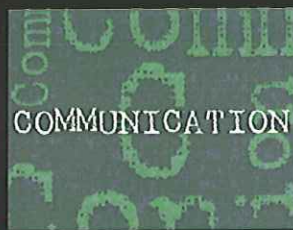
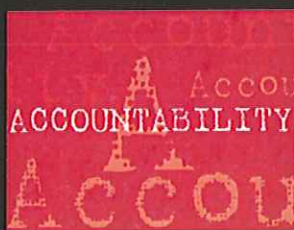


ROWLAND WATER DISTRICT

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

RWD BOARD VISION



Our Mission:

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

DEDICATED-RELIABLE-OUTSTANDING-PROFESSIONAL SERVICE"

Board of Directors Regular Meeting

December 9, 2014

6:00 p.m.



AGENDA
Regular Meeting of the Board of Directors
December 9, 2014
6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEMS

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

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

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

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

Tab 1 CONSENT CALENDAR

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

- 1.1 Approval of the Minutes of Regular Board Meeting held on November 4, 2014**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.2 Approval of the Minutes of Special Board Meeting held on November 18, 2014, 5:00 p.m.**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.3 Approval of the Minutes of Special Board Meeting held on November 18, 2014, 6:00 p.m.**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.4 Demands on General Fund Account for October 2014**
Recommendation: The Board of Directors approve the demands on the general fund account as presented.
- 1.5 Investment Report for October 2014**
Recommendation: The Board of Directors approve the Investment Report as presented.
- 1.6 Water Purchases for October 2014**
For information purposes only.

Next Regular Board Meeting: January 13, 2015, 6:00 p.m.
Next Special Board Meeting: January 27, 2015, 5:00 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 November 2014**
The meeting reimbursements schedule will be distributed at the time of the Board meeting for review and approval.
Intentionally left blank.
- 2.2 Review "DRAFT" Financial Audit Report for Fiscal Year 2013-2014 Prepared by White Nelson Diehl Evans LLP**
No recommendation provided.
- 2.3 Review and Approve Resolution 12-2014 of the Board of Directors Amending Board Policy for Election and Rotation of Board Officers**
Recommendation: The Board of Directors approve the Resolution.

- 2.4 **Approve Executive Officer Positions of the Board of Directors for 2015**
Intentionally left blank. No recommendation provided.
- 2.5 **Review and Approve Board of Directors Committee Assignments for 2015**
No recommendation provided.
- 2.6 **Approve/Confirm Appointment of Directors to Serve on the Puente Basin Water Agency**
Intentionally Left Blank
Recommendation: The Board of Directors approve/confirm the appointments.
- 2.7 **Review and Approve Resolution 12.1-2014 of the Board of Directors Appointing Representatives to the Puente Basin Water Agency**
Recommendation: The Board of Directors approve the appointments.
- 2.8 **Approve/Confirm Appointment of Director to Serve on the Pomona-Walnut-Rowland Joint Water Line Commission**
Intentionally Left Blank
Recommendation: The Board of Directors approve/confirm the appointment.
- 2.9 **Review and Approve District Investment Policy**
Recommendation: The Board of Directors ratify and confirm the Investment Policy as adopted by Resolution No. 2.1-2006
- 2.10 **Review and Approve Resolution 12.2-2014 Appointing District Treasurer and Delegating Authority for the Investment of Surplus Funds of the District to the General Manager/Treasurer**
Recommendation: The Board of Directors approve the Resolution as presented.
- 2.11 **Review and Approve Puente Basin Water Agency Agreement No. 3 - Pomona Basin Regional Groundwater Project: Phases 1 and 2**
Recommendation: The Board of Directors approve the Agreement as presented.
- 2.12 **Review and Approve Dewatering Agreement (Nogales Grade Separation)**
Recommendation: The Board of Directors approve the Agreement as presented.
- 2.13 **Public Relations (Rose Perea)**
 - **Communications Outreach (CV Strategies)**
 - **Education Update***For information purposes only.*

- 2.14 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
- Urban Water Institute Spring Water Conference, March 4-6, Palm Springs, CA
 - CUEMA Elected Officials Summit, March 29-30, 2015, Renaissance Esmeralda Hotel, Indian Wells, CA

Tab 3 LEGISLATIVE INFORMATION

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

Tab 4 REVIEW OF CORRESPONDENCE

- Customer Letter

Tab 5 COMMITTEE REPORTS

- 5.1 Three Valleys Municipal Water District (Directors Lu-Yang/Lima)**
- Agenda Regular Board Meeting held November 5, 2014
 - Action Line Regular Board Meeting held November 19, 2014

There are no tabs for the remainder of the meeting.

