

# ROWLAND WATER DISTRICT

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

## RWD BOARD VISION



### Our Mission:

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

**DEDICATED-RELIABLE-OUTSTANDING-PROFESSIONAL SERVICE"**

**Board of Directors Regular Meeting  
February 12, 2019  
6:00 p.m.**



## AGENDA

Regular Meeting of the Board of Directors

February 12, 2019

6:00 PM

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### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL OF DIRECTORS

Robert W. Lewis, President

Teresa P. Rios, Vice President

Anthony J. Lima

Szu Pei Lu-Yang

John Bellah

### ADDITION(S) TO THE AGENDA

#### PUBLIC COMMENT ON NON-AGENDA ITEMS

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

*Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Rose Perea, Secretary to the Board at (562) 697-1726, or writing to Rowland Water District, at 3021 Fullerton Road, Rowland Heights, CA 91748. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included, so that District staff may discuss appropriate arrangements. Anyone requesting a disability-related accommodation should make the request with adequate time prior to the meeting in order for the District to provide the requested accommodation.*

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

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



## **Tab 1 CONSENT CALENDAR**

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

**1.1 Approval of the Minutes of Regular Board Meeting held on January 8, 2019**

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

**1.2 Approval of the Minutes of Special Board Meeting held on January 22, 2019**

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

**1.3 Demands on General Fund Account for December 2018**

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

**1.4 Investment Report for December 2018**

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

**1.5 Water Purchases for December 2018**

*For information purposes only.*

**Next Special Board Meeting:** February 26, 2019, 6:00 p.m.  
**Next Regular Board Meeting:** March 12, 2019, 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 January 2019**

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

**2.2 Approve RWD Financial Audit Report for Fiscal Year 2017-2018 Prepared by White Nelson Diehl Evans LLP**

*Recommendation: The Board of Directors approve the Draft Financial Audit as presented.*

**2.3 Receive and File Rowland Water District's Statement of Operations for Period Covering October 1, 2018 through December 31, 2018**

*Recommendation: The Board of Directors Receive and File the Statement of Operations as presented.*

- 2.4 Receive and File Rowland Water District's Quarterly Investment Review as of December 31, 2018**  
*Recommendation: The Board of Directors Receive and File the Quarterly Investment Review as presented.*
- 2.5 Approve the Surplus of 2009 Ford F-150 Trust, Vin 1FTRF12W89KB91049, License No. 1327498**  
*Recommendation: The Board of Directors Approve the Surplus of the 2009 Ford F-150.*  
*Intentionally left blank.*
- 2.6 Public Relations (Rose Perea)**
  - **Communications Outreach (CV Strategies)**
  - **Education Update***For information purposes only.*
- 2.7 Review and Approve Resolution No. 2-2019 Making Findings that the Radio Tower Project is Exempt from the California Environmental Quality Act and Approving the Project**
  - **Staff Report**
  - **Notice of Exemption***Recommendation: The Board of Directors approve the Resolution as presented.*
- 2.8 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
  - **Three Valleys MWD Leadership Breakfast, February 28, 2019, 7:30-9:00 a.m., Sheraton Fairplex Hotel, Pomona, CA**
  - **2019 ACWA Legislative Symposium, March 6, 2019, 9:00 am-1:00pm, Sacramento Convention Center**
  - **JPIA Spring Conference, May 6-7, 2019, Portola Hotel, Monterey, CA**
  - **ACWA Spring Conference, May 7-10, 2019, Portola Hotel, Monterey, 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 January 16, 2019
- 5.2 **Joint Powers Insurance Authority** (Director Lewis/Mr. Coleman)
  - ACWA/JPIA President's Award Property Program
  - ACWA/JPIA President's Award Workers' Compensation Program

*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)
- 5.9 **Rowland Heights Community Coordinating Council**  
(Directors Lu-Yang/Bellah)

## Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

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

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

## Tab 8 **CLOSED SESSION**

- a. **CONFERENCE WITH LEGAL COUNSEL—**  
**Existing Litigation Paragraph (1) of subdivision (d) of Section 54956.9**  
**Name of Case: Rowland Water District vs. La Habra Heights County Water District**  
**Case No. KC070088**

**b. Conference with Real Property Negotiator Pursuant to  
Government Code Section 54956.8**

Property: 18938 Granby Place, Rowland Heights, CA 91748  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17  
Under Negotiation: Price and Terms

**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 ROBERT W. LEWIS, Presiding



**Tab**

**1.1**



Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District  
January 8, 2019 - 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

Director Anthony J. Lima (Excused Absence)

**OTHERS PRESENT:**

Joseph P. Byrne, Legal Counsel, Best Best & Krieger  
Erin LaCombe Gilhuly, CV Strategies  
Matt Litchfield, Three Valleys Municipal Water District  
Joe Ruzicka, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
Teri Malkin, Resident  
Denise Jackman, Resident  
Robert Callanan, White Nelson Diehl Evans LLP

**ROWLAND WATER DISTRICT STAFF**

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

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None.



**Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lu-Yang, seconded by Director Bellah, the Consent Calendar was approved as follows:

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

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

**1.1**

**Approval of the Minutes of Regular Board Meeting Held on December 11, 2018**

**1.2**

**Demands on General Fund Account for November 2018**

**1.3**

**Investment Report for November 2018**

**1.4**

**Water Purchases for November 2018**

Next Special Board Meeting  
Next Regular Board Meeting

January 22, 2019, 6:00 p.m.  
February 12, 2019, 6:00 p.m.

**Tab 2 - ACTION ITEMS**

**2.1**

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

Upon motion by Director Lu-Yang, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as follows:

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

**2.2**

**Approve Change in IRS Mileage Rate from \$.545 to \$.58 effective January 1, 2019**

Upon motion by Director Lu-Yang, seconded by Director Rios, the \$.58 Mileage Rate Effective January 1, 2019 was approved as follows:

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

2.3

**Approve “Draft” RWD Financial Audit Report for Fiscal Year 2017-2018 Prepared by White Nelson Diehl Evans LLP**

Robert Callanan, representing the firm of White Nelson Diehl Evans LLP reviewed the documents contained in the “Draft” Financial Audit Report and answered questions posed by the Directors. He noted that no difficulties were encountered in completing the audit. Management will provide a representative letter to the auditors. No significant transactions unusual in nature were observed.

General Manager, Tom Coleman, indicated that the final document will be presented at the February 12, 2019, Board meeting for approval.

Upon motion by Director Lu-Yang, seconded by Director Bellah, the “Draft” RWD Financial Audit Report for Fiscal Year 2017-2018 was approved as follows:

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

2.4

**Receive and File Final Puente Basin Water Agency Financial Audit for Fiscal Year Ended June 30, 2018 prepared by Davis Farr Certified Public Accountants**

General Manager, Tom Coleman, advised that the Audit Report was presented and approved by the Commission at the last meeting held on December 6, 2018.

A motion was made by Director Lu-Yang, seconded by Director Bellah, to receive and file the Puente Basin Water Agency Financial Audit for Fiscal Year ended June 30, 2018. The motion was approved as follows:

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



**2.5**

**Review and approve “Quitclaim Deed” from Rowland Water District, Grantor, to Successor Agency to the Industry Urban Development Agency, Grantee, and “Relinquishment of Easement Rights” for real property located at 17647 Gale Avenue, City of Industry, CA (APN: Portions of 8264-012-923, 8264-013-913 and 914)**

After discussion, a motion was made by Director Lu-Yang, seconded by Director Bellah, to approve the Quitclaim Deed and Relinquishment of Easement Rights for real property located at 17647 Gale Avenue, City of Industry, CA, as presented. The motion was approved as follows:

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

**2.6**

**Review and approve “Quitclaim Deed” from Rowland Water District, Grantor, to Industry Capital Partners, LLC, Grantee, and “Relinquishment of Easement Rights” for real property located at 17723 Gale Avenue, City of Industry, CA (APN: Portions of 8264-013-024)**

After discussion, a motion was made by Director Lu-Yang, seconded by Director Rios, to approve the Quitclaim Deed and Relinquishment of Easement Rights for real property located at 17723 Gale Avenue, City of Industry, CA, as presented. The motion was approved as follows:

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

**2.7**

**Review and Approve Resolution No. 1-2019 Educational Reimbursement Policy**

After discussion, a motion was made by Director Lu-Yang, seconded by Director Bellah, to approve Resolution No. 1-2019 Educational Reimbursement Policy. The motion was approved by the following roll-call vote:

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

Motion was passed by a vote of 4-0.

**2.8**

**Review and Approve Education Reimbursement Agreement**

After discussion, a motion was made by Director Lu-Yang, seconded by Director Rios, to approve the Education Reimbursement Agreement as presented. The motion was approved as follows:

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

## 2.9

### **Consider Approval of Server Replication System for District Servers**

General Manager, Tom Coleman, discussed the staff report provided outlining the IT Infrastructure Redundancy Project for the District “Storage Area Network” (SAN) and the advantages of using SAN technology which will easily integrate with the District’s existing virtualization platform. After discussion a motion was made by Director Lu-Yang, seconded by Director Bellah, to approve the Server Replication System for District Servers. The motion was approved as follows:

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

## 2.10

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

Mrs. Perea reported Edu Bucks award letters to Blandford Elementary (2), Rowland Elementary (1), and Jellick Elementary (2) for grants totaling \$4,000 had been sent to the schools. The completed projects with the itemized budgets are due no later than May 2019.

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

Erin LaCombe Gilhuly, CV Strategies, reported that CV Strategies is working on the development of a customer messaging plan related to legislation (SB 606 and AB 1668) which will include outreach and a video. They are also working on the Customer Survey Results presentation for the January 22, 2019 Board Workshop. They have prepared press releases on the Board appointments, committee assignments, MWD Poster Contest, Water Scholar and EduBucks Awards. The Mutual Aid Agreement with the Public Water Agencies Group (PWAG) article was published in the ACWA News.

### **Education Update**

No comments.

## 2.11

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

- None

## **Tab 3 LEGISLATIVE INFORMATION**

### **3.1**

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

General Manager, Tom Coleman, reported on Assembly Bill 401 which attempts to establish a low-income rate subsidy. A public hearing will be held on February 1, 2019 and the District will provide public comment prior to February 1, 2019. A “spot bill” on the water tax has again been introduced. Rowland Water District and Walnut Valley Water District, through the Puente Basin Water Agency, will be joining the Community Water System Alliance (CWSA). CWSA is seeking first the completion of a comprehensive needs assessment to calculate what exactly is needed to help chronically failing systems and to then determine a fair way to generate revenues in a way that “does not rob Peter to pay Paul.”

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

- “Thank You” Letter from OPARC
- “Thank You” Letter from Water Education Foundation

These letters were provided for information purposes only.

#### **Tab 5 COMMITTEE REPORTS**

##### **5.1**

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

General Manager, Tom Coleman, reported that a Special Board Meeting was held on December 12, 2018, and that the purpose of the meeting was to accept Director Dan Horan’s resignation as Director representing Division 7 of the District and to commence the process to fill the vacancy which will exist through November 2020. Three Valleys Municipal Water District is accepting applications through January 15, 2019. A Special Board Meeting will be held to make the appointment.

##### **5.2**

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

Nothing to report.

##### **5.3**

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

Nothing to report.

##### **5.4**

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

Nothing to report. The next meeting is scheduled for February 7, 2019.

##### **5.5**

##### **Project Ad-Hoc Committee**

Nothing to report.

##### **5.6**

##### **Regional Chamber of Commerce**

Nothing to report. Director Lewis reported that the next meeting will be held on January 14, 2019.

##### **5.7**

##### **PWR Joint Water Line Commission**

Nothing to report. The next meeting will be held on February 14, 2019.

##### **5.8**

##### **Sheriff’s Community Advisory Council**

Nothing to report.

##### **5.9**

##### **Rowland Heights Community Coordinating Council**

Nothing to report.

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

### **6.1**

#### **Finance Report**

Finance Officer, Sean Henry, advised that the second quarter reports will be presented at the February 12, 2019 meeting.

### **6.2**

#### **Operations Report**

Director of Operations, Dave Warren, reported that due to the change in weather, service line leaks have increased and that staff has kept them under control. The status and timeline of the Pathfinder pipeline installation was discussed.

### **6.3**

#### **Personnel Report**

General Manager, Tom Coleman, advised that two new interns will be joining the District. The current intern's last day will be January 15, 2019 and he has interviewed with Golden State Water and Elsinore Valley Water District.

## **Tab 7 ATTORNEY'S REPORT**

Nothing to report.

## **Tab 8 CLOSED SESSION**

Legal Counsel, Joseph Byrne, adjourned the meeting to closed session at 7:24 p.m. and announced that the purpose of the closed session, and the provisions of the Brown Act authorizing the closed session were listed in the agenda.

- a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**  
**Paragraph (1) of subdivision (d) of Section 54956.9: Name of Case: Rowland Water District vs. La Habra Heights County Water District, Case No. KC070088**
- b. Personnel; Public Employee Performance Evaluation; Cross Connection Control Specialist, Pursuant to Government Code Section 54957**
- c. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**  
Property: 18938 Granby Place, Rowland Heights, CA 91748  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17  
Under Negotiation: Price and Terms

The closed session was adjourned and the Board resumed the meeting in open session at 7:56 p.m.

Upon returning to open session, legal counsel reported that the Board took no reportable action in connection with these matters.



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

None.

**Future Agenda Items**

None.

**Late Business**

None.

A motion was made by Director Lu-Yang, seconded by Director Bellah, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:59 p.m.

\_\_\_\_\_  
ROBERT W. LEWIS  
Board President

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

**Tab**

**1.2**



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

January 22, 2019 – 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

Director Anthony J. Lima (Excused Absence)

**OTHERS PRESENT:**

Christopher Pisano, Legal Counsel, Best Best & Krieger (Teleconference)  
Erin LaCombe Gilhuly, CV Strategies  
Justin Wallin, J. Wallin Opinion Research

**ROWLAND WATER DISTRICT STAFF:**

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

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

**COMMENTS:**

None.

**Tab 1 ACTION ITEMS**

**1.1**

**Board Workshop and Presentation Facilitated by CV Strategies. Discussion and Analysis of Results of “Comprehensive Customer Survey”.**

Justin Wallin, J. Wallin Opinion Research, presented the Community Opinion Survey. He discussed the results with the Board and provided clarification on various items in answer to questions posed by members of the Board. Erin LaCombe Gilhuly, CV Strategies, provided a power point presentation titled “Research-Based Communication and Outreach Strategies.” Ms. Gilhuly summarized the results and advised the Board that it was her intention to return to the Board at a later date to provide outreach and messaging suggestions which will address the areas in which the District customers would like more information.

**2.1**

**CLOSED SESSION**

Legal counsel, Chris Pisano, adjourned the meeting to closed session at 7:28 p.m. and announced that the purpose of the closed session, and the provision of the Brown Act authorizing the closed session were listed in the agenda.

- a. CONFERENCE WITH LEGAL COUNSEL—  
Existing Litigation Paragraph (1) of subdivision (d) of Section 54956.9  
Name of Case: Rowland Water District vs. La Habra Heights County Water District  
Case No. KC070088**
  
- b. Conference with Real Property Negotiator Pursuant to  
Government Code Section 54956.8**
  - Property: 18938 Granby Place, Rowland Heights, CA 91748
  - District Negotiator: Tom Coleman, General Manager
  - Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17
  - Under Negotiation: Price and Terms

The closed session was adjourned and the Board resumed the meeting in open session at 7:55 p.m.

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

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

General Manager, Tom Coleman, advised the Board that Three Valleys MWD will be holding a special board meeting tomorrow to appoint a Director for Division 7 to fill the vacancy created by virtue of Director Dan Horan’s resignation. There are two applicants for the position. One which is a Metropolitan Water District employee and the other a Rowland Heights resident.



**Future Agenda Items**

None.

**Late Business**

None.

***Next Regular Board Meeting***

***February 12, 2019, 6:00 p.m.***

A motion was made by Director Lu-Yang, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:18 p.m.

\_\_\_\_\_  
ROBERT W. LEWIS  
Board President

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

**Tab**

**1.3**

## Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>25303</b>						
12/18	12/03/2018	25303	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	989.67
Total 25303:						989.67
<b>25304</b>						
12/18	12/03/2018	25304	400	AT&T MOBILITY	MOBILE PHONES, IPADS	2,498.95
Total 25304:						2,498.95
<b>25305</b>						
12/18	12/03/2018	25305	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	312.06
Total 25305:						312.06
<b>25306</b>						
12/18	12/03/2018	25306	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,295.34
12/18	12/03/2018	25306	1476	BUSINESS CARD (VISA)	CONFERENCE EXPENSE	299.00-
Total 25306:						996.34
<b>25307</b>						
12/18	12/03/2018	25307	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,458.75
Total 25307:						1,458.75
<b>25308</b>						
12/18	12/03/2018	25308	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	416.50
Total 25308:						416.50
<b>25309</b>						
12/18	12/03/2018	25309	62720	CRESCENTA VALLEY WATER DISTRI	PWAG TRAINING-LUNCH REIMBURSEMENT	240.00
Total 25309:						240.00
<b>25310</b>						
12/18	12/03/2018	25310	62439	CVSTRATEGIES	COMMUNICATION SERVICES	11,401.43
12/18	12/03/2018	25310	62439	CVSTRATEGIES	COMMUNICATION SERVICES	24,991.23
12/18	12/03/2018	25310	62439	CVSTRATEGIES	COMMUNICATION SERVICES	9,393.90
Total 25310:						45,786.56
<b>25311</b>						
12/18	12/03/2018	25311	62718	FLEET REFINISHING	REFINISH COMPLETE CAT 416C BACKHOE	5,653.40
Total 25311:						5,653.40
<b>25312</b>						
12/18	12/03/2018	25312	2550	FRONTIER	INTERNET ACCESS	803.00
12/18	12/03/2018	25312	2550	FRONTIER	PHONE SERVICE	320.02
Total 25312:						1,123.02

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>25313</b>						
12/18	12/03/2018	25313	62427	GOVERNMENT FINANCE OFFICERS A	MEMBERSHIP DUES-SEAN HENRY	160.00
Total 25313:						160.00
<b>25314</b>						
12/18	12/03/2018	25314	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	1,146.58
Total 25314:						1,146.58
<b>25315</b>						
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	97.22
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	260.66
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	162.03
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	177.53
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	1,190.84
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	162.03
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	162.03
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	157.81
12/18	12/03/2018	25315	62624	HASA INC	CHEMICALS FOR RCS	112.72
Total 25315:						2,482.87
<b>25316</b>						
12/18	12/03/2018	25316	379	HIGHROAD INFORMATION TECHNOL	ADAPTER INTERFACE FOR COI SCADA FALL OVE	1,349.00
12/18	12/03/2018	25316	379	HIGHROAD INFORMATION TECHNOL	RWD STANDARD SSL ANNUAL RENEWAL FOR CIP	200.00
Total 25316:						1,549.00
<b>25317</b>						
12/18	12/03/2018	25317	2724	HOME DEPOT CREDIT SERVICES	TOOLS & SUPPLIES	940.37
12/18	12/03/2018	25317	2724	HOME DEPOT CREDIT SERVICES	SUPPLIES FOR RES	18.64
12/18	12/03/2018	25317	2724	HOME DEPOT CREDIT SERVICES	SUPPLIES FOR TELEMETRY	3.70
12/18	12/03/2018	25317	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	20.00
12/18	12/03/2018	25317	2724	HOME DEPOT CREDIT SERVICES	SUPPLIES FOR SERVICES	59.72
Total 25317:						1,042.43
<b>25318</b>						
12/18	12/03/2018	25318	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	4,071.23
Total 25318:						4,071.23
<b>25319</b>						
12/18	12/03/2018	25319	244	INFOSEND INC	BILLING SERVICE	2,229.67
12/18	12/03/2018	25319	244	INFOSEND INC	BILLING SERVICE	3,007.61
12/18	12/03/2018	25319	244	INFOSEND INC	BILLING SERVICE	1,701.53
Total 25319:						6,938.81
<b>25320</b>						
12/18	12/03/2018	25320	62531	KEN GRODY FORD	REPAIR ORDER-TRUCK 20	500.00
Total 25320:						500.00
<b>25321</b>						
12/18	12/03/2018	25321	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	242.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
12/18	12/03/2018	25321	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	910.19
12/18	12/03/2018	25321	62583	LINCOLN FINANCIAL GROUP	DIRECTORS LIFE INSURANCE	43.65
Total 25321:						1,196.34
<b>25322</b>						
12/18	12/03/2018	25322	62476	NETWORKFLEET INC	MONTHLY SERVICE	374.25
Total 25322:						374.25
<b>25323</b>						
12/18	12/03/2018	25323	62448	PARS	GASBY 45 MANAGEMENT FEE	792.47
Total 25323:						792.47
<b>25324</b>						
12/18	12/03/2018	25324	5000	PUENTE BASIN WATER AGENCY	W & C PROF SERV-OCT 2018	2,083.73
12/18	12/03/2018	25324	5000	PUENTE BASIN WATER AGENCY	WWW FLOW CNTRL	1,829.53
Total 25324:						3,913.26
<b>25325</b>						
12/18	12/03/2018	25325	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	61.15
Total 25325:						61.15
<b>25326</b>						
12/18	12/03/2018	25326	62721	SOUTH MONTEBELLO IRRIGATION DI	PWAG TRAINING-LUNCH REIMBURSEMENT (\$10 P	360.00
Total 25326:						360.00
<b>25327</b>						
12/18	12/03/2018	25327	62521	TRIEPEI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	300.00
Total 25327:						300.00
<b>25328</b>						
12/18	12/03/2018	25328	323	UPS	POSTAGE	10.48
Total 25328:						10.48
<b>25329</b>						
12/18	12/03/2018	25329	382	W A RASIC CONSTRUCTION CO INC	JOB 15TX15-FULLERTON RD GRADE SEP	33,289.57
12/18	12/03/2018	25329	382	W A RASIC CONSTRUCTION CO INC	JOB 16TX79-FULLERTON RD GRADE SEP	202.86
Total 25329:						33,492.43
<b>25330</b>						
12/18	12/03/2018	25330	321	WIENHOFF DRUG TESTING INC	CONSORTIUM FEE	280.00
Total 25330:						280.00
<b>25331</b>						
12/18	12/03/2018	25331	62562	WOODARD & CURRAN	PW AS NEEDED	2,291.80
12/18	12/03/2018	25331	62562	WOODARD & CURRAN	PW AS NEEDED	2,291.80-
12/18	12/03/2018	25331	62562	WOODARD & CURRAN	PHASE 3 CONSTRUCTION-FULLERTON RD GRADE	1,090.10
12/18	12/03/2018	25331	62562	WOODARD & CURRAN	PHASE 3 CONSTRUCTION-FULLERTON RD GRADE	1,090.10-



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25331:						.00
<b>25332</b>						
12/18	12/03/2018	25332	62485	YOUTH SCIENCE CENTER	PROJECT WET PROGRAM	2,600.00
12/18	12/03/2018	25332	62485	YOUTH SCIENCE CENTER	PROJECT WET PROGRAM	2,600.00-
Total 25332:						.00
<b>25333</b>						
12/18	12/04/2018	25333	62562	WOODARD & CURRAN	PW AS NEEDED	2,291.80
12/18	12/04/2018	25333	62562	WOODARD & CURRAN	PHASE 3 CONSTRUCTION-FULLERTON RD GRADE	1,090.10
Total 25333:						3,381.90
<b>25334</b>						
12/18	12/04/2018	25334	62485	YOUTH SCIENCE CENTER	PROJECT WET PROGRAM	2,600.00
Total 25334:						2,600.00
<b>25335</b>						
12/18	12/10/2018	25335	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	37,946.94
12/18	12/10/2018	25335	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	617.55
12/18	12/10/2018	25335	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	54.05
12/18	12/10/2018	25335	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	2,788.03
12/18	12/10/2018	25335	1000	ACWA JPIA	RETIREEES HEALTH BENEFITS	12,356.01
12/18	12/10/2018	25335	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,116.52
Total 25335:						63,879.10
<b>25336</b>						
12/18	12/10/2018	25336	62704	ALEXANDRO ZARAGOZA	MILEAGE REIMBURSMENT	37.06
Total 25336:						37.06
<b>25337</b>						
12/18	12/10/2018	25337	3375	ANTHONY J. LIMA	MILEAGE REIMBURSEMENT	32.70
Total 25337:						32.70
<b>25338</b>						
12/18	12/10/2018	25338	1400	BADGER METER INC	SERVICE AGREEMENT FOR NOV 2018-OCT 2019 O	4,800.00
Total 25338:						4,800.00
<b>25339</b>						
12/18	12/10/2018	25339	62524	BRITTNIE VAN DE CAR	MILEAGE REIMBURSEMENT	19.08
Total 25339:						19.08
<b>25340</b>						
12/18	12/10/2018	25340	62493	CADWAY INC (CAL DOMESTIC WATE	WATER CHARGE	44,934.44
12/18	12/10/2018	25340	62493	CADWAY INC (CAL DOMESTIC WATE	RTC CDWC	619.66
Total 25340:						45,554.10

