering for proposed roads	(2,201)	(2,201)	-	(2,201)	-
 Total accumulated depreciation	 <u>(839,318)</u>	 <u>(851,827)</u>	 <u>12,509</u>	 <u>(837,680)</u>	 <u>(14,147)</u>
 Total capital assets, net	 <u>\$ 1,389,007</u>	 <u>\$ 1,301,548</u>	 <u>\$ 87,459</u>	 <u>\$ 1,315,695</u>	 <u>\$ (14,147)</u>

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Commission's board of directors and administrative officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs. In 2015, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line. An amount equal to \$43,323 of the \$46,323 change in ending net position, shown in Table 5 below, is projected to be transferred to reserves for depreciation and replacement.

TABLE 5
Fiscal Year 2015 Actual vs. Fiscal Year 2016 Budget

	Fiscal Year <u>Actual</u>	Fiscal Year #VALUE! <u>Budget</u>	Dollar <u>Change</u>	Total Percent <u>Change</u>
Revenues:				
Operating revenues	\$17,122,934	\$16,623,699	\$ (499,235)	(2.92) %
Nonoperating revenues	2,555	3,000	445	17.42
Capital contributions	43,323	43,323	-	-
Total Revenues	17,168,812	16,670,022	(498,790)	(2.91)
Expenses	17,134,901	16,623,669	511,232	2.98
Changes in Net Position	33,911	46,353	12,442	36.69
Net Position At:				
Beginning of Year	2,368,297	2,402,208	33,911	1.43
End of Year	<u>\$ 2,402,208</u>	<u>\$ 2,448,561</u>	<u>\$ 46,353</u>	1.93 %

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2015

CONTACTING THE COMMISSION'S TREASURER

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF NET POSITION

June 30, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 463,460	\$ 560,707
Accounts receivable from member agencies	2,843,019	4,374,612
Interest receivable	664	530
Prepaid insurance	563	563
TOTAL CURRENT ASSETS	3,307,706	4,936,412
NONCURRENT ASSETS:		
Restricted assets:		
Cash and cash equivalents	532,274	488,951
Accounts receivable from member agencies	10,831	10,831
Total restricted assets	543,105	499,782
Capital assets:		
Capital assets, at cost	2,228,325	2,153,375
Less accumulated depreciation	(839,318)	(851,827)
Capital assets, net	1,389,007	1,301,548
TOTAL NONCURRENT ASSETS	1,932,112	1,801,330
TOTAL ASSETS	5,239,818	6,737,742
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	2,837,610	4,369,445
NET POSITION:		
Net investment in capital assets	1,389,007	1,301,548
Restricted for capital asset repairs and replacement	543,105	499,782
Unrestricted	470,096	566,967
TOTAL NET POSITION	\$ 2,402,208	\$ 2,368,297

See accompanying notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the years ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES:		
Water sales to member agencies	\$ 17,029,370	\$ 20,124,285
Member agency assessments	93,564	93,564
Other income	-	3,062
	17,122,934	20,220,911
OPERATING EXPENSES:		
Water purchases	17,029,370	20,124,285
Maintenance	9,510	6,152
Depreciation	16,541	14,147
General and administrative contractual services	64,200	64,200
Insurance expense	2,183	2,183
Legal fees	3,164	3,242
Auditing	4,600	4,500
Other	5,333	5,503
	17,134,901	20,224,212
OPERATING LOSS	(11,967)	(3,301)
NONOPERATING REVENUES:		
Investment income	2,555	2,305
LOSS BEFORE CAPITAL CONTRIBUTIONS	(9,412)	(996)
CAPITAL CONTRIBUTIONS - SURCHARGES	43,323	43,323
CHANGES IN NET POSITION	33,911	42,327
NET POSITION AT BEGINNING OF YEAR	2,368,297	2,325,970
NET POSITION AT END OF YEAR	\$ 2,402,208	\$ 2,368,297

See accompanying notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from member agencies	\$ 18,654,527	\$ 19,363,023
Cash paid to suppliers	(18,650,196)	(19,850,651)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,331	(487,628)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital surcharge	43,323	43,323
Acquisition of capital assets	(104,000)	-
NET CASH PROVIDED (USED) BY CAPITAL RELATED FINANCING ACTIVITIES	(60,677)	43,323
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	2,422	2,331
NET DECREASE IN CASH AND CASH EQUIVALENTS	(53,924)	(441,974)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,049,658	1,491,632
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 995,734	\$ 1,049,658
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (11,967)	\$ (3,301)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	16,541	14,147
(Increase) decrease in accounts receivable	1,531,593	(854,827)
Increase in accounts payable	(1,531,836)	356,353
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,331	\$ (487,628)

See accompanying notes to financial statements.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Organization:

Pomona-Walnut-Rowland Joint Water Line Commission (the Commission) was formed under the Joint Powers Agreement of 1956 between the City of Pomona, the Walnut Valley Water District and the Rowland Water District (the Agreement) for the purpose of acquiring, constructing, maintaining, repairing, managing, operating and controlling a water transmission pipeline for the benefit of the member agencies. On December 21, 2006, the Agreement was amended, restated and renewed, and will continue to be in force for twenty years from this date, with three, ten-year extensions allowable upon the written consent of each of the member agencies. For the years ended June 30, 2015 and 2014, the Commission has purchased all of its water from Three Valleys Municipal Water District.

b. Operations:

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

c. Fund Accounting:

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

d. Measurement Focus and Basis of Accounting:

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. New Accounting Pronouncements:

Current Year Standards:

GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", required to be implemented in the current fiscal year did not impact the Commission.

GASB 69 - "*Government Combinations and Disposals of Government Operations*", required to be implemented in the current fiscal year did not impact the Commission.

GASB 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*", required to be implemented in the current fiscal year did not impact the Commission.

Pending Accounting Standards:

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

- GASB 72 - "*Fair Value Measurement and Application*", effective for periods beginning after June 15, 2015.
- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*", effective for periods beginning after June 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.
- GASB 74 - "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", effective for periods beginning after June 15, 2016.
- GASB 75 - "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", effective for periods beginning after June 15, 2017.
- GASB 76 - "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", effective for periods beginning after June 15, 2015.

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Net Position:

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

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

g. Restricted Resources:

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

h. Operating Revenues and Expenses:

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Capital Assets:

Capital assets, which include pipelines and improvements, service connections, telemetry system and engineering costs for proposed roads, are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

j. Investments:

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

k. Cash and Cash Equivalents:

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

l. Accounts Receivable:

The Commission reports its accounts receivable at invoiced amounts less allowances for doubtful accounts and other deductions, if applicable. Management evaluates the ability to collect accounts receivable based on a combination of factors. No allowance for doubtful accounts was recorded as of June 30, 2015 or 2014.

m. Use of Estimates:

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments are reported as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Statements of Net Position:		
Cash and cash equivalents	\$ 463,460	\$ 560,707
Restricted cash and cash equivalents	<u>532,274</u>	<u>488,951</u>
Total cash and investments	<u>\$ 995,734</u>	<u>\$ 1,049,658</u>

Cash and investments held by the Commission at June 30, 2015 and 2014 consisted of the following:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Deposits	\$ 85,674	\$ 86,020
Investment in California Local Agency Investment Fund	<u>910,060</u>	<u>963,638</u>
Total cash and investments	<u>\$ 995,734</u>	<u>\$ 1,049,658</u>

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

2. CASH AND INVESTMENTS (CONTINUED):

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

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

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Interest Rate Risk:

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

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

Disclosures Relating to Credit Risk:

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

Concentration of Credit Risk:

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

2. CASH AND INVESTMENTS (CONTINUED):

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2015, all bank balances were insured or collateralized.

3. RESTRICTED ASSETS:

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

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

4. CAPITAL ASSETS:

Capital assets activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Pipelines and improvements	\$ 2,036,847	\$ -	\$ -	\$ 2,036,847
Service connections	85,277	-	-	85,277
Telemetry system	29,050	104,000	(29,050)	104,000
Engineering for proposed roads	<u>2,201</u>	<u>-</u>	<u>-</u>	<u>2,201</u>
 Total capital assets, being depreciated	 <u>2,153,375</u>	 <u>104,000</u>	 <u>(29,050)</u>	 <u>2,228,325</u>
 Less accumulated depreciation:				
Pipelines and improvements	(787,581)	(13,579)	-	(801,160)
Service connections	(32,995)	(569)	-	(33,564)
Telemetry system	(29,050)	(2,393)	29,050	(31,443)
Engineering for proposed roads	<u>(2,201)</u>	<u>-</u>	<u>-</u>	<u>(2,201)</u>
 Total accumulated depreciation	 <u>(851,827)</u>	 <u>(16,541)</u>	 <u>29,050</u>	 <u>(839,318)</u>
 Total capital assets, net	 <u>\$ 1,301,548</u>	 <u>\$ 87,459</u>	 <u>\$ -</u>	 <u>\$ 1,389,007</u>

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

4. CAPITAL ASSETS (CONTINUED):

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Pipelines and improvements	\$ 2,036,847	\$ -	\$ -	\$ 2,036,847
Service connections	85,277	-	-	85,277
Telemetry system	29,050	-	-	29,050
Engineering for proposed roads	<u>2,201</u>	<u>-</u>	<u>-</u>	<u>2,201</u>
 Total capital assets, being depreciated	 <u>2,153,375</u>	 <u>-</u>	 <u>-</u>	 <u>2,153,375</u>
Less accumulated depreciation:				
Pipelines and improvements	(774,002)	(13,579)	-	(787,581)
Service connections	(32,427)	(568)	-	(32,995)
Telemetry system	(29,050)	-	-	(29,050)
Engineering for proposed roads	<u>(2,201)</u>	<u>-</u>	<u>-</u>	<u>(2,201)</u>
 Total accumulated depreciation	 <u>(837,680)</u>	 <u>(14,147)</u>	 <u>-</u>	 <u>(851,827)</u>
 Total capital assets, net	 <u>\$ 1,315,695</u>	 <u>\$ (14,147)</u>	 <u>\$ -</u>	 <u>\$ 1,301,548</u>

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2015 and 2014

5. RISK MANAGEMENT:

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

At June 30, 2015 the Commission participated in the self-insurance program of the ACWA/JPIA as follows:

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

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

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

The Commission pays annual premiums for these coverages. They are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and are recorded to insurance expense when refunded or invoiced. The Commission's insurance expense (refund) for the years ended June 30, 2015 and 2014 was \$2,183 and \$2,183, respectively. There were no instances in the past three years where a settlement exceeded the Commission's coverage.

6. SUBSEQUENT EVENTS:

Events occurring after June 30, 2015 have been evaluated for possible adjustment to the financial statements or disclosure as of October 6, 2015, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended June 30, 2015

	<u>Water Operations</u>	<u>General and Administration</u>	<u>Total</u>
OPERATING REVENUES:			
Water sales to member agencies	\$ 17,029,370	\$ -	\$ 17,029,370
Member agency assessments	13,754	79,810	93,564
TOTAL OPERATING REVENUES	<u>17,043,124</u>	<u>79,810</u>	<u>17,122,934</u>
OPERATING EXPENSES:			
Water purchases	17,029,370	-	17,029,370
Maintenance	9,510	-	9,510
Depreciation	16,541	-	16,541
General and administrative contractual services	-	64,200	64,200
Insurance	-	2,183	2,183
Legal fees	-	3,164	3,164
Auditing	-	4,600	4,600
Other	-	5,333	5,333
TOTAL OPERATING EXPENSES	<u>17,055,421</u>	<u>79,480</u>	<u>17,134,901</u>
OPERATING INCOME (LOSS)	(12,297)	330	(11,967)
NONOPERATING REVENUES:			
Investment income	<u>2,555</u>	<u>-</u>	<u>2,555</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(9,742)	330	(9,412)
CAPITAL CONTRIBUTIONS - SURCHARGES	<u>43,323</u>	<u>-</u>	<u>43,323</u>
CHANGES IN NET POSITION	33,581	330	33,911
NET POSITION AT BEGINNING OF YEAR	<u>2,323,867</u>	<u>44,430</u>	<u>2,368,297</u>
NET POSITION AT END OF YEAR	<u>\$ 2,357,448</u>	<u>\$ 44,760</u>	<u>\$ 2,402,208</u>

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the year ended June 30, 2014

	Water Operations	General and Administration	Total
OPERATING REVENUES:			
Water sales to member agencies	\$ 20,124,285	\$ -	\$ 20,124,285
Member agency assessments	13,754	79,810	93,564
Other income	-	3,062	3,062
TOTAL OPERATING REVENUES	20,138,039	82,872	20,220,911
OPERATING EXPENSES:			
Water purchases	20,124,285	-	20,124,285
Maintenance	6,152	-	6,152
Depreciation	14,147	-	14,147
General and administrative contractual services	-	64,200	64,200
Insurance	-	2,183	2,183
Legal fees	-	3,242	3,242
Auditing	-	4,500	4,500
Other	-	5,503	5,503
TOTAL OPERATING EXPENSES	20,144,584	79,628	20,224,212
OPERATING INCOME (LOSS)	(6,545)	3,244	(3,301)
NONOPERATING REVENUES:			
Investment income	2,305	-	2,305
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4,240)	3,244	(996)
CAPITAL CONTRIBUTIONS - SURCHARGES	43,323	-	43,323
CHANGES IN NET POSITION	39,083	3,244	42,327
NET POSITION AT BEGINNING OF YEAR	2,284,784	41,186	2,325,970
NET POSITION AT END OF YEAR	\$ 2,323,867	\$ 44,430	\$ 2,368,297

POMONA-WALNUT-ROWLAND
JOINT WATER LINE COMMISSION

SCHEDULE OF ASSETS INVESTED IN
CAPITAL ASSETS BY MEMBER AGENCY

June 30, 2015

	City of Pomona	Walnut Valley Water District	Rowland Water District	Total
Pipeline section A-B	\$ 276,438	\$ 151,474	\$ 106,031	\$ 533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	527,953	328,914	856,867
Pipeline relocation	81,239	79,246	51,516	212,001
Engineering for proposed road	-	1,123	1,078	2,201
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
	<u>\$ 612,770</u>	<u>\$ 979,529</u>	<u>\$ 636,026</u>	<u>\$ 2,228,325</u>

Note: This schedule excludes accumulated depreciation.