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

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

- 6.1 Personnel Report (Mr. Deck)**
- 6.2 Engineer's Report (Mr. Carrera)**

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

Directors' and General Manager's Comments

Future Agenda Items

Late Business

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

ADJOURNMENT

President SZU PEI LU-YANG, Presiding

Tab

1.1



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
November 4, 2014 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None.

OTHERS PRESENT:

Joseph P. Byrne, Legal Counsel, Best Best & Krieger
Dan Horan, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Erin La Combe Gilhuly, CV Strategies

ROWLAND WATER DISTRICT STAFF

Ken Deck, General Manager
Tom Coleman, Assistant General Manager
Ted Carrera, Assistant General Manager
Rose Perea, Director of Administrative Services
Sean Henry, Finance Officer
Dave Warren, Water Systems Superintendent

ADDITION(S) TO THE AGENDA

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

Tab 1 - CONSENT CALENDAR

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

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

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on October 14, 2014

1.2

Approval of the Minutes of Special Board Meeting Held on October 21, 2014

1.3

Water Purchases for September 2014

Next Special Board Meeting	November 18, 2014, 5:00 p.m.
Next Regular Board Meeting	December 9, 2014, 6:00 p.m.

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for October 2014

Director Lewis made a motion to amend the Meeting Reimbursement Report deleting his attendance at the Leadership Breakfast and adding his attendance at the PWAG meeting on October 29, 2014—no charge. Upon motion by Director Lewis, seconded by Director Lima, the Directors' Meeting Reimbursement Report was approved as amended. The motion was unanimously carried.

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

2.2

Review Rowland Water District's Quarterly Investment Report as of September 30, 2014

Mr. Henry summarized the report for the Board and reviewed the balances as of September 30, 2014, indicating that a very low rate environment still exists. He noted that the District currently holds approximately \$18 million in unencumbered reserves.

Mr. Henry answered questions posed by members of the Board and after discussion, a motion was made by Director Lima, seconded by Director Lewis, to receive and file the investment report as presented. The motion was unanimously carried.

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

2.3

Review and Approve Rowland Water District's Statement of Operations for Period Ending September 30, 2014

Mr. Henry explained the report covering the period July 1, 2014 through September 30, 2014, in detail and then responded to questions from the Board. Mr. Henry noted that income and expenses for the first quarter of the year were in line with the budgeted amounts.

A motion was made by Director Lima, seconded by Director Lewis, to receive and file the Statement of Operations as presented. The motion was unanimously carried.

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

2.4

Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2013-2014 Prepared by White Nelson Diehl Evans LLP

Mr. Lima advised that the Report was presented and approved by the Commission at the last meeting held on October 16, 2014.

A motion was made by Director Lima, seconded by Director Lewis, to receive and file the PWR Joint Water Line Commission Audit Report for Fiscal Year 2013-2014. The motion was unanimously carried.

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

2.5

Review and Approve Agreement for Shared Services Between Bellflower-Somerset Mutual Water Company and Rowland Water District

Mr. Deck discussed the purpose of the Agreement which is to provide a cost savings to both agencies. The District has developed technology establishing processes and procedures and has acquired expertise that Bellflower-Somerset can benefit from without the initial cost to institute these programs. He advised that legal counsel, Joe Byrne, has reviewed the Agreement and made suggestions to clarify its purpose further. After discussion a motion was made by Director Lewis, seconded by Director Bellah to authorize the General Manager to execute the Agreement on behalf of the District once legal counsel has made the minor changes providing further clarification. The motion was unanimously carried.

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

2.6

Review and Approve Resolution No. 11-2014 Recognizing and Honoring Ken Deck

A motion was made by Director Lima, seconded by Director Bellah, to approve Resolution No. 11-2014 commending Ken Deck for his years of service to the water industry and to the District. The motion was approved by the following roll-call vote:

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

Motion was passed by a vote of 5-0.

2.7

Public Relations (Rose Perea)

Mrs. Perea reported that the Project Wet Teachers' Workshop was held on October 28, 2014 at the Chino Basin Water Conservation District in Montclair, California. Of the 10 teachers from the District's service area that signed up, 8 attended. The teachers commented that they were very impressed with the program and with the materials provided. The WEWAC Committee has established a "WEWAC Water Scholar Program" in order to promote water awareness through education programs. The Water Scholar Program is offered to High School Seniors who are planning to attend a two- or four-year college in a water-related curriculum. Four, \$500 scholarships payable to the educational institution will be awarded. The applicant must submit an essay that addresses: "*Describe What the Importance of Clean Water Means to You*", 1,000 to 1,500 words. The application deadline is January 29, 2015.