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
25341						
12/18	12/10/2018	25341	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	717.55
Total 25341:						717.55
25342						
12/18	12/10/2018	25342	62647	COMMLINE, INC.	SERVICE RADIOS IN OFFICE	250.00
Total 25342:						250.00
25343						
12/18	12/10/2018	25343	62505	D & H WATER SYSTEMS	SUPPLIES FOR RES	647.80
Total 25343:						647.80
25344						
12/18	12/10/2018	25344	16	DAVE WARREN	TOTAL EXPENSES-GAS	292.66
Total 25344:						292.66
25345						
12/18	12/10/2018	25345	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	2,415.00
Total 25345:						2,415.00
25346						
12/18	12/10/2018	25346	62445	EXCEL DOOR & GATE COMPANY	PERFORM B-ANNUAL PM ON DOORS	452.40
12/18	12/10/2018	25346	62445	EXCEL DOOR & GATE COMPANY	PERFORM BI-ANNUAL PM ON GATES	348.45
Total 25346:						800.85
25347						
12/18	12/10/2018	25347	24701	GRAINGER	TOOLS & SUPPLIES	123.39
12/18	12/10/2018	25347	24701	GRAINGER	TOOLS & SUPPLIES	55.13
12/18	12/10/2018	25347	24701	GRAINGER	SUPPLIES FOR RC	639.93
12/18	12/10/2018	25347	24701	GRAINGER	TOOLS & SUPPLIES	104.57
Total 25347:						923.02
25348						
12/18	12/10/2018	25348	62624	HASA INC	CHEMICALS FOR RCS	169.08
12/18	12/10/2018	25348	62624	HASA INC	CHEMICALS FOR RCS	549.50
12/18	12/10/2018	25348	62624	HASA INC	CHEMICALS FOR RCS	190.21
12/18	12/10/2018	25348	62624	HASA INC	CHEMICALS FOR RCS	281.80
Total 25348:						1,190.59
25349						
12/18	12/10/2018	25349	62112	HERCULES INDUSTRIES INC.	KEYS FOR RES	752.15
Total 25349:						752.15
25350						
12/18	12/10/2018	25350	62233	JOHN BELLAH	MILEAGE REIMBURSMENT	109.00
12/18	12/10/2018	25350	62233	JOHN BELLAH	NON REIMBURSABLE EXPENSES-ACWA FALL CO	14.04-

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25350:						94.98
<b>25351</b>						
12/18	12/10/2018	25351	62664	M & J TREE SERVICE	TRIM, CLEAN UP & HAUL AWAY	900.00
Total 25351:						900.00
<b>25352</b>						
12/18	12/10/2018	25352	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES	19.71
Total 25352:						19.71
<b>25353</b>						
12/18	12/10/2018	25353	5000	PUENTE BASIN WATER AGENCY	LASER-OCT 2018	3,150.00
Total 25353:						3,150.00
<b>25354</b>						
12/18	12/10/2018	25354	385	R AND I HOLDINGS INC	TOOLS & SUPPLIES	94.72
Total 25354:						94.72
<b>25355</b>						
12/18	12/10/2018	25355	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	9.81
12/18	12/10/2018	25355	3360	ROBERT LEWIS	TOTAL EXPENSES-ACWA FALL CONFERENCE	88.23
Total 25355:						98.04
<b>25356</b>						
12/18	12/10/2018	25356	36	ROSEMARIE PEREA	MILEAGE REIMBURSEMENT	131.89
12/18	12/10/2018	25356	36	ROSEMARIE PEREA	NON REIMBURSABLE EXPENSE-ACWA FALL CON	100.79-
Total 25356:						31.10
<b>25357</b>						
12/18	12/10/2018	25357	62460	RYAN WHITE	MILEAGE REIMBURSEMENT	136.25
12/18	12/10/2018	25357	62460	RYAN WHITE	TOTAL EXPENSES-BOOT ALLOWANCE	258.40
Total 25357:						394.65
<b>25358</b>						
12/18	12/10/2018	25358	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	491.38
12/18	12/10/2018	25358	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	232.14
12/18	12/10/2018	25358	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	423.66
Total 25358:						1,147.18
<b>25359</b>						
12/18	12/10/2018	25359	339	S C W U A	RESERVATION (13)	455.00
Total 25359:						455.00
<b>25360</b>						
12/18	12/10/2018	25360	62722	SHEILA M C SU	DAMAGE CLAIM-2386 ROUTH DRIVE	150.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25360:						150.00
<b>25361</b>						
12/18	12/10/2018	25361	5900	SOCALGAS	GAS UTILITY BILL	121.59
Total 25361:						121.59
<b>25362</b>						
12/18	12/10/2018	25362	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	143.88
12/18	12/10/2018	25362	62045	SZU-PEI LU-YANG	TOTAL EXPENSES-ACWA FALL CONFERENCE	145.31
12/18	12/10/2018	25362	62045	SZU-PEI LU-YANG	NON REIMBURSABLE EXPENSE-ACWA FALL CON	38.87-
Total 25362:						250.32
<b>25363</b>						
12/18	12/10/2018	25363	62486	TERESA RIOS	MILEAGE REIMBURSEMENT	118.81
12/18	12/10/2018	25363	62486	TERESA RIOS	NON REIMBURSEABLE EXPENSES-ACWA FALL C	37.76-
Total 25363:						81.05
<b>25364</b>						
12/18	12/10/2018	25364	62626	TRI COUNTY PUMP COMPANY	PULL AND REMOVE PUMP 3 AT TOMICH BOOSTE	2,979.90
12/18	12/10/2018	25364	62626	TRI COUNTY PUMP COMPANY	PULL AND INSPECT PUMP 2 AT GRANBY BOOSTE	3,280.00
Total 25364:						6,259.90
<b>25372</b>						
12/18	12/17/2018	25372	62597	BEST BEST & KRIEGER	LEGAL FEES-GENERAL COUNSEL	3,777.01
12/18	12/17/2018	25372	62597	BEST BEST & KRIEGER	LEGAL FEES-LABOR AND EMPLOYMENT	2,488.00
12/18	12/17/2018	25372	62597	BEST BEST & KRIEGER	LEGAL FEES-LHHCWD	8,412.64
12/18	12/17/2018	25372	62597	BEST BEST & KRIEGER	LEGAL FEES-RICARDO LOPEZ	2,313.33
Total 25372:						16,990.98
<b>25373</b>						
12/18	12/17/2018	25373	4750	PWR JT WATER LINE COMMISSION	762.7 AC FT-OCT 2018 WATER	770,327.00
12/18	12/17/2018	25373	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	7,356.17
12/18	12/17/2018	25373	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,073.05
12/18	12/17/2018	25373	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,736.18
Total 25373:						780,492.40
<b>25374</b>						
12/18	12/18/2018	25374	4600	AIRGAS USA LLC	TANK RENTAL	82.35
Total 25374:						82.35
<b>25375</b>						
12/18	12/18/2018	25375	62622	AKM CONSULTING ENGINEERS	RCS STRUCTURE	675.00
12/18	12/18/2018	25375	62622	AKM CONSULTING ENGINEERS	MAINTENANCE BUILDING OVERHANG	405.00
12/18	12/18/2018	25375	62622	AKM CONSULTING ENGINEERS	RCS STRUCTURE	6,685.00
12/18	12/18/2018	25375	62622	AKM CONSULTING ENGINEERS	MAINTENANCE BUILDING OVERHANG	1,350.00
Total 25375:						9,115.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
25376						
12/18	12/18/2018	25376	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	989.67
Total 25376:						989.67
25377						
12/18	12/18/2018	25377	62093	ASTRA INDUSTRIAL SERVICES INC	SUPPLIES FOR RES	83.32
12/18	12/18/2018	25377	62093	ASTRA INDUSTRIAL SERVICES INC	TOOLS & SUPPLIES	300.37
Total 25377:						383.69
25378						
12/18	12/18/2018	25378	400	AT&T MOBILITY	MOBILE PHONES, IPADS & NEW DEVICES	4,266.48
Total 25378:						4,266.48
25379						
12/18	12/18/2018	25379	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	317.06
Total 25379:						317.06
25380						
12/18	12/18/2018	25380	62597	BEST BEST & KRIEGER	LEGAL FEES-GENERAL COUNSEL	5,400.20
12/18	12/18/2018	25380	62597	BEST BEST & KRIEGER	LEGAL FEES-ENVIRONMENTAL LAW	155.50
12/18	12/18/2018	25380	62597	BEST BEST & KRIEGER	LEGAL FEES-LABOR AND EMPLOYMENT	93.30
12/18	12/18/2018	25380	62597	BEST BEST & KRIEGER	LEGAL FEES-LHHCWD	15,549.79
12/18	12/18/2018	25380	62597	BEST BEST & KRIEGER	LEGAL FEES-RICARDO LOPEZ	242.04
Total 25380:						21,440.83
25381						
12/18	12/18/2018	25381	62707	BOBCAT COMPANY	S650 T4 BOBCAT SKID STEER LOADER	90,327.32
Total 25381:						90,327.32
25382						
12/18	12/18/2018	25382	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,268.85
12/18	12/18/2018	25382	1476	BUSINESS CARD (VISA)	CONFERENCE EXPENSE	75.00
Total 25382:						1,343.85
25383						
12/18	12/18/2018	25383	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 25383:						430.00
25384						
12/18	12/18/2018	25384	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,884.00
Total 25384:						1,884.00
25385						
12/18	12/18/2018	25385	62723	CAVANAUGH & ASSOCIATES, P.A.	2017 AWWA WATER AUDIT LEVEL 1 VALIDATION	2,500.00
Total 25385:						2,500.00



GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount	
25386	12/18	12/18/2018	25386	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	3,307.56
Total 25386:						3,307.56	
25387	12/18	12/18/2018	25387	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	20,219.50
Total 25387:						20,219.50	
25388	12/18	12/18/2018	25388	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,472.50
Total 25388:						1,472.50	
25389	12/18	12/18/2018	25389	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	249.00
Total 25389:						249.00	
25390	12/18	12/18/2018	25390	62441	CUEMA	ANNUAL DUES	1,000.00
12/18	12/18/2018	25390	62441	CUEMA	2019 SPONSORSHIP	3,500.00	
Total 25390:						4,500.00	
25391	12/18	12/18/2018	25391	62439	CVSTRATEGIES	COMMUNICATION SERVICES	15,239.65
Total 25391:						15,239.65	
25392	12/18	12/18/2018	25392	2125	DANIELS TIRE SERVICE	TIRES TRUCK 1	218.85
Total 25392:						218.85	
25393	12/18	12/18/2018	25393	22541	DOTY BROS CONSTRUCTION CO	NOGALES SEWER PROJECT	63,767.25
Total 25393:						63,767.25	
25394	12/18	12/18/2018	25394	62351	ELITE EQUIPMENT INC.	REPAIR WHEELER REX CUTTER	508.74
Total 25394:						508.74	
25395	12/18	12/18/2018	25395	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	342.65
Total 25395:						342.65	
25396	12/18	12/18/2018	25396	2300	FEDERAL EXPRESS	POSTAGE	51.10
Total 25396:						51.10	

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
25397						
12/18	12/18/2018	25397	2550	FRONTIER	INTERNET ACCESS	815.63
Total 25397:						815.63
25398						
12/18	12/18/2018	25398	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 25398:						170.00
25399						
12/18	12/18/2018	25399	24701	GRAINGER	TOOLS & SUPPLIES	565.27
Total 25399:						565.27
25400						
12/18	12/18/2018	25400	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	1,931.56
12/18	12/18/2018	25400	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	1,866.51
Total 25400:						3,798.07
25401						
12/18	12/18/2018	25401	62624	HASA INC	CHEMICALS FOR RCS	232.48
12/18	12/18/2018	25401	62624	HASA INC	CHEMICALS FOR RCS	183.17
12/18	12/18/2018	25401	62624	HASA INC	CHEMICALS FOR RCS	295.89
12/18	12/18/2018	25401	62624	HASA INC	CHEMICALS FOR RCS	239.53
12/18	12/18/2018	25401	62624	HASA INC	CHEMICALS FOR RCS	204.30
Total 25401:						1,155.37
25402						
12/18	12/18/2018	25402	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.67
12/18	12/18/2018	25402	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
12/18	12/18/2018	25402	379	HIGHROAD INFORMATION TECHNOL	RWD HIT MIGRATION OF EXCHANGE, OUTLOOK A	8,000.00
12/18	12/18/2018	25402	379	HIGHROAD INFORMATION TECHNOL	RWD COMPREHENSIVE SOFTWARE SECURITY FO	4,380.00
12/18	12/18/2018	25402	379	HIGHROAD INFORMATION TECHNOL	NEW SERVERS	86,639.00
Total 25402:						105,992.67
25403						
12/18	12/18/2018	25403	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	794.00
12/18	12/18/2018	25403	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR PBWA	794.00
12/18	12/18/2018	25403	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	794.00
12/18	12/18/2018	25403	27211	HILL BROS CHEMICAL CO	SWITCH FOR AQUEOUS TO LAS	677.57
12/18	12/18/2018	25403	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,625.41
Total 25403:						4,684.98
25404						
12/18	12/18/2018	25404	3000	INDUSTRY MFG COUNCIL	MEMBERSHIP DUES	275.00
Total 25404:						275.00
25405						
12/18	12/18/2018	25405	244	INFOSEND INC	BILLING SERVICE	17.35
12/18	12/18/2018	25405	244	INFOSEND INC	BILLING SERVICE	4,518.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25405:						4,536.27
<b>25406</b>						
12/18	12/18/2018	25406	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	252.30
Total 25406:						252.30
<b>25407</b>						
12/18	12/18/2018	25407	3060	INTERNAL REVENUE SERVICE	FEDERAL TAX & PENALTY	643.22
Total 25407:						643.22
<b>25408</b>						
12/18	12/18/2018	25408	6800	J G TUCKER & SONS	CREDIT MEMO	41.49-
12/18	12/18/2018	25408	6800	J G TUCKER & SONS	RESPIRATOR MED FULL FACE MSA ADVANTAGE	187.34
Total 25408:						145.85
<b>25409</b>						
12/18	12/18/2018	25409	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
12/18	12/18/2018	25409	62066	JANITORIAL SYSTEMS	WINDOW CLEANING INSIDE & OUT	300.00
Total 25409:						900.00
<b>25410</b>						
12/18	12/18/2018	25410	62691	LYONS CONSTRUCTION	REAR EMPLOYEE PARKING LOT LIGHTING	400.00
Total 25410:						400.00
<b>25411</b>						
12/18	12/18/2018	25411	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR PUMPS	52.73
12/18	12/18/2018	25411	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR PBWA	110.16
12/18	12/18/2018	25411	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	255.28
12/18	12/18/2018	25411	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR VALVES	1,068.87
Total 25411:						1,487.04
<b>25412</b>						
12/18	12/18/2018	25412	62525	MORROW-MEADOWS CORPORATION	CHANGED LOGIC FOR VALVES 1, 2, 3	300.00
Total 25412:						300.00
<b>25413</b>						
12/18	12/18/2018	25413	62476	NETWORKFLEET INC	MONTHLY SERVICE	374.25
Total 25413:						374.25
<b>25414</b>						
12/18	12/18/2018	25414	189	NOBEL SYSTEMS	GIS SUBSCRIPTION	5,000.00
Total 25414:						5,000.00
<b>25415</b>						
12/18	12/18/2018	25415	62630	PEP BOYS	AUTO SUPPLIES	110.26

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25415:						110.26
<b>25416</b>						
12/18	12/18/2018	25416	46201	PITNEY BOWES GLOBAL FINANCIAL	POSTAGE METER-LEASING CHARGE	231.81
Total 25416:						231.81
<b>25417</b>						
12/18	12/18/2018	25417	5000	PUENTE BASIN WATER AGENCY	CIVILTEC WELL MGMT-NOV 2018	441.00
12/18	12/18/2018	25417	5000	PUENTE BASIN WATER AGENCY	BRKICH LABOR-NOV 2018	208,513.13
12/18	12/18/2018	25417	5000	PUENTE BASIN WATER AGENCY	LASER-NOV 2018	2,724.84
Total 25417:						211,678.97
<b>25418</b>						
12/18	12/18/2018	25418	62660	PUENTE HILLS FORD	MAINTENANCE TRUCKS 6, 7, 9	632.35
Total 25418:						632.35
<b>25419</b>						
12/18	12/18/2018	25419	385	R AND I HOLDINGS INC	EQUIPMENT REPAIR-LONG DIGGER	346.80
Total 25419:						346.80
<b>25420</b>						
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	2,539.40
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	1,447.47
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	139.25
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	223.38
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	VALVE REPLACEMENTS	3,174.51
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR HYDRANTS	2,650.61
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR METERS	858.15
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	55.71
12/18	12/18/2018	25420	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR SERVICES	62.14
Total 25420:						11,150.62
<b>25421</b>						
12/18	12/18/2018	25421	62517	SCHNEIDER ELECTRIC SYSTEMS US	CALIBRATED RANGE	1,145.39
12/18	12/18/2018	25421	62517	SCHNEIDER ELECTRIC SYSTEMS US	CALIBRATED RANGE	1,145.39-
Total 25421:						.00
<b>25422</b>						
12/18	12/18/2018	25422	62046	SGV REGIONAL CHAMBER OF COMM	MEMBERSHIP	250.00
Total 25422:						250.00
<b>25423</b>						
12/18	12/18/2018	25423	62534	SHRED IT USA	SHREDDING SERVICE	148.11
Total 25423:						148.11
<b>25424</b>						
12/18	12/18/2018	25424	62166	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	52.25

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 25424:						52.25
<b>25425</b>						
12/18	12/18/2018	25425	3550	SOUTHERN COUNTIES FUELS	GASOLINE, REGULAR GRADE	2,253.13
12/18	12/18/2018	25425	3550	SOUTHERN COUNTIES FUELS	DIESEL CLEAR	873.30
12/18	12/18/2018	25425	3550	SOUTHERN COUNTIES FUELS	TAX & FEES	246.12
Total 25425:						3,372.55
<b>25426</b>						
12/18	12/18/2018	25426	62481	STAPLES ADVANTAGE	CREDIT	117.66-
12/18	12/18/2018	25426	62481	STAPLES ADVANTAGE	CREDIT	9.73-
12/18	12/18/2018	25426	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	453.33
Total 25426:						325.94
<b>25427</b>						
12/18	12/18/2018	25427	6075	STAPLES CREDIT PLAN	OFFICE SUPPLIES	40.81
Total 25427:						40.81
<b>25428</b>						
12/18	12/18/2018	25428	62595	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE	2,268.00
Total 25428:						2,268.00
<b>25429</b>						
12/18	12/18/2018	25429	1165	TERMINIX PROCESSING CENTER	PEST CONTROL SERVICE-1 YEAR	1,268.76
Total 25429:						1,268.76
<b>25430</b>						
12/18	12/18/2018	25430	6500	THERMALAIR INC	QUARTERLY PREVENTATIVE MAINTENANCE INSP	50.72
Total 25430:						50.72
<b>25431</b>						
12/18	12/18/2018	25431	62626	TRI COUNTY PUMP COMPANY	CITY OF INDUSTRY PUMP STATION 2	3,280.00
Total 25431:						3,280.00
<b>25432</b>						
12/18	12/18/2018	25432	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	260.80
Total 25432:						260.80
<b>25433</b>						
12/18	12/18/2018	25433	382	W A RASIC CONSTRUCTION CO INC	JOB 18TC23-NOGALES 20" VALVES	41,214.00
Total 25433:						41,214.00
<b>25434</b>						
12/18	12/18/2018	25434	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	543.02
Total 25434:						543.02

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>25435</b>						
12/18	12/18/2018	25435	62432	WASTE MANAGEMENT COMPANY	HAUL DIRT	548.45
Total 25435:						548.45
<b>25436</b>						
12/18	12/18/2018	25436	2212	WHITE NELSON DIEHL EVANS LLP	FOURTH INTERIM BILLING FISCAL YR 6/30/18	1,800.00
Total 25436:						1,800.00
<b>25437</b>						
12/18	12/18/2018	25437	62562	WOODARD & CURRAN	RW AS NEEDED	393.80
Total 25437:						393.80
<b>25438</b>						
12/18	12/18/2018	25438	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	300.70
12/18	12/18/2018	25438	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	916.00
12/18	12/18/2018	25438	62583	LINCOLN FINANCIAL GROUP	DIRECTORS LIFE INSURANCE	43.65
Total 25438:						1,260.35
<b>121718</b>						
12/18	12/17/2018	121718	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	72,417.00
12/18	12/17/2018	121718	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,330.23
12/18	12/17/2018	121718	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,794.36
12/18	12/17/2018	121718	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,509.14
12/18	12/17/2018	121718	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	8,122.36
Total 121718:						85,173.09
<b>121818</b>						
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	MISC EXPENSES	4,179.32
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	CONFERENCE EXPENSES	2,188.54
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	940.57
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	CONSERVATION EXPENSE	604.37
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	MAIN EXPENSE	189.46
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	913.95
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	POSTAGE EXPENSE	71.75
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	BOOK EXPENSE	107.10
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	METER EXPENSE	445.00
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	RES EXPENSE	1,145.39
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	SPECTRUM	762.00
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	FREEDOM VOICE	1,494.22
12/18	12/18/2018	121818	1070	AMERICAN EXPRESS	DIRECTV	78.66
Total 121818:						13,120.33
Grand Totals:						1,811,146.47

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11170-0	41,214.00	.00	41,214.00
11184-0	86,639.00	.00	86,639.00
11185-0	90,327.32	.00	90,327.32
11505-0	51,242.14	1,090.10-	50,152.04
222100	7,786.63	1,818,933.10-	1,811,146.47-
51110-0	44,934.44	.00	44,934.44
51310-0	842,744.00	.00	842,744.00
51410-1	3,245.32	.00	3,245.32
51410-2	2,403.28	.00	2,403.28
51410-3	1,794.36	.00	1,794.36
51410-5	15,478.53	.00	15,478.53
51510-0	20,762.52	.00	20,762.52
51610-0	619.66	.00	619.66
51910-0	6,315.84	.00	6,315.84
52210-0	3,032.63	.00	3,032.63
52310-0	4,071.23	.00	4,071.23
54209-0	940.30	.00	940.30
54210-0	3,570.60	.00	3,570.60
54211-0	121.86	.00	121.86
54212-0	3,174.28	.00	3,174.28
54213-0	4,712.40	1,145.39-	3,567.01
54214-0	1,560.25	.00	1,560.25
54215-0	2,650.61	.00	2,650.61
54216-0	303.70	.00	303.70
54217-0	9,513.81	.00	9,513.81
54218-0	4,629.00	.00	4,629.00
54219-0	212,885.00	.00	212,885.00
54220-0	63,767.25	.00	63,767.25
56210-0	6,067.24	.00	6,067.24
56211-0	1,510.02	.00	1,510.02
56212-0	107.10	.00	107.10
56214-0	494.14	127.39-	366.75
56215-0	1,685.00	.00	1,685.00
56216-0	133.33	.00	133.33
56217-0	738.48	.00	738.48
56218-0	38,431.81	.00	38,431.81
56219-0	11,079.92	.00	11,079.92
56220-0	12,615.67	.00	12,615.67
56221-0	64,526.21	.00	64,526.21
56223-0	2,497.08	490.46-	2,006.62
56226-0	8,000.00	.00	8,000.00
56312-0	33,787.42	.00	33,787.42
56320-0	455.00	.00	455.00
56411-0	37,946.94	.00	37,946.94
56413-0	2,788.03	.00	2,788.03
56415-0	617.55	.00	617.55
56416-0	543.20	.00	543.20
56417-0	14,335.35	.00	14,335.35
56418-0	1,826.19	.00	1,826.19
56419-0	54.05	.00	54.05
56421-0	10,203.82	.00	10,203.82
56710-0	6,591.29	.00	6,591.29
56811-0	1,800.00	.00	1,800.00
56812-0	8,757.78	.00	8,757.78
57312-0	3,658.36	41.49-	3,616.87
57314-0	1,153.12	.00	1,153.12
57315-0	2,931.25	.00	2,931.25
57316-0	4,977.40	2,291.80-	2,685.60

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GL Account	Debit	Credit	Proof
57319-0	5,804.37	2,600.00-	3,204.37
57321-0	10,162.65	.00	10,162.65
Grand Totals:	<u>1,826,719.73</u>	<u>1,826,719.73-</u>	<u>.00</u>

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Report Criteria:  
Report type: GL detail

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Report Criteria:  
Detail Report

Check Number	Date	Payee					
25365	12/11/2018	SUNG LIM					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	307886-29	DEPOSIT REFUND	22810-0	88.28	88.28
25366	12/11/2018	ZENG XIAOFEI					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	391575-74	DEPOSIT REFUND	22810-0	591.93	591.93
25367	12/11/2018	MELISSA PEDROZA					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	997571-72	CREDIT REFUND	15210-0	112.14	112.14
25368	12/11/2018	KHO & KHO LP					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	17-18O	PROJECT REFUND	24110-0	7,393.40	7,393.40
25369	12/11/2018	CARE FOR ENVIRONMENT GREEN SOURCE CONS					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	18-19H	PROJECT REFUND	24110-0	1,079.25	1,079.25
25370	12/11/2018	HACIENDA LA PUENTE USD					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	17-18Q	PROJECT REFUND	24110-0	1,429.19	1,429.19
25371	12/11/2018	HANG HUI					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	18-19D	PROJECT REFUND	24110-0	3,536.70	3,536.70
25439	12/19/2018	HONG LI					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	162498-75	CREDIT REFUND	15210-0	418.95	418.95

Check Number	Date	Payee					
25440	12/19/2018	YI SHI					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	323661-34	CREDIT REFUND	15210-0	66.88	66.88	
25441	12/19/2018	KANG CHEN					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	739173-40	CREDIT REFUND	15210-0	148.99	148.99	
25442	12/19/2018	GRBCON INC					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	1048-03	CREDIT REFUND	15210-0	246.69	246.69	
25443	12/19/2018	FARWEST CORROSION CONTROL					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	15-50	CREDIT REFUND	15210-0	308.55	308.55	
25444	12/19/2018	SUSAN ARANA					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	235408-44	CREDIT REFUND	15210-0	36.06	36.06	
25445	12/19/2018	DBI SERVICES LLC					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	134-00	CREDIT REFUND	15210-0	35.89	35.89	
25446	12/19/2018	DAVID HWANG					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	611790-61	CREDIT REFUND	15210-0	41.69	41.69	
25447	12/19/2018	FIDELIA M YBARRA					
	<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>	
	1	891469-60	CREDIT REFUND	15210-0	41.60	41.60	
25448	12/19/2018	MICHAEL KI KIM					

Sequence	Source	Description	GL Account	Amount	Check Amount
1	556995-11	CREDIT REFUND	15210-0	360.00	360.00
25449	12/19/2018	LEON LI			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	805669-63	CREDIT REFUND	15210-0	85.20	85.20
25450	12/19/2018	SHUANGWEN LI			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	452748-21	CREDIT REFUND	15210-0	138.86	138.86
25451	12/19/2018	ALLIE CHANG			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	919377-78	CREDIT REFUND	15210-0	67.17	67.17
25452	12/19/2018	AN NA LEE			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	417319-45	CREDIT REFUND	15210-0	116.24	116.24
25453	12/19/2018	YING WEN			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	448829-26	CREDIT REFUND	15210-0	187.90	187.90
25454	12/19/2018	BO LIU			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	995269-24	CREDIT REFUND	15210-0	95.70	95.70
25455	12/19/2018	KELLY OK			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	971900-53	CREDIT REFUND	15210-0	105.80	105.80
25456	12/19/2018	PHYLLIS B HOWARD			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	999818-50	CREDIT REFUND	15210-0	48.01	48.01

Check Number      Date      Payee

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Grand Totals:

16,781.07

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Report Criteria:  
Detail Report

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**Tab**

**1.4**



# Rowland Water District Memorandum

To: Thomas Coleman, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: January 2, 2019

**Subject: Investment Update – December 2018**

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**Economic Review:** The next meeting of the Federal Reserve is scheduled for January 29th. The last meeting was held on December 18th. The Fed Funds rate was raised to a target range of 2-1/4 to 2-1/2 percent. At the meeting, the Federal Reserve stated “the labor market has continued to strengthen and that economic activity has been rising at a strong rate. Job gains have been strong, on average, in recent months, and the unemployment rate has remained low. Household spending has continued to grow strongly, while growth of business fixed investment has moderated from its rapid pace earlier in the year. On a 12-month basis, both overall inflation and inflation for items other than food and energy remain near 2 percent.” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 3.8 for the month of November. The previous reading was 4.3 for the month of October.