Tab

2.6



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Temecula, CA 92592
Toll free: 800.676.7516 (P) 951.296.1997

nbsgov.com

August 25, 2015

Mr. Tom Coleman
General Manger
Rowland Water District
3021 Fullerton Road
Rowland Heights, CA 91748

SUBJECT: PROPOSAL FOR A WATER AND RECYCLED WATER RATE AND CAPACITY FEE STUDY

Dear Mr. Coleman,

Thank you for offering NBS the opportunity to submit this proposal to prepare a Water, Recycled Water Rate and Capacity Fee Study for Rowland Water District ("District"). We understand the objective of this study is for the consultant to address the District's concerns about potable and recycled water rates and water capacity fees. Tasks include evaluating current trends for water conservation and rate design with respect to the San Juan Capistrano court ruling in light of the complexities of the District's future water supply plans and evolving recycled water system.

Other key issues include conservation impacts on water rates, ensuring the District's overall revenues are sufficient to meet all obligations, and designing rates to encourage and accurately account for water conservation while maintaining revenue stability. Our proposal is structured to thoroughly evaluate these issues, review the District's underlying policies and assumptions, and recommend alternatives that best meet the District's needs.

Our approach includes working closely with key District staff in developing appropriate rate design alternatives, final recommendations, and clearly communicating the pros and cons of each alternative. As you are aware, due to the many recent water rate-related legal challenges it is critically important to build a solid administrative record to support the proposed rates.

EXECUTIVE SUMMARY

NBS' proposal offers the District the following benefits and advantages:

- 1. DEDICATED PROJECT TEAM:** Regardless of the "national experts and experience" that a firm may offer, it is important to know "Who will actually work on the District's study?" NBS offers a team of senior consultants: Greg Clumpner (project principal) and Kim Boehler (project manager/senior consultant) will be responsible for conducting and completing this study for the District *from start to finish*. We also offer a team of proven consultants who will support the technical tasks that are foundational to the overall success of this study.
- 2. GOING THE EXTRA MILE:** In addition to a dedicated team, we believe NBS' most valuable qualification is our record of satisfied clients, as demonstrated by our client references. We are genuinely concerned about the project's success and your satisfaction. Because of this, we often go beyond what is expected of a consultant, including:
 - Refining our approach and tailoring the schedule to what works best for the District.
 - Understanding how recent changes to laws and regulations may affect the study.
 - Working with you as partners, and paying attention to your concerns.

- Striving to educate District staff and key stakeholders throughout the process.
 - Soliciting your active involvement in the study, yet respecting your time by not burdening you with unnecessary requests.
3. **TAILORED PROJECT APPROACH:** Based on our discussions with you about the District's challenges, our project approach is one that we believe will maximize the value and success of this study, including:
- **Creating a Sustainable Financial Plan** – Developing a sustainable financial plan means meeting revenue requirements, maintaining healthy coverage ratios, funding capital projects and ensures the District's long-term financial health.
 - **Appropriately Allocating Costs** – Reviewing how fixed vs. variable costs are allocated to each customer class and are recovered through fixed and volumetric charges are essential elements of a sound rate structure. The District's last rate study allocated 32% of costs to fixed charges and 68% of costs to volumetric rates. While this is similar to the 70/30 split the California Urban Water Conservation Council's BMP No. 1.4, it is sensitive to reduced consumption levels and can result in more revenue instability than the District may be comfortable with. Hence the need to carefully consider the cost allocation used in light of projected conservation and broader financial concerns; zonal pumping costs will also be carefully evaluated.
 - **Developing Suitable Rate Designs** – The San Juan Capistrano decision stresses the need to demonstrate the cost-basis for tiered rates when considering new rate structure alternatives. Along with reviewing existing tiered rates, our intent is to meet both revenue objectives and comply with the District's conservation mandates by developing alternatives that continue to encourage water conservation and provide revenue stability during higher levels of conservation.
 - **Calculating Capacity Fees** – We have reviewed the District's legal review by Best Best & Krieger and would structure capacity fees (i.e., including both "capacity" fees and "connection" fees) that meet the legal standards outlined in this review. The results would be a complete restructuring of the District's current acreage supply fee.
 - **Successfully Communicating Results** – We plan to work cooperatively with both District staff and CV Strategies to help explain the pros and cons of various rate design alternatives, impacts on customer bills, long-term revenue stability, and the approach to water conservation in order to help promote the ultimate acceptance of the study recommendations.
4. **TECHNICALLY SOUND RATE STUDY TASKS:** Working with similar agencies throughout the State, we understand the various approaches that can and have been used in similar studies. Based on the 30-years of experience of our project principal, along with our close ties with legal experts in the water industry, our proposal offers sound and implementable solutions.

Thank you for considering our proposal. We look forward to a more detailed discussion of our ideas for meeting the challenges of this study. Please do not hesitate to contact Greg Clumpner, our proposed Project Principal, at either 530.297.5856 (cell), 800.676.7516 (office) or at gclumpner@nbsgov.com if you have any questions.

Sincerely,


Greg Clumpner
Project Principal


Michael Rentner
President & CEO

B. PROPOSED SCOPE OF WORK

DETAILED WORK PLAN

NBS will provide the leadership necessary to guide District staff and Board members through the various options, key issues, and explaining how other California communities are addressing similar problems. Ultimately, we want the District to be confident that it is taking reasonable and prudent steps in developing rates and fees that best meet the needs of District's customers.

This section details NBS' proposed methodology and scope of work. These tasks serve as the basis for the proposed budget.

TASK 1. KICKOFF MEETING AND DATA COLLECTION

Task Objectives: Clearly communicate and work with District staff to obtain necessary data and review study objectives, tasks, and schedule.

Task Deliverables:

- Data request to District staff prior to the kick-off meeting.
- Review of initial data provided.
- Kick-off meeting with District staff.
- Preliminary plan for Board workshops and public outreach.

The kick-off meeting will be used to review and discuss the data from the District's billing and accounting system and data requirements in general. The water and recycled water data the District will need to provide includes customer accounts, meter sizes, monthly consumption records for each customer, total rate revenue collected, and financial data typically reported in financial statements.

TASK 2. REVIEW OF CURRENT RATES AND POLICIES

Task Objectives: Work with District staff to review and evaluate the District's current rate structures, reserve funds, and related policies at the beginning of the study. This will help set the direction for the study with a greater degree of clarity and avoid unnecessary complications when the final results are presented to the Board and public. For example, policies related to basic equity and fairness, revenue stability vs. water conservation, drought-related supply reductions and/or unit price increases, and the level of funding for capital repair and replacement costs. We will also discuss the District's potential interest in changing from a meter-size to a customer type basis for customer classes, and discuss the pros and cons of both cases.

Task Deliverables:

- Assessment of *current reserve funds* and target year-end balances.
- Assessment of *current rate structures* (pros and cons, areas for improvement, etc.).
- Assessment of *equity* of the rates for the various customer classes.
- Assessment of *conservation impacts* (current rates and potential new rate designs).
- Assessment of current *rate-related policies* compared to industry practices and how they may relate to possible rate alternatives.
- Recommendations for changes to and/or additional policies for the Board to consider adopting, as well as a greater degree of direction on rate alternatives for further evaluation.

TASK 3. FINANCIAL PLAN AND REVENUE REQUIREMENT ANALYSIS

Task Objectives: Prepare a detailed financial plan that details the District's revenues, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs and net revenue requirements. Based on our review of reserve fund policies, those changes will be incorporated into the

financial plan in order to better evaluate the District's current financial management concerns.

Task Deliverables:

- A 20-year financial projection model that will serve as a financial "roadmap" for the District.
- Summary of current and projected net revenue requirements.
- Establish reserve fund policies and targets potentially including reserves for operations, water supply reliability, rate stabilization, repair and replacement, debt service and capital projects.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.

This financial plan will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 4 and 5. The following subtasks are anticipated:

- **Projected Revenues and Expenditures** – Using a cash-basis reflecting the District's system of accounts, NBS will prepare a 20-year projection of revenues, expenses, and increases in rate revenue needed to meet all obligations. This will provide the District with the financial planning tools needed for smoothing out future rate increases and maintaining appropriate reserve fund levels in light of revised budget projections.
- **Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues such as debt service coverage ratios. We will provide recommendations for reserve fund targets that are tailored to the District's specific needs such as operating, capital rehabilitation/replacement and rate stabilization, in addition to recommending strategies for spend-down criteria.
- **Review Capital Improvement Funding** – NBS will incorporate the capital improvement plans, and evaluate the timing, costs, and available reserves used to fund various projects. We will work with District staff to develop a well-conceived approach to funding these capital needs

Figures 2, 3 and 4 are *generic* examples of the types of charts and tables we use to summarize these results (District's chart of accounts will serve as the basis for the actual analysis and tables).

Figure 2. Summary of Five-Year Revenue Requirements and Rate Increases

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected				
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Sources of Water Funds						
Rate Revenue Under Prevailing Rates	\$ 15,203,655	\$ 15,315,705	\$ 15,429,586	\$15,546,465	\$15,685,153	\$15,828,338
Non-Rate Revenues	599,330	635,770	600,769	575,976	571,953	571,970
Total Sources of Funds	\$ 15,802,985	\$ 15,951,475	\$ 16,030,355	\$16,122,441	\$16,257,107	\$16,400,308
Uses of Water Funds						
Operating Expenses	\$ 12,791,032	\$ 13,197,960	\$ 13,312,000	\$13,813,880	\$ 14,928,296	\$ 15,546,000
Debt Service	498,608	489,138	488,652	490,108	492,153	463,855
Rate-Funded Capital Expenses	-	3,515,232	7,310,656	5,620,544	5,217,171	4,346,899
Total Use of Funds	\$ 13,289,640	\$ 17,202,330	\$ 21,111,308	\$19,924,532	\$20,637,620	\$20,356,754
Additional Revenue from Rate Increases	-	765,785	1,581,533	2,450,511	3,561,824	4,565,472
Surplus / (Deficiency) after Rate Increase	\$ 2,513,346	\$ (485,070)	\$ (3,499,420)	\$ (1,351,580)	\$ (818,690)	\$ 609,026
Projected Annual Rate Increase	0.00%	5.00%	5.00%	5.00%	6.00%	5.00%
Debt Coverage After Rate Increase¹	4.25	1.30	1.30	1.30	1.30	1.30
Net Revenue Requirement²	\$ 12,690,310	\$ 16,566,560	\$ 20,510,539	\$ 19,348,556	\$ 20,065,667	\$ 19,784,784

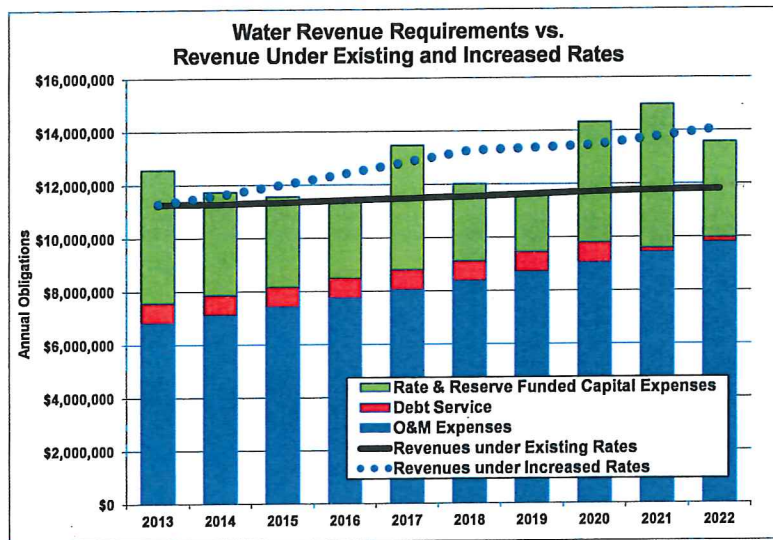
1. Includes use of cash reserves for coverage calculation purposes only.

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

Figure 3. Summary of Five-Year Reserve Fund Balances

Ending Reserve Fund Balances and Recommended Reserve Targets	Budget			Projected		
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Operating Reserve	\$ 1,708,000	\$ 1,586,173	\$ 1,781,660	\$ 1,938,000	\$ 1,605,258	\$ 2,095,000
<i>Recommended Minimum Target</i>	<i>1,708,000</i>	<i>1,781,000</i>	<i>1,858,000</i>	<i>1,938,000</i>	<i>2,015,000</i>	<i>2,095,000</i>
Capital Rehab & Replacement Reserve	\$ 1,726,922	\$ 1,426,100	\$ 1,372,500	\$ 1,952,055	\$ 1,336,200	\$ 1,777,507
<i>Recommended Minimum Target</i>	<i>1,565,400</i>	<i>1,426,100</i>	<i>1,372,500</i>	<i>1,320,100</i>	<i>1,336,200</i>	<i>1,249,300</i>
Debt Reserve	\$ 536,949	\$ 536,949	\$ 536,949	\$ 536,949	\$ 536,949	\$ 536,949
<i>Recommended Minimum Target</i>	<i>536,949</i>	<i>536,949</i>	<i>536,949</i>	<i>536,949</i>	<i>536,949</i>	<i>536,949</i>
Total Ending Balance	\$ 3,971,871	\$ 3,549,223	\$ 3,691,110	\$ 4,427,004	\$ 3,478,408	\$ 4,409,456
Total Recommended Minimum Target	\$ 3,810,349	\$ 3,744,049	\$ 3,767,449	\$ 3,795,049	\$ 3,888,149	\$ 3,881,249
Surplus / (Deficit)	\$ 161,522	\$ (194,827)	\$ (76,340)	\$ 631,955	\$ (409,742)	\$ 528,207

Figure 4. Summary of Revenue Requirements and Existing vs. Proposed Rates



TASK 4. COST OF SERVICE ANALYSIS

Task Objectives: Equitably allocating the revenue requirements to each customer class, determining the cost of providing water service to each of these classes, and evaluating zonal pumping costs. Separate analyses will be needed for potable vs. recycled water.