Communications Outreach (CV Strategies)

Erin La Combe Gilhuly, CV Strategies, reported that the Press Release introducing the District's new legal counsel had been issued on October 21, 2014 and circulated with statewide and industry concentration. A Press Release recognizing General Manager, Ken Deck, and the management transition to the new General Manager, Tom Coleman, including the focus on shared services, will be forthcoming.

Education Update

No comments.

2.8

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

- CUEMA Elected Officials Summit, March 29-30, 2015, Renaissance Esmeralda Hotel, Indian Wells, CA
The Board requested that this event be placed on next month's agenda for further consideration.
- Youth Science Center Celebration and Awards Gala, November 14, 2014, 6:00 p.m., Glendora Country Club.
Staff was asked to make a reservation for President Lu-Yang's attendance at the Gala.
- Best Best & Krieger Client Appreciation Dinner at ACWA Conference, December, 3, 2014, 5:30 p.m., Roy's Hawaiian Fusion, Marriott Marina Hotel, San Diego, CA.
Staff was asked to RSVP for Directors Lewis, Bellah, Lima and Lu-Yang.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Nothing to report.

Tab 4 REVIEW OF CORRESPONDENCE

Nothing to report.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

President Lu-Yang reported on her attendance at the October 15, 2014 Regular Board meeting and noted that it was reported that due to the poor water quality of water entering the Miramar Treatment Plant, the Plant is not operating at optimum efficiency.

5.2

Association of California Water Agencies

Director Lewis reported that Tim Quinn, ACWA Executive Director, made a presentation at the Public Water Agencies Group (PWAG) meeting.

5.3

Puente Basin Water Agency

Director Lima reported that the next meeting is scheduled for November 6, 2014.

5.4

Joint Powers Insurance Authority

Nothing to report.

5.5

Project Ad-Hoc Committee

Nothing to report.

5.6

Regional Chamber of Commerce

Mr. Carrera reported that the Government Affairs Committee meeting scheduled for November 10, 2014, has been cancelled due to the Veterans' Day Holiday.

5.7

PWR Joint Water Line Commission

Director Lima reported that the PWR Joint Waterline Commission Audit Report for Fiscal Year 2013-2014 prepared by White Nelson Diehl Evans LLP had been approved at the October 16, 2014, Commission meeting.

5.8

Sheriff's Community Advisory Council

President Lu-Yang reported that the upcoming conference had been cancelled. Nothing further to report.

5.9

Rowland Heights Community Coordinating Council

Director Rios noted that the next meeting is scheduled for November 10, 2014.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Personnel Report

Mr. Deck reported that he and Mr. Coleman have been working on a District reorganization plan and that they will present the revised Organizational Chart to the Board at the November 18, 2014, Special Board Meeting.

6.2

Engineer's Report

- Ted Carrera, Assistant General Manager, reported that in connection with staff's periodic inspection of District easements, it was discovered that the Queen of Heaven Cemetery had encroached on a District easement for waterlines. They have acknowledged the encroachment.
- Dave Warren, Water Systems Superintendent, provided an update on Pump Station No. 1 and reported that it is approximately 85% complete and that the pipeline along Harbor Boulevard is approximately 80% complete.
- Mr. Deck reported that a fire hydrant on the Fullerton Road-La Habra Pipeline had been hit and that when repairs were requested by the Nature Conservancy, he advised them that the hydrant had been turned over to La Habra County Water District.
- Mr. Deck reported that the District is currently receiving approximately 900 gallons of water per minute through the La Habra/Orchard Dale water connection pursuant to the "Water Production and Delivery Agreement".

Tab 7 ATTORNEY'S REPORT

Nothing to report.

Directors' and General Manager's Comments

- Director Rios thanked Ted Carrera for the mentoring and friendship he provided during her tenure on the Board and for his encouragement and support to her as a new Board member -- she is saddened to see him leave the District.
- President Lu-Yang thanked Ted Carrera for his help and support in transitioning her onto the Board and wished him well on his retirement.
- Director Lewis reported that with Ken Deck's impending retirement from the District, Mr. Deck has stepped down as Chair of the Public Water Agencies Group (PWAG) and that Tom Coleman has been selected as the new Chair of the Group.

Future Agenda Items

- CUEMA Elected Officials Summit, March 29-30, 2015, Renaissance Esmeralda Hotel, Indian Wells, CA

Late Business

None.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:05 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary

Tab

1.2



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

November 18, 2014 – 5:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None.

OTHERS PRESENT:

Joseph P. Byrne, Legal Counsel, Best Best & Krieger
Erin La Combe Gilhuly, CV Strategies

ROWLAND WATER DISTRICT STAFF:

Ken Deck, General Manager
Tom Coleman, Assistant General Manager
Rose Perea, Director of Administrative Services
Dave Warren, Water Systems Superintendent

PUBLIC COMMENT ON NON-AGENDA ITEMS