**LAIF Update:** LAIF ended the month of November with a yield of 2.21%. This represents a .07 basis point increase from the month of October. A comparison with last year shows a 1.04 basis point increase from November 2018 when the yield stood at 1.17%.

**RWD Investments:** Rowland Water District’s bond portfolio carries an average yield of 1.95%. This is a .01 basis point increase from the month of November and a 0.26 basis point discount to LAIF. The District CD Placement program carries an effective yield of 2.28% and an average maturity of 686 days. The District had two bond purchases in the month of December. The first was a \$250,000 five year FHLB bond with a yield of 3.00%. The second was \$250,000 two year FHLMC bond with a yield of 1.88%.

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

ROWLAND WATER DISTRICT  
SUMMARY OF CASH AND INVESTMENTS  
FOR MONTH ENDED DECEMBER 31, 2018



CASH	
Citizens Business Bank	1,697,537.06
Comerica Bank MMIA	<u>29,315.29</u>
<b>TOTAL CASH</b>	<b>1,726,852.35</b>

COMERICA SECURITIES CD PLACEMENT	NA	1mth - 2 Years	NA	NA	NA	2.28%	686	1,227,000.00	7.45%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	NA	NA	2.21%	NA	3,498,371.64	21.25%

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

	Term	Quantity	Purchase Price	Current Price	Maturity Date	Current Yield	Next Call	Current Value	% of Portfolio
US Treasury Note	5 Year	250,000.00	100.172	99.934	01/31/19	1.50%	NA	249,835.00	1.52%
US Treasury Note	5 Year	250,000.00	99.359	98.691	01/31/20	1.39%	NA	246,727.50	1.50%
US Treasury Note	5 Year	250,000.00	99.047	98.262	03/31/20	1.14%	NA	245,655.00	1.49%
US Treasury Note	5 Year	250,000.00	99.016	98.461	04/30/20	1.40%	NA	246,152.50	1.50%
US Treasury Note	5 Year	250,000.00	99.633	97.113	02/28/21	1.16%	NA	242,782.50	1.47%
US Treasury Note	5 Year	250,000.00	100.184	96.621	07/31/21	1.16%	NA	241,552.50	1.47%
US Treasury Note	5 Year	250,000.00	99.059	96.523	08/31/21	1.17%	NA	241,307.50	1.47%
US Treasury Note	5 Year	250,000.00	100.375	97.926	07/31/22	1.91%	NA	244,815.00	1.49%
Fedl HomeLn Mtg Corp	4 Year	250,000.00	99.870	100.020	02/28/22	3.00%	NA	250,050.00	1.52%
Fedl Home Loan Bank	4 Year	100,000.00	99.529	99.797	03/11/22	2.51%	NA	99,797.00	0.61%
Fed Natl Mtg Assn	5 Year	250,000.00	100.535	97.988	04/05/22	1.91%	NA	244,970.00	1.49%
Fedl Home Loan Bank	5 Year	300,000.00	100.000	100.010	03/28/23	3.08%	NA	300,030.00	1.82%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.000	100.031	05/24/23	3.25%	NA	500,155.00	3.04%
John Deere Capital Corp.	1 Year	350,000.00	100.059	99.775	04/17/19	2.26%	NA	349,212.50	2.12%
Danaher Corp.	2 Year	196,000.00	99.481	99.084	09/15/20	2.42%	NA	194,204.64	3.68%
Paccar Financial Corp.	2 Year	200,000.00	98.996	98.386	11/13/20	2.08%	NA	196,772.00	1.20%
San Diego Gas & Elec. Co.	3 Year	200,000.00	100.324	99.586	08/15/21	3.01%	NA	199,172.00	1.21%
United Parcel Service	4 Year	100,000.00	97.077	97.566	05/16/22	2.41%	NA	97,566.00	0.59%
Bank of New York Mellon Corp	5 Year	250,000.00	99.806	98.426	01/29/23	3.00%	NA	246,065.00	1.49%
Cash Reserve Account						2.22%		99,735.88	0.61%
<b>Total Citizens Trust Investments</b>								<b>4,736,557.52</b>	<b>28.77%</b>

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

	Term	Quantity	Purchase Price	Current Price	Maturity Date	Current Yield	Next Call	Current Value	% of Portfolio
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.581	99.168	08/01/19	1.26%	NA	272,712.00	1.66%
Fedl Home Loan Mtg Corp	5 Year	275,000.00	99.344	98.967	10/02/19	1.26%	NA	272,159.25	1.65%
Fedl Farm Credit Bank	5 Year	240,000.00	98.229	98.911	10/22/19	1.26%	NA	237,386.40	1.44%
Fedl Home Loan Bank	2 Year	250,000.00	98.910	98.917	11/15/19	1.39%	NA	247,292.50	1.50%
Fedl Natl Mtg Assn	2 Year	250,000.00	99.416	98.347	07/30/20	1.53%	NA	245,867.50	1.49%
Fedl Home Loan Mtg Corp	2 Year	250,000.00	99.453	98.755	11/17/20	1.90%	NA	493,775.00	3.00%
Fedl Home Loan Bank	2 Year	250,000.00	99.786	99.003	12/11/20	2.02%	NA	247,507.50	1.50%
Fedl Home Loan Mtg Corp	3 Year	255,000.00	96.077	96.581	08/12/21	1.16%	NA	246,281.55	1.50%
Fedl Natl Mtg Assn	4 Year	250,000.00	100.141	96.994	10/07/21	1.42%	NA	242,485.00	1.47%
Fedl Home Loan Bank	4 Year	750,000.00	99.444	98.195	11/29/21	1.91%	NA	736,462.50	4.47%
Fedl Natl Mtg Assn	5 Year	300,000.00	101.614	98.520	01/05/22	2.03%	NA	295,560.00	1.80%
Fedl Home Loan Bank	5 Year	375,000.00	101.153	97.988	04/05/22	1.91%	NA	367,455.00	2.23%
Fedl Home Loan Bank	5 Year	200,000.00	99.334	96.565	04/13/22	1.53%	NA	193,130.00	1.17%
Fedl Home Loan Bank	5 Year	125,000.00	101.067	96.932	12/09/22	1.93%	NA	121,165.00	0.74%
Fedl Natl Mtg Assn	5 Year	505,000.00	100.242	99.252	01/19/23	2.39%	NA	501,222.60	3.04%
Fedl Home Loan Bank	5 Year	250,000.00	100.823	100.513	03/10/23	2.74%	NA	251,282.50	1.53%
Federal Natl Mtg Assn	5 Year	250,000.00	99.652	101.177	09/12/23	2.84%	NA	252,942.50	1.54%
Cash Reserve Account						2.22%		47,819.61	0.29%
<b>Total Wells Fargo Investments</b>								<b>5,272,506.41</b>	<b>32.03%</b>
<b>TOTAL INVESTMENTS</b>								<b>14,734,435.57</b>	<b>100%</b>
<b>TOTAL CASH AND INVESTMENTS</b>								<b>16,461,287.92</b>	

**Weighted Average Yield of Total Investment Portfolio:** 1.86%

Market values determined by last business day of month values.

All listed investments comply with the District's Statement of Investment Policy as established in Resolution 2-2007.

The District's available cash and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations for at least a six-month period of time.

NOTE: All interest values shown above are based on annual rates of return.

*Sean S. Henry*  
Sean S. Henry, Finance Officer



## COMPARATIVE PURCHASED WATER REPORT FOR THE MONTH OF NOVEMBER 2018

SOURCE / DESCRIPTION	2018			2017		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
<b>WATER CHARGES:</b>						
POTABLE WATER						
PUENTE BASIN WATER AGENCY / TVMWD	256.9	343,608.65	1,337.52	218.3	324,759.89	1,487.68
POMONA-WALNUT-ROWLAND JWLC	405.5	409,555.00	1,010.00	370.4	365,584.80	987.00
CAL. DOMESTIC WATER COMPANY (CDWC)	124.2	45,554.10	366.72	240.3	84,817.06	352.90
LA HABRA HEIGHTS	0.0	-	-	0.0	-	-
	786.6	798,717.75		829.0	775,161.8	
RECLAIMED WATER	76.3	20,219.50	265.00	55.1	14,601.50	265.00
<b>TOTAL WATER CHARGES</b>	<b>862.9</b>	<b>818,937.25</b>		<b>884.1</b>	<b>789,763.25</b>	
<b>FIXED CHARGES:</b>						
PUENTE BASIN WATER AGENCY / TVMWD						
CAPACITY RESERVATION		8,122.36			8,209.51	
CONNECTED CAPACITY		1,330.23			1,353.41	
WATER USE CHARGE		1,509.14			1,402.68	
EQUIV. SMALL METER		1,794.36			1,723.73	
SUBTOTAL		12,756.09			12,689.33	
PWR JWLC						
CAPACITY RESERVATION		7,356.17			7,487.10	
CONNECTED CAPACITY		1,073.05			1,091.75	
WATER USE CHARGE		1,736.18			1,782.72	
DEPRECIATION		-			-	
REPLACEMENT		-			-	
BUDGET ASSESSMENT		-			-	
SUBTOTAL		10,165.40			10,361.57	
CDWC / LHH / ODWD						
FIXED CHARGES		309.78			309.78	
SUBTOTAL						
<b>TOTAL FIXED CHARGES</b>		<b>23,231.27</b>			<b>23,360.68</b>	
<b>TOTAL PURCHASED WATER CHARGES</b>		<b>842,168.52</b>			<b>813,123.93</b>	
<b>AVERAGE WATER CHARGE:</b>		<b>\$ 975.95</b>			<b>\$ 919.68</b>	



**Tab**

**1.5**

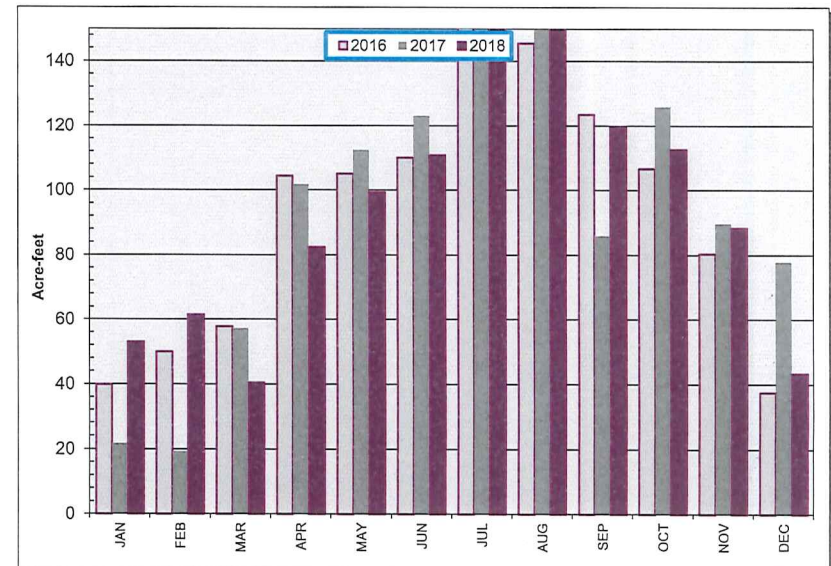
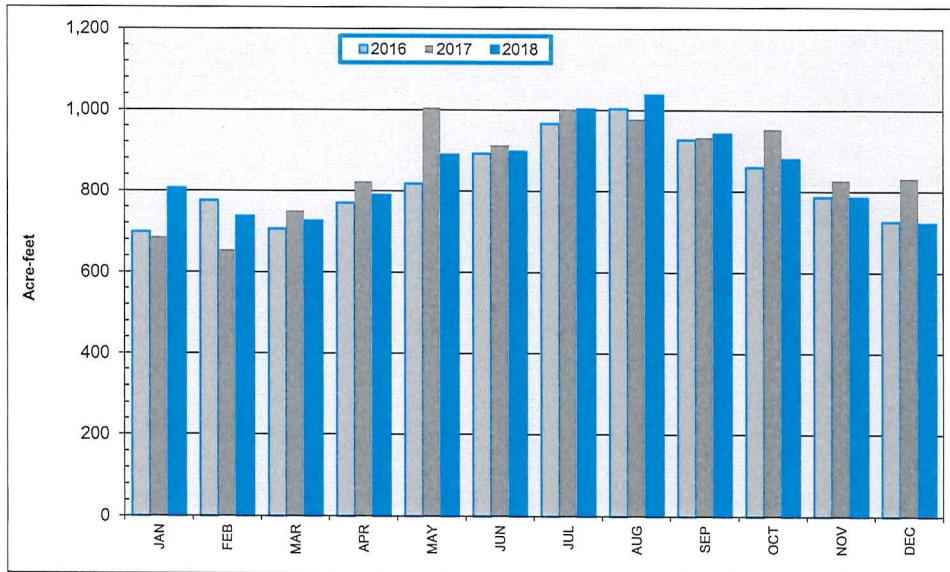


## Water Purchases for CY 2018 (Acre-feet)



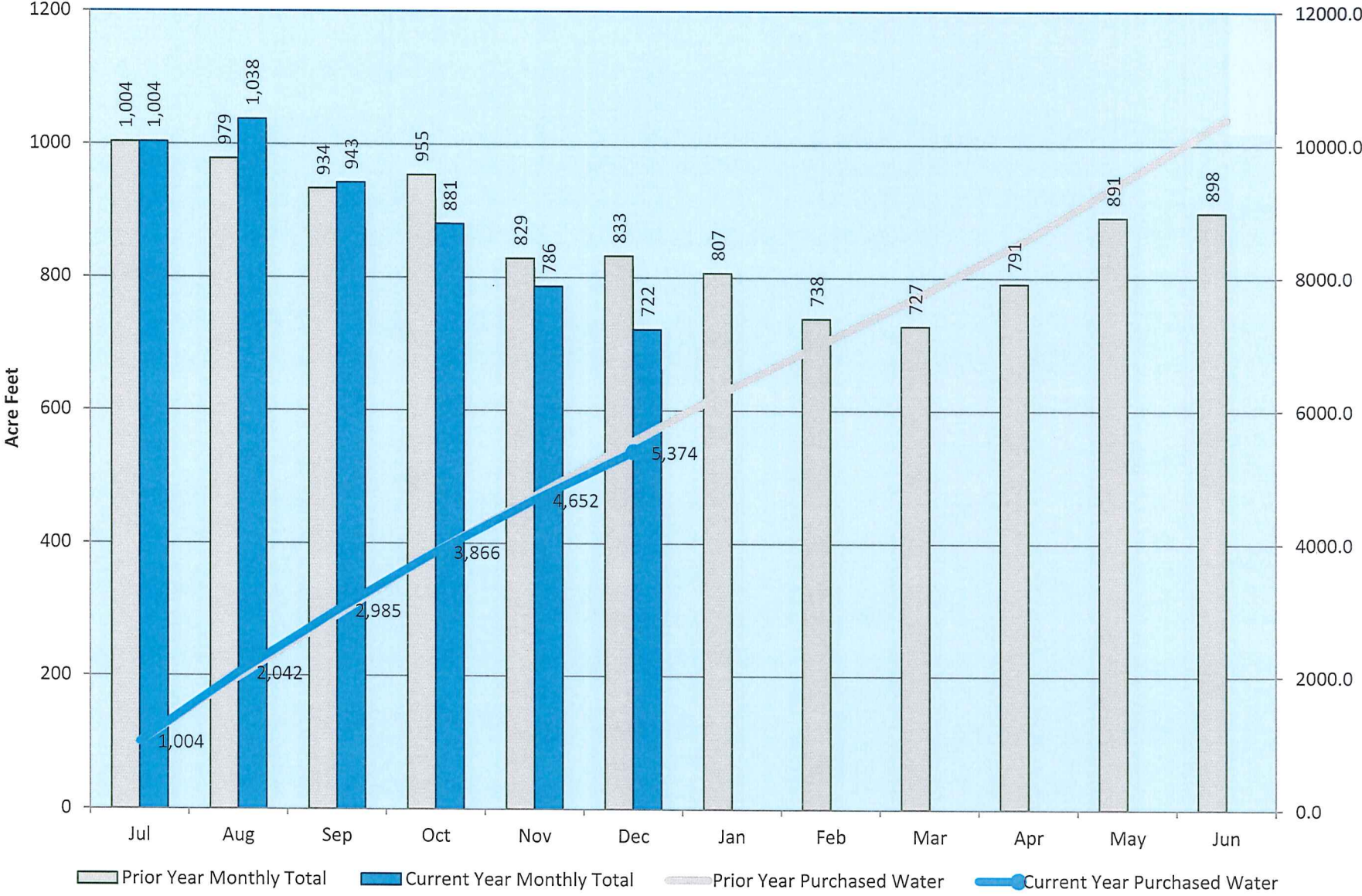
	POTABLE SYSTEM						TOTAL
	WBS	LHH	PM-9	PM-22	JWL		
					PM-15	Miramar	
JAN	194.6	0.0	0.0	127.0	347.1	138.4	807.1
FEB	156.8	0.0	0.0	211.9	313.4	56.3	738.4
MAR	125.5	0.0	0.0	204.3	242.1	155.4	727.3
APR	160.7	0.0	0.0	245.6	298.1	86.7	791.1
MAY	125.0	0.0	0.0	251.4	387.6	127.2	891.2
JUN	176.9	0.0	0.0	242.2	300.1	179.1	898.3
JUL	151.4	0.0	0.0	598.7	170.5	83.3	1,003.9
AUG	42.7	0.0	0.0	448.4	407.7	139.2	1,038.0
SEP	0.0	0.0	1.4	391.6	389.5	160.4	942.9
OCT	46.7	0.0	0.3	71.4	514.9	247.8	881.1
NOV	124.2	0.0	0.2	256.7	244.2	161.3	786.6
DEC	190.2	0.0	0.0	243.1	288.4	0.7	722.4
<b>TOTAL</b>	<b>1,494.7</b>	<b>0.0</b>	<b>1.9</b>	<b>3,292.3</b>	<b>3,903.6</b>	<b>1,535.8</b>	<b>10,228.3</b>

RECYCLED SYSTEM					
Well 1	Wet Well	WVWD	Industry	Potable Make-up	TOTAL
21.9	8.6	0.0	22.5	0.0	53.0
35.0	3.5	1.0	22.0	0.0	61.5
20.5	9.9	0.0	10.1	0.0	40.5
17.0	8.2	2.0	55.3	0.0	82.5
24.0	10.5	2.0	62.9	0.0	99.4
28.1	15.0	2.0	65.8	0.0	110.9
34.8	9.4	3.0	127.3	0.0	174.5
38.0	14.4	6.6	103.2	11.2	173.4
32.7	10.2	3.0	73.6	0.0	119.5
25.9	2.8	2.0	81.1	0.9	112.7
0.0	8.9	1.0	76.3	2.2	88.4
0.0	16.3	1.0	26.0	0.0	43.3
<b>277.9</b>	<b>117.7</b>	<b>23.6</b>	<b>726.1</b>	<b>14.3</b>	<b>1,159.6</b>



# Potable Water Purchases For FY 2018-2019

(Acre-feet)



**Tab**

**2.1**





## JANUARY 2019-DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
<b>Anthony J. Lima</b>					
		<b>TOTAL PAYMENT</b>	<b>\$0.00</b>		
<b>John Bellah</b>					
	1/8/2019	RWD Board Meeting	\$185.00		
	1/11/2019	RWD Employee Event		X	
	1/14/2019	RHCCC Meeting		X	
	1/22/2019	Dr. Wu Retirement-Walnut Valley		X	
	1/22/2019	RWD Special Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$370.00</b>		
<b>Robert W. Lewis</b>					
	1/8/2019	RWD Board Meeting	\$185.00		
	1/22/2019	RWD Special Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$370.00</b>		
<b>Szu-Pei Lu</b>					
	1/8/2019	RWD Board Meeting	\$185.00		
	1/11/2019	RWD Employee Event		X	
	1/16/2019	Three Valleys Board Meeting	\$185.00		Mileage
	1/22/2019	RWD Special Board Meeting	\$185.00		
	1/23/2019	Three Valleys Board Meeting	\$185.00		Mileage
	1/30/2019	CAC Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$925.00</b>		
<b>Teresa Rios</b>					
	1/8/2019	RWD Board Meeting	\$185.00		
	1/22/2019	RWD Special Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$370.00</b>		

APPROVED FOR PAYMENT:

Tom Coleman

**Tab**

**2.2**

Board of Directors  
Rowland Water District  
Rowland Heights, California

We have audited the financial statements of the Rowland Water District (the District) as of and for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 16, 2018 and in our planning communication letter to you also dated July 19, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As discussed in Notes 1d, 11, and 16 to the financial statements, the District has recorded the net other post-employment benefits (OPEB) liability, deferred outflows of resources, and deferred inflows of resources related to the District's OPEB plan due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions - An Amendment of GASB Statement No. 45*. The adoption of this standard requires retrospective application resulting in a \$4,040,618 reduction of previously reported net position. No other accounting policies were adopted, and the application of other existing policies was not changed during the year ended June 30, 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

- a. When available, management's estimate of the fair value of investments is based on quoted prices in active markets. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the District's asset manager from a third-party service provider.
- b. Management's estimate of useful lives of capital assets used for depreciation purposes is based on industry standards.
- c. The annual required contributions, pension expense, net pension liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- d. The actuarially determined contribution, OPEB expense, net OPEB liability, and corresponding deferred outflows of resources and deferred inflows of resources for the District's OPEB plan are based on actuarial valuation provided by a third party.

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reported in Note 10 regarding the District's defined benefit pension plans, Note 11 regarding the District's other post-employment benefit plan, and Note 16 regarding the restatement of net position.

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

### *Difficulties Encountered in Performing the Audit*

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



## **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 clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 11, 2019.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

## **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions – OPEB plan, which are Required Supplementary Information (RSI) that supplement 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.

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

## **Regulatory Updates**

### Procurement Rules under Uniform Guidance

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

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

### Debt Management Policy

Government Code Section 8855(i) requires any issuer of public debt to provide to the California Debt and Investment Advisory Commission (CDIAC), a Report of Proposed Debt Issuance no later than 30 days prior to the sale of the debt securities. Effective January 1, 2017, SB 1029 requires issuers of public debt to certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies.

## **Regulatory Updates (Continued)**

### Debt Management Policy (Continued)

The purpose of a debt management policy is to establish guidelines governing the issuance of debt or other financial obligations. It provides a framework for debt issuance, capital planning, and post-issuance debt administration. A debt management policy establishes conditions for use of debt, to ensure that debt capacity and affordability are adequately considered, to minimized interest and issuance costs, to maintain the highest possible credit rating, to provide complete financial disclosure and reporting, and to maintain financial flexibility.

California state and local governments should review the amended provisions of Government Code Section 8855 either to ensure that their existing debt management policy have been updated for the new requirements resulting from the adoption of SB 1029, or to develop and adopt the required debt management policy.