Task Deliverables: Develop cost of service summary tables that will be incorporated into the rate design. This analysis provides a critical component necessary for establishing a defensible administrative record for cost-based water rates.

The San Juan Capistrano decision will be a significant component in the cost of service analysis, and establishing the first-level cost-basis for tiered rates will be a key part of this effort (*detailed cost-basis for each tier will be part of the rate design in Task 5*). In this part of the analysis, the revenue requirements will be equitably allocated to individual customer classes based on industry standard methodologies. Pumping costs by zone will also be reviewed and updated.

We will review the District's existing customer classes and analyze the historical characteristic of each customer class to determine if any changes should be made, in order to comply with industry standards. If there are any changes to the customer classes resulting from the review of the current rate structures and customer characteristics (i.e., incorporating single-, multi-family and commercial, etc.), these changes will be incorporated into this analysis. The two main components of the cost-of-service analysis are: (1) the

functionalization/classification of expenses, and (2) the allocation of costs to customer classes. These are described below:

Functionalization/Classification of Expenses – Functionalizing the expenses means arranging costs into basic categories, such as source of supply, treatment, transmission, and distribution, as well as administrative and overhead costs. Once the costs have been functionalized, they are then classified to their various cost components, such as fixed capacity, variable (commodity), or customer related costs, as illustrated in Figure 5.

Figure 5. Classification of Water Revenue Requirements

Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	% Allocation		
	2013/14	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Operating Expenses							
Administration	\$ 1,623,270	\$ 600,610	\$ 762,937	\$ 259,723	37%	47%	16%
Purchased Water	\$ 704,330	\$ 704,330	\$ -	\$ -	100%	0%	0%
Water Treatment	\$ 5,919,390	\$ 3,788,410	\$ 2,130,980	\$ -	64%	36%	0%
Water Distribution	\$ 4,950,970	\$ 1,584,310	\$ 1,584,310	\$ 1,782,349	32%	32%	36%
Subtotal: Operating Expenses	\$ 13,197,960	\$ 6,677,660	\$ 4,478,228	\$ 2,042,072	51%	34%	15%
Other Expenses							
Debt Service	\$ 489,138	\$ 244,569	\$ 244,569	\$ -	50%	50%	0%
Rate Funded Capital	\$ 3,515,232	\$ 1,757,616	\$ 1,757,616	\$ -	50%	50%	0%
TOTAL REVENUE REQUIREMENTS	\$ 17,202,330	\$ 8,679,845	\$ 6,480,412	\$ 2,042,072	50%	38%	12%
<i>Less: Non-Rate Revenues</i>	<i>\$ (476,925)</i>	<i>\$ (240,644)</i>	<i>\$ (179,666)</i>	<i>\$ (56,615)</i>	<i>50%</i>	<i>38%</i>	<i>12%</i>
Net Revenue Requirements	\$ 16,725,404	\$ 8,439,201	\$ 6,300,747	\$ 1,985,457			
<i>Allocation of Revenue Requirements</i>	<i>100%</i>	<i>50%</i>	<i>38%</i>	<i>12%</i>			

Allocation of Costs to Customer Classes – These costs are then allocated to individual customer classes based on allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used for the actual rate calculations. Figure 6 describes the allocation factors that will be developed in this phase of the analysis and used to allocate costs.

Figure 6. Example of Allocation Factors

Cost Classification Category	Commodity	Capacity	Customer
Allocation Factors	Water Consumption by Customer Class	Peak Water Use	Number of Accounts by Customer Class
Types of Costs	<i>Costs associated with the consumption of water over time.</i>	<i>Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.</i>	<i>Costs associated with having customers connected to the system.</i>
Examples of Costs	<ul style="list-style-type: none"> • Variable Cost of Purchased Water • Electricity • Chemicals 	<ul style="list-style-type: none"> • Primarily capital facilities • Fixed cost of purchased water 	<ul style="list-style-type: none"> • Meter Reading • Customer Billing • Customer Service

As a result of applying the allocation factors to the cost classifications, the revenue required from each customer class is accumulated by customer class, as shown in Figure 7.

Figure 7. Allocation of Revenue Requirements to Customer Classes

Customer Class	Classification Components			Total
	Commodity	Capacity	Customer	
Net Revenue Requirements	\$ 9,730,242	\$ 4,823,021	\$ 1,528,227	\$ 16,081,490
	61%	30%	10%	100%
Single-Family Residential	\$ 6,251,321	\$ 3,230,845	\$ 1,284,960	\$ 10,767,126
Multi-Family Residential	\$ 490,683	\$ 206,841	\$ 57,405	\$ 754,929
Commercial	\$ 2,988,238	\$ 1,385,335	\$ 185,862	\$ 4,559,436
Total	\$ 9,730,242	\$ 4,823,021	\$ 1,528,227	\$ 16,081,490

TASK 5. RATE DESIGN ANALYSIS

The District currently has fixed service charges by meter size and, for volumetric rates, differentiates between single-family residential (SFR) and commercial/multi-family residential (MFR) customers; there are three tiers by zone for SFR and a uniform tier by zone for commercial/MFR. Separate recycled water rates are uniform tiers with no zonal elevation charges.

Task Objectives: Based on the potential new rate alternatives resulting from Task 2 and the revenue requirements by class/meter size resulting from Tasks 3 and 4, we will develop rate structure alternatives that fairly and equitably meet annual revenue requirements in addition to incorporating the District's broader rate design goals and objectives. This includes evaluation of fixed service charges (SFR, commercial/MFR, recycled, fire, etc.) and volumetric rates, including zonal surcharges.

Task Deliverables: Deliverables include rates for the rate structure alternatives, including the evaluation of the pros and cons of each alternative.

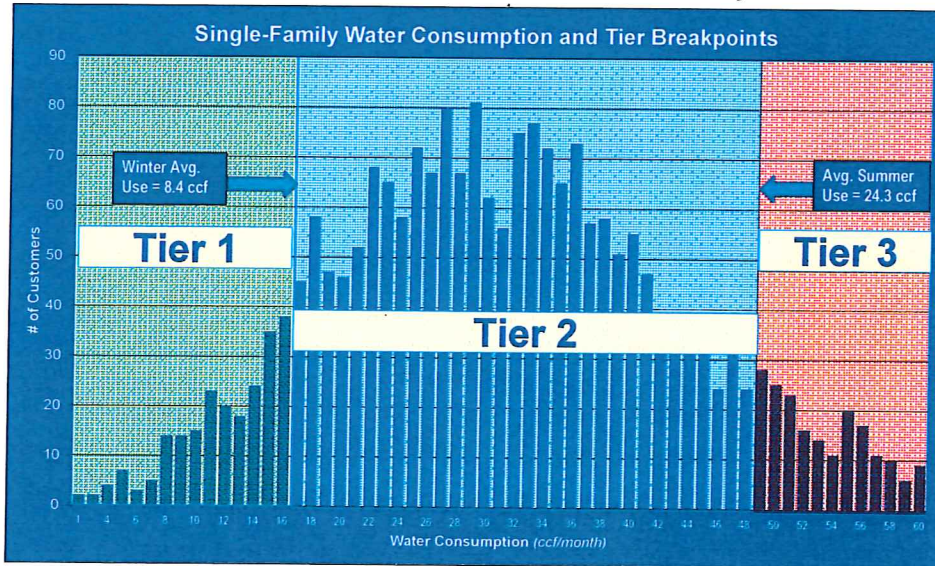
Along with a discussion of the pros and cons of the rate alternatives, NBS will also discuss the amount of revenue collected from fixed vs. volumetric charges and the costs included for zonal pumping charges. For the potential tiered volumetric charges, we will evaluate the price differential between tiers, the total quantities of water included in each tier, and amount of revenue collected in each tier. Rate design recommendations will also illustrate the impacts on monthly bills of low-, average- and high-use customers.

5.1 Evaluation of Consumption Patterns - NBS will perform a detailed analysis that will identify the number of accounts for each meter size at various levels of consumption and the total water use that would occur within each tier; this results in a "distribution chart" of consumption and provides insight into the number of customers within each tier. The District's most recent water consumption data will be used for this analysis.

This type of data analysis ensures an accurate projection of the revenue that will be collected within each tier, and allows for testing various rate structure alternatives (e.g., changing tier breakpoints and rates) in order to accurately design water rate tiers and recover sufficient revenues. Figure 8 illustrates the type of distribution curve that summarizes the number of customers by consumption level.

We note that the criteria for the District's current tiered rates (i.e., those reflected in the District's 2012 rates study), will need to be re-examined in light of the cost-basis criteria embedded in the San Juan Capistrano appellate court decision.

Figure 8. Consumption Distribution Analysis



5.2 Calculate Fixed and Volumetric Charges - Fixed costs consider the number of accounts, equivalent meters, and the number and size of meters. In contrast, variable costs are typically allocated in proportion to consumption.

We note that a strict cost-of-service methodology could determine the percentages of rate revenue collected from fixed and variable rates. However, other factors are typically considered in this process, such as revenue stability, water conservation goals, ease of understanding, and ease of administration. (Note: legal experts, such as BB&K, have opined that the San Juan case does not appear to impact the fixed-variable allocation percentages). NBS will recommend a rate structure that provides a balance between fixed and variable charges, with the goal of recovering all or a significant portion of fixed costs from fixed charges and variable costs from variable charges, while also encouraging water conservation.

Figures 9, 10 and 11 illustrate how the rate-design analysis recovers customer costs based on the total number of meters, capacity costs from each meter size based on the hydraulic capacity, and how commodity costs are recovered from customers based on water consumption.

Figure 9. Example of Fixed Charges Calculations

Meter Size	Number of Meters	Hydraulic Capacity Factor ¹	Total Equivalent Meters	Fixed Service Charges		
				Customer Costs (\$/Acct/ mo.)	Capacity Costs (\$/Acct/ mo.)	Total Fixed Service Charge
5/8 x 3/4 inch	34	0.67	23	\$4.50	\$6.51	\$11.01
3/4 inch	30,207	1.00	30,207	\$4.50	\$9.76	\$14.26
1 inch	14,295	1.67	23,825	\$4.50	\$16.27	\$20.77
1 1/2 inch	1,280	3.33	4,267	\$4.50	\$32.55	\$37.05
2 inch	2,314	5.33	12,341	\$4.50	\$52.07	\$56.57
3 inch	190	10.00	1,900	\$4.50	\$97.64	\$102.14
4 inch	96	16.67	1,600	\$4.50	\$162.73	\$167.23
6 inch	30	33.33	1,000	\$4.50	\$325.46	\$329.96
8 inch	62	53.33	3,307	\$4.50	\$520.73	\$525.23
10 inch	8	80.00	640	\$4.50	\$781.10	\$785.60
Total	48,516	--	79,109	--	--	--

Figure 10. Example of Commodity Rate Calculations

Customer Classes	Number of Accounts	Projected Water Consumption ¹	Target Revenue Requirement	Uniform Commodity Rates (\$/hcf)	Proposed Rate Structure
Single-Family Residential	23,257	6,396,362	\$ 6,251,321	\$0.977	Tiered
Multi-Family Residential	1,039	502,068	\$ 490,683	\$0.977	Uniform
Commercial	3,364	3,057,570	\$ 2,988,238	\$0.977	Uniform
Total	27,660	9,956,000	\$ 9,730,242	--	--

1. Assumes all customer classes will consume 5% less water than in FY 2012/13 due to conservation efforts.

Figure 11. Example of Single-Family Residential, Three-Tier Rate Calculations

Water Customer Class	Single-Family Tiers	Upper Tier Breakpoint	Price Differential Between Tiers	Projected Water Consumption	Proposed Commodity Rates (\$/hcf)	Tier Revenue Generated
Single Family Residential	Tier 1	11.0 hcf/mo.	--	2,686,499	\$0.416	\$1,118,250
	Tier 2	36.0 hcf/mo.	50%	2,443,475	\$1.281	\$3,129,777
	Tier 3	-	24%	1,266,388	\$1.582	\$2,003,294
Total	--	--	--	6,396,362	--	\$6,251,321

Criteria for Choosing the “Right” Rate Design – Revenue sufficiency and stability are critical components to consider when evaluating rate designs. In projecting future rates and rate increases, NBS’ approach is a conservative one in which we want to ensure that there are no significant under-collections of rate revenue, which represents a “worse-case” scenario. Erring on the conservative side (i.e., one where there is a greater chance of over-collecting revenue than under-collecting) would potentially enable the District to reduce future rate increases, but would not leave the utility reserves under-funded.