### **Restriction on Use**

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

*White Nelson Nield Evans LLP*

Irvine, California  
January 11, 2019

Client: **79555 - Rowland Water District**  
 Engagement: **2018 - Rowland Water District**  
 Period Ending: **6/30/2018**  
 Trial Balance: **2999.01 - Rowland Water District**  
 Workpaper: **3210.01 - Waived AJE's Report**

Account	Description	W/P Ref	Debit	Credit
<b>Passed Journal Entries JE # 301</b>		<b>4300.02</b>		
Passed adjustment to true up water in storage balance at year end due to incorrect client entry at year end.				
11149-0	WATER IN-STORAGE		12,650.00	
51310-0	WATER PURCHASES - TVMWD			12,650.00
<b>Total</b>			<b>12,650.00</b>	<b>12,650.00</b>
<b>Passed Journal Entries JE # 302</b>		<b>7101.00</b>		
Record effect of PY and CY property tax receivable amounts not recorded by the District.				
14515-0	OTHER RECEIVABLE		29,088.00	
30130-0	UNAPPROPRIATED FUND BALANCE			27,041.00
49310-0	COUNTY TAX CONTRIBUTIONS			2,047.00
<b>Total</b>			<b>29,088.00</b>	<b>29,088.00</b>

**ROWLAND WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**WITH REPORT ON AUDIT**  
**BY INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**



**ROWLAND WATER DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2018**  
**Table of Contents**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Rowland Water District  
Rowland Heights, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Rowland Water District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rowland Water District as of June 30, 2018, and the respective changes in its financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Notes 1d and 16 to the financial statements, the District made a restatement that resulted in a decrease in previously reported net position as a result of implementing Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Report on Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions for the defined benefit pension plan, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions for the OPEB plan, and the other post-employment benefit plan's annual money-weighted rate of return on investments, identified as required supplementary information in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The schedule of other operating expenses and schedule of general and administrative expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of other operating expenses and schedule of general and administrative expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
January 11, 2019

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

# ROWLAND WATER DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

This section of the District's annual financial report presents our analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

#### Fiscal Year 2018

- The District's total net position decreased by \$1,491,528 or 2.45%.
- During the year, the District's total revenues increased to \$24,890,499 or 13.83%, and total expenses increased to \$22,341,409 or 5.45%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

### REQUIRED FINANCIAL STATEMENTS

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

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**FINANCIAL ANALYSIS OF THE DISTRICT**

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

**NET POSITION**

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

**TABLE 1**  
**Condensed Statements of Net Position**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change
Assets:			
Current, restricted and noncurrent	\$ 46,587,443	\$ 44,250,892	\$ 2,336,551
Capital assets	59,428,484	59,100,917	327,567
Total Assets	<u>106,015,927</u>	<u>103,351,809</u>	<u>2,664,118</u>
Deferred outflows of resources	<u>5,145,319</u>	<u>4,513,864</u>	<u>631,455</u>
Liabilities:			
Current liabilities	4,829,915	3,859,861	970,054
Noncurrent liabilities	45,598,796	42,948,961	2,649,835
Total Liabilities	<u>50,428,711</u>	<u>46,808,822</u>	<u>3,619,889</u>
Deferred inflows of resources	<u>1,331,252</u>	<u>164,040</u>	<u>1,167,212</u>
Net Position:			
Net investment in capital assets	38,135,541	37,741,060	394,481
Unrestricted	21,265,742	23,151,751	(1,886,009)
Total Net Position	<u>\$ 59,401,283</u>	<u>\$ 60,892,811</u>	<u>\$ (1,491,528)</u>

As can be seen from Table 1, total assets and deferred outflows of resources increased \$3,295,573 from fiscal year 2017 to 2018. Total Net Position saw an decrease of \$1,491,528 or 2.45% from the previous fiscal year.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**NET POSITION (CONTINUED)**

A further review shows total liabilities and deferred inflows of resources increased by \$4,787,101 from fiscal year 2017 to 2018. The main reason for this increase was required changes in reporting. The District now lists its Net OPEB liability of \$3,069,931 with total noncurrent liabilities and its deferred amounts from OPEB of \$1,186,860 with total deferred inflows of resources. These amounts total \$4,256,791 and were previously not shown on the statement of net position. The District also had a net pension liability increase of \$673,196 from the previous year.

Large projects completed during fiscal year 2018 included:

**Reservoir 6 Rehabilitation:**

Rowland Water District determined thru inspections that Reservoir 6 was in need of safety, sanitary and security upgrades, along with a complete interior recoating. Reservoir 6 is located at 2024 Tomich Rd., Hacienda Heights, California 91745. J. Colon was awarded the project thru a bid process and authorized to make the necessary coating repairs and upgrades. Safety, sanitary, and security enhancements included, the installation of intrusion alarm switches, installation of a new hatch, improvements to the safety gate, adding a fall prevention cable, replacement of the interior ladder, along with recoating the entire interior coating with a multi-coat epoxy system.

**RCS Structure – Granby Booster Station:**

Rowland Water District started improving water quality at its reservoir sites with portable sheds which contained Residual Control Systems (RCS) equipment to maintain its high standard for water quality. Portable sheds were used initially so operators could move the equipment to the most critical reservoir site for maintaining the best water quality throughout the distribution system. Granby Booster Station was deemed one of these critical sites due to the fact that it sends water into two of our more challenging areas for water quality. The building houses the RCS equipment and chemical storage tanks, and is located at 18940 Granby Place in Rowland Heights, CA 91748.

**AMI Conversion:**

Rowland Water District determined through failing modules on the current AMR system and numerous rereads on all routes that the District was in need of a new reading system. The most affected areas of the District are routes 201, 221, 801, and 811. Rowland Water District has chosen to install a Master Meter AMI system on all meters in the District.



ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

NET POSITION (CONTINUED)

TABLE 2

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change
Revenues:			
Operating revenues	\$ 24,195,942	\$ 21,310,310	\$ 2,885,632
Nonoperating revenues	694,557	555,362	139,195
Total Revenues	<u>24,890,499</u>	<u>21,865,672</u>	<u>3,024,827</u>
Expenses:			
Operating expenses	20,601,457	19,556,341	1,045,116
Nonoperating expenses	1,739,952	1,631,320	108,632
Total Expenses	<u>22,341,409</u>	<u>21,187,661</u>	<u>1,153,748</u>
Change in Net Position	<u>2,549,090</u>	<u>678,011</u>	<u>1,871,079</u>
Beginning Net Position	60,892,811	60,515,282	377,529
Restatement	<u>(4,040,618)</u>	<u>(300,482)</u>	<u>(3,740,136)</u>
Beginning Net Position, as Restated	<u>56,852,193</u>	<u>60,214,800</u>	<u>(3,362,607)</u>
Ending Net Position	<u>\$ 59,401,283</u>	<u>\$ 60,892,811</u>	<u>\$ (1,491,528)</u>

While the Statements of Net Position show the change in financial position, the Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the nature and source of these changes. As can be seen in Table 2, a decrease in ending net position of \$1,491,528 occurred in fiscal year 2018.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**NET POSITION (CONTINUED)**

A closer examination of the sources of changes in Net Position reveals that the District's total revenues increased by \$3,024,827 or 13.83% in fiscal year 2018. Of the amount, operating revenues increased by \$2,885,632 or 13.54% and its nonoperating revenues increased by \$139,195 or 25.06% in the past fiscal year. The main factor attributing to the increase in operating revenues was an increase in residential and business water sales and an increase in water service charges. The majority of the increase in nonoperating revenue was the District seeing an increase in interest and dividend income and contributions from developers.

The District's total water sales increased from approximately 10,111 acre feet in fiscal year 2016-2017 to 10,387 acre feet in fiscal year 2017-2018. Most of the increase in revenue can be attributed to the increase in water rate and service charge that became effective on January 1, 2018. The base rate was increased \$0.19 from \$2.43 to \$2.62. The recycled water rate increased \$0.08 from \$1.71 to \$1.79. The District promotes the use of recycled water so there is no tiered rate structure for recycled water. The monthly service charge for standard 5/8" to 3/4" meters increased \$7.11 from \$33.44 to \$40.55. The District continues to use a tiered rate structure that was implemented in January 2009. The tiered rates as of January 2018 for Zone I were a rate of \$2.62 for 1-8 hcf, \$3.34 for 9-15 hcf, and \$4.62 for 16+ hcf. The District has six different pumping zones. Zonal surcharges cover the energy costs to pump water to each zone of elevation over Zone I. The additional Zonal surcharges is added to the base rate if the property resides in Zone II through Zone VI. The surcharges vary from \$0.16 in Zone II up to \$1.57 for Zone VI.

Nonoperating revenues increased in fiscal year 2018. The District saw interest and dividend income of \$285,990, property tax revenues of \$346,925 and rental/contract income of \$139,328. The District had non-restricted cash, cash equivalents, and investments totaling \$14,888,197 ended fiscal year 2018, an increase of \$1,951,538 from fiscal year 2017. The main cause of the increase is the additional revenue the District received due to the adjustment in the water rate and service charge.

While total revenues increased by \$3,024,827 or 13.83%, total expenses increased by \$1,153,748 or 5.45%. This resulted in a change in net position of \$1,871,079 in fiscal year 2018. While the District saw operating expenses increased \$1,045,116 from fiscal year 2017, Source of Supply cost increased \$666,445 and general and administrative expenses increased \$243,409 which mostly consisted of pension plan contribution expense.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**NET POSITION (CONTINUED)**

The average cost of an acre foot of water increased from \$987.00 in 2017 to \$1,010.00 in 2018. Fixed charges decreased \$36,739 or 13.21% from fiscal year 2017 to 2018. General and administrative expenses saw an increase of 5.34%. Depreciation for fiscal year 2018 was \$2,598,348. The District continues to fund depreciation of its assets through its capital improvement plan.

**BUDGETARY HIGHLIGHTS**

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

	Fiscal Year 2018		
	Actual	Budget	Variance
Revenues:			
Operating revenues	\$ 24,195,942	\$ 21,270,000	\$ 2,925,942
Nonoperating revenues	694,557	575,000	119,557
Total Revenues	<u>24,890,499</u>	<u>21,845,000</u>	<u>3,045,499</u>
Expenses:			
Operating Expenses:			
Source of supply	10,670,626	10,195,000	(475,626)
Pumping and power	1,044,131	1,200,000	155,869
Transmission and distribution	1,106,635	1,265,000	158,365
Customer services	63,695	165,000	101,305
Depreciation expenses	2,598,348	-	(2,598,348)
Other operating expenses	312,614	445,000	132,386
General and administrative expenses	4,805,408	4,776,000	(29,408)
Total Operating Expenses	<u>20,601,457</u>	<u>18,046,000</u>	<u>(2,555,457)</u>
Nonoperating expenses	<u>1,739,952</u>	<u>1,700,000</u>	<u>(39,952)</u>
Total Expenses	<u>22,341,409</u>	<u>19,746,000</u>	<u>(2,595,409)</u>
Change in Net Position	<u>\$ 2,549,090</u>	<u>\$ 2,099,000</u>	<u>\$ 450,090</u>

In looking at Table 3, Budget vs. Actual, the discrepancy in change in net position over budgeted change in net position is \$450,090. Total Revenues shows a positive variance of \$3,045,499. Total operating expenses saw a negative variance of \$2,555,457 when depreciation is not included. Depreciation is not a direct expense to the District and funds are collected through rates and charges to fund it. Nonoperating expenses saw a negative variance of \$39,952.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At the end of fiscal year 2018, the District had invested \$59,428,484 in a broad range of Infrastructure as shown in Table 4.

**TABLE 4  
Capital Assets**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change
Capital assets, not being depreciated:			
Land	\$ 261,340	\$ 261,340	\$ -
Water rights	5,000	5,000	-
Construction in progress	2,681,207	2,107,736	573,471
Total capital assets, not being depreciated	<u>2,947,547</u>	<u>2,374,076</u>	<u>573,471</u>
Capital assets, being depreciated:			
Intangible plant	1,022,551	1,022,551	-
Sources of supply plant	2,109,253	2,109,253	-
Pumping plant	10,667,579	10,037,819	629,760
Transmission and distribution plant	68,297,317	66,656,601	1,640,716
Telemetry equipment	1,540,618	1,540,617	1
General plant	584,639	584,639	-
Office building and equipment	6,472,790	6,459,188	13,602
Transportation equipment	985,914	951,628	34,286
Communication equipment	27,979	27,979	-
Total capital assets, being depreciated	<u>91,708,640</u>	<u>89,390,275</u>	<u>2,318,365</u>
Less accumulated depreciation	<u>(35,227,703)</u>	<u>(32,663,434)</u>	<u>(2,564,269)</u>
Total capital assets, being depreciated, net	<u>56,480,937</u>	<u>56,726,841</u>	<u>(245,904)</u>
Total capital assets, net	<u>\$ 59,428,484</u>	<u>\$ 59,100,917</u>	<u>\$ 327,567</u>

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

ROWLAND WATER DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

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

**DEBT ADMINISTRATION**

At the end of fiscal year 2018, the District had noncurrent liabilities totaling \$46,568,796 as shown in Table 5.

**TABLE 5  
Noncurrent Liabilities**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change
Refunding Bond Series 2014A	\$ 19,468,198	\$ 20,045,112	\$ (576,914)
Installment purchase contract payable	19,126,537	19,603,876	(477,339)
Compensated absences	296,416	300,455	(4,039)
Net pension liability	4,607,714	3,934,518	673,196
Net OPEB obligation	3,069,931	4,570,547	(1,500,616)
	<u>\$ 46,568,796</u>	<u>\$ 48,454,508</u>	<u>\$ (1,885,712)</u>

The District currently has five sources of Noncurrent Liabilities in 2018. The Refunding Bond series 2014A is a refunding of the Certificate of Participation (COP) issued January 2009 that was used for the expansion of the District’s Recycled Water System. The goal is to lower the dependence on imported water by producing recycled water at a lower cost. Recycled water can be used for irrigation at schools, parks, industrial buildings, etc. In November 2012, the District entered into an installment purchase contract with Puente Basin Water Agency in order to finance the acquisition of certain water system improvements. The liability is payable over the next thirty years. Net pension liability is the amount by which the total pension liability exceeds the pension plan’s net asset available for paying benefits. This amount increased in fiscal year 2018 to \$4,607,714 an increase of \$673,196 from fiscal year 2017. The District’s pension plan is administered by CalPERS. The net OPEB liability refers to Other Post-Employment Benefits that would be owed to employees upon retirement after meeting certain criteria. This is an actuarially determined amount. The net OPEB liability for fiscal year 2018 was \$3,069,931.

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

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's Board of Directors and management considered many factors when setting the fiscal year 2019, user fees, and charges. A projection is made on the acre feet of water that will be purchased and sold. The District also looks at the increased cost of the Source of Supply. Since the District heavily relies on import water, the costs are directly passed through by Metropolitan Water District and Three Valleys Municipal Water District. Some are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as vehicle expenses and insurance coverages. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected.

**TABLE 6**  
**Fiscal Year 2019 Budget vs. Fiscal Year 2018 Actual**

	Fiscal Year 2018 Actual	Fiscal Year 2019 Budget	Variance
Revenues:			
Operating revenues	\$ 24,195,942	\$ 22,790,000	\$ (1,405,942)
Nonoperating revenues	626,307	550,000	(76,307)
<b>Total Revenues</b>	<b>24,822,249</b>	<b>23,340,000</b>	<b>(1,482,249)</b>
Expenses:			
Operating Expenses:			
Source of supply	10,670,626	10,605,000	65,626
Pumping and power	1,044,131	1,280,000	(235,869)
Transmission and distribution	1,106,635	1,405,000	(298,365)
Customer services	63,695	160,000	(96,305)
Depreciation expenses	2,598,348	-	2,598,348
Other operating expenses	312,614	395,000	(82,386)
General and administrative expenses	4,805,408	4,915,000	(109,592)
<b>Total Operating Expenses</b>	<b>20,601,457</b>	<b>18,760,000</b>	<b>1,841,457</b>
Nonoperating expenses	1,739,952	1,700,000	39,952
<b>Total Expenses</b>	<b>22,341,409</b>	<b>20,460,000</b>	<b>1,881,409</b>
Capital Contributions	68,250	-	(68,250)
<b>Change in Net Position</b>	<b>\$ 2,549,090</b>	<b>\$ 2,880,000</b>	<b>\$ 330,910</b>

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)

June 30, 2018

**CONTACTING THE DISTRICT'S FINANCIAL OFFICER**

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

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## **BASIC FINANCIAL STATEMENTS**

ROWLAND WATER DISTRICT  
STATEMENT OF NET POSITION

June 30, 2018

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	\$ 3,878,978
Investments	11,009,219
Accounts receivable, net of allowance for doubtful accounts of \$30,000	3,337,195
Interest receivable	72,893
Supply inventories	263,489
Water in storage	3,669,761
Prepaid items	<u>45,181</u>
TOTAL CURRENT ASSETS	<u>22,276,716</u>

RESTRICTED ASSETS:

Cash and cash equivalents	1,212,527
Investments	<u>7,844,964</u>
TOTAL RESTRICTED ASSETS	<u>9,057,491</u>

CAPITAL ASSETS:

Capital assets, not being depreciated	2,947,547
Capital assets, being depreciated, net	<u>56,480,937</u>
TOTAL CAPITAL ASSETS, NET	<u>59,428,484</u>

OTHER NONCURRENT ASSETS:

Investments in joint ventures	<u>15,253,236</u>
TOTAL ASSETS	<u>106,015,927</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred amounts from OPEB plans	599,152
Deferred amounts from pension plans	1,346,389
Deferred amounts on refunding	<u>3,199,778</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,145,319</u>

(Continued)

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT  
STATEMENT OF NET POSITION  
(CONTINUED)

June 30, 2018

LIABILITIES:

CURRENT LIABILITIES (PAYABLE FROM  
UNRESTRICTED ASSETS):

Accounts payable	\$ 2,569,507
Interest payable	124,195
Current portion of installment purchase contract payable	445,000
Current portion of 2014A refunding bonds payable	<u>525,000</u>

3,663,702

CURRENT LIABILITIES (PAYABLE FROM  
RESTRICTED ASSETS):

Refundable customer deposits	186,694
Unearned construction advances	<u>979,519</u>

1,166,213

TOTAL CURRENT LIABILITIES

4,829,915

NONCURRENT LIABILITIES:

Compensated absences	296,416
Installment purchase contract payable	18,681,537
2014A refunding bonds payable	18,943,198
Net OPEB liability	3,069,931
Net pension liability	<u>4,607,714</u>

TOTAL NONCURRENT LIABILITIES

45,598,796

TOTAL LIABILITIES

50,428,711

DEFERRED INFLOWS OF RESOURCES:

Deferred amounts from OPEB	1,186,860
Deferred amounts from pension plans	<u>144,392</u>

TOTAL DEFERRED INFLOWS OF RESOURCES

1,331,252

NET POSITION:

Net investment in capital assets	38,135,541
Unrestricted	<u>21,265,742</u>

TOTAL NET POSITION

\$ 59,401,283

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION

For the year ended June 30, 2018

OPERATING REVENUES:

Water sales:	
Residential	\$ 7,828,962
Business	6,058,449
Public entities	273,525
Industrial	7,319
Reclaimed water	623,705
Other	<u>40,445</u>
Total water sales	<u>14,832,405</u>

Water services:

Water service charges	8,482,070
Nonrefundable new service fees	67,129
New service connection fees	297,688
Reconnection fees	36,065
Customer penalties	244,122
Other	<u>236,463</u>

Total water services	<u>9,363,537</u>
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TOTAL OPERATING REVENUES	<u>24,195,942</u>
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OPERATING EXPENSES:

Source of supply	10,670,626
Pumping and power	1,044,131
Transmission and distribution	1,106,635
Customer services	63,695
Depreciation expense	2,598,348
Other operating expenses	312,614
General and administrative expenses	<u>4,805,408</u>

TOTAL OPERATING EXPENSES	<u>20,601,457</u>
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OPERATING INCOME	<u>3,594,485</u>
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(Continued)

ROWLAND WATER DISTRICT

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

For the year ended June 30, 2018

NONOPERATING REVENUES (EXPENSES):

Investment income:

Interest and dividend income	\$ 285,990
Realized and unrealized gains (losses) on investments, net	(165,851)
Property tax revenues	346,925
Miscellaneous income	19,915
Rental and contract income	139,328
Interest expense	(1,499,385)
Amortization of debt premium/(discount)	(28,592)
Loss from investments in joint ventures	<u>(211,975)</u>

TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,113,645)</u>
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NET INCOME BEFORE CAPITAL CONTRIBUTIONS	2,480,840
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CAPITAL CONTRIBUTIONS:

Contributions from developers	<u>68,250</u>
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CHANGE IN NET POSITION	2,549,090
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NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>56,852,193</u>
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NET POSITION - END OF YEAR	<u><u>\$ 59,401,283</u></u>
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See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 24,679,800
Cash payments to suppliers for goods and services	(15,237,918)
Cash payments to employees for services	<u>(2,443,924)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,997,958</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Proceeds from property taxes	346,925
Other receipts	<u>19,915</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>366,840</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(2,925,915)
Principal payments on debt	(935,000)
Interest paid	(1,506,494)
Rental income	139,328
Capital contributions received	<u>68,250</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,159,831)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Contributions to joint ventures	(191,821)
Purchases of investments	(13,670,796)
Proceeds from sale of investments	13,897,575
Investment income	<u>244,616</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>279,574</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,484,541
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,606,964</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>5,091,505</u></u>

(Continued)

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENTS OF CASH FLOWS  
(CONTINUED)

For the year ended June 30, 2018

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 3,594,485
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,598,348
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(122,807)
(Increase) decrease in supply inventories	(151,707)
(Increase) decrease in water in storage	5,640
(Increase) decrease in prepaid items	1,011
(Increase) decrease deferred outflows of resources from OPEB	(24,780)
(Increase) decrease in deferred outflows of resources from pension plans	(180,148)
Increase (decrease) in accounts payables	407,058
Increase (decrease) in refundable customer deposits	(235)
Increase (decrease) in compensated absences	(4,039)
Increase (decrease) in unearned construction advances	606,900
Increase (decrease) in net OPEB liability	(1,500,616)
Increase (decrease) in net pension liability	673,196
Increase (decrease) in deferred inflows of resources from OPEB	1,186,860
Increase (decrease) in deferred inflows of resources from pension plans	<u>(19,648)</u>

NET CASH PROVIDED BY  
OPERATING ACTIVITIES

6,997,958

NONCASH CAPITAL AND RELATED

FINANCING ACTIVITIES:

Amortization of debt premiums discounts and deferred amount on refunding	<u><u>\$ 28,592</u></u>
--	-------------------------

NONCASH INVESTING ACTIVITIES:

Loss from investment in joint ventures	<u><u>\$ (211,975)</u></u>
--	----------------------------

See accompanying notes to basic financial statements.

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

ROWLAND WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2018

	<u>Other Post-Employment Benefit (OPEB) Trust Fund</u>
ASSETS:	
Investments	<u>\$ 3,605,917</u>
 TOTAL ASSETS	 <u>3,605,917</u>
 NET POSITION:	
Held in trust for OPEB benefits	<u>3,605,917</u>
 TOTAL NET POSITION	 <u><u>\$ 3,605,917</u></u>

See accompanying notes to basic financial statements.

ROWLAND WATER DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the year ended June 30, 2018

	Other Post-Employment Benefit (OPEB) Trust Fund
ADDITIONS:	
Employer contributions	\$ 420,000
Investment income	203,850
TOTAL ADDITIONS	<u>623,850</u>
DEDUCTIONS:	
Administrative expense	<u>10,223</u>
TOTAL DEDUCTIONS	<u>10,223</u>
CHANGE IN NET POSITION	613,627
NET POSITION - BEGINNING OF YEAR	<u>2,992,290</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,605,917</u></u>

See accompanying notes to basic financial statements.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Nature of Organization

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

b. Basis of Presentation

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

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

c. Measurement Focus and Basis of Accounting

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

**Fiduciary Funds**

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

d. New Accounting Pronouncements

**GASB Current Year Standards**

In fiscal year 2017-2018, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for postemployment benefits other than pension. Accounting changes adopted to conform to the provisions of this statement should be applied retroactively. The result of the implementation of this statement decreased the net position at July 1, 2017 by \$4,040,618.

GASB 82 - Pension Issues, effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which are effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement did not impact the District.

GASB 85 - Omnibus 2017, effective for periods beginning after June 15, 2017. This statement did not impact the district.

GASB 86 - Certain Debt Extinguishment Issues, effective for periods beginning after June 15, 2017. This statement did not impact the district.

**Pending Accounting Standards**

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

- GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018.
- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB No. 14 and No. 61*, effective for periods beginning after December 15, 2018.



**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

e. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

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

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

e. Deferred Outflows/Inflows of Resources (Continued)

- Deferred inflow from pensions and OPEB plans resulting from annual changes in assumptions. Each annual amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflow related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years.

f. Net Position

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

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

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

g. Uniform System of Accounts for Water Utility Districts

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

h. Operating Revenues and Expenses

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

i. Cash and Cash Equivalents

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

j. Investments

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

k. Restricted Assets

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

l. Accounts Receivable

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

m. Inventories and Water in Storage

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

n. Capital Assets and Depreciation

Capital assets are stated at cost, net of accumulated depreciation. District policy has set the capitalization threshold for reporting capital assets at \$2,500. Depreciation is recorded on the straight-line basis over the estimated useful lives as follows 5 years for computers, vehicles, office equipment, and furniture; 10 years for forklifts; 15 years for hydrants; 20 years for meters; and 75 years for mains. Maintenance and repairs are charged to expense as incurred. Significant renewals and betterments are capitalized.

o. Capitalized Interest

The District incurred interest charges on long-term debt totaling \$1,499,385 for the year ended June 30, 2018. No interest has been capitalized as additions to the cost of construction for the year ended June 30, 2018.

p. Restricted Liabilities

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

q. Unearned Construction Advances and Capital Contributions

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

r. Property Taxes

Property tax in California is levied in accordance with Article 13A of the State Constitution at 1% of county-wide assessed valuations. This 1% is allocated pursuant to state law to the appropriate units of local government. The property tax calendar is as follows:

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

s. Compensated Absences

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

t. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its participation in the Joint Power Insurance Authority program. At June 30, 2018, in the opinion of the District's legal counsel, the District had no material claims that would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenses when paid.

u. Pensions

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

v. OPEB Plan

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

w. Use of Estimates

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

**2. CASH AND INVESTMENTS**

**Cash and Investments**

Cash and investments as of June 30, 2018, are reported in the accompanying statement of net position as follows:

	Government Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Financial Statement Classification:			
Unrestricted:			
Cash and cash equivalents	\$ 3,878,978	\$ -	\$ 3,878,978
Investments	11,009,219	3,605,917	14,615,136
Restricted:			
Cash and cash equivalents	1,212,527	-	1,212,527
Investments	7,844,964	-	7,844,964
 Total Cash and Investments	 <u>\$ 23,945,688</u>	 <u>\$ 3,605,917</u>	 <u>\$ 27,551,605</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**2. CASH AND INVESTMENTS (CONTINUED)**

**Cash and Investments (Continued)**

Cash and investments as of June 30, 2018, consist of the following:

	District Funds	OPEB Trust	Total
Cash on hand	\$ 400	\$ -	\$ 400
Demand deposits	1,482,674	-	1,482,674
Investments	22,462,614	3,605,917	26,068,531
 Total Cash and Investments	 <u>\$ 23,945,688</u>	 <u>\$ 3,605,917</u>	 <u>\$ 27,551,605</u>

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

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**2. CASH AND INVESTMENTS (CONTINUED)**

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

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

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.  
N/A - Not Applicable

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**2. CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by Debt Agreements**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Government Sponsored Agency Securities:			
Federal Home Loan Bank (FHLB)	None	None	None
Federal Home Loan Mortgage Corporation (FHLMC)	None	None	None
Federal National Mortgage Association (FNMA)	None	None	None
Federal Farm Credit Bank (FFCB)	None	None	None
State and Local Agency Obligations	None	None	None
Banker's Acceptances	1 year	None	None
Medium-Term Notes	3 years	None	None
Commercial Paper	None	None	None
Money Market Mutual Funds	N/A	None	None
Investment Agreements	None	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

N/A - Not Applicable

**Disclosures Relating to Interest Rate Risk**

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



**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**2. CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Interest Rate Risk (Continued)**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2018.

Investment Type	Remaining Maturity (in Years)				Fair Value Total
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 5 Years	
District Investments:					
US Treasury Notes	\$ 498,213	\$ 734,658	\$ 240,538	\$ 719,415	\$ 2,192,824
US Government Sponsored					
Agency Securities:					
FFCB	-	236,210	-	-	236,210
FHLMC	-	542,377	245,380	742,939	1,530,696
FNMA	494,075	-	244,320	1,633,839	2,372,234
FHLB	-	246,280	246,145	1,686,694	2,179,119
Negotiable CD	590,375	629,562	-	-	1,219,937
Medium-Term Notes	349,080	-	388,850	540,271	1,278,201
LAIF	3,456,547	-	-	-	3,456,547
Money Market Mutual Funds	106,380	-	-	-	106,380
Held by Trustee:					
US Treasury Notes	1,490,191	-	-	-	1,490,191
US Government Sponsored					
Agency Securities:					
FHLMC	1,486,170	-	-	-	1,486,170
FHLB	-	1,500,465	-	-	1,500,465
LAIF	45,502	-	-	-	45,502
Money Market Mutual Funds	3,368,138	-	-	-	3,368,138
OPEB Trust Investments:					
PARS Trust Pool	3,605,917	-	-	-	3,605,917
	<u>\$ 15,490,588</u>	<u>\$ 3,889,552</u>	<u>\$ 1,365,233</u>	<u>\$ 5,323,158</u>	<u>\$ 26,068,531</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**2. CASH AND INVESTMENTS (CONTINUED)**

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

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are Standard & Poor's credit ratings for the District's investments as of June 30, 2018. US Treasury notes and bills are not required to be rated and therefore have been excluded from the tables below.

Investment	Minimum Legal Rating	Total as of June 30, 2018	AAA	AA+	A	Not Rated
District Investments:						
US Government						
Sponsored Agency Securities:						
FFCB	N/A	\$ 236,210	\$ -	\$ 236,210	\$ -	\$ -
FHLMC	N/A	1,530,696	-	1,530,696	-	-
FNMA	N/A	2,372,234	-	2,372,234	-	-
FHLB	N/A	2,179,119	-	2,179,119	-	-
Negotiable CD	N/A	1,219,937	1,219,937	-	-	-
Medium-Term Notes	A	1,278,201	-	439,524	838,677	-
LAIF	N/A	3,456,547	-	-	-	3,456,547
Money Market Mutual Funds	A	106,380	106,380	-	-	-
Held by Trustee:						
US Government						
Sponsored Agency Securities:						
FHLMC	N/A	1,486,170	-	1,486,170	-	-
FHLB	N/A	1,500,465	-	1,500,465	-	-
LAIF	N/A	45,502	-	-	-	45,502
Money Market Mutual Funds	A	3,368,138	3,368,138	-	-	-
OPEB Trust Investments:						
PARS Trust Pool	N/A	3,605,917	-	-	-	3,605,917
		\$ 22,385,516	\$ 4,694,455	\$ 9,744,418	\$ 838,677	\$ 7,107,966

**Concentration of Credit Risk**

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

Issuer	Investment Type	
Federal Home Loan Mortgage Corporation	US Government Sponsored Agency Securities	\$ 3,016,866
Federal National Mortgage Association	US Government Sponsored Agency Securities	\$ 2,372,234
Federal Home Loan Bank	US Government Sponsored Agency Securities	\$ 3,679,584

**2. CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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

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

Those investment guidelines approved by the District are as follows:

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**2. CASH AND INVESTMENTS (CONTINUED)**

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

Acceptable Investments

The following is a list of acceptable investments:

Equity Securities:

Domestic  
American Depository Receipts (ADRs)

Equity Mutual Funds:

Large-Cap Growth and Value  
Mid-Cap Core  
Small-Cap Growth and Value  
International and Emerging Markets

REITs

Exchange Traded Funds (ETFs)

Fixed Income Securities:

Government/Agencies  
Mortgage-Backed Bonds  
Corporate Bonds and Notes  
Unit Trusts

Fixed Income Mutual Funds:

Corporate  
Government  
High Yield  
International and Emerging Market  
Convertible  
Preferred

Closed End Funds

Cash and Cash Equivalents:

Money Market Mutual Funds  
Commercial Paper  
CDs and Banker's Acceptance

Fixed Income Guidelines

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

Equity Guidelines

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**2. CASH AND INVESTMENTS (CONTINUED)**

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

**Fair Value Measurements**

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

The District has the following recurring fair value measurements as of June 30, 2018:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
US Treasury Notes	\$ -	\$ 2,192,824	\$ -	\$ 2,192,824
US Government Sponsored Agency Securities:				
FFCB	-	236,210	-	236,210
FHLMC	-	1,530,696	-	1,530,696
FNMA	-	2,372,234	-	2,372,234
FHLB	-	2,179,119	-	2,179,119
Negotiable CD	-	1,219,937	-	1,219,937
Medium-term Notes	-	1,278,201	-	1,278,201
Held by Trustee:				
US Treasury Notes	-	1,490,191	-	1,490,191
US Government Sponsored Agency Securities:				
FHLMC	-	1,486,170	-	1,486,170
FNMA	-	1,500,465	-	1,500,465
Total Investments	<u>\$ -</u>	<u>\$ 15,486,047</u>	<u>\$ -</u>	15,486,047
Investments not subject to hierarchy:				
LAIF				3,456,547
Money Market Mutual Funds				106,380
Held by Trustee:				
LAIF				45,502
Money Market Mutual Funds				3,368,138
OPEB Trust:				
PARS Trust Pool				<u>3,605,917</u>
Total Investments				<u>\$ 26,068,531</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**3. RESTRICTED ASSETS**

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

Funding Source	Use	June 30, 2018
Deposits from customers	Security deposits for payment of utility bills	\$ 186,694
Customer advances	Construction	979,519
Bond proceeds	Construction projects	<u>7,891,278</u>
		<u>\$ 9,057,491</u>

**4. CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Retirements/ Transfers	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress	<u>2,107,736</u>	<u>2,745,782</u>	<u>(2,172,311)</u>	<u>2,681,207</u>
Total capital assets, not being depreciated	<u>2,374,076</u>	<u>2,745,782</u>	<u>(2,172,311)</u>	<u>2,947,547</u>
Capital assets, being depreciated:				
Intangible plant	1,022,551	-	-	1,022,551
Sources of supply plant	2,109,253	-	-	2,109,253
Pumping plant	10,037,819	629,760	-	10,667,579
Transmission and distribution plant	66,656,602	1,640,715	-	68,297,317
Telemetry equipment	1,540,618	-	-	1,540,618
General plant	584,639	-	-	584,639
Office building and equipment	6,459,188	13,602	-	6,472,790
Transportation equipment	951,628	68,365	(34,079)	985,914
Communication equipment	<u>27,979</u>	<u>-</u>	<u>-</u>	<u>27,979</u>
Total capital assets, being depreciated	89,390,277	2,352,442	(34,079)	91,708,640
Less accumulated depreciation	<u>(32,663,434)</u>	<u>(2,598,348)</u>	<u>34,079</u>	<u>(35,227,703)</u>
Total capital assets, being depreciated, net	<u>56,726,843</u>	<u>(245,906)</u>	<u>-</u>	<u>56,480,937</u>
Total Capital Assets, Net	<u>\$ 59,100,919</u>	<u>\$ 2,499,876</u>	<u>\$ (2,172,311)</u>	<u>\$ 59,428,484</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**5. INVESTMENT IN JOINT VENTURES**

**Puente Basin Water Agency**

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

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

The District records its investment in the Puente Basin Water Agency as an other noncurrent asset, investment in joint ventures. The changes in its investment in Puente Basin Water Agency consist of the following as of June 30, 2018:

Beginning of year	\$ 14,565,991
Contributions	
Share of income (loss)	<u>(176,059)</u>
End of year	<u>\$ 14,389,932</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2018, including the participants' approximate percentage shares:

	Amount	Walnut Valley Water District	Rowland Water District
Total assets	\$ 67,092,894	50.0%	50.0%
Total liabilities	38,313,030	50.0%	50.0%
Total equity	28,779,864	50.0%	50.0%
Billings to participants	16,022,604		

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

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**5. INVESTMENT IN JOINT VENTURES (CONTINUED)**

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

Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission, which is allocated to each agency on a one-third basis. A budget assessment is collected each fiscal year and each agency pays one-third of the amount of the assessment. In addition, a capital surcharge is assessed for the future replacement of the pipeline. For the year ended June 30, 2018, the District remitted assessments totaling \$195,322 for their share of general and administrative costs and future replacement costs. Also, the District purchased water totaling \$5,404,537 for the Commission during the year ended June 30, 2018.

Upon dissolution of the Commission, the net position will be divided in proportion to the contribution each agency made to the maintenance and operation account during the last prior 12-month period. The District, consequently, has an ongoing financial responsibility in the activities of the Commission. However, the JPA does not explicitly require the measurement of the District's equity interest in the Commission. Complete financial statements for the Commission can be obtained by written request at P.O. Box 508, Walnut, California.

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

Beginning of year	\$ 707,399
Share in income	<u>155,905</u>
End of Year	<u>\$ 863,304</u>

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Water Line Commission as of and for the year ended June 30, 2018, including the participants' approximate percentage shares:

	Amount	City of Pomona	Walnut Valley Water District	Rowland Water District
Total assets	\$ 6,141,582	25.8%	45.1%	29.1%
Total liabilities	\$ 3,174,902	25.8%	45.1%	29.1%
Total equity	\$ 2,966,680	25.8%	45.1%	29.1%
Water billings to participants	\$ 20,041,712			

**6. WATER REVENUE REFUNDING BONDS, SERIES 2014A**

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



**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**6. WATER REVENUE REFUNDING BONDS, SERIES 2014A (CONTINUED)**

These bonds mature in various amounts through December 1, 2039. The balance outstanding as of June 30, 2018, is \$18,020,000. The bonds were issued at a premium of \$1,686,785, which is being amortized over the life of the debt on a straight-line basis. The unamortized premium outstanding as of June 30, 2018, is \$1,448,198.

Interest is payable semiannually on December 1 and June 1 at rates ranging from 2.00% to 5.00%. The installment payments on these bonds are secured by a first priority lien on the net revenues of the District. The following is a summary of the changes in Water Revenue Refunding Bonds, Series 2014A for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Water Revenue Refunding Bonds, Series 2014A	\$ 18,530,000	\$ -	\$ (510,000)	\$ 18,020,000	\$ 525,000
Add: Unamortized Premium	1,515,112	-	(66,914)	1,448,198	-
Total	<u>\$ 20,045,112</u>	<u>\$ -</u>	<u>\$ (576,914)</u>	<u>\$ 19,468,198</u>	<u>\$ 525,000</u>

Maturities of the Water Revenue Refunding Bonds, Series 2014A and interest payments subsequent to June 30, 2018, are as follows:

Year Ending	Principal	Interest	Total
2019	\$ 525,000	\$ 765,219	\$ 1,290,219
2020	540,000	749,244	1,289,244
2021	560,000	729,944	1,289,944
2022	585,000	707,044	1,292,044
2023	610,000	683,144	1,293,144
2024 - 2028	3,425,000	3,037,219	6,462,219
2029 - 2033	4,105,000	2,388,284	6,493,284
2034 - 2038	5,195,000	1,293,875	6,488,875
2039 - 2040	2,475,000	125,375	2,600,375
Total	<u>\$ 18,020,000</u>	<u>\$ 10,479,348</u>	<u>\$ 28,499,348</u>

**7. INSTALLMENT PURCHASE CONTRACT PAYABLE**

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

**ROWLAND WATER DISTRICT**  
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**7. INSTALLMENT PURCHASE CONTRACT PAYABLE (CONTINUED)**

The bond premium is being amortized and recognized as interest expense over the life of the debt on a straight-line basis. The installment purchase contract payments mirror the debt service payments on the Water Revenue Bonds, 2012 Series A. Interest is payable semiannually on December 1 and June 1 at rates ranging from 2.00% to 5.00%.

The District's obligation to make installment payments is a special obligation of the District payable solely from the net revenues of the District. The following is a summary of the installment purchase contract for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Installment purchase					
Contract	\$ 18,265,000	\$ -	\$ (425,000)	\$ 17,840,000	\$ 445,000
Add: Unamortized premium	1,338,876	-	(52,339)	1,286,537	-
 Total	 <u>\$ 19,603,876</u>	 <u>\$ -</u>	 <u>\$ (477,339)</u>	 <u>\$ 19,126,537</u>	 <u>\$ 445,000</u>

Maturities of the installment purchase contract and interest payments subsequent to June 30, 2018, are as follows:

Year Ending	Principal	Interest	Total
2019	\$ 445,000	\$ 710,575	\$ 1,155,575
2020	460,000	694,700	1,154,700
2021	475,000	676,000	1,151,000
2022	495,000	656,600	1,151,600
2023	515,000	636,400	1,151,400
2024 - 2028	2,905,000	2,860,375	5,765,375
2029 - 2033	3,405,000	2,359,456	5,764,456
2034 - 2038	4,035,000	1,736,719	5,771,719
2039 - 2043	5,105,000	663,625	5,768,625
 Total	 <u>\$ 17,840,000</u>	 <u>\$ 10,994,450</u>	 <u>\$ 28,834,450</u>

**8. COMPENSATED ABSENCES**

In accordance with the District's policy, employees may accrue up to 240 hours of vacation. For the year ended June 30, 2018, the total accrued vacation liability for all employees totaled \$158,364. Also, in accordance with the District's policy, employees may accrue unlimited sick time. Upon attaining 352 hours, the employee may exercise a one-time option to exchange sick leave hours for cash or vacation time. Upon separation, retirement, or death, an employee shall receive, as an additional retirement benefit, an amount equal to 50% of accrued hours for unused sick leave pay for up to 352 hours or 176 hours.

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**8. COMPENSATED ABSENCES (CONTINUED)**

The District has modified the Employment Agreement in regard to the General Manager's sick leave benefits. The General Manager shall receive the same sick leave benefits, upon the same terms and conditions, as provided to all other District employees. For the year ended June 30, 2018, the total accrued sick leave liability for all employees totaled \$138,052.

**9. DEFERRED COMPENSATION PLAN**

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

**10. DEFINED BENEFIT PENSION PLANS**

a. General Information about the Pension Plans

**Plan Descriptions**

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

**Benefits Provided**

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

**ROWLAND WATER DISTRICT**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

a. General Information about the Pension Plans (Continued)

**Benefits Provided (Continued)**

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	PEPRA On or After January 1, 2013
Hire date		
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates:		
Normal cost rate	10.11%	6.533%
Payment of unfunded liability	\$ 199,494	\$ 164

**Contributions**

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

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
	<hr/>
Miscellaneous	\$ 4,607,714
	<hr/>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

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

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.11326%
Proportion - June 30, 2017	0.11689%
Change - Increase (Decrease)	0.00363%

For the year ended June 30, 2018, the District recognized pension expense of \$887,675. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 414,273	\$ -
Differences between actual and expected experience	6,070	(86,964)
Change in assumptions	753,148	(57,428)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	170,331	-
Net differences between projected and actual earnings on plan investments	<u>2,567</u>	<u>-</u>
Total	<u>\$ 1,346,389</u>	<u>\$ (144,392)</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

An amount of \$414,273 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 230,940
2020	409,095
2021	248,816
2022	(101,127)
2023	-
Thereafter	-
Total	<u>\$ 787,724</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions**

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability determined in the June 30, 2016 actuarial accounting valuation. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

- (1) Varies by age, service, and type of employment.  
(2) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 Experience Study report (based on CalPERS demographic data from 1997 to 2011) available on CalPERS website.  
(3) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

**Change of Assumptions**

In fiscal year 2017-18, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15% for each Plan and reflects the long-term expected rate of return for each Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all Plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

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



**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

**Discount Rate (Continued)**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board of Directors effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

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

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

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

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

1% Decrease	<u>Miscellaneous</u>
Net Pension Liability	6.15%
	\$ 7,090,305
Current Discount Rate	7.15%
Net Pension Liability	\$ 4,607,714
1% Increase	8.15%
Net Pension Liability	\$ 2,551,588

**Pension Plans Fiduciary Net Position**

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLANS (CONTINUED)**

c. Payable to the Pension Plans

At June 30, 2018, the District had no outstanding amount of contributions to the pension plans due for the year ended June 30, 2018.

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

a. Plan Description

The District has an agent multiple-employer other post-employment benefit plan that provides medical, dental, and vision coverage to 24 active employees and 10 retired employees through the ACWA health program. At retirement, the District provides a contribution for the continuation of these coverage's for eligible retirees. Eligibility for a District contribution requires retirement from the District and under CalPERS on or after age 50 with at least 15 years of continuous service. The District provides 100% of the cost of coverage for the retiree and any covered spouse. Employees hired on or after July 1, 2012, are eligible for a District contribution if retiring from the District and under CalPERS on or after age 62 with at least 15 years of continuous District service. The District provides 100% of the cost of coverage for the retiree only.

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

b. Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

c. Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District.

The annual contribution is based on the actuarially determined contributions. For fiscal year ended June 30, 2018, the District's contributions totaling \$599,152 included \$420,000 placed in its PARS OPEB Trust, \$160,068 in current year premium payments, and an implied subsidy of \$19,084.

d. Accounting for the Plan

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

e. Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date.

Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

f. Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2017. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	6.50%
Long-Term Expected	
Rate of Return on Investments	6.50%
Inflation	2.26%
Payroll increases	3.25%
Healthcare Trend Rates	8.00% trending down to 5.0% by 2031 and later
Mortality, Disability, Termination, Retirement	CalPERS 2014 Mortality tables

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

f. Total OPEB Liability (Continued)

**Actuarial Assumptions (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PARS OPEB Trust:		
Equity	48.25%	5.65%
Fixed Income	45.00%	1.39%
Real Estate Investment Trusts	1.75%	5.06%
Commodities	5.00%	-0.26%
<b>Total</b>	<b>100.00%</b>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

g. Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balance at June 30, 2016 (Measurement Date)</b>	<b>\$ 6,882,125</b>	<b>\$ 2,311,578</b>	<b>\$ 4,570,547</b>
<b>Changes in the Year:</b>			
Service cost	121,597	-	121,597
Interest on the total OPEB liability	450,304	-	450,304
Differences between actual and expected experience	(710,721)	-	-
Changes in assumptions	(526,713)	-	(526,713)
Contributions - employer	-	574,372	(574,372)
Net investment income	-	261,561	(261,561)
Benefit payments	(154,372)	(154,372)	-
Administrative expenses	-	(850)	850
<b>Net Changes</b>	<b>(819,905)</b>	<b>680,711</b>	<b>(1,500,616)</b>
<b>Balance at June 30, 2017 (Measurement Date)</b>	<b>\$ 6,062,220</b>	<b>\$ 2,992,289</b>	<b>\$ 3,069,931</b>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

g. Changes in the Total OPEB Liability (Continued)

**Changes of Assumptions**

In fiscal year 2017-18, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

**Change of Benefit Terms**

There were no changes of benefit terms.

**Subsequent Events**

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

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 4,085,843	\$ 3,069,931	\$ 2,256,460

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

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

	7.00% Decreasing to 4.00%	8.00% Decreasing to 5.00%	9.00% Decreasing to 6.00%
Net OPEB Liability	\$ 2,200,722	\$ 3,069,931	\$ 4,171,916

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$260,620. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 599,152	\$ -
Differences between actual and expected experience	-	(636,684)
Changes in assumptions	-	(471,855)
Differences between projected and actual earnings	-	(78,321)
Total	<u>\$ 599,152</u>	<u>\$ (1,186,860)</u>

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

h. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The differences between projected and actual earnings on plan investments is amortized over five years.

\$599,152 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2019	\$ (148,471)
2020	(148,471)
2021	(148,471)
2022	(148,472)
2023	(128,891)
Thereafter	(464,084)

i. Payable to the OPEB Plan

At June 30, 2018, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2018.

**12. RISK MANAGEMENT**

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

At June 30, 2018, the District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$150,000,000 (total insurable value of \$46,263,235). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

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

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

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**12. RISK MANAGEMENT (CONTINUED)**

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

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

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

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

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

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

**13. UNRESTRICTED NET POSITION**

The District has adopted a policy to designate reserves of unrestricted net position. Total reserves are designated as follows as of June 30, 2018:

Designated reserves for:	
Operations	\$ 3,593,750
Rate stabilization	656,320
Capital funding including expansion of facilities and future repairs and maintenance	10,209,418
Total Designated Reserves	14,459,488
Undesignated net position	6,806,254
Total Unrestricted Net Position	\$ 21,265,742

**14. COMMITMENTS AND CONTINGENCIES**

The District is party to a water production and delivery agreement dated May 12, 2012, with the La Habra Heights County Water District ("La Habra Heights") for the purpose of assisting the District to access water rights in the Central Groundwater Basin of Los Angeles County ("Central Basin"). The District has acquired pumping rights in the Central Basin but has no facilities to produce water from Central Basin. La Habra Heights has facilities to produce water from the Central Basin and is able to assist the District to produce water, pursuant to the District's water rights, and deliver the water to the District's water distribution system.

**ROWLAND WATER DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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**14. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Subject to certain limitations as specified in the agreement, La Habra Heights will convey to the District groundwater from the Central Basin. La Habra Heights will bill the District on a monthly basis for water delivery costs. The District will pay La Habra Heights for transporting water, La Habra Heights' direct cost of production, energy costs associated with the delivery of the water to the delivery point, and any other variable cost of production. The District will pay a wheeling charge that is \$50 per acre-foot until the District has amortized its capital costs. After the District has fully amortized its capital cost, the wheeling charge is \$75 per acre-foot. In addition, La Habra Heights will share the cost savings that the District realizes as a result of La Habra Heights pumping and delivering water to the District from the Central Basin instead of the District purchasing water from other sources. This agreement is currently in dispute.

**15. SUBSEQUENT EVENTS**

Events occurring after June 30, 2018, have been evaluated for possible adjustments to the financial statements or disclosure as of January 11, 2019, which is the date these financial statements were available to be issued.

**16. RESTATEMENT OF NET POSITION**

Restatement of the District's net position as of July 1, 2017 is as follows:

Net position at July 1, 2017, as originally reported	\$ 60,892,811
Implementation of GASB Statement 75 to record the net OPEB liability as of the beginning of the year	<u>(4,040,618)</u>
Net position at July 1, 2017, as restated	<u>\$ 56,852,193</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

ROWLAND WATER DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.04646%	0.04547%	0.04441%	0.03764%
Plan's proportionate share of the net pension liability	\$ 4,607,714	\$ 3,934,518	\$ 3,048,469	\$ 2,341,881
Plan's covered payroll	\$ 2,167,973	\$ 2,099,673	\$ 2,161,937	\$ 2,163,227
Plan's proportionate share of the net pension liability as percentage of its covered payroll	212.54%	187.39%	141.01%	108.26%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	73.31%	74.06%	78.40%	83.35%
Plan's proportionate share of aggregate employer contributions				

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

ROWLAND WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years\*

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 414,273	\$ 371,209	\$ 337,455	\$ 334,790
Contributions in relation to the actuarially determined contributions	<u>(414,273)</u>	<u>(371,209)</u>	<u>(337,455)</u>	<u>(334,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,279,335	\$ 2,167,973	\$ 2,099,673	\$ 2,161,937
Contributions as a percentage of covered payroll	18.18%	17.12%	16.07%	15.49%

Notes to Schedule:

Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

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

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

\*\* The valuation for June 30, 2012, 2013, and 2014 (applicable to fiscal year ended June 30, 2015, 2016, and 2017, respectively), included the same actuarial assumptions

\*\*\* The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15-Year Smoothed Market method. The market value asset valuation method was utilized for the June 30, 2013, 2014, and 2015, valuations (applicable to fiscal years ended June 30, 2016, 2017, and 2018, respectively).

ROWLAND WATER DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2018</u>
Measurement date	<u>June 30, 2017</u>
Total OPEB Liability:	
Service cost	\$ 121,597
Interest on total OPEB liability	450,304
Differences between expected and actual experience	(710,721)
Changes of assumptions	(526,713)
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(154,372)</u>
Net Change in Total OPEB Liability	(819,905)
Total OPEB Liability - Beginning of Year	<u>6,882,125</u>
Total OPEB Liability - End of Year (a)	<u>6,062,220</u>
Plan Fiduciary Net Position:	
Contributions - employer	574,372
Net investment income	261,561
Administrative expenses	(850)
Benefit payments, including refunds and the implied subsidy benefit payments	<u>(154,372)</u>
Net Change in Plan Fiduciary Net Position	680,711
Plan Fiduciary Net Position - Beginning of Year	<u>2,311,578</u>
Plan Fiduciary Net Position - End of Year (b)	<u>2,992,289</u>
Net OPEB Liability - Ending (a)-(b)	\$ 3,069,931
Plan fiduciary net position as a percentage of the total OPEB liability	49.36%
Covered payroll	\$ 2,174,023
Net OPEB liability as percentage of covered payroll	141.21%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

The fiscal year ended June 30, 2018 is the first year of implementation; therefore, there are no previous GASB 75 actuarial reports for comparison.

\* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.

ROWLAND WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 343,260
Contributions in relation to the actuarially determined contributions	<u>(599,152)</u>
Contribution deficiency (excess)	<u>\$ (255,892)</u>
Covered payroll	\$ 2,285,510
Contributions as a percentage of covered payroll	26.22%

Notes to Schedule:

Valuation Date 6/30/2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Closed period, level percent of pay
Amortization period	25 years
Asset valuation method	Market value projected to fiscal year-end 2018
Discount rate	6.50%
Inflation	2.26%
Payroll increases	3.25%
Mortality, disability, termination, retirement	Most recent CalPERS valuations.
Healthcare trend rates	8.00% trending down to 5.0% in 2031 and later

\* Fiscal year 2018 was the first year of implementation; therefore, only one year is shown.