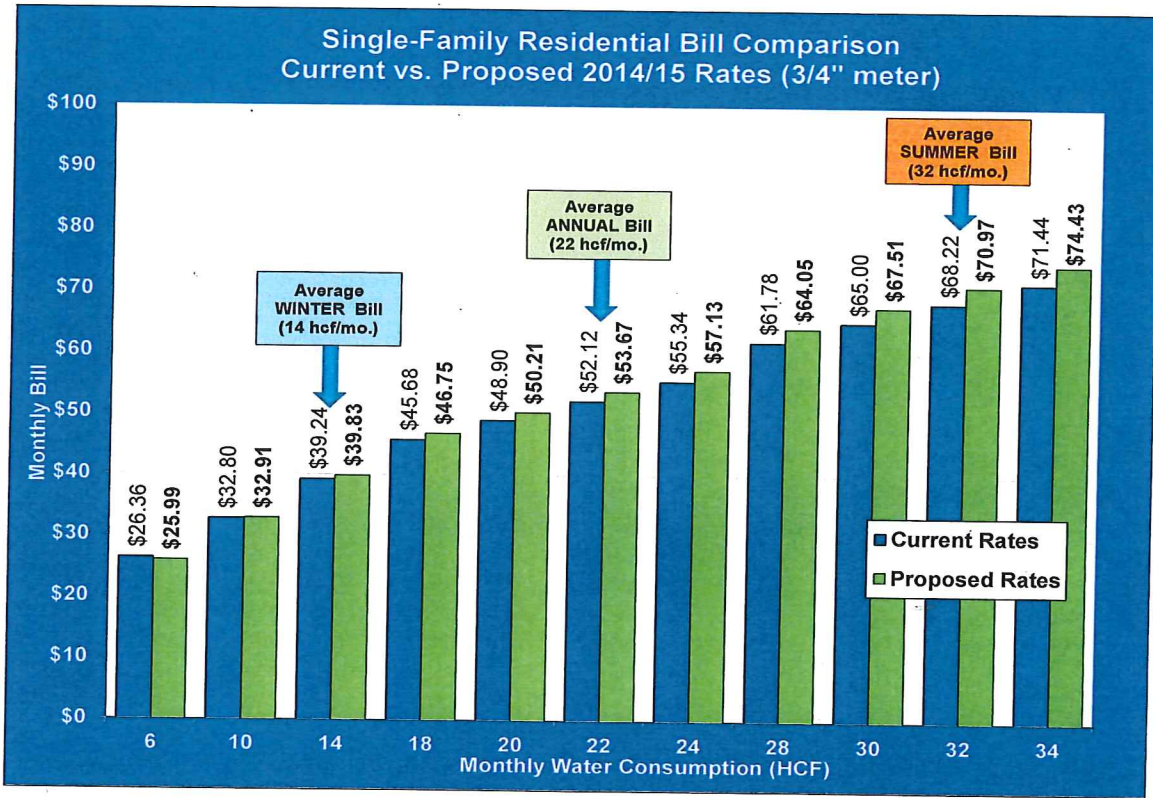
The criteria that NBS will consider and discuss with the District in developing a recommended rate structure include:

- How costs are allocated to fixed and volumetric rates, which affects revenue stability.
- How summer peaking patterns are reflected in water rate design.
- How meter sizes are used in calculating fixed charges.
- The amount of revenue that should be collected within each tier.
- How to address “price elasticity” reductions in water use in response to rate increases.
- Impacts on monthly customer bills.

The rate structure alternatives selected for a detailed analysis will, in the end, provide the basis for comparing monthly customer bills for the current and alternative rate structures. However, rate alternatives will be “revenue neutral” because they will all collect the same amount of revenue.

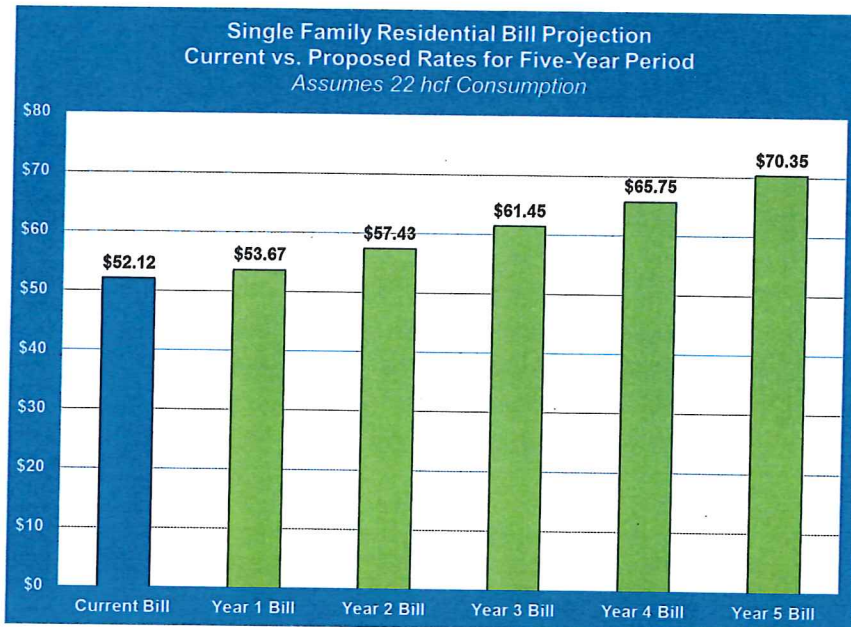
5.3 Comparison of Monthly Water Bills – We will prepare an analysis of monthly water bills for various types of customers (meter sizes) with low-, average-, and high-water usage under each rate alternative evaluated in the study. This analysis is useful when evaluating the effects of different rate structures on customers, as illustrated in Figure 12.

Figure 12. Example of Monthly Bill Comparison



Five-Year Rate Schedule – We will provide the District with a rate schedule that includes proposed rates for the next five years. We will also provide a projection of the typical bill for the five year period, as illustrated in Figure 13.

Figure 13. Example of Monthly Bill Projection



5.4 Prepare Conservation Rates

We note that “conservation rates” (those anticipating the future levels of conservation) have different components. For example, “surcharges” calculate an additional charge to offset revenue reductions associated with reduced water sales (conservation), while conservation rates that anticipate lower future conservation levels are prepared in conjunction with more severe stages of mandated conservation, typically those outlined in an adopted water shortage contingency plan. These conservation rates can be intended to encourage conservation and/or provide/ensure revenue stability during more severe stages.

Immediate Surcharges – The District appears to be accumulating reserve funds due to the combination of reduced water sales *and* even greater reductions in purchased water costs. However, if necessary, an immediate surcharge can be implemented for the purpose of addressing revenue shortfalls due to the further reductions in water sales.

Conservation Rates – This task will develop a conservation rate structure to ensure that it will accommodate the recommended changes in the financial plan and cost-of-service analysis related to decreased water sales. NBS will work with District staff to develop rate structures that consider and reflect the District’s specific conservation issues. Figure 14 illustrates how the key factors might be incorporated in a process that calculates the volumetric rates needed at various conservation-stages to achieve both the necessary reductions in consumption levels and still produce sufficient revenues. Key factors include: (1) price-induced vs. non-price mechanisms (i.e., voluntary reductions), (2) normal/current water sales vs. price-induced reductions needed, (3) estimated price elasticities at each conservation stage, and (4) conservation-stage volumetric rates. In the District’s case, conservation levels may or may not depend on the need for price-induced conservation.

Figure 14. Example: Calculating Conservation-Stage Volumetric Rates

Components of Conservation Rate Calculations	Conservation Stages			
	Stage 1	Stage 2	Stage 3	Stage 4
Needed Savings per Conservation Stage	10%	20%	30%	40%
Annual Water Sales (hcf/year)				
Normal Water Sales	100,000 hcf	100,000 hcf	100,000 hcf	100,000 hcf
Reduction in Water Sales Needed	10,000 hcf	20,000 hcf	30,000 hcf	40,000 hcf
Calculating Volumetric Rate Adjustments				
Estimated Price Elasticity	(0.15)	(0.20)	(0.30)	(0.40)
Increase in Volumetric Rate Needed	26.7%	50.0%	60.0%	75.0%
Calculated Conservation-Stage Volumetric Rates				
Volumetric Rates (Non-Conservation)	\$2.73	\$2.73	\$2.73	\$2.73
Volumetric Rates for Each Conservation Stage	\$3.46	\$4.10	\$4.37	\$4.78

TASK 6. RECYCLED WATER RATE ANALYSIS

Task Objectives: Review existing and develop new rate structure alternatives that are a better fit for the District’s recycled water system and customers; recommend alternatives for the District to consider.

Deliverables: List of rate structure alternatives, including a list of pros and cons of each alternative, and recommendations, possibly in the form of a priority ranking of rate alternatives.

6.1 Recycled Water Cost of Service Study

Recycled water costs and rates are quite different from water costs and rates in many ways. For example, there are typically far fewer, but larger consumption customers (e.g., parks, HOA’s, golf courses). Industry

standards for recycled water rates are evolving and are still largely a “work-in-progress”.¹ Therefore this analysis will require an evaluation of a number of cost factors, cost-sharing between recycled water and sewer utilities/systems, and limitations that are normal constraints when setting recycled rates. The following are a few tasks involved in this analysis.

Identify Key Assumptions and Policies - NBS will work with District staff to confirm and, as needed, recommend various assumptions as well as formats for the development of the recycled water rates. The current practice of setting volumetric rates to something like 10% less than the potable rates is fairly common, but needs to be re-examined, particularly in light of the San Juan Capistrano decision with regard to the cost basis as well as fairness and equity. As noted in the footnote below, we are providing a recent paper on recycled water pricing practices in California. This paper illustrates the wide range of pricing mechanisms currently in use. This paper will be part of the overall research in trends in recycled water prices.

Projected Recycled Water Break-Even Prices - Working with District staff and available data, develop projections of annual revenue requirements for the recycled water system, including the costs of operations, maintenance and capital improvements. Combine these costs with projected recycled water use to determine the break-even recycled water prices that would be needed to fully fund annual operations and capital costs.

6.2 Recycled Water Services Rate Design Analysis

Rate Structure Alternatives – Some of the key characteristics in reviewing rate structure alternatives is (1) how costs are split between fixed and variable (i.e., volumetric) costs and (2) the extent to which initial capital/system costs are recovered. Also, revenue will vary significantly on a seasonal basis and along with weather variations within the summer period.

For discussion purposes, we note there are many variations of rate structures used in Southern California. For example:

- Uniform (single-tier) volumetric rate as a percent of potable rate,
- Uniform volumetric rate that varies by geographic or elevation zone,
- Separate volumetric rates for O&M and capital costs,
- Separate volumetric rates based on quality of water,
- Tiered rates that are similar to residential tiered rates but as a percent of potable tiers,
- Fixed monthly charges plus uniform volumetric rates,
- Fixed charges that vary by meter size plus uniform volumetric rates,
- Fixed charges plus tiered rates tied to customer classes,
- Water-budget based tiered rates.

These alternatives will be evaluated to determine if any are more appropriate than the District's current rates. With consideration for projected break-even recycled water costs, annual demand (i.e., projected use), and discussions with District staff, NBS will prepare a “pros & cons” table for the most promising rate structures. We will also develop typical monthly bills for typical customers to compare the impacts of the rate structures on their bills. Projected rates under the top-ranked rate structure alternatives will be provided to help determine a recommended alternative.

TASK 7. WATER CAPACITY FEE ANALYSIS²

¹ We have separately included a copy of a paper on recycled water rate structures that our project manager prepared; this paper points out the current rate structures used in California, and discusses some relevant recycled water pricing concepts that the District may want to consider.

² We note that the District's legal analysis by BB&K defines “capacity” fees as those related to system capacities; “connection” fees refer to the physical connection to the system (meters, services, related labor costs, etc.). We are using the term capacity fee here to include both these terms.

Task Objectives: Develop water capacity fees for the District that are consistent with applicable legal requirements and industry standards.

Task Deliverables: A water capacity fee schedule.

Overview of Capacity Fee Calculations – In its simplest form, capacity fees are the result of dividing the cost (or value) of the system’s current capacity plus planned capital improvements by the expected number of new customers. The two most common approaches are often referred to as (1) a “buy-in” approach, whereby new users pay for their fair share of existing system assets paid for by current customers, and (2) an “incremental” or “marginal” approach that assumes capacity fees should fully cover the costs of all new (or “incremental”) system facilities required to provide them sufficient capacity in the system. Depending on the remaining system capacity, a combination of these two approaches is often used. NBS will develop an appropriate methodology that complies with industry standards, and will appropriately reflect planned capital improvements and projected growth. The costs and installation of meters and services (often referred to as “hook-up” fees) are another set of costs that can be included or identified separately.

Developing Asset Values - The actual methodology of estimating the value of existing system assets (e.g., treatment, transmission & distribution, source of supply, etc.) is important to the outcome. For example, using current book values typically underestimate the “true value” of facilities, while a replacement-cost-less depreciation approach usually provides a better estimate of the true value of assets. We plan to use the replacement-cost-less depreciation approach to estimate the value of the District’s assets and propose using the Handy-Whitman Index of Public Utility Construction Costs, which is a regionally specific index that tracks costs for water utility construction. We believe this is the most accurate inflation index available to water utilities and the District can use it going forward, so that capacity fees can keep pace with cost inflation.

Once the values of the existing and planned (i.e., incremental, or marginal) system assets are estimated, these values are allocated to existing and new customers. NBS will assess the equity of how these values are allocated to existing and new customers, and then divide the amount allocated to new customers by the system capacity, typically measured in equivalent dwelling units (EDU’s) or equivalent meter units. This calculation determines the maximum cost the District can charge per EDU for a new connection, from which all other charges are related.