ROWLAND WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2018

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

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense (1)
6/30/17	10.74%
6/30/18	6.42%

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

**OTHER SUPPLEMENTARY INFORMATION**

ROWLAND WATER DISTRICT

SCHEDULE OF OTHER OPERATING EXPENSES

For the year ended June 30, 2018

Certification, fees, and permits	\$ 123,376
Water supply planning and development	85,556
Engineering	35,048
Maintenance and operations	24,423
Small tools and supplies	22,894
Water tests	<u>21,317</u>
 TOTAL OTHER OPERATING EXPENSES	 <u>\$ 312,614</u>



ROWLAND WATER DISTRICT

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended June 30, 2018

Salaries and wages	\$ 1,153,871
Insurance	669,343
Pension plan expense	1,063,009
Other post-employment benefits expense	241,532
Professional services	383,735
Payroll taxes	184,369
Office supplies and expenses	173,016
Directors' fees and expenses	145,771
Miscellaneous	126,670
Public relations	123,499
Utilities	119,135
Service charges	119,022
Automobile expenses	74,131
Seminars and training	50,844
Conferences and travel	46,843
Membership fees and dues	43,648
Conservation rebate program expenses	34,532
Repairs and maintenance	26,601
Uncollectable accounts	14,529
Taxes, permits, and fees	<u>11,308</u>
 TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	 <u>\$ 4,805,408</u>

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

Board of Directors  
Rowland Water District  
Rowland Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rowland Water District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 11, 2019.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

We noted certain other matters that we have reported to management and the Board of Directors in a separate letter dated January 11, 2019.

## Purpose of This Report

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

*White Nelson Dick Evans LLP*

Irvine, California  
January 11, 2019

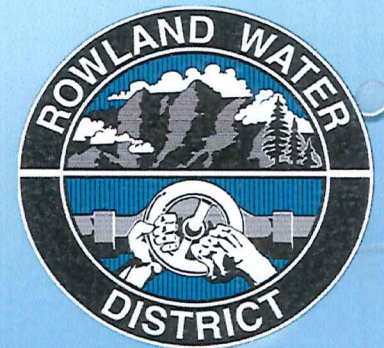
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# **STATEMENT OF OPERATIONS**

**ROWLAND WATER DISTRICT**

**OCTOBER 1, 2018 – DECEMBER 31, 2018**





## NET INCOME SUMMARY

Summary	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget	% of Total Revenues
Total Revenues	11,903,224.00	10,702,519.00	23,340,000.00	47.53%	
Operating Expenses	8,191,841.00	8,240,667.00	15,260,000.00	53.68%	68.82%
Administrative Expenses	672,117.00	741,226.00	1,365,000.00	49.24%	5.65%
Personnel Expenses	2,433,669.00	2,327,951.00	5,055,000.00	48.72%	48.14%
Total Expenses	11,297,627.00	11,319,844.00	21,680,000.00	52.11%	94.91%
Net Income	605,597.00	(617,325.00)	\$1,660,000.00	36.48%	5.09%



## REVENUE SUMMARY

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Water Sales (Potable)	6,358,383.00	6,615,824.00	14,000,000.00	45.42%
Water Sales (Recycled)	397,416.00	338,955.00	600,000.00	66.24%
Meter Service Charge	3,764,498.00	3,113,960.00	7,640,000.00	49.27%
Customer Fees	217,297.00	361,518.00	395,000.00	55.01%
Property Taxes	146,469.00	137,936.00	300,000.00	48.82%
Contract Income	67,981.00	119,371.00	150,000.00	45.32%
Interest Income	131,295.00	66,542.00	225,000.00	58.35%
Non-Recurring Revenue	9,885.00	6,184.00	30,000.00	32.95%
Totals	\$11,093,224.00	\$10,760,290.00	\$23,340,000.00	47.53%



## CUSTOMER FEES

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Acreage Supply Charge	0.00	119,837.00	10,000.00	0.00%
Backflow Admin. Fee	5,746.00	0.00	10,000.00	57.46%
Capacity Fee	22,109.00	51,587.00	60,000.00	36.85%
Connection Fee	24,328.00	29,055.00	50,000.00	48.66%
Cross Connection Fee	1,550.00	3,690.00	5,000.00	31.00%
Penalty Fees	132,934.00	127,359.00	205,000.00	64.85%
Reconnection Fees	21,870.00	19,480.00	40,000.00	54.68%
Recycled Insp. Fee	1,060.00	4,560.00	5,000.00	21.20%
Fire Flow Fee	7,700.00	5,950.00	10,000.00	77.00%
<b>Totals</b>	<b>\$217,297.00</b>	<b>\$361,518.00</b>	<b>\$395,000.00</b>	<b>55.01%</b>



## OPERATING EXPENSE SUMMARY

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Water Purchases (Potable)	5,261,501.00	5,169,533.00	10,050,000.00	52.35%
Water Purchases (Recycled)	134,485.00	119,160.00	250,000.00	53.79%
Fixed Charges	139,698.00	138,739.00	305,000.00	45.80%
Debt Service Expense	1,715,172.00	1,696,322.00	2,450,000.00	70.01%
Maintenance of Water System	251,027.00	304,047.00	665,000.00	37.75%
Pumping Expense	179,611.00	249,984.00	425,000.00	42.26%
Service Contracts	128,866.00	115,949.00	230,000.00	56.03%
Operating Assessments	122,834.00	201,074.00	330,000.00	37.22%
Water Supply & Develop.	9,602.00	44,795.00	120,000.00	8.00%



## MAINTENANCE OF WATER SYSTEM

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Chemicals	35,423.00	35,501.00	90,000.00	39.36%
Hydrants	17,445.00	50,208.00	85,000.00	20.52%
Mains	54,436.00	11,793.00	60,000.00	90.73%
Meters	16,329.00	45,606.00	30,000.00	54.43%
Pumps	15,026.00	13,754.00	25,000.00	60.10%
Recycled Water	3,795.00	4,236.00	25,000.00	15.18%
Recycled Water – COI	4,104.00	737.00	5,000.00	82.08%
Reservoirs	24,401.00	32,645.00	85,000.00	28.71%
Services	59,149.00	93,279.00	150,000.00	39.43%
Valves	9,798.00	6,962.00	85,000.00	11.53%
Telemetry	11,121.00	9,326.00	25,000.00	44.48%
Totals	\$251,027.00	\$304,047.00	\$665,000.00	37.75%



## OPERATING EXPENSE - CONTINUED

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Engineering	3,490.00	25,643.00	100,000.00	3.49%
Maintenance & Operation	25,935.00	12,441.00	30,000.00	86.45%
Vehicle Expense	46,539.00	48,837.00	70,000.00	66.48%
Equipment Expense	23,111.00	7,733.00	25,000.00	92.44%
Tools & Supplies	22,940.00	11,258.00	30,000.00	76.47%
Water Tests	11,190.00	10,342.00	25,000.00	44.76%
Water Conservation	14,580.00	34,532.00	25,000.00	58.32%
Community Outreach	101,260.00	50,278.00	130,000.00	77.89%
<b>Totals</b>	<b>\$8,191,841.00</b>	<b>\$8,240,667.00</b>	<b>\$15,260,000.00</b>	<b>53.68%</b>



## ADMINISTRATIVE EXPENSE SUMMARY

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Liability Insurance	115,398.00	105,056.00	150,000.00	76.93%
Conferences	23,345.00	18,591.00	60,000.00	38.91%
Seminars and Training	7,315.00	28,498.00	70,000.00	10.45%
IT Licensing & Support	97,306.00	98,971.00	220,000.00	44.23%
Legal Services	71,925.00	44,575.00	170,000.00	42.31%
Directors Compensation & Benefits	83,536.00	70,816.00	145,000.00	57.61%
Bank and Management Fees	58,374.00	60,336.00	110,000.00	53.07%
Auditing	23,850.00	20,300.00	35,000.00	68.14%
Compliance	36,719.00	115,048.00	\$100,000.00	36.72%



## ADMINISTRATIVE EXPENSE - CONTINUED

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Utility Services	48,893.00	64,810.00	120,000.00	40.74%
Memberships	35,403.00	33,645.00	55,000.00	64.37%
Office Expenses	12,704.00	13,549.00	30,000.00	42.35%
Uncollectable	8,254.00	19,306.00	30,000.00	27.51%
Miscellaneous Expenses	49,095.00	47,725.00	70,000.00	70.14%
Totals	\$672,117.00	\$741,226.00	\$1,365,000.00	49.24%



## PERSONNEL EXPENSE SUMMARY

Categories	12/31/2018	12/31/2017	Budget FY 18-19	% of Budget
Wages – Water Treatment	322,545.00	332,101.00	830,000.00	38.86%
Wages – Mains and Services	331,814.00	340,858.00	765,000.00	43.37%
Wages – Customer Accounts	66,974.00	31,359.00	160,000.00	41.86%
Wages – Administrative	623,443.00	586,947.00	1,200,000.00	51.95%
Payroll/Employment Taxes	102,638.00	111,876.00	265,000.00	38.73%
Medical Insurance – Employees	248,606.00	252,191.00	545,000.00	45.62%
Medical Insurance – Retirees	79,405.00	81,742.00	160,000.00	49.63%
CalPERS Contributions	448,244.00	390,877.00	650,000.00	68.96%
OPEB Trust Contributions	210,000.00	210,000.00	420,000.00	50.00%
Totals	2,433,669.00	2,327,951.00	\$4,995,000.00	48.72%



## MONTHLY RESERVE COMPARISON

Month	2018	2017	Increase/Decrease Prior Year
July	14,596,823.00	12,691,689.00	1,905,134.00
August	14,635,553.00	12,722,787.00	1,912,766.00
September	14,614,672.00	12,691,334.00	1,923,338.00
October	14,599,602.00	13,172,326.00	1,427,276.00
November	14,654,699.00	13,651,952.00	1,002,747.00
December	14,734,436.00	13,655,582.00	1,079,186.00



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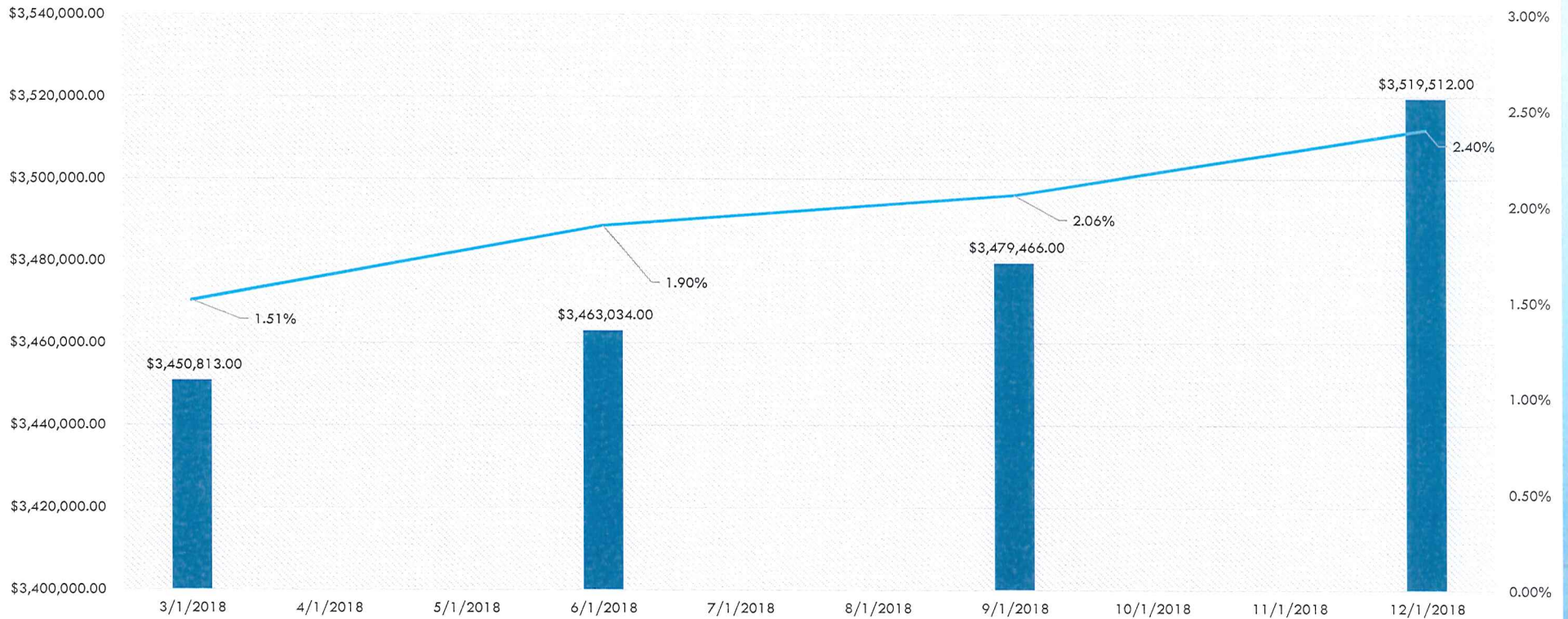
# **QUARTERLY INVESTMENT REVIEW**

**DECEMBER 31, 2018**



# LOCAL AGENCY INVESTMENT FUND

LAIF VALUE = \$3,519,512.00

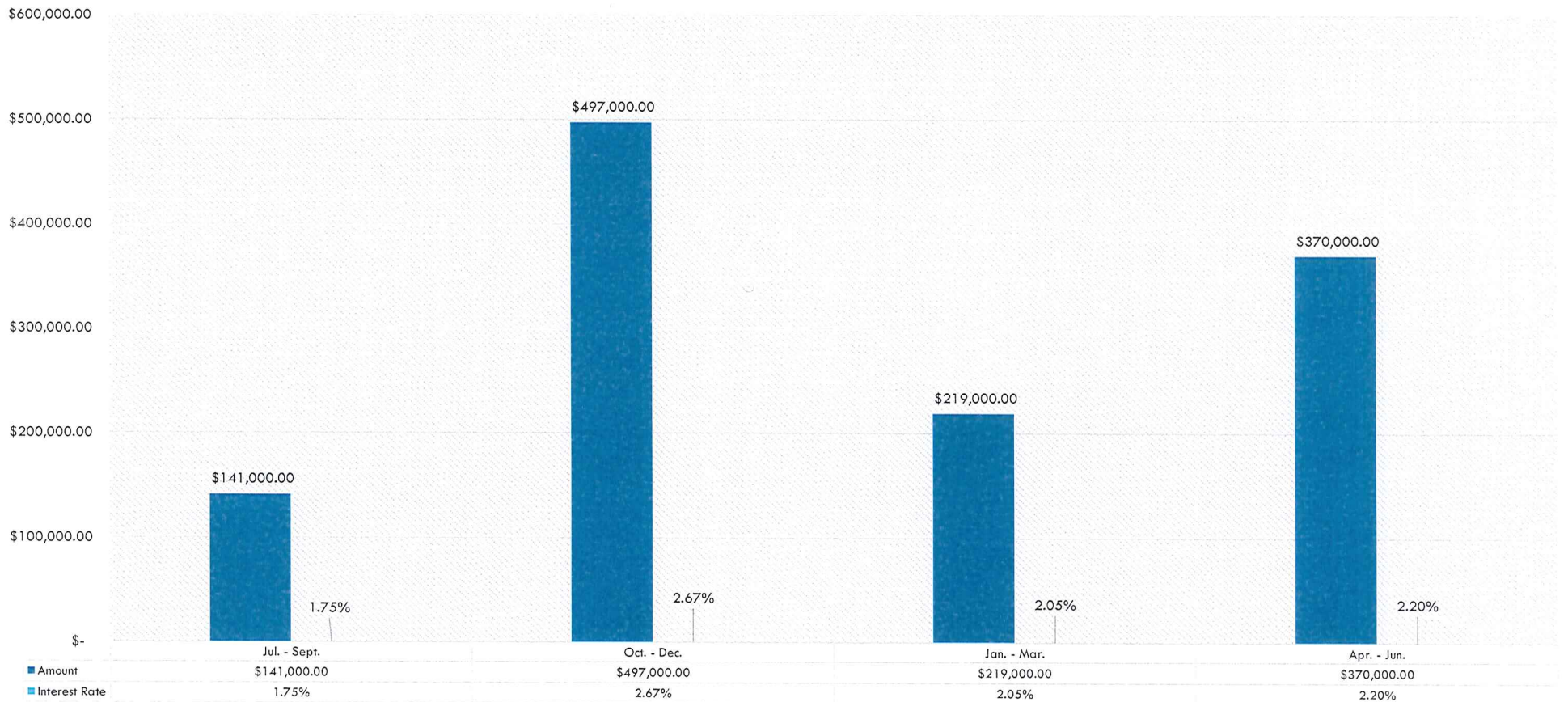


Account Balance	3/31/2018	6/30/2018	9/30/2018	12/31/2018
Interest Rate	1.51%	1.90%	2.06%	2.40%



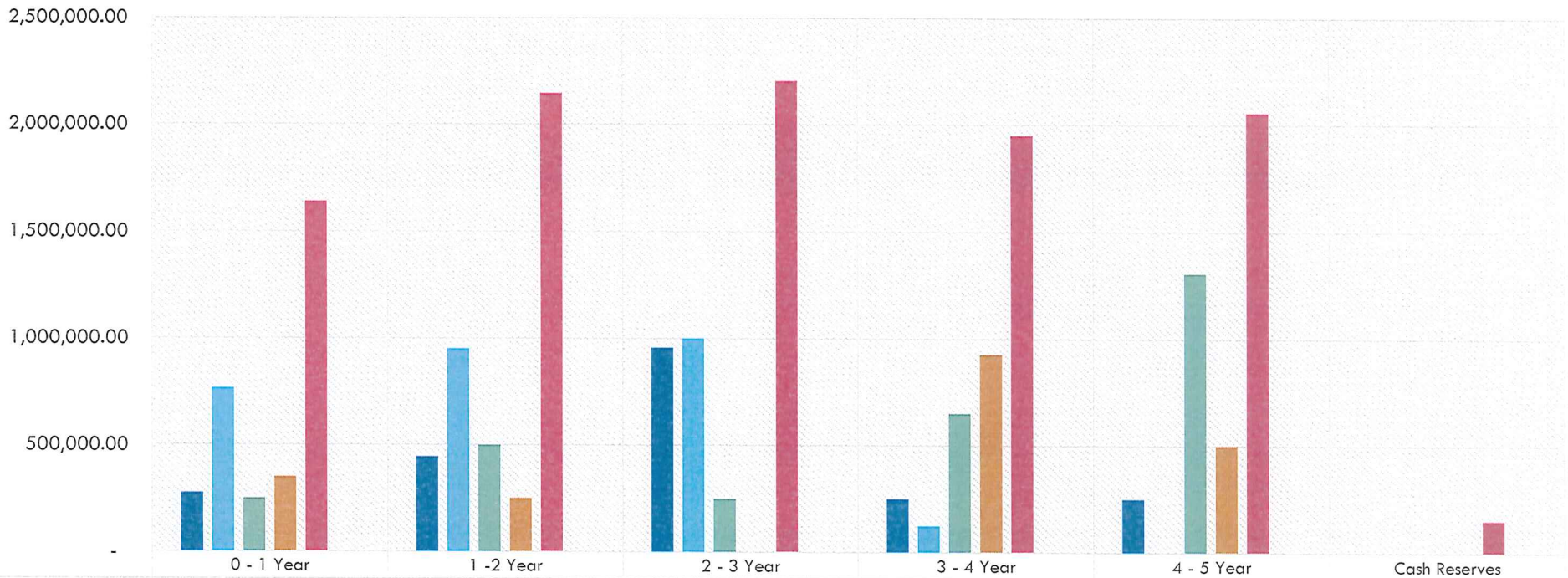
# CD PLACEMENT PROGRAM

CD PORTFOLIO VALUE = \$1,227,000.00



# FIXED INCOME PORTFOLIO

**BOND VALUE = \$10,145,993.00**



	0 - 1 Year	1 -2 Year	2 - 3 Year	3 - 4 Year	4 - 5 Year	Cash Reserves
■ Jul. - Sept.	275,000.00	446,000.00	955,000.00	250,000.00	250,000.00	
■ Oct. - Dec.	765,000.00	950,000.00	1,000,000.00	125,000.00	-	
■ Jan. - Mar.	250,000.00	500,000.00	250,000.00	650,000.00	1,305,000.00	
■ Apr. - Jun.	350,000.00	250,000.00	-	925,000.00	500,000.00	
■ Total Bond Portfolio	1,640,000.00	2,146,000.00	2,205,000.00	1,950,000.00	2,055,000.00	149,993.00
■ Interest Rate	1.48%	1.72%	1.54%	2.09%	2.88%	2.21%

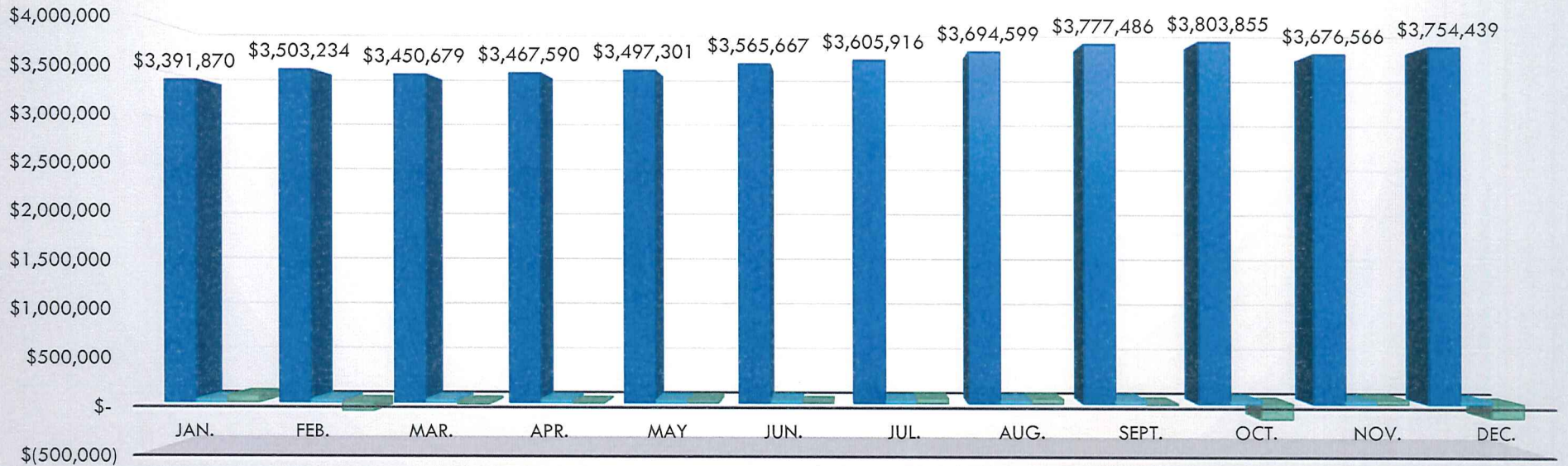


# GASB 45 OPEB TRUST

**OPEB TRUST VALUE \$3,641,620.00**

**1 YEAR RETURN = (4.14)%**

**5 YEAR RETURN = 3.96%**

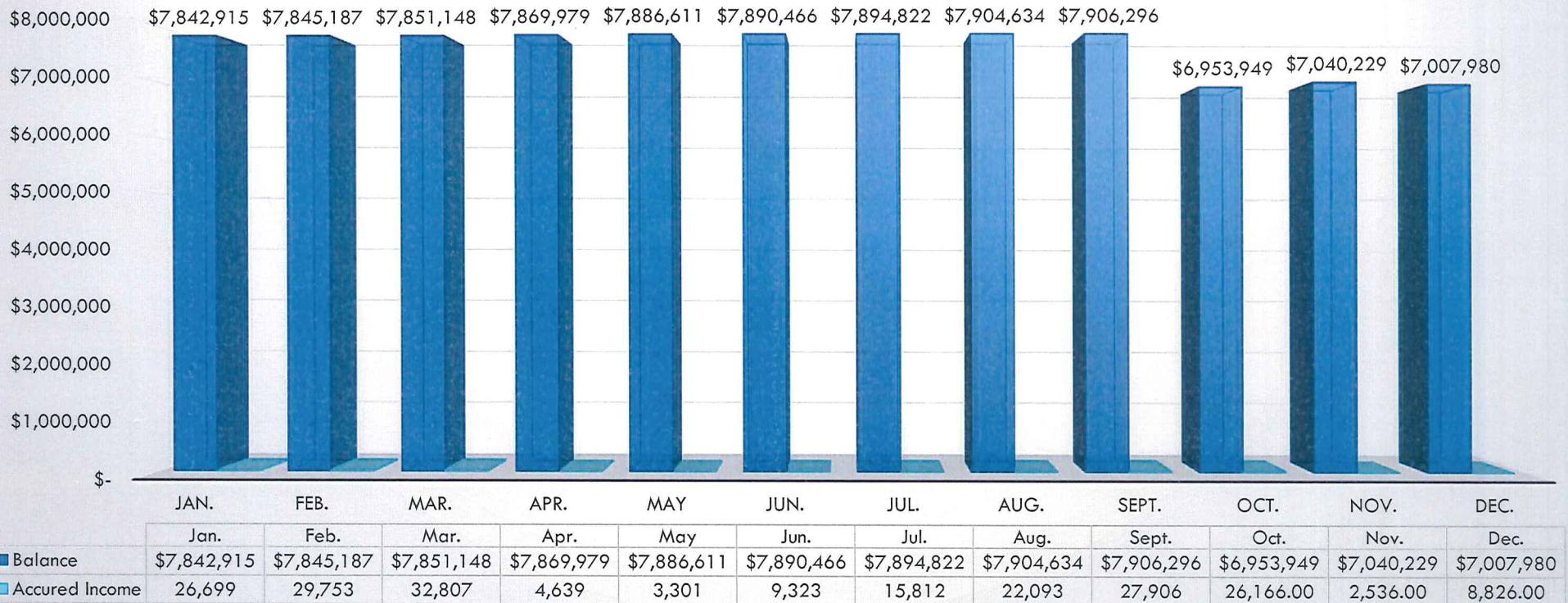


	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Balance	\$3,391,870	\$3,503,234	\$3,450,679	\$3,467,590	\$3,497,301	\$3,565,667	\$3,605,916	\$3,694,599	\$3,777,486	\$3,803,855	\$3,676,566	\$3,754,439
Contribution	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Earnings/Loss	76,364	(87,556)	(18,089)	(5,289)	33,366	5,250	53,683	47,887	(8,631)	(162,289)	42,873	(147,818)

# 2012 REVENUE BOND

**BOND FUND VALUE = \$7,007,980.00**

**CURRENT YIELD = 1.85%**





## ROWLAND WATER DISTRICT WATER IN-STORAGE

DATE	ACRE FEET	AMOUNT	TOTAL
November 30, 2016	994.5	596.00	592,722.00
December 31, 2016	410.1	594.00	243,599.00
December 31, 2016	4,595.5	596.00	2,738,888.00
Totals	6,000.1		\$3,575,209.00



# **ROWLAND WATER DISTRICT PORTFOLIO SUMMARY**

## **UNRESTRICTED**

• <b>LOCAL AGENCY INVESTMENT FUND</b>	<b>\$ 3,519,512.00</b>
• <b>CD PLACEMENT PORTFOLIO</b>	<b>\$ 1,227,000.00</b>
• <b>FIXED INCOME PORTFOLIO</b>	<b>\$10,145,993.00</b>

## **RESTRICTED**

• <b>GASB 45 OPEB TRUST</b>	<b>\$ 3,641,620.00</b>
• <b>REVENUE BOND FUND</b>	<b>\$ 7,007,980.00</b>

## **WATER IN-STORAGE**

• <b>RWD CYCLIC STORAGE</b>	<b>\$ 3,575,209.00</b>
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<b>TOTALS:</b>	<b>\$29,117,314.00</b>
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**Rowland Water District  
Communication Strategies Update  
February 12, 2019**

**• Customer Survey Results**

- Presentation made to Board on 1/22/19
- Further review of specific cross-tabs and demographics underway
- Next Steps:
  - Create research-based outreach plan
  - Consider budget, scope and schedule
  - Anticipate state impacts
  - Launch immediate action items

**• Building Dedication**

- Drafting speeches for 2/23 event recognizing Marcos Aspeitia IV

**• Communications related to legislation (SB 606 and AB 1668)**

- Develop customer messaging plan
- Produce series of customer education videos
  - Where does our water come from?
  - Legislative impacts on the regular customer
- Other Collateral

**• District Press Releases**

- Water Scholars
- Edu-Bucks
- Poster Contest
- Industry Coverage in "Municipal Sewer and Water"
- Independent Financial Audit

**• Miscellaneous**

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

## Press Releases

Date	News Story	In Process	Completed	Distributed
4/3/18	ADDY Awards	*****	*****	*****
5/1/18	CCR Availability	*****	*****	*****
5/1/18	Educational Campaign/SB 623	*****	*****	*****
5/18/18	Poster Contest Winners	*****	*****	*****
5/21/18	Water Tax Legislation	*****	*****	*****
5/30/18	Transparency Award	*****	*****	*****
6/18/18	Annual Budget Approval	*****	*****	*****
7/22/18	Conservation Ordinance	*****	*****	*****
8/23/18	Patch Program	*****	*****	*****
9/1/18	Employee Bldg Dedication	*****	*****	*****
9/24/18	S&P Ratings	*****	*****	*****
9/27/18	Buckboard Days	*****	*****	*****
10/15/18	ForUs Sponsorship	*****	*****	*****
11/1/18	Solar Cup/Other MWD	*****	*****	*****
11/13/18	Strategic Plan	*****	*****	*****
11/15/18	Industry Coverage	*****	*****	*****
12/4/18	Mutual Aid Agreement	*****	*****	*****
12/10/18	Board Appointments	*****	*****	*****
1/19/19	Poster Contest Winner	*****	*****	*****
1/22/19	Survey Results	*****	*****	
1/7/19	Water Scholar	*****	*****	*****
1/12/19	EduBucks	*****	*****	*****
2/12/19	Independent Audit	*****	*****	



## Memorandum

To: Board of Directors

From: Brittnie Van De Car  
Public Affairs Representative

Date: February 11, 2019

Re: Community Affairs & Education Update

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- Classroom Presentations:
  - February 5<sup>th</sup>
    - Blandford Elementary School
    - Water Cycle Bracelet
    - Kindergarten
    - 1 Presentation
    - 23 Students
  - February 6<sup>th</sup>
    - Blandford Elementary School
    - States of Water Activity
    - 2<sup>nd</sup> Grade
    - 2 Presentations
    - 46 Students
  - February 8<sup>th</sup>
    - Blandford Elementary School
    - States of Water Activity
    - 2<sup>nd</sup> Grade
    - 2 Presentations
    - 46 Students
  - February 13<sup>th</sup>
    - Rorimer Elementary School
    - Tap Water Testing Activity
    - 5<sup>th</sup> Grade
    - 2 Presentations
    - 64 Students
      - 179 TOTAL STUDENTS
- RWD has 1 submission from Nogales High School in the Water Scholar Program.
- Delivered Poster Contest Flyers to all schools
  - Posters will be due March 21<sup>st</sup>
  - Posters will be judged during the March 26<sup>th</sup> Special Board Meeting
  - Students will be recognized during the April 9<sup>th</sup> Board Meeting



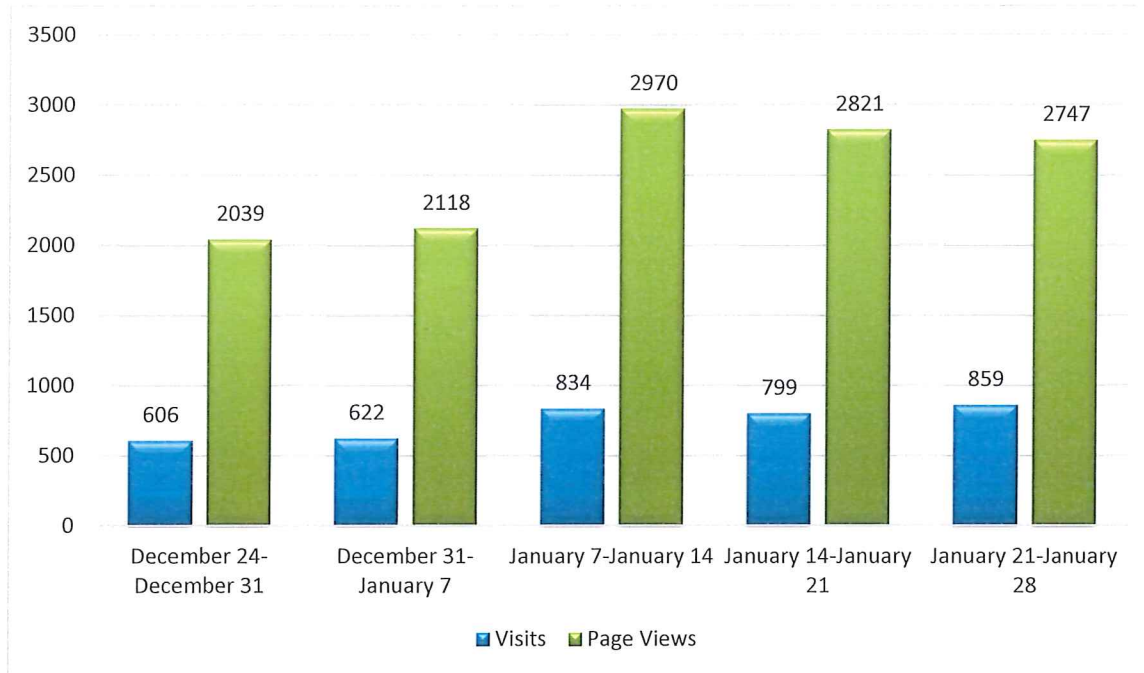


- Preparing for Fix a Leak Week-March 18-22
  - Will be hosting a Turf Removal Class during FALW on March 19<sup>th</sup>
- Preparing for Drinking Water Week-May 6-9
  - Will be hosting a California Friendly Landscape Class (CFLC) during Drinking Water Week on May 7<sup>th</sup>
- Buckboard Days Parade Theme 2019-“FALL In Love With Rowland Heights”
- Website re-design in process to make the website more user-friendly and lessen the redundancies
- Working with 5<sup>th</sup> grade lead teachers to work on new STEAM (Science, Technology, Engineering, ART and Math) curriculum
  - The curriculum we are working on is a “Mini Solar Challenge” where 4-6<sup>th</sup> graders will compete in a mini solar boat challenge at a local high school. We are mocking the Solar Cup Event from MWD but making it relevant to the 4-6<sup>th</sup> grade standards.
- 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 TV on a daily/weekly/monthly basis
- Monitoring the District’s social media pages Daily
  - Use the same hashtag on all of our posts #DiscoverRWD and #RWDeducation for all educational posts
- Maintain and view District website on a daily basis
  - Update pages
  - Make relevant changes
  - Updating the Drought Monitor page weekly
  - Upload the Board packet, minutes and agendas when necessary
- Attended the monthly WEWAC meeting on January 23, 2019
- Attended the MWD Quarterly Education Meeting on January 24, 2019

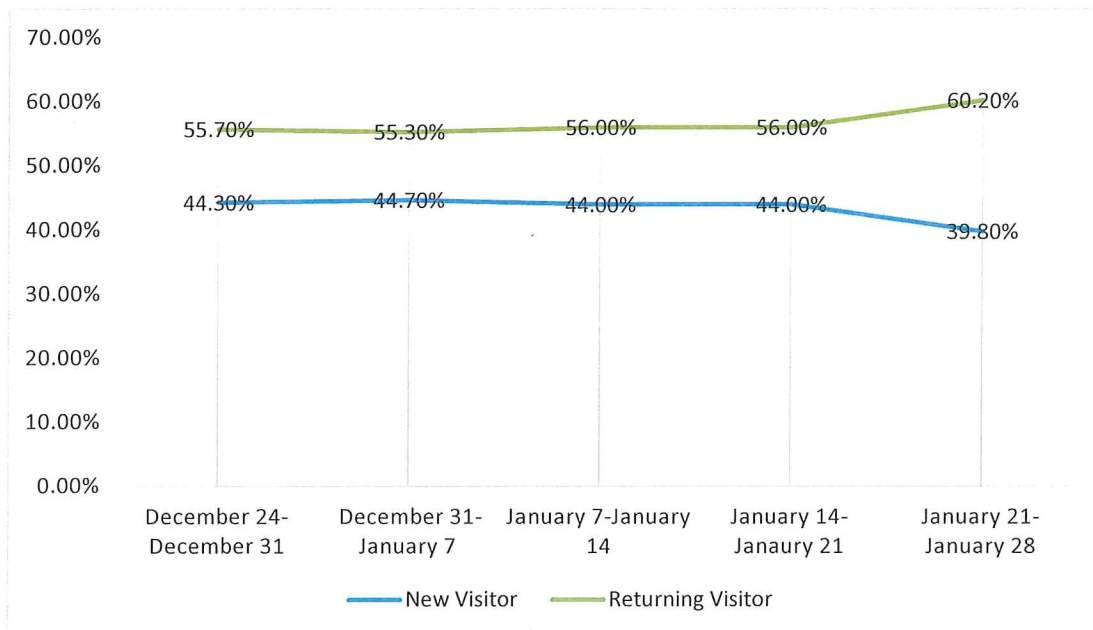


# December 2018-January 2019 Website Google Analytics

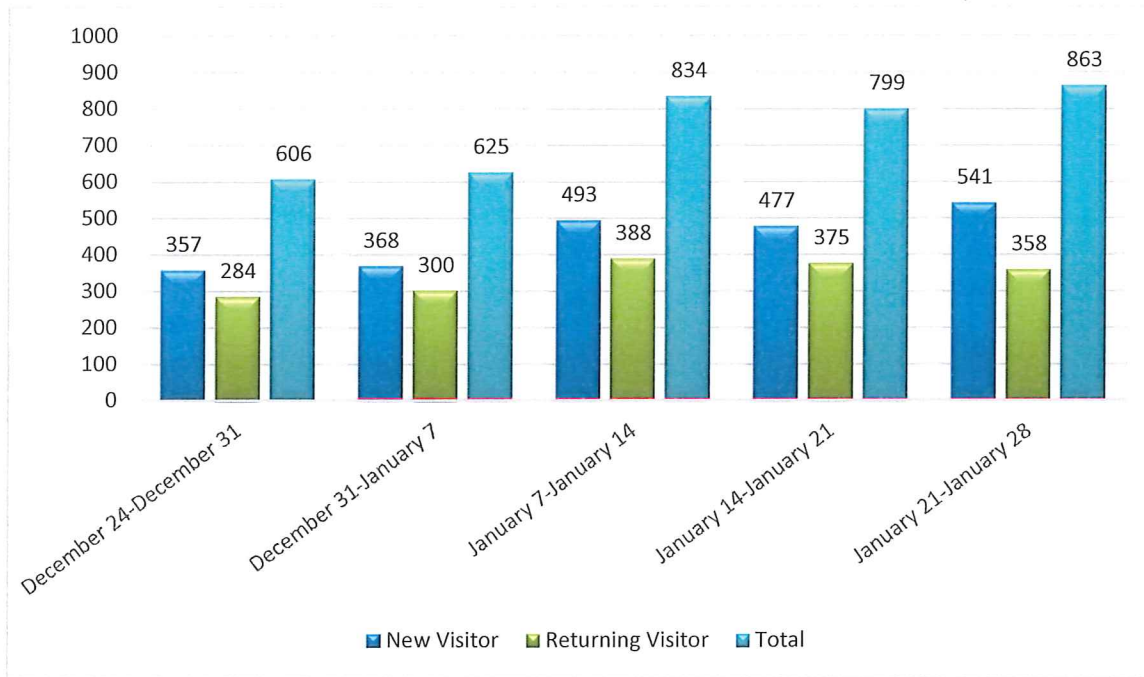
## Website Visits and Pageviews



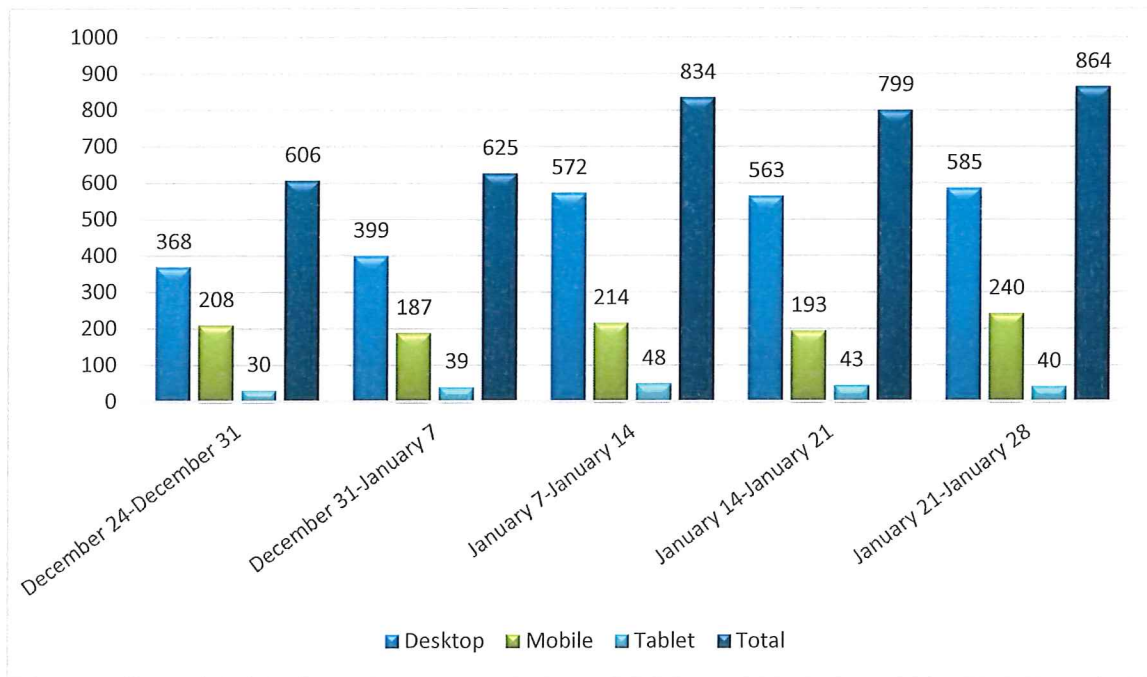
## Percentage of Website Viewers- New vs. Returning



**New vs. Returning Visitors**



**Source of Viewing**



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## RESOLUTION NO. 2-2019

### ROWLAND WATER DISTRICT

#### RESOLUTION OF THE BOARD OF DIRECTORS MAKING FINDINGS THAT THE RADIO TOWER PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE PROJECT

**WHEREAS**, the Rowland Water District ("District") serves an approximate 17.2 square mile area in southeastern Los Angeles County and provides potable and recycled water to residences and businesses through approximately 13,500 service connections in portions of Rowland Heights, Hacienda Heights, La Puente and the cities of Industry and West Covina; and

**WHEREAS**, in order to better serve its customers, the District is considering the construction and operation of three radio towers, to be built on District property, which would wirelessly collect usage data for the District service area by directly communicating with individual water meters ("Project"); and

**WHEREAS**, the proposed Project sites would be located along the SR-60 corridor within the east Los Angeles Basin within the District's service area; and

**WHEREAS**, the proposed Project sites include an industrial parking lot, and two developed reservoir sites owned by the District; and

**WHEREAS**, the towers would be tripod-shaped and would be constructed out of non-reflective, galvanized steel on a 10 x 10 foot concrete base; and

**WHEREAS**, the towers themselves would each be 100-feet tall, and would be 5 x 5 x 5 feet at their base and narrow to a point at their tops; and

**WHEREAS**, construction of the towers would occur over the course of a few days to weeks and would involve use of a backhoe, concrete truck and crane, without the need for use of heavy equipment, grading, or blasting; and

**WHEREAS**, pursuant to the California Environmental Quality Act (Public Resources Code, § 21000 et seq.) and the State CEQA Guidelines (California Code of Regulations, title 14, § 15000 et seq.) (collectively, "CEQA"), the Rowland Water District ("District") is the lead agency for the proposed Project; and

**WHEREAS**, in accordance with CEQA, the District has determined that approval of the Project is exempt from the requirements of CEQA pursuant to State CEQA Guidelines sections 15303 and 15061(b)(3); and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ROWLAND WATER DISTRICT, DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

**SECTION 1. RECITALS.** The Board of Directors hereby finds that the recitals set forth above are true and correct and are incorporated herein as substantive findings of this Resolution.

**SECTION 2. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.** Based upon its review of the entire record before the Board, the Board hereby finds and determines that the proposed Project is categorically exempt from environmental review under CEQA pursuant to State CEQA Guidelines 15303 (Class 3 – New Construction or Conversion of Small Structures) and 15061(b)(3).

The Class 3 exemption applies to, among other things, the construction of limited numbers of new, small facilities or structures, and the installation of small new equipment and facilities in small structures. The proposed Project here qualifies for a Class 3 exemption as it consists of the construction of small facilities or structures, i.e., radio towers, which do not exceed 2,500 total square feet in floor area. (See State CEQA Guidelines, § 15303.)

Furthermore, none of the exceptions to the use of the Class 3 categorical exemption identified in State CEQA Guidelines section 15300.2 apply. The Project is not located in a sensitive environment, and will not impact an environmental resource of hazardous or critical concern, as all of the proposed sites are already developed with industrial uses, or with District reservoirs. The Project will not result in a cumulative impact from successive projects of the same type in the same place, over time. Although there are existing towers in vicinity of the proposed Project, the Project will solely be used for District purposes and will not interfere with other communication towers. Additionally, the Project will be located on District property, and thus would not encourage other communication towers from other sources to be located on the same sites. Similarly, there are no unusual circumstances surrounding the Project that result in a reasonable possibility of a significant effect on the environment. All three sites are currently developed. There are no endangered species or wetlands on site. The towers would be largely shielded from view by existing residential uses due to the presence of berms, trees, and existing reservoirs. Further, the narrow design of the towers further limit any aesthetic impacts, and no new lighting would be added. Accordingly, the addition of the towers would not impede current views from residential areas and would not result in significant aesthetic impacts. Likewise, the Project will not damage scenic resources, including trees, historic buildings, rock outcroppings, or similar resources, as

the sites are already developed. Thus, the Class 3 exemption applies, and no further environmental review is required.

Additionally, the Project is exempt pursuant to State CEQA Guidelines section 15061(b)(3), which exempts those activities for which it can be seen with certainty that there is no potential to result in significant environmental effects. The Project involves construction of three small radio tower structures, all on existing disturbed and developed properties owned by the District. Accordingly, there would be no significant environmental effects as a result of the proposed Project.

**SECTION 3. APPROVAL OF THE PROJECT.** The Board of Directors hereby approves the Project.

**SECTION 4. LOCATION AND CUSTODIAN OF RECORDS.** The documents and materials associated with the Project that constitute the record of proceedings on which these findings are based are located at the Rowland Water District office, 3021 Fullerton Road, Rowland Heights, CA 91748. The Custodian of Record is Rose Perea, Director of Administrative Services.

**SECTION 5. NOTICE OF EXEMPTION.** The Board of Directors hereby directs staff to prepare and file a Notice of Exemption with the Los Angeles County Clerk within five (5) working days of the approval of the proposed Project.

**SECTION 6. EFFECTIVE DATE.** This Resolution shall be effective immediately upon its adoption by the Board.

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT HELD FEBRUARY 12, 2019 by the following roll call vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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ROBERT W. LEWIS, President

I certify that the forgoing Resolution is a true and correct copy of the Resolution of the Board of Directors of the Rowland Water District adopted on February 12, 2019.

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TOM COLEMAN  
General Manager/Board Secretary

**ROWLAND WATER DISTRICT**

**TO:** Honorable President and Members of the Board

**SUBMITTED BY:** Tom Coleman, General Manager

**SUBJECT:** *Consider Approval of Resolution No. 2-2019 Making Findings that the Radio Tower Project is Exempt from the California Environmental Quality Act and Approving the Project*

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**I. Background**

Rowland Water District (“District”) serves an approximate 17.2 square mile area in southeastern Los Angeles County. The District currently provides potable and recycled water to residential, business, and other users through approximately 13,500 service connections in portions of Rowland Heights, Hacienda Heights, La Puente and the cities of Industry and West Covina. In order to better service its customers, the District is considering the construction of three radio towers, to be built on District property owned and operated by the District, which would wirelessly collect usage data for the District service area by directly communicating with individual water meters (“Project”).

**II. Proposed Project**

**A. Existing Conditions**

The proposed Project involves the construction and operation of three, small radio towers, at three separate sites owned by the District. The towers would be located several miles apart from each other along the SR-60 corridor, as shown below. All will be located in the east Los Angeles basin, within the District’s service area. See Exhibit “A”.

Site 1 is an existing groundwater well site, known as the Tony Poli Well. This is a large, fully developed industrial site, surrounded by large warehouses and distribution facilities, each approximately 30 feet tall or more. The site also already contains several 30 to 40 feet tall light pole standards. No residences are located nearby, and the existing Southern California Edison 230 kV transmission distribution lines used to bring bulk power to Los Angeles can be seen in the distance. On site, behind one of the warehouse buildings, is a parking lot currently used as storage for York air conditioning units. The District possesses an easement in the middle of this lot, which would be the location of the proposed tower. The District already utilizes the easement for storage of a number of large steel valves and water-related equipment. Additionally, there is an existing 35 feet high monopole on site within the easement area. The monopole would be merged with the proposed tower on this site, and the existing safety light on the monopole would be retained.



Site 2 is an existing reservoir site, known as Reservoir Site #14. It is located southeast and uphill from the District's office at 3021 Fullerton Road. The site is generally surrounded by hilly open space at the top of Vantage Pointe Drive, with residential uses located to the north and east beyond the park land. The reservoir contained on Site 2 is a large, steel structure, approximately 36 feet in height. The site is currently fenced and locked. The proposed tower would be placed beside the tank inside the fence, and the view of the tower would be largely blocked by an existing 30 feet high containment berm that surrounds the concrete reservoir. Accordingly, only the top portion of the tower, its narrowest point, would be potentially visible from surrounding uses. Site 2 is also surrounded by several other radio and electrical towers, including Southern California Edison ("SCE") lines. The proposed tower would therefore overlap with these existing towers insofar as it relates to viewshed from nearby residential uses.

Site 3 is also an existing reservoir site, known as Reservoir Site #6. Again, the reservoir on site is a large steel structure approximately 36 feet in height, and is located within a fenced and locked area. The reservoir is surrounded by tall eucalyptus trees that help to shield the view of the reservoir from nearby residences. Those eucalyptus trees would remain in place upon construction of the Project. This site is located on a steep hill, at the edge of Schabarum Regional Park. An existing residential neighborhood is located to the southeast, beyond parkland, and existing SCE power lines and towers are readily apparent in the near distance. The proposed tower would be placed in a manner such that most of the tower would not be readily visible, as it would be located behind the existing reservoir at the corner of the site furthest from the residential uses. The existing eucalyptus trees, coupled with the steep slope, massing of the reservoir, and narrowness of the tower, would ensure that placement of the tower on Site 3 would not cause visual impacts.

## **B. Project Description**

The Project entails the construction of three towers to be built of non-reflective, galvanized steel. One tower would be constructed at each of the sites described above. Each tower would stand on a 10 ft. x 10 ft. concrete base. The towers themselves would be tripod-style, approximately 5 ft. x 5 ft. x 5 ft. at the base, and narrowing to a point at the top of the tower. Each tower would be 100-feet tall. No new lighting will be placed upon any of the towers. Towers would also require the installation of a few hundred feet of small power conduit to bring power to each site.

Construction of the towers would occur over the course of a few days, spread out over a couple of weeks. Site preparation would require approximately two to four days, and include pouring the necessary concrete footings for the towers. Towers would then be set on their bases via crane. Tower construction would only involve use of a backhoe, concrete truck and crane, and would not involve blasting, pile-driving, or other heavy equipment. Installation of power conduit would occur within existing, fully developed right-of-way, and would proceed via a small ditch-witch style trencher or backhoe. As discussed above, all sites are already flat and fully developed, and thus grading would not be required for construction.