Calculate and Recommend New Capacity Fees - The total costs allocated to growth (or value of the system assets available to serve growth) are divided by the available capacity in EDU’s, as determined by the system capacity available to serve growth.

NBS will consider two approaches to estimating the capacity available to future customers: (1) all available remaining capacity, and (2) expected number of units that would be added to the system. This second approach could be less than the available remaining capacity. For example, if there are 5,000 EDU’s of remaining capacity in the system, but realistic growth is only 3,000 EDU’s, then the smaller number would be used to calculate the capacity fee. Based on this analysis, NBS will review the new capacity fees with District staff and recommend the alternative that best meets the District’s needs.

TASK 8. PREPARE A WRITTEN STUDY REPORT

Task Objectives: Prepare draft and final reports.

Task Deliverables: Draft and Final Reports for review by District Staff that include our final recommendations for the financial plans, rate and fee structures. Sufficient information will be provided in the report for staff, the Board and the public to review and understand the study.

We will prepare draft and final rate study reports that include proposed rates for the next five years, although the financial models will cover a 20-year period. An executive summary and introduction will present the

purpose of the report and results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise and understandable report that will provide the District with a thorough administrative record that addresses:

- Findings and recommendations.
- Overall study methodology, with reference to AWWA M1 Manual and industry standards as needed.
- Five year financial plan, including a revenue and expense projection.
- Description of the capital improvement program, as provided by the District.
- Supporting justification in the form of calculation tables that a judge and general public could easily understand.
- Appropriate figures and tables summarizing key aspects and results of the study.
- Proposed new water rate structure that is based on cost-of-service principles, including meeting the following criteria:
 - Providing adequate revenue from rates.
 - Adopting new rates that are both defensible and equitable across customer classes.
 - Includes a multi-year adjustment schedule using a clearly defined inflationary formula that does not exceed the cost of service.

We will provide an electronic file in Microsoft Word of the draft report that includes the preliminary results of the study and alternative rates for the District's review and comment. Once we receive the District's comments³, we will incorporate those comments into a final report and provide the District with an electronic copy, along with ten (10) printed copies.

TASK 9. MEETINGS AND PRESENTATIONS

9.1 Meetings with District Staff

Task Objectives: Facilitate study progress, communication of results, and meet with District staff.

Task Deliverables: Provide up to two (2) on-site meetings with District Staff to review work products and study progress.

NBS proposes to have two on-site progress meetings with District staff to review initial work products and gain input from Staff on the direction of the study, including the kick-off meeting in Task 1. We also expect to have regular phone conversations with District staff to discuss how the study is proceeding, get input from Staff, and prior to the public meetings to review and discuss the study's initial results and work products.

9.2 Board Presentations

Task Objectives: Effectively communicate with the Board of Directors and the public as needed to successfully complete the study.

Task Deliverables: Provide on-site presentations with the Board of Directors as requested.

NBS will plan to provide three (3) workshops with the Board of Directors to receive input from them and respond to questions prior to asking for formal approval of the recommended rates. We will prepare material for the board presentations, including PowerPoint presentations. For the District's consideration, we propose the following three presentations for this process:

1. Workshops to present an overview of the study and receive general input and answer questions from the Board on the development of water rates.
2. Presentation of the initial rate study results; seek direction on proposed changes to the rate structure from the Board.
3. Attend and present at the public hearing.

³ We assume the District's comments will be returned to NBS in the electronic Word file using track-changes mode, and that District staff will resolve any of their internal differences prior to returning this file.

C. PROJECT BUDGET & SCHEDULE

PROJECT BUDGET

Rowland Water District Water & Recycled Water Rate and Connection Fee Study - Project Budget					
Rate Study Tasks	Consultant Labor (Hours)			Grand Totals	
	Project Principal (Clumpner)	Project Manager (Boehler)	Analysts (Bowers, Henry or Narayanan)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	\$235	\$170	\$135		
Task 1 – Kick-off Meeting & Data Collection	2.0	6.0	10.0	18.0	\$2,840
Task 2 – Review of Current Rates and Policies	4.0	6.0	-	10.0	\$1,960
Task 3 – Financial Plan and Revenue Requirement Analysis	6.0	16.0	30.0	52.0	\$8,180
Task 4 – Cost of Service Analysis	6.0	20.0	24.0	50.0	\$8,050
Task 5 – Rate Design Analysis	8.0	22.0	24.0	54.0	\$8,860
Task 6 – Recycled Water Rate Analysis	8.0	10.0	12.0	30.0	\$5,200
Task 7 – Water Capacity Fee Analysis	4.0	12.0	24.0	40.0	\$6,220
Task 8 – Prepare Written Study Reports	4.0	16.0	4.0	24.0	\$4,200
Task 9 – Meetings and Presentations					
9.1 – Meetings with District Staff (2 on-site)	2.0	10.0	4.0	16.0	\$2,710
9.2 – Board Presentations (3)	8.0	24.0	-	32.0	\$5,960
Task Totals	52.0	142.0	132.0	326.0	\$54,180
Reimbursable Expenses ¹					\$800
GRAND TOTAL NOT TO EXCEED	52.0	142.0	132.0	326.0	\$54,980

1. Estimated travel expenses for Kim Boehler (PM) and possibly Greg Clumpner (Project Principal) to attend on-site meetings/presentations.

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ASSOCIATION OF CALIFORNIA WATER AGENCIES
GENERAL SESSION MEMBERSHIP MEETING(S)

WEDNESDAY, DECEMBER 2, 2015 AT 1:05

THURSDAY, DECEMBER 3, 2015 AT 1:20 (IF NEEDED)

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

EMAIL: donnap@acwa.com

FAX: 916-325-4857

The person designated below will be attending the ACWA General Session Membership Meeting(s) on **Wednesday, December 2, 2015, (and December 3 if necessary)** as our voting delegate.

<i>MEMBER AGENCY'S NAME</i>	<i>AGENCY'S TELEPHONE No.</i>
<i>MEMBER AGENCY'S AUTHORIZING REPRESENTATIVE</i>	<i>SIGNATURE</i>
<i>DELEGATE'S NAME</i>	<i>SIGNATURE</i>
<i>DELEGATE'S EMAIL</i>	<i>DELEGATE'S TELEPHONE No.</i>
<i>DELEGATE'S AFFILIATION (if different from assigning agency)¹</i>	<i>DATE</i>

¹ If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above. Note: Delegates need to sign the proxy form indicating they have accepted the responsibility of carrying the proxy.

REMINDER: Proxy cards will be available for pick up on **Wednesday, December 2, 2015**, between **9:00 a.m.** and **12:30 p.m.** at the **ACWA General Session Desk** in the **alcove** area outside of the **Crystal Ballroom, Renaissance Indian Wells**, where the luncheon and General Session Membership Meeting will be held.



Association of California Water Agencies

Since 1910

Leadership • Advocacy • Information • Service

MEMORANDUM

TO: ACWA Public Agency Members
General Managers and Board Presidents

CC: ACWA Board of Directors

FROM: John A. Coleman, ACWA President
Kathleen J. Tiegs, ACWA Vice President
Timothy Quinn, ACWA Executive Director

DATE: October 14, 2015

SUBJECT: General Session Membership Meeting at ACWA 2015 Fall Conference

There will be a General Session Membership Meeting of ACWA's membership at the 2015 Fall Conference in Indian Wells, California, on **Wednesday, December 2**. The meeting will be held in the Crystal Ballroom, Renaissance Indian Wells at 1:05 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2016-2017 term and to conduct a vote by the membership on proposed amendments to the Association's Bylaws as recommended by the Board of Directors at its meetings on July 31 and September 25, 2015.

ELECTION OF PRESIDENT/VICE PRESIDENT

The ACWA Nominating Committee has announced a 2016-2017 slate that recommends current Vice President Kathleen J. Tiegs for ACWA President and Region 2 Board Member Brent Haste for ACWA Vice President. As provided by ACWA's Bylaws (Article 9), nominations from the floor will be accepted prior to the vote. Such nominations and seconds must be supported by a resolution of the governing body of the member making and seconding such nomination. (See attached for General Session/Election Procedures.)

PROPOSED AMENDMENTS TO ACWA'S BYLAWS

In response to the priority actions identified in the 2014-2015 Strategic and Business Plan, staff has been working to comprehensively review and update its governance documents (i.e., Board Policy Manual and the Association's Bylaws). The proposed bylaws amendments have been reviewed by a Legal Affairs Committee Workgroup and represent the Board's actions to address the following issues:

1. Consistency with updated Board Policy Manual
2. Consistency with California nonprofit corporation law requirements
3. Consistency with business practices post 2012 reorganization
4. Clarification of roles and responsibilities

5. Clarification of election procedures of ACWA's Board Officers
6. Other minor clean-up items

The Board of Directors recommends adoption of the proposed amendments to the Association's Bylaws through a vote of the membership. ACWA staff is available in advance of the membership meeting on December 2 to answer any questions you may have. A Legal Affairs Committee representative will also provide an overview of these changes during the General Session Membership Meeting before the item is called for a vote. (The proposed bylaws amendments are attached.)

MEMBERSHIP VOTING PROCESS

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency on the proxy designation form. The designated voting representative is required to register and sign as the proxy holder to receive the proxy card. Proxy cards will **only** be available for pick-up on **Wednesday, December 2**, between **9:00 a.m. and 12:30 p.m.** at the **ACWA General Session Desk** in the alcove area outside of the **Crystal Ballroom, Renaissance Indian Wells**, where the luncheon and General Session Membership Meeting will be held.

To expedite the sign-in process at the **ACWA General Session Desk**, please indicate your voting delegate on the enclosed proxy designation form and return it by email (**donnap@acwa.com**) or fax (**916-325-4857**) at your earliest convenience. If there is a last minute change of delegate, please let us know before the meeting date by contacting ACWA's Executive Assistant/Clerk of the Board, Donna Pangborn, at 916-441-4545 or **donnap@acwa.com**.

If you have any questions, do not hesitate to contact us by telephone or e-mail.

dgp

Enclosures:

1. General Session/Election Procedures
2. Proposed ACWA Bylaws Amendments – Redline Version
3. Proposed ACWA Bylaws Amendments – Clean Version
4. Proxy Form

GENERAL SESSION/ELECTION PROCEDURES FOR ACWA 2015 FALL CONFERENCE

The following information is provided to inform the ACWA member agency delegates attending the 2015 Fall Conference of the procedures to be used pertaining to the nomination and election of ACWA officers and the vote by the membership on proposed amendments to the bylaws during the General Session Membership Meeting.

PROXY CARDS – (REQUIRED FOR VOTING)

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency. In order to vote during the General Session Membership Meeting, the designated voting representative is required to register and sign as the proxy holder by 12:30 p.m. on Wednesday, December 2. Upon registration and sign-in, the voting delegate will receive the required proxy cards. Proxy cards will be available for pick-up on **Wednesday, December 2, between 9:00 a.m. and 12:30 p.m.** at the ACWA General Session Desk in the alcove area outside of the **Crystal Ballroom, Renaissance Indian Wells**, where the luncheon and General Session Membership Meeting will be held.

GENERAL SESSION MEMBERSHIP MEETING, WEDNESDAY, DEC. 2 (DOORS OPEN AT 12:50 P.M.)

1. The General Session Membership Meeting will be called to order at 1:05 p.m. and a quorum will be determined. The presence of 50 formally designated voting representatives is required to establish a quorum for transacting business.
2. A Legal Affairs Committee representative will provide an overview of the agenda and election procedures.
3. Nominating Committee Chair Paul Kelley will present the committee's report and announce the candidate for ACWA President.
4. President John Coleman will call for floor nominations for ACWA President.
5. If there are no floor nominations for President, the election will proceed. President Coleman will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
6. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating floor nominations and seconds must be supported by a resolution of the governing body of the member making and seconding such nomination. **Note: If there are floor nominations, the election of officers will proceed during Wednesday's General Session as outlined below and the proposed bylaws amendments will move to Thursday as outlined in item 12 below.**
 - a. Ballots will be distributed to the voting delegates.
 - b. Delegates will complete their ballots and place them in the ballot box, which will be centrally located in the Crystal Ballroom meeting room.
 - c. Tellers' Committee will count the ballots. President Coleman has appointed the following staff members to serve as the Teller's Committee: Clerk of the Board Donna Pangborn, Director of Member Services Paula Currie, and Regional Affairs Representative Katie Dahl.
 - d. A Legal Affairs Committee representative will serve as the proctor to oversee the ballot counting process.
 - e. Candidates are welcome to designate an observer to be present during the ballot counting process.
 - f. Results of the ballot count will be announced. Election of ACWA's officers will be determined by a majority of the members present and voting. If any one candidate does not receive a majority of the vote, successive ballot counts will be conducted until a candidate is elected, consistent with Robert's Rules of Order.

➤ next page

7. Nominating Committee Chair Paul Kelley will announce the candidate for ACWA Vice President.
8. President John Coleman will call for floor nominations for ACWA Vice President.
9. If there are no floor nominations for Vice President, the election will proceed. President Coleman will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
10. If there are floor nominations for Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.f.

IF THERE ARE NO FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE WEDNESDAY GENERAL SESSION MEMBERSHIP MEETING WILL PROCEED WITH A VOTE ON THE PROPOSED BYLAWS AMENDMENTS.

11. A Legal Affairs Committee representative will provide an overview of the proposed bylaws amendments.
 - a. Consideration of bylaws amendments.
 - b. Request for motion / second from the floor to approve the proposed bylaws amendments.
 - c. Discussion of proposed amendments.
 - d. Opportunity for members to offer changes to proposed bylaws amendments (should there be any proposed changes to the proposed bylaws amendments, a majority vote of the voting members present is required for the changes to be added to the bylaws amendment for consideration of adoption of complete package.)
 - e. Call for the question. A two-thirds vote of the members present and voting is required to amend the ACWA Bylaws.

IF THERE ARE FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE PRESENTATION AND VOTE ON THE PROPOSED BYLAWS AMENDMENTS WILL BE HANDLED IN THE FOLLOWING MANNER.

12. There will be a **Q&A Session** for the proposed bylaws amendments on Thursday, December 3, at the Hyatt Regency, Indian Wells Ballroom I-M, at 8:00 a.m. Replacement proxy cards will be available at the end of the Q&A Session, if needed.
13. The vote by the membership on the proposed bylaws amendments will occur at the Thursday, General Session Membership Meeting, at the Hyatt Regency, Indian Wells Ballroom I-M, at 1:20 p.m.
 - a. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 formally designated voting representatives is required to establish a quorum for transacting business.
 - b. Request for motion / second from the floor to approve the proposed bylaws amendments.
 - c. Opportunity for members to offer changes to proposed bylaws amendments (should there be any proposed changes to the proposed bylaws amendments, a majority vote of the voting members present is required for the changes to be added to the bylaws amendment for consideration of adoption of complete package.)
 - d. Call for the question. A two-thirds vote of the members present and voting is required to amend the ACWA Bylaws.

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FIRST AMENDMENT TO
JOINT USE AGREEMENT
AND AGREEMENT FOR RELOCATION OF WATERLINES

ALAMEDA CORRIDOR-EAST PROJECT
NOGALES STREET GRADE SEPARATION
(REFERENCE NO. 250.12-05)

THIS FIRST AMENDMENT is entered into on _____ 2015 by and between the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a joint powers agency ("ACE"), and ROWLAND WATER DISTRICT, a county water district ("ROWLAND"), hereafter each identified as "Party" or jointly as "Parties".

RECITALS

- A. The Parties entered into a Joint Use Agreement and Agreement for Relocation of Waterlines dated October 8, 2013 for the relocation of waterlines ("Agreement").
- B. The Parties desire to amend the Agreement to modify the Parties obligations with regards to the location of a portion of the water line to be installed as shown on Exhibit "A" to the Agreement

TERMS

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

- 1. Amendment. Paragraphs 1.4 and 1.5 are added to the Agreement to read as follows:

“1.4 ACE is responsible for removing the 100 feet of 24 inch waterline that supplies water to 18960 San Jose Avenue and that is depicted in the attached Exhibit “A-1”. Exhibit A-1 is incorporated by this reference into this Agreement.

1.5 Rowland is responsible for installing 116 feet of 16 inch waterline that is depicted in Exhibit “A-1”. ACE is responsible for all of Rowland’s cost for the installation of the waterline and will reimburse Rowland for all costs upon presentation of evidence of payment pursuant to this Agreement.”

2. Amendment. Paragraph 3.1.5 is added to the Agreement to read as follows:

“3.1.5 ACE will no longer be required to acquire for Rowland an easement for the waterline to be abandoned at 18960 San Jose and that is depicted in the attached Exhibit “A-1”.

3. Continuing Effect of Agreement. Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this First Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreements as amended by this First Amendment.

4. Authority to enter into First Amendment. Each Party represents to the other that the person executing this First Amendment has the requisite power and authority to execute the First Amendment and to bind each respective Party.

5. Execution in Counterparts. This First Amendment may be executed in duplicate counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the Parties have duly executed this First Amendment effective as of the date first written above.

ROWLAND WATER DISTRICT

**ALAMEDA CORRIDOR-EAST
CONSTRUCTION AUTHORITY**

Tom Coleman, General Manager

Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Joseph P. Byrne, Rowland Legal Counsel

ACE General Counsel

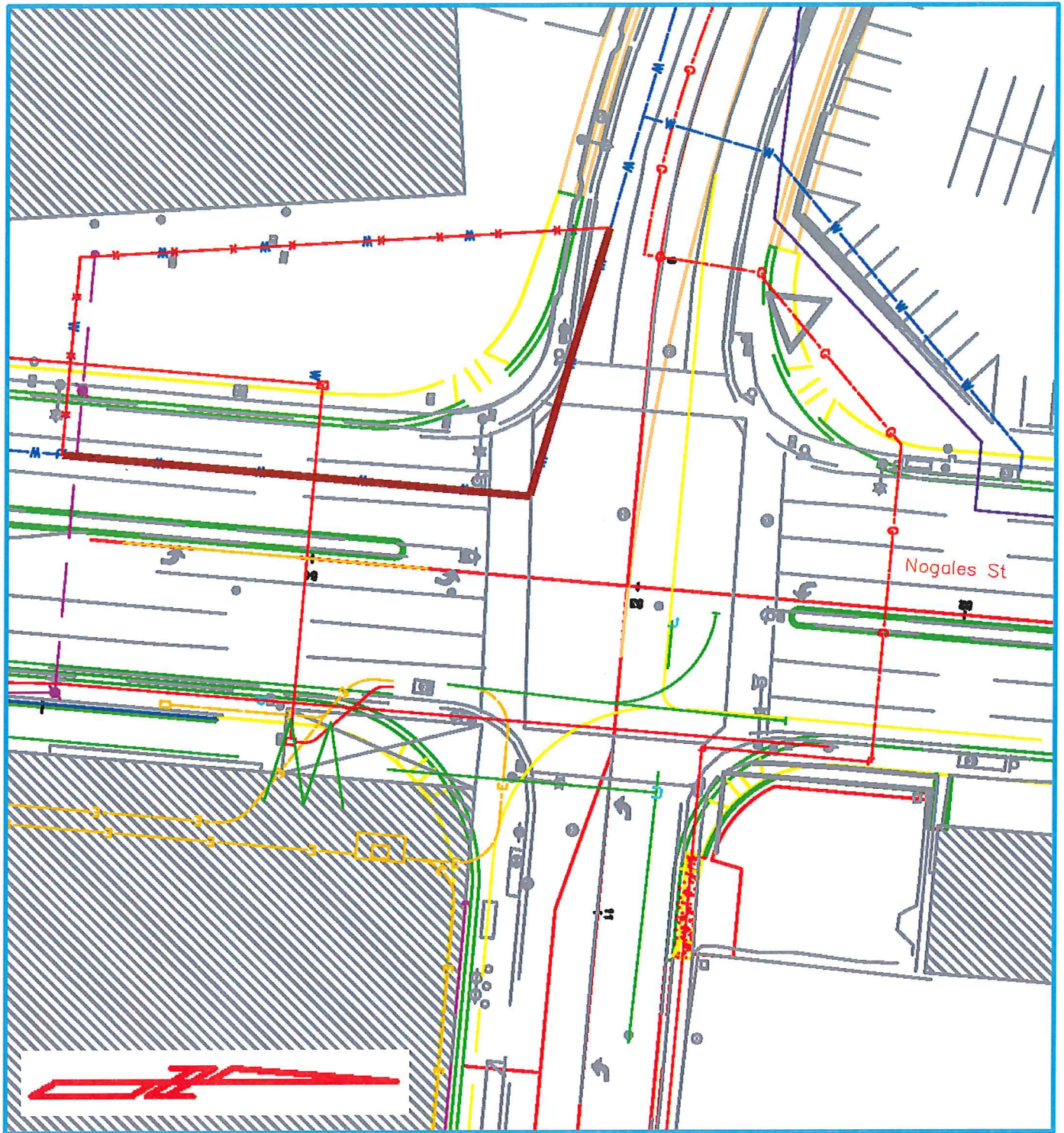


EXHIBIT A-1

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What Teachers are saying...

SHOWDOWN AT DRY GULCH

Use What You Need, Need What You Use!

What the Teachers are Saying ...

The following testimonials were taken directly (unedited) from the teacher evaluations received from Oct. 5th thru Oct. 13th 2015 relating to Rowland Water District Fall 2015 tour.

Fun program. Very informative. The kids had fun

Jenna Jamison, Pre-K Teacher, Bixby, Hacienda Heights, California

LOTS OF FUN FOR THE KIDS. THANK YOU.

IUISA CONCI, 4th Grade Teacher, BIXBY ELEMENTARY, HACIENDA HEIGHTS, California

The presentation was very good. The students enjoyed the program. In the future

Yessica Diaz, 3rd Grade Teacher, Bixby, Hacienda Heights, California

Great program. We love hosting the program. It was a great experience for the students.

Michelle Shearer, 1st Grade Teacher, Bixby Elementary, Hacienda Heights, California

Play and topic presented was great. Actors had audience repeat the important facts they were covering.

Students enjoyed the play and laughed a lot!

Tsen, Kindergarten Teacher, Wedgeworth, Hacienda Heights, California

Our kids enjoyed the play very much. Great way to get an important message to kids to influence their parents. The materials will also help in that regard. Thank you Rowland Water District

Veronica Berumen, 2nd Grade Teacher, Wedgeworth, Hacienda Heights, California

The actors did a fantastic job!

Becky Gutierrez, 5th Grade Teacher, Wedgeworth Elementary, Hacienda Heights, California

The performers were fantastic!!!!

Wendy Bowers, Kindergarten Teacher, Bixby Elementary, Hacienda Heights, California

It was a great show.

HSUEH TING LI, Kindergarten Teacher, WEDGEWORTH ELEMENTARY SCHOOL, HACIENDA HEIGHTS, California

The students had a lot of fun and were totally engaged. Great job

Kristy Wallach, Kindergarten Teacher, Wedgeworth, Hacienda Heights, California

This was a nice way for the kids to learn about the seriousness of the drought and some ways for them to help save water. Thank you!

Rachel Heyrend, 5th Grade Teacher, Wedgeworth, Hacienda Heights, California



What Teachers are saying...

My students loved the play, the actors were great, fun and entertaining! I enjoyed it too. Water Conservation is important, and it led to a good classroom discussion.

Candice Wilson, 3rd Grade Teacher, Bixby Elementary, Hacienda Heights, California

**Rowland Water District
Communication Strategies Update
November 17, 2015**

• **Conservation Op-Ed / Response to State Mandates**

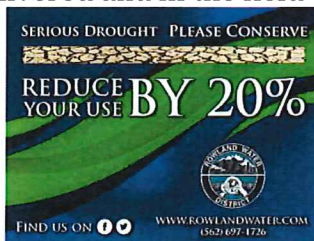
- Opinion piece submitted to San Gabriel Valley Tribune
- Highlights District efforts and industry innovation in water savings, banking, etc.
- Update TBA

• **State Conservation Goals/Results – District Response**

- Tom Coleman provided comment in San Gabriel Valley Tribune article
- Opportunity to leverage relationship with SGVT on continued water coverage

• **Customer Conservation Materials**

- Yard Signs
 - o Delivered and in the field



- Tailgate Wraps
 - o Complete and on the trucks



• **Board Member Retention**

- Release in process
- To be distributed after Board of Supervisors ratification

• Educational Outreach

- New designs approved for Water-Wise characters
- Student educational booklet being designed
- Plush water drop in design

• Other Press Releases

- Intern Program/District MOU with the Learning Center at the Fairplex
- Youth Science Center Sponsorship

• On-going updates

- Website (sliders and text updated as needed)
- District presentations
- On-Hold Messages
- Consumption Letter Follow-Up (continuing to monitor)

• Press Releases

Date	News Story	In Process	Completed	Distributed
1/10/15	Edu-Grants - Brittnie	*****		
1/14/15	Audit Review & Completion		*****	*****
1/27/15	Strategic Planning Process	*****		
2/3/15	Capital Improvement Projects	*****		
3/9/15	Ethics Training		*****	*****
3/24/15	New Water Restrictions		*****	*****
3/26/15	Women Leaders Conference		*****	*****
4/2/15	Statement on Governor's Announcement		*****	*****
4/15/15	Announcement of 4/28 Meeting		*****	*****
5/9/15	Further Drought Updates	*****	*****	*****
7/1/15	CCR Available	*****	*****	*****
7/10/15	Business User Outreach	*****		
8/3/15	Updated Strategic Plan	*****	*****	*****
9/3/15	Buckboard Days Parade	*****	*****	*****
10/8/15	Board Member Retention	*****	*****	
10/8/15	Learning Center MOU/Interns	*****		



Memorandum

To: Board of Directors

From: Brittnie Van De Car
Public Affairs Representative

Date: November 17, 2015

Re: Public Affairs & Education Update

- Classroom Presentations
 - November 5th
 - Rorimer Elementary School
 - 3rd Grade
 - 2 presentations
 - Water Cycle Bracelet
 - **36 Students Total**
 - November 10th
 - Rorimer Elementary School
 - 3rd Grade
 - 2 presentations
 - Water Cycle Bracelet
 - **40 Students Total**
 - November 12th
 - Rowland Elementary School
 - 3rd Grade
 - Water Cycle Bracelets
 - 2 presentations
 - **53 Students Total**
 - November 19th
 - Rowland Elementary School
 - 2nd Grade
 - Water Cycle Bracelet
 - 2 presentations
 - **44 Students Total**
 - November 20th
 - Rowland Elementary School
 - 2nd Grade
 - Water Cycle Bracelet
 - 2 presentations
 - **44 Students Total**
 - **217 Students in November**

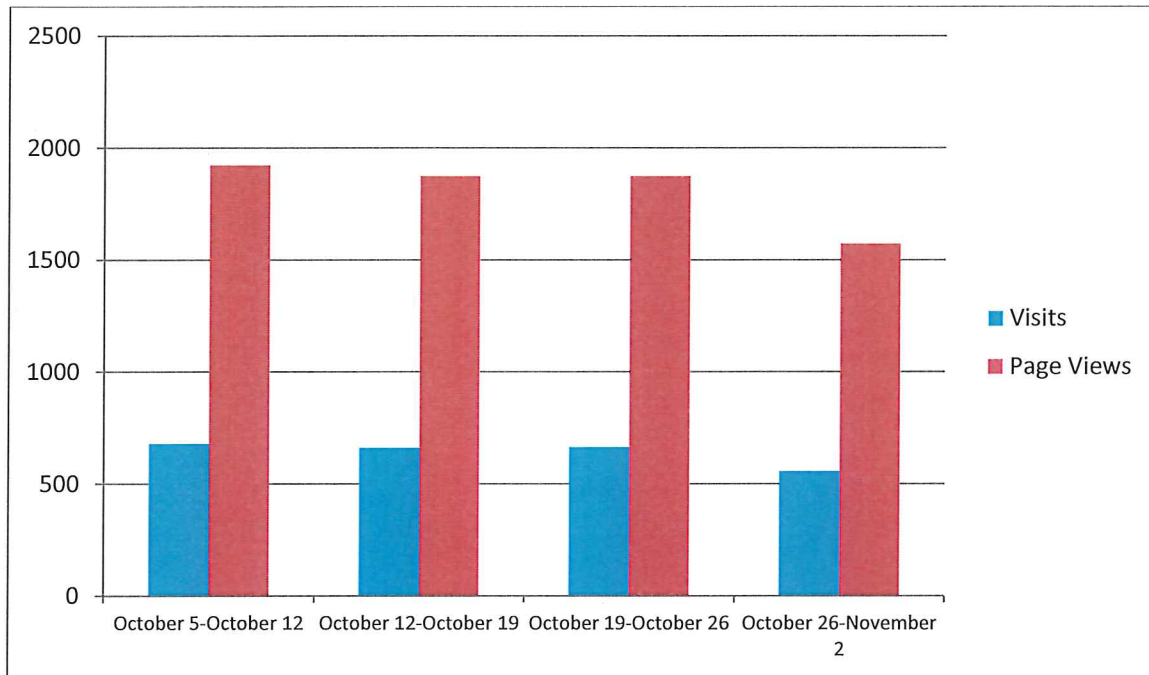


- Updating the Educational Brochure
 - Working with CV Strategies
- Created a Survey Monkey to send out to the teachers that have participated in the classroom presentations.
 - The Teacher Evaluations are anonymous and provide valuable feedback
 - The feedback is used to develop and enhance future presentations
- Keeping up-to-date with the WaterSense partnership program:
 - Printing appropriate promotional material and placing it at the Customer Service Counter for distribution to customers
- Attending bi-monthly webinars on upcoming promotional items and programs put on by the Environmental Protection Agency (EPA) WaterSense program
- Updating the Lobby Player on a daily/weekly basis
- Checking the Google Analytics weekly (see attached data charts)
 - The “Website Visits and Pageviews” allows us to determine the number of **new** vs. **returning** visitors and the **source** of viewing
 - The “Pageviews” allows us to evaluate which pages on the website are viewed most frequently
- Adding all new customer emails to Constant Contact to be utilized as a customer newsletter database
 - Creating content, ideas and layout for quarterly e-newsletter
- Checking the District’s FaceBook and Twitter page weekly
 - Posting necessary information on the pages
- Maintain and view District website on a daily basis
 - Update pages
 - Make relevant changes
 - Updating the Drought Monitor page weekly
 - Upload the Board packet, minutes and agendas when necessary
- Attended the monthly WEWAC meeting on Wednesday, October 28, 2015
- Attended the Project WET workshop on Tuesday, October 27th which 9 out of the 20 teachers in attendance were our teachers.
- Attended the Solar Cup boat building on Sunday, November 8th
- Will be attending the poster contest awards ceremony at MWD on November 18th

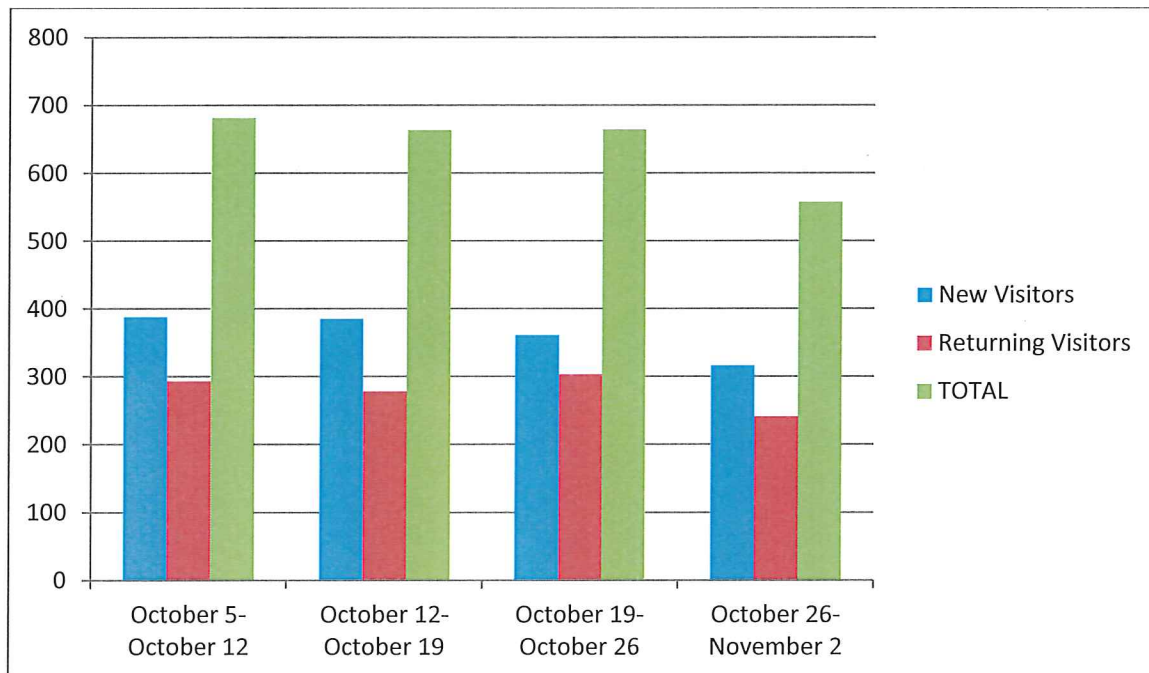
A handwritten signature in blue ink, appearing to read "Brittnie L. Van De Car".

Brittnie L. Van De Car
Public Affairs Representative

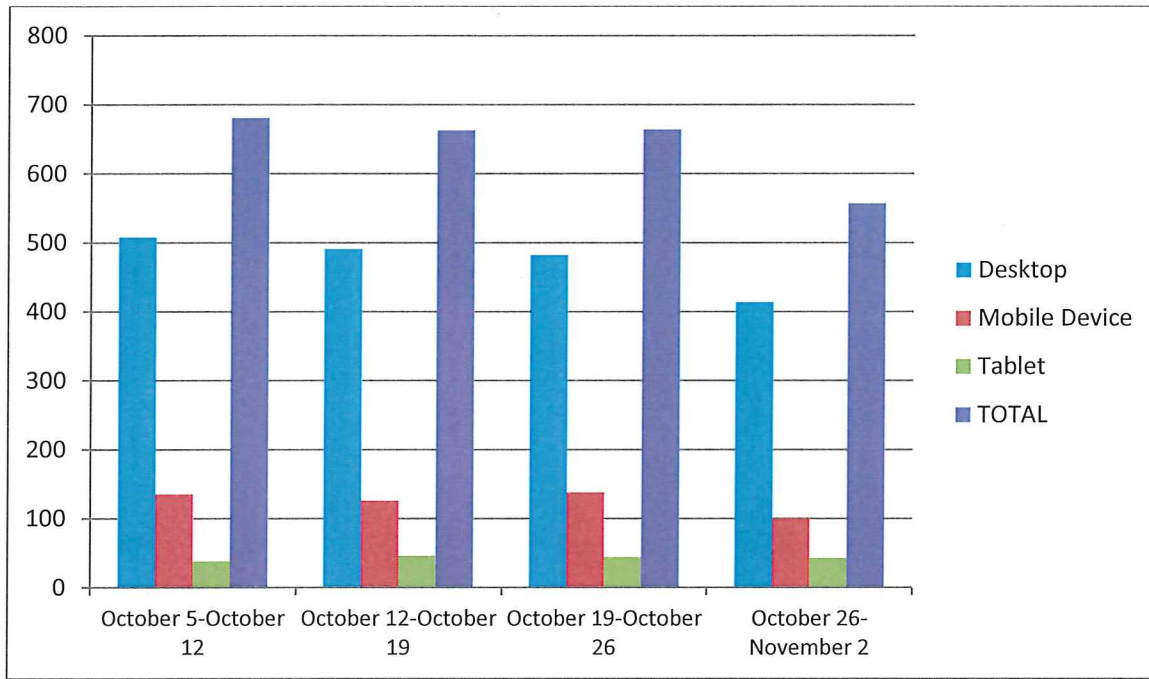
Website Visits and Pageviews



New vs. Returning Visitors



Source of Viewing



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REGIONAL CHAMBER OF COMMERCE
SAN GABRIEL VALLEY

Legislative Power Luncheon

Featuring



Mayor Bob Pacheco
City of Walnut



State Senator Bob Huff
29th District



Congressman Ed Royce
39th District



Supervisor Don Knabe
Los Angeles County - 4th District



Mayor Steve Tye
City of Diamond Bar

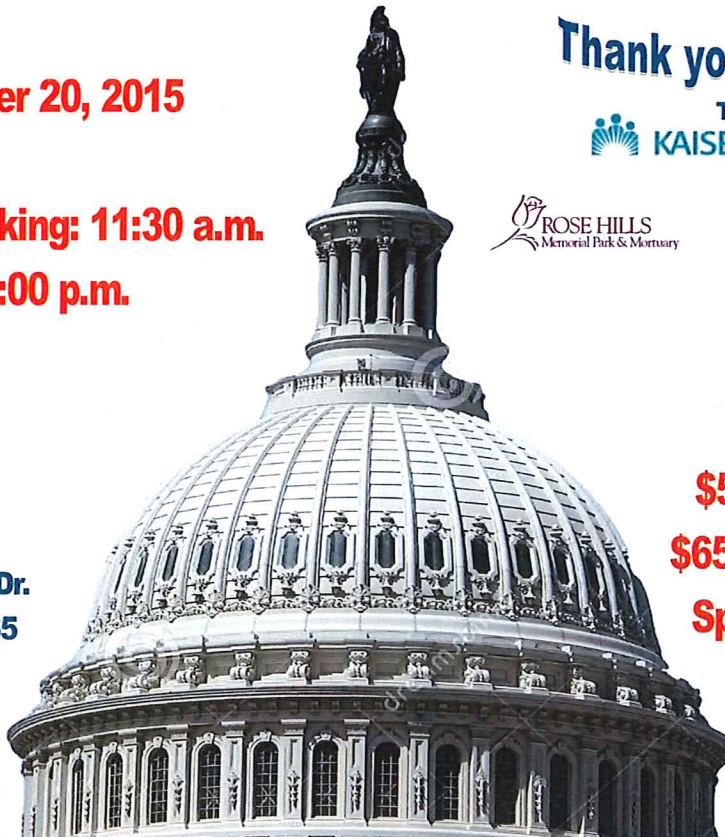
Friday, November 20, 2015

Registration/Networking: 11:30 a.m.

Program: 12:00 p.m.



22751 Golden Springs Dr.
Diamond Bar, CA 91765



Thank you to our Sponsors

Title Sponsor
 **KAISER PERMANENTE.**



\$50 Chamber Members
\$65 Prospective Members
Sponsorships Available



REGIONAL CHAMBER OF COMMERCE
SAN GABRIEL VALLEY
Legislative Power Luncheon

Title Sponsor



Additional Sponsorship Opportunities

Gold Level Sponsor

\$1,500.00

- One Table of 8 with full Lunch for all Guest with name on Table signage
- Name and Logo on all Collateral Marketing Material including Web-Marketing and Printed Program
- Acknowledgement and Recognition throughout event as Gold Sponsor
- 5 Minute Speaking opportunity

Silver Level Sponsor

\$1,000.00

- One Table of 8 with full Lunch for all Guest with name on Table signage
- Name on all Collateral Material, Program Acknowledgement and Recognition as Silver Sponsor

Bronze Level Sponsor

\$500.00

- One Table of 8 with full Lunch for all Guest

Individual Pricing

\$50.00 Member

\$65.00 Prospective Member

Name: _____ Business Name: _____

Total (\$): _____ Check Enclosed Visa Master Card American Express

Card # _____ Exp: _____ Security Code: _____

Name on Card: _____ Signature: _____

Billing Address for Card: _____

Phone: _____ Email: _____

To Register Fill Out this Form and email back to Anthony Duarte at exec@regionalchambersgv.com
RCCSGV | 1722 Desire Ave. Suite 207 | Rowland Heights, CA 91748 | 626.810.8473 | www.regionalchambersgv.com

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As a matter of proper business decorum, the board of directors respectfully request that all cell phones be turned off or placed on vibrate. Also to prevent any potential distraction of the proceeding, we request that side conversations be taken outside of the meeting room

**AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT**

Wednesday, October 21, 2015 at 8:00 AM

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Pledge of Allegiance

Kuhn

Item 3 – Roll Call

**Executive
Assistant**

- Bob Kuhn, President, Division IV
- David De Jesus, Vice President, Division II
- Brian Bowcock, Secretary, Division III
- Joe Ruzicka, Treasurer, Division V
- Dan Horan, Director, Division VII
- Carlos Goytia, Director, Division I
- Fred Lantz, Director, Division VI

Item 4 – Additions to Agenda *(Government Code Section 54954.2(b)(2))*

Kuhn

Upon a determination by a two-thirds vote of the members of the board present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of the members present, that there is a need to take immediate action, and that the need for action came to the attention of the district subsequent to the agenda being posted. *The board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 5 – Reorder Agenda

Kuhn

Item 6 Public Comment *(Government Code Section 54954.3)*

Kuhn

Opportunity for members of the public to directly address the board on items of public interest that is within the subject matter jurisdiction of the district. The general public may also address the board on items being considered on this agenda. The district requests that all public speakers complete a speaker's card and provide it to the executive assistant.

We request that remarks be limited to five minutes or less.

Item 7 – Consent Calendar

Kuhn

The board is being asked to consider the consent calendar items 7.1 – 7.6 as listed below. Consent calendar items are routine in nature and may be considered and approved by a single motion. Any member of the board may request that a specific item be pulled from the consent calendar for further discussion.

7.1 – Receive, Approve and File Minutes – September 2015 [enc]

- September 2, 2015 – Regular Board Meeting
- September 16, 2015 – Regular Board Meeting

7.2 – Receive, Approve and File Financial Reports – September 2015 [enc]

- Change in Cash and Cash Equivalents Reports
- Consolidated Listing of Investment Portfolio and Investment Report
- YTD District Budget Monthly Status Reports
- Warrant Summary* Disbursements

7.3 – Approve Resolution No. 15-10-767 Declaring Certain District Property as Surplus [enc]

Approval of this action hereby affirms the direction provided to staff in accordance with procedures established by Resolution No. 11-04-488 (2004)

7.4 – Approve District Capitalization Policy

Staff provided a review of the district's capitalization policy during its October 7, 2015 meeting and was directed by the board to return the item for action.

7.5 – Approve Resolution No. 15-10-768 Tax Sharing Exchange with County Sanitation District, Annexation 22-423

Approval of this resolution operates to accept the action for the tax sharing exchange by the County Sanitation District.

7.6 – Approve Resolution No. 15-10-769 Tax Sharing Exchange with County Sanitation District, Annexation 22-424

Approval of this resolution operates to accept the action for the tax sharing exchange by the County Sanitation District.

Items 7.1 – 7.6: Board Action Required – Motion No. 15-10-5067

Staff Recommendation: Receive approve and file as submitted

Item 8 – General Manager's Report

Hansen

Item 8.A – Administration staff will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

8.A.1 – Legislative Update, October 2015 [enc]

The board will review a brief update of legislative activities potentially impacting the district on a local, state and federal level.

8.A.2 – Approve Directors Expense Forms, September 2015 [enc]

The board will consider approval of the September 2015 directors' expenses that include disclosure of per diem requests for meeting attendance, and an itemization of any expenses incurred by the district.

Item 8.A.2: Board Action Required – Motion No. 15-10-5068

Staff Recommendation: None

Item 8.B – *Engineering-Operations staff will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.*

8.B.1 – Calendar Year Imported Water Purchases and Peak Flow Reports – September 2015 [enc]

The board will review the water supply allocation and peak flow reports for the month ending September 2015.

8.B.2 – Miramar Operations Report – September 2015 [enc]

Includes a summary of the following reports for the Miramar Operations Plant; water quality, monthly production, monthly and year-to-date sales, hydro-generation production and operations / maintenance review.

Item 8.C – *Finance-Personnel staff will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.*

Note: Finance-Personnel items were approved under the Consent Calendar.

Item 9 – Directors' / General Manager Oral Reports

The foregoing reports are provided by directors as it concerns activities at meetings of which they are assigned to serve as the representative or alternate of the district.

9.A – Local Agency Formation Commission	Ruzicka
9.B – Pomona Walnut Rowland Joint Water Line (PWR-JWL)	Horan
9.C – Six Basins Watermaster	Bowcock
9.D – Main San Gabriel Basin Watermaster	Bowcock
9.E – Chino Basin Watermaster	Kuhn
9.F – San Gabriel Basin Water Quality Authority	Kuhn
9.G – Metropolitan Water District	De Jesus
9.H – Additional Board Member Reports / Comments	All
9.I – Oral Staff Reports / Comments	Hansen

Item 10 – Closed Session

Kuhn

10.A CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [*Government Code Section 54956.9(d)(1)*]

Delaware Tetra Technologies, Inc. v. Santa Margarita Water District, Orange County Superior Court Case No. 30-2012-00594355 (4th App. Dist. Case No. G050869)

Center for Biological Diversity v. County of San Bernardino, Orange County Superior Court Case No. 30-2012-00612947 (4th App. Dist. Case No. G051058)

Delaware Tetra Technologies, Inc. v. County of San Bernardino, Orange County Superior Court Case No. 30-2013-00635125 (4th App. Dist. Case No. G050881)

Center for Biological Diversity, et al. v. County of San Bernardino, Orange County Superior Court Case No. 30-2013-00633936 (4th App. Dist. Case No. G051080)

Chino Basin Municipal Water District v. City of Chino, et.al., San Bernardino County Superior Court Case No. RCV51010

San Diego County Water Authority v. Metropolitan Water District of Southern California, San Francisco County Superior Court Case No. CPF-10-510830

San Diego County Water Authority v. Metropolitan Water District of Southern California, San Francisco County Superior Court Case No. CPF-12-512466

10.B CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [*Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)*]

Four potential cases

Item 11 – Report Out Of Closed Session

Kuhn

Item 12 – Future Agenda Items

Kuhn

Item 13 – Adjournment

Board adjourned to November 4, 2015 regular board meeting at 8:00 a.m.

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) that is sought in order to participate in the above agendized public meeting should be directed to the district's executive assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting

Government Code Section 54957.5

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, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the district's website at www.threevalleys.com.

The Three Valleys MWD board meeting packets and agendas are available for review on the district's website at www.threevalleys.com. The website is updated on Sunday preceding any regularly scheduled board meeting.



Action Line

Regular Board Meeting

October 21, 2015

FOR ADDITIONAL INFORMATION: 909-621-5568

BOARD MEMBERS

CARLOS GOYTIA
DIVISION I

DAVID D. DE JESUS
DIVISION II

BRIAN BOWCOCK
DIVISION III

BOB G. KUHN
DIVISION IV

JOSEPH T. RUZICKA
DIVISION V

JOHN W. "FRED" LANTZ
DIVISION VI

DAN HORAN
DIVISION VII

THREE VALLEYS MWD

1021 E. Miramar Avenue

Claremont, CA 91711

909-621-5568 — Phone

909-625-5470 — Fax

www.threevalleys.com

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

Approved: *Motion No. 15-10-5067* to approve Consent Calendar items 7.1—7.6 as follows: (7.1) Receive, approve and file, September 2015 board minutes for September 2 and September 16, 2015; (7.2) Receive, Approve and File, September 2015 Financial Reports; (7.3) Adopt Resolution No. 15-10-767 Declaring Certain District Property as Surplus; (7.4) Approve District Capitalization Policy; (7.5) Adopt County Sanitation District Tax Sharing Resolution No. 15-10-768, Annexation 22-423; (7.6) Adopt County Sanitation District Tax Sharing Resolution No. 15-10-769, Annexation 22-424. **Motion was approved by a 7-0 unanimous vote of the Board.**

Approved: *Motion No. 15-010-5068* Approve Directors' Expense forms for September 2015. **Motion was approved by a 7-0 unanimous vote of the Board.**

Closed Session: A closed session was held to review (10.A) Conference with Legal Counsel—Existing Litigation [Government Code Section 54956.9(d)(1)] , seven cases; and (10.B) Conference with Legal Counsel—Anticipated Litigation [Initiation of litigation pursuant to Government Code Section 54956.9(d) (4), for potential cases]. President Kuhn reported there was no action to report pursuant to the Brown Act.

General Manager Rick Hansen acknowledged and thanked the board and staff for their efforts which has resulted in TVMWD being awarded the ACWA Region 8 Outreach District for CY 2015. This is the eighth consecutive year this has been awarded to the district.

Mario Garcia provided a comprehensive review of the water supply allocation and peak flow reports that are included in the agenda packet each month.

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

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



Action Line

*Regular Board Meeting
October 21, 2015 ~ Page 2 ~*

UPCOMING MEETING INFORMATION:

- Wednesday, November 4, 2015 — Regular Board Meeting @ 8:00 a.m.
- Wednesday, November 18, 2015 — Regular Board Meeting @ 8:00 a.m.
- Wednesday, October 29, 2015 TVMWD Leadership Breakfast — 7:30 - 9:00 a.m.

Sheraton Fairplex. 601 W. McKinley, Pomona, CA

Speaker: Joseph Byrne, Attorney Best, Best & Krieger with an Update on the California Water Commission

RSVP: 909-621-5568 or via email to cdechaine@tvmwd.com

Tab

5.2



October 20, 2015

Mr. Tom Coleman, General Manager
Rowland Water District
3021 S. Fullerton Road
Rowland Heights, California 91748

Re: Risk Assessment Visit

JOINT POWERS
INSURANCE AUTHORITY

Dear Tom:

P. O. Box 619082
Roseville, CA 95661-9082

I visited Rowland Water District on October 8, 2015. The purpose was to review loss history, operations, and discuss risk exposures. Please thank Eric Hall, Senior Water Systems Operator, for his time and cooperation during the visit.

phone
916.786.5742
800.231.5742

We reviewed the District's loss runs and summary of claims. The experience modification (E-mod) rate in the Liability Program is currently .86. E-mods are directly related to the number and value of past claims. Your current loss history results in a \$5,544 discount on the liability premium of \$39,596 for the 2015/16 policy year.

direct line
916.774.7050
800.535.7899

The last paid loss in the Property Program occurred in the 2014/15 policy. This was due to the theft of generator cables. Eric showed me the secured lock box where cables are now stored to prevent future incidents. Prior to this claim, the last property claim occurred in the 2004/05 policy year.

general fax
916.774.7040

claims fax
916.786.0209

The E-mod in the Workers' Compensation (WC) Program has been below 1.0 for the last ten policy years. The current WC E-mod of .67 reflects a \$25,937 discount on the base annual premium of \$78,596. This shows that safety and risk control does pay. Please thank Eric and your entire staff for their efforts in loss reduction.

www.acwajpia.com

President

E.G. "Jerry" Gladbach

The JPIA's Commitment to Excellence (C2E) "best practices" was reviewed. Please use this program to perform a self-audit of existing programs being used. Continuous improvement in all risk exposure areas can assist your staff in identifying best practices that may be used to reduce losses, the number of claims, and insurance costs.

Vice President

Tom Cuquet

Chief Executive Officer

Walter "Andy" Sells

Eric provided examples of the risk transfer language and insurance requirements currently used in contracts. These will be forwarded to our Member Services Department for their review. Risk transfer is a major focus of our C2E Program. Indemnification and insurance requirements in purchase and work orders are especially important. The JPIA launched a Risk Transfer Hotline to assist members with contract language and insurance requirements in agreements. This service may be of assistance during future contract reviews. It is also strongly encouraged that staff involved in the contracting process complete updated Risk Transfer training. Training opportunities can be found online at <http://www.acwajpia.com/training.aspx>. This class can also be attended through a recorded webinar. A flyer on this program is included for your reference.

Executive Committee

Tom Cuquet
David Drake
E.G. "Jerry" Gladbach
David T. Hodgkin
W.D. "Bill" Knutson
Melody A. McDonald
Charles W. Muse
J. Bruce Rupp
Kathleen J. Tiegs

Mr. Tom Coleman, General Manager
Rowland Water District
October 20, 2015
Page 2

We toured several sites during my visit. All were secure and well maintained. I forwarded information regarding the District's new Whittier Booster Station, and several portable treatment facilities to Member Services. They can assist in ensuring that these facilities are properly listed on the District's Property Schedule.

Eric informed me that the new booster station includes an air tank and compressor. XL Services has been contacted to schedule an inspection and permit this equipment per the state requirements. This service is a no cost benefit of your JPIA membership.

The National Weather Service Climate Prediction Center is warning that this year's El Niño could cause costly and devastating property damage. Members are encouraged to prepare for a strong El Niño. Some best practices and action items to consider include:

- Check remote sites and facilities. Be sure that site runoff is controlled and directed into storm drains where possible. Clear drains, rain gutters, and downspouts of debris, before and after storm events.
- If sites or facilities are low lying or could be impacted by high runoff volumes, prepare to deploy sandbags and other emergency actions. Critical equipment (generators, motors, electrical panels) should be protected from flooding or moved to other locations.
- Emergency supplies should be stockpiled in protected areas that are accessible in all storm conditions.
- Remind drivers not to drive through standing water on roads or flooded areas. A vehicle can be swept off the road by 12-inches of moving water. Roads, especially unpaved easements, damaged by water are prone to collapse. Attempting to drive through water can stall an engine with the potential to cause irreparable damage. Drivers that come upon a flooded street need to be prepared to take an alternate route. Remind drivers to pay attention to barricades. Don't ignore them by driving around them.

Early preparation for the coming El Niño season can assist in reducing the potential for claims and injuries.

We appreciate being able to provide insurance coverage and risk management services for Rowland Water District. If you have any questions or need additional assistance, please contact me at (760) 224-4322 or pkuchinsky@acwajpia.com.

Sincerely,



Peter Kuchinsky II, CSP, CEAS I, STSC
Lead Risk Management Consultant

c: Eric Hall, Senior Water Systems Operator
JPIA Member Services
JPIA Risk Management Committee
Robert W. Lewis, JPIA Board Member