### III. CEQA Review

Based on the scope of the Project described above, Staff recommends the Board of Directors find the proposed Project categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines section 15303 (Class 3 – New Construction or Conversion of Small Structures). A Class 3 exemption applies to, among other things, the construction of limited numbers of new, small facilities or structures, and the installation of small new equipment and facilities in small structures. The proposed Project here qualifies for a Class 3 exemption as it consists of the construction of small facilities or structures, i.e., radio towers, which do not exceed 2,500 total square feet in floor area. (*See* State CEQA Guidelines, § 15303.)

Furthermore, none of the exceptions to the use of the Class 3 categorical exemption identified in State CEQA Guidelines section 15300.2 apply. The Project is not located in a particularly sensitive environment, and will not impact an environmental resource of hazardous or critical concern, as all of the proposed sites are already fully developed with existing District reservoirs or industrial uses. Additionally, the Project will not result in a cumulative impact from successive projects of the same type in the same place, over time. Although there are existing towers in vicinity of the proposed Project, the Project’s towers are far smaller in scale than other existing electrical and communication towers in the area, and thus will not create a cumulatively considerable visual impact. The Project’s towers will solely be used for District purposes and will not transmit at frequencies that interfere with other communication towers. Additionally, the Project will be located on District property, and thus would not encourage other communication towers from other sources to be located on the same sites.

Additionally, because there are no unusual circumstances applicable to the Project, no potentially significant impacts will result from those (non-existent) unusual circumstances. In *Don’t Cell Our Parks v. City of San Diego* (2018) Cal.App.5th 338, a court found a similar project (a wireless telecommunication tower) to be exempt pursuant to the Class 3 exemption. The court found that no unusual circumstances were present, even though *that* telecomm tower was located in a public park and in clear view of the beach. Here, as discussed above, all three sites are currently developed. There are no endangered species or wetlands on site. The towers would be largely shielded from view by existing residential uses due to the presence of berms, trees, elevation, and existing reservoirs. Further, the narrow design of the towers (being only 5x5x5 at their widest point) further prevents any aesthetic impacts, similar to the facilities in *Don’t Cell Our Parks*. No new lighting would be added as a result of the project. Accordingly, the addition of the towers would not impede current views from residential areas and would not result in significant aesthetic impacts.

The Project will not damage scenic resources, including trees, historic buildings, rock outcroppings, or similar resources, as the sites are already developed and no grading, blasting, or other substantial earth-disturbing activities will be required. Existing eucalyptus trees surrounding Site 2 would remain in place and would not be disturbed by the proposed Project. The Project towers are not located on any hazardous waste sites, and the project will not cause a substantial adverse change in the significance of a historical resource, as neither hazardous waste sites or historical resources are located on any of the three proposed sites. Thus, the Class 3 exemption applies, and no further environmental review is required.

Additionally, Staff recommends the Board of Directors find the proposed Project exempt pursuant to State CEQA Guidelines section 15061(b)(3), which exempts those activities for which it can be seen with certainty that there is no potential to result in significant environmental effects. The Project involves construction of three small radio tower structures, all on existing disturbed and developed properties owned by the District. As outlined above, views of the towers would be minimal and the towers would be located near similar structures, although utilized for a different purpose. Accordingly, there would be no significant environmental effects as a result of the proposed Project.

#### **IV. Recommendation**

The Staff recommends that the Board of Directors:

- 1) Find that the proposed project is categorically exempt from CEQA under State CEQA Guidelines section 15303, as well as pursuant to section 15061(b)(3);
- 2) Find that the exceptions to the categorical exemption are inapplicable to the proposed project;
- 3) Approve the construction and operation of three radio towers (i.e., the proposed Project as described in this staff report); and
- 4) Direct staff to file a Notice of Exemption within five (5) working days of approval.





TONY POLI WELL:  
850 KEARN CREEK COURT,  
CITY OF INDUSTRY, CA 91744

RESERVOIR 6:  
2024 TOMICH ROAD,  
HACIENDA HEIGHTS, CA 91745

RESERVOIR 14:  
¼ MILE SOUTHEAST OF  
18724 VANTAGE POINTE DRIVE,  
ROWLAND HEIGHTS, CA 92748

ROWLAND WATER DISTRICT  
RADIO ANTENNA TOWER PROJECT

PROJECT LOCATION(S)  
EXHIBIT A



**NOTICE OF EXEMPTION**

<b>TO:</b> Los Angeles County Clerk 12400 E. Imperial Highway, Room #1201 Norwalk, CA 90650	<b>FROM:</b> Rowland Water District 3021 Fullerton Road Rowland Heights, CA 91748 Phone: (562) 697-1726
---	--

<b>Project Title:</b>	Radio Tower Project
<b>Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):</b>	Three sites, depicted on the attached map, within the Rowland Water District (“District”) service area. See Exhibit “A” attached hereto and made a part hereof.
a) <b>Project Location – Cities:</b>	The District’s service area encompasses portions of Rowland Heights, Hacienda Heights, La Puente and the cities of Industry and West Covina.
<b>Project Location – Counties:</b>	Los Angeles County
<b>Description of nature, purpose, and beneficiaries of Project:</b>	<p>In order to better serve its customers, the District has approved the construction and operation of three radio towers, to be built on District property, which would collect usage data for the District service area by directly communicating with individual water meters (“Project”). The Project sites would be located along the SR-60 corridor within the District’s service area. The sites include an industrial parking lot and two fully-developed reservoir sites owned by the District.</p> <p>The three towers would be tripod shaped, constructed out of non-reflective, galvanized steel. Each tower would be 100-foot tall, and be tripod style with bases that measure 5 x 5 x 5 at their widest point and narrow to a point at the top. Construction of the towers would occur over the course of a few days and would involve use of a concrete truck and crane, without the need for use of heavy equipment or grading. No blasting or pile-driving would be required.</p>
<b>Name of Public Agency approving project:</b>	Rowland Water District
<b>Name of Person or Agency carrying out project:</b>	Rowland Water District
<b>Exempt status: (check one)</b>	
<input type="checkbox"/> Ministerial project.	
<input type="checkbox"/> Not a project.	
<input type="checkbox"/> Emergency Project.	
<input checked="" type="checkbox"/> Categorical Exemption. State type and class number:	State CEQA Guidelines, § 15303 (Class 3- New Construction or Conversion of Small Structures)
<input type="checkbox"/> Declared Emergency.	
<input type="checkbox"/> Statutory Exemption. State Code section number:	
<input checked="" type="checkbox"/> Other. Explanation:	State CEQA Guidelines, § 15061(b)(3)

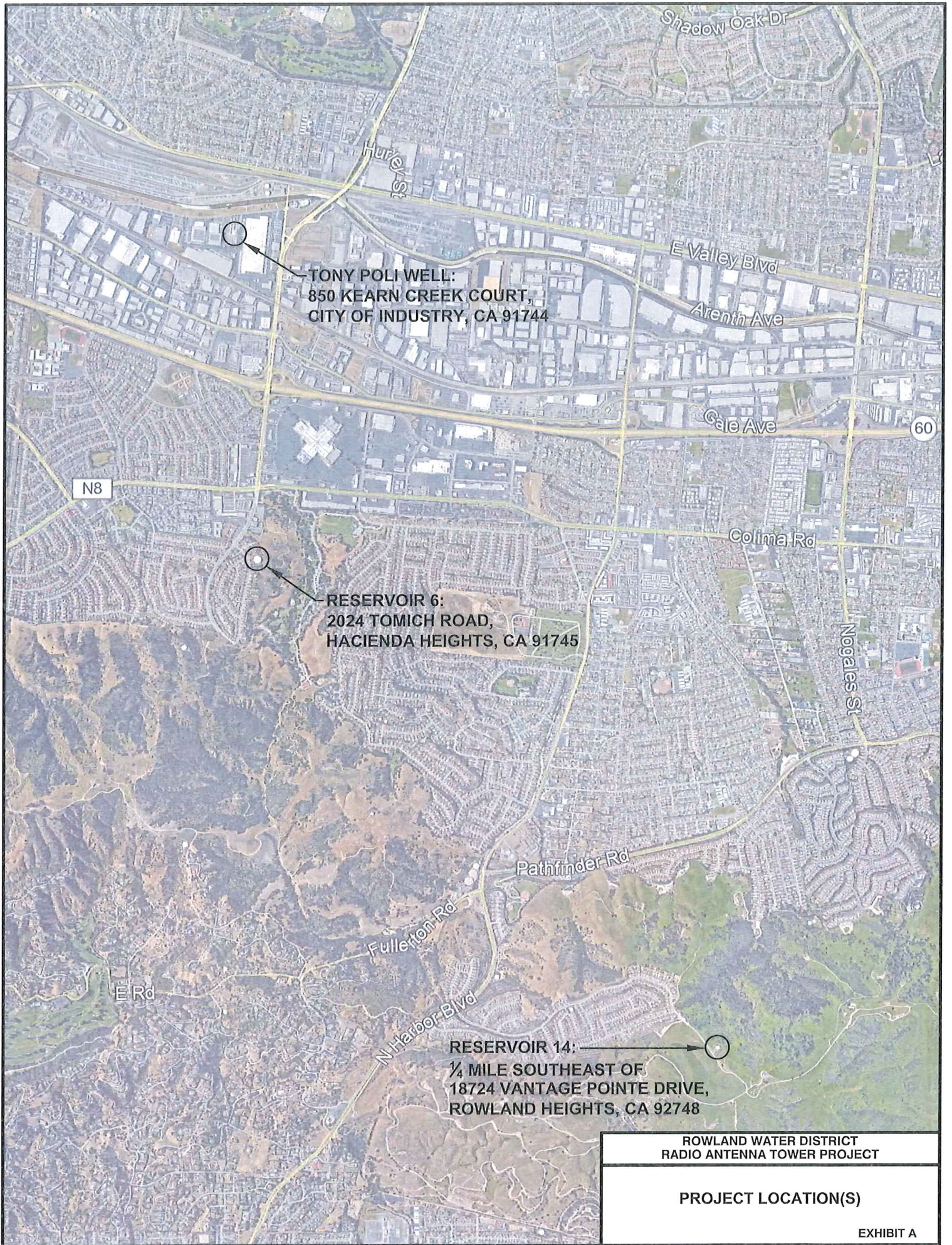
Reason why project was exempt:	<p>The Board found that the Project is categorically exempt from environmental review under CEQA pursuant to State CEQA Guidelines 15303 (Class 3 – New Construction or Conversion of Small Structures) and 15061(b)(3). The Class 3 exemption applies to, among other things, the construction of limited numbers of new, small facilities or structures, and the installation of small new equipment and facilities in small structures. The proposed Project here qualifies for a Class 3 exemption as it consists of the construction of small facilities or structures, i.e., radio towers, which do not exceed 2,500 total square feet in floor area. (See State CEQA Guidelines, § 15303.)</p> <p>Furthermore, none of the exceptions to the use of the Class 3 categorical exemption identified in State CEQA Guidelines section 15300.2 apply. The Project is not located in a particularly sensitive environment, and will not impact an environmental resource of hazardous or critical concern, as all of the proposed sites are already developed with industrial uses, or with District reservoirs. The Project will not result in a cumulative impact from successive projects of the same type in the same place, over time. Additionally, there are no unusual circumstances surrounding the Project that result in a reasonably possibility of a significant effect on the environment. (See <i>Don't Cell Our Parks v. City of San Diego</i> (2018) Cal.App.5th 338.) No new lighting would be added as a result of the project. Accordingly, the addition of the towers would not impede current views from residential areas and would not result in significant aesthetic impacts.</p> <p>Further, the Project is exempt pursuant to State CEQA Guidelines section 15061(b)(3), which exempts those activities for which it can be seen with certainty that there is no potential to result in significant environmental effects. The Project involves construction of three small radio tower structures, all on existing disturbed and developed properties owned by the District. As outlined above, views of the towers would be minimal and the towers would be located near similar structures, although utilized for a different purpose. Accordingly, there would be no significant environmental effects as a result of the proposed Project.</p>
Contact Person:	Tom Coleman, General Manager
Telephone:	(562) 697-1726

Date Received for Filing: \_\_\_\_\_

\_\_\_\_\_  
Signature (Lead Agency Representative)

(Clerk Stamp Here)





**TONY POLI WELL:**  
850 KEARN CREEK COURT,  
CITY OF INDUSTRY, CA 91744

**RESERVOIR 6:**  
2024 TOMICH ROAD,  
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**ROWLAND WATER DISTRICT  
RADIO ANTENNA TOWER PROJECT**

**PROJECT LOCATION(S)**

**EXHIBIT A**



**Tab**

**2.8**

## **BILL HASENCAMP,** **Manager, Colorado River Resources**

### *Troubled Times for the Colorado River; the Search for a Sustainable Future*

Bill develops and manages water supply programs to augment Metropolitan's Colorado River supplies.

He has been with Metropolitan since 2001, and during that time has negotiated transfer agreements with irrigation districts, exchange agreements with municipal agencies, and funded new water supply projects which have more than doubled Metropolitan's Colorado River water supplies since 2003.

In 2007, Hasencamp negotiated and worked with other states to develop the Intentionally Created Surplus Program, which allows Metropolitan to store up to 1.5 million acre-feet of conserved water in Lake Mead at no cost. He is one of California's representatives to the Colorado River Salinity Control Forum, which implements projects to reduce the salinity concentration of Colorado River water at Metropolitan's intake.

Prior to joining Metropolitan, Hasencamp was the Operations Planning Manager for Contra Costa Water District (CCWD) in Northern California. In that position, he oversaw the operations for CCWD's new intake and reservoir to provide better water quality for his agency. Prior to that, he was an environmental programs manager at the Los Angeles Department of Water and Power, where he oversaw the development of environmental restoration programs in the Mono Lake Basin.

His hobbies include long distance bicycle touring, which led him on a three-month bicycle ride across the United States.



We hope you will join us for this very interesting and informative discussion about the Colorado River water supplies and the importance to Southern California!



**THURSDAY, February 28, 2019**  
**7:30am - 9:00am**

**Sheraton Fairplex Suites,  
601 W. McKinley Ave., Pomona, CA 91768**

**RSVP to: (909) 621-5568**

Cost is \$20 and it covers the breakfast buffet\*

\*Please, no payment at the door. Pre-payment preferred, or we will be happy to bill you after the event.



THREE VALLEYS  
MUNICIPAL WATER DISTRICT

LEADERSHIP BREAKFAST  
THURSDAY, FEBRUARY 28, 2019  
7:30am - 9:00am  
RSVP to: (909) 621-5568



**BILL HASENCAMP,**  
Manager, Colorado River Resources  
Metropolitan Water District  
of Southern California



Cost is \$20 and it covers the breakfast buffet

RSVP to: (909) 621-5568

THREE VALLEYS MUNICIPAL WATER DISTRICT  
1021 E. Miramar Avenue  
Claremont, CA 91711-2052



RSVP to: (909) 621-5568 or  
cdechaine@tvmwd.com  
by February 25, 2019

Join us on Thursday, February 28<sup>th</sup>

THREE VALLEYS  
MUNICIPAL WATER DISTRICT  
LEADERSHIP BREAKFAST

**THURSDAY,**

February 28, 2019

**BILL HASENCAMP,**

Manager, Colorado River Resources

*TROUBLED TIMES FOR THE  
COLORADO RIVER;  
THE SEARCH FOR A  
SUSTAINABLE FUTURE*



Sheraton Fairplex Hotel,  
601 W. McKinley Ave.,  
Pomona

# ACWA LEGISLATIVE SYMPOSIUM

MARCH 6, 2019 • SACRAMENTO CONVENTION CENTER 2019

## AGENDA

**8:30 - 9:00 AM**

### **Registration and Continental Breakfast**

Meeting Room 202 / Sacramento Convention Center

**9:00 - 9:10 AM**

### **Welcome Remarks**

Brent Hastey, ACWA President

Brian Poulsen, Chair, ACWA State Legislative Committee

**9:10 - 9:15 AM**

### **ACWA Outreach Program Update**

Cristel Tufenkjian, Director of External Affairs, Kings River Conservation District

**9:15 - 10:45 AM**

### **Safe and Affordable Drinking Water**

Over the last several years, the Legislature has both passed and rejected proposals related to safe drinking water for disadvantaged communities. Last year the Legislature rejected a measure for a statewide water tax as a revenue source. This year Governor Newsom is advancing a similar proposal – based on the SB 623 (Monning, 2017) framework. At the same time, ACWA and the California Municipal Utilities Association are advancing a funding solution that does not require a statewide water tax – a Safe Drinking Water Trust.

Come hear the latest about these proposals, legislation related to the consolidation of unsustainable water systems and the State Water Board's report for AB 401 (Dodd, 2015) implementation regarding how a low-income water rate assistance program could be implemented. Actual implementation of this program will require authorizing legislation.

#### **Moderator:**

Adam Quinonez, Senior Legislative Advocate, ACWA

#### **Panelists:**

Joaquin Esquivel, Board Member, State Water Resources Control Board (Invited)

Paul Jones, General Manager, Eastern Municipal Water District (Invited)

Phoebe Seaton, Director, Leadership Counsel for Justice and Accountability

Cindy Tuck, Deputy Executive Director of Government Relations, ACWA

**10:45 - 11:00 AM**

### **Break**



# AGENDA continued

**11:00 AM - Noon**

## **Groundwater Recharge Legislation**

With the passage of the Sustainable Groundwater Management Act, many water agencies are focused on the sustainability of water basins. For some agencies, sustainability includes groundwater recharge projects. Various legislative initiatives have attempted to create a regulatory framework to permit groundwater recharge projects. In 2018, AB 2649 proposed a streamlined 5-year permit process that would allow water agencies to divert water under peak flow conditions to underground water storage for beneficial use.

This panel will delve into the details of a potential groundwater recharge permit, projects eligible for a permit, and the policy considerations of groundwater recharge and beneficial use.

### **Moderator:**

Alf Brandt, Senior Counsel, Office of Speaker Anthony Rendon

### **Panelists:**

Joaquin Arambula, California Assembly Member, District 31 (Invited)

Erik Ekdahl, Deputy Director, State Water Resources Control Board

John Woodling, Executive Director, Regional Water Authority

**NOON - 1:30 PM**

## **Luncheon Program**

Meeting Room 203 / Sacramento Convention Center

**1:30 - 4:30 PM**

## **Outreach Opportunity**

Here's your chance to participate in grassroots outreach by scheduling a meeting with your own local State Senator and/or State Assembly member in their Sacramento offices in advance across the street in the Capitol, after the Symposium.

**Programs are subject to change without notice.**

Attendance at this event by a public official will constitute acceptance of a reportable gift.

Strength • Stability • Partnership  
Celebrating 40 Years

# JPIA 2019 Spring Preliminary Conference Schedule

Marriott Hotel - Monterey, CA

## Monday - May 6, 2019

- 7:30 a.m. – Light Continental Breakfast (for those attending the meetings)
- 8:00 a.m. – **Property Program Committee Meeting**
- 9:00 a.m.
- 9:15 a.m. – **Workers' Compensation Program Committee Meeting**
- 10:15 a.m.
- 10:30 a.m. – **Executive Committee Meeting**
- 11:30 a.m. – **Pre-Board Meeting Lunch With Keynote Speaker –**  
1:00 p.m. ***RSVP by April 11, 2019, required to attend this event.***
- 1:30 p.m. – **Board of Directors' Meeting**
- 4:00 p.m.
- 4:00 p.m. – **Town Hall Meeting**
- 5:00 p.m.
- 5:00 p.m. – **ACWA JPIA Reception**
- 6:00 p.m.

## Tuesday - May 7, 2019

- 7:30 a.m. – Light Continental Breakfast (for those attending the seminars)
- 8:00 a.m. – **Seminar I**
- 9:45 a.m. *Presenter:*
- 10:00 a.m. – **Seminar II**
- 11:30 a.m. *Presenter:*
- 1:00 p.m. – **Sexual Harassment Prevention for Board Members &**  
3:00 p.m. **Managers (AB1825, 1661 & 2053)**  
*Presenter:*
- 3:00 p.m. – **JPIA Leadership Meeting**
- 5:00 p.m. *(for alumni of the JPIA Leadership Program)*

## Wednesday - May 8, 2019

- 9:00 a.m. – Exhibit Booth #
- 6:00 p.m.

## Thursday - May 9, 2019

- 8:00 a.m. – Exhibit Booth #
- 12:00 p.m.



*The ACWA 2019 Spring Conference & Exhibition is set to take place May 7-10, 2019 at the Monterey Conference Center, Portola Hotel and Monterey Marriott in Monterey, CA*

ACWA conferences are the premier destination for water industry professionals to learn and connect. Program offerings include Statewide Issue Forums, Town Hall discussions, Region Programs and sessions covering a wide range of topics including groundwater management, water rates issues, crisis communications, affordable drinking water issues, municipal finance, and more.

**\*\* Plan on attending this conference AND the CLE Spring Workshop? Discounted pricing is available if registering for both events.**

## Important Links

- Pricing Reference Sheet
- Registration Terms & Conditions
- Exhibitor Information
- Sponsorship Information

## See What Conference is Like



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## 5.1

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

**AGENDA**  
**REGULAR BOARD MEETING**  
**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711**

**Wednesday, January 16, 2019**  
**8:00 a.m.**

*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

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

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *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 within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD 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. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.**

**Item 7 – Consent Calendar**

Kuhn

The Board will consider consent calendar items 7.A – 7.D listed below. Consent calendar items are routine in nature 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.A – Receive, Approve and File Minutes – December 2018 [enc]**

- December 5, 2018 Regular Board Meeting
- December 12, 2018 Special Board Meeting

**7.B – Receive, Approve and File Financial Reports and Investment Update – November/December 2018 [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 (November / December)

**7.C – Imported Water Sales – [enc]**

The Board will review the imported water sales report for November and December 2018.

**7.D – Resolution No. 19-01-843 Tax Sharing Exchange County Sanitation District, Annexation 22-433 [enc]**

Approval of this resolution signifies acceptance of the tax sharing exchange by the County Sanitation District.

**Items 7.A – 7.D: Board Action Required – Motion No. 19-01-5207**

Staff Recommendation: Approve as presented

**Item 8 – General Manager’s Report**

**Litchfield**

*The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.*

**8.A – Legislative Update – January 2019 [enc]**

**Howie**

The Board will receive an update on TVMWD’s legislative priorities for 2019.

**8.B – Miramar Operations Report – [enc]**

**Lang**

The Board will review the Miramar Operation report for the period ending November and December 2018 which will include a presentation on the Miramar Treatment Plant Shutdown

**8.C – Capital Project Status Report [enc]**

**Peralta**

The Board will review ongoing projects in progress throughout the Miramar Treatment Plant and distribution system.

**8.D – Director Expense Reports [enc]**

**Kuhn**

The Board will ratify the previously paid November 2018 director expense reports, and consider approval of the December 2018 director expense reports that include disclosure of per diem requests for meeting attendance, and an itemization of any expenses incurred by TVMWD.

**Item 8.D: Board Action Required – Motion No. 19-01-5208**

Staff Recommendation: None

**8.E – Special Board Meeting, January 23, 2019 – Division 7 Candidate Interviews**

Litchfield

The Board will consider directing staff to proceed with the preparation of the agenda and required noticing for a special Board Meeting to occur on January 23, 2019 for the purpose of interviewing successor candidates for Division 7.

**Item 8.E: Board Action Required – Motion No. 19-01-5209**

Staff Recommendation: Approve as presented

**8.F – Adoption of Salary Schedule Effective January 14, 2019 [enc]**

Litchfield

The Board will consider approval of the proposed salary schedule effective January 14, 2019 pursuant to CalPERS and California Code of Regulations Section 570.5.

**Item 8.F: Board Action Required – Motion No. 19-01-5210**

Staff Recommendation: Approve as presented

**Item 9 – Directors’ / GM Oral Reports**

Kuhn

Directors and the Managers may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD, and on other areas of interest.

**Item 10 – Future Agenda Items**

Kuhn

**Item 11 – Closed Session**

Kuhn

**11.A – Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1)**

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

**Item 12 – Closed Session Announcements**

Kuhn

**Item 13 – Adjournment**

Kuhn

The Board will adjourn to a special board meeting on Wednesday, January 23, 2019 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) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.*

### **Agenda items received after posting**

*Government Code Section 54957.5*

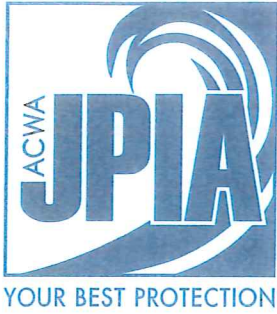
*Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at [www.threevalleys.com](http://www.threevalleys.com).*

*Three Valleys MWD Board Meeting packets and agendas are available for review on its website at [www.threevalleys.com](http://www.threevalleys.com). The website is updated on Sunday preceding any regularly scheduled board meeting.*

**Tab**

**5.2**





January 10, 2019

Rowland Water District (R006)  
Tom Coleman  
3021 S. Fullerton Road  
Rowland Heights, CA 91748-1748

## ACWA JPIA

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

phone  
916.786.5742  
800.231.5742

direct line  
916.774.7050  
800.535.7899

fax  
916.774.7040

claims fax  
916.786.0209

[www.acwajpia.com](http://www.acwajpia.com)

### President

E.G. "Jerry" Gladbach

### Vice President

Tom Cuquet

### Chief Executive Officer

Walter "Andy" Sells

### Executive Committee

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

David T. Hodgin

W.D. "Bill" Knutson

Steven LaMar

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Dear Tom:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Rowland Water District (R006) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2019.

Sincerely,

E.G. "Jerry" Gladbach  
President

Enclosure: President's Special Recognition Award(s)



# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *Rowland Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Property Program for the period 04/01/2014 - 03/31/2017  
announced at the Board of Directors' Meeting in San Diego.*



*E. G. "Jerry" Gladbach, President*



*November 26, 2018*



# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *Rowland Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Workers' Compensation Program for the period 07/01/2014 - 06/30/2017  
announced at the Board of Directors' Meeting in San Diego.*



*E. G. "Jerry" Gladbach, President*



*November 26, 2018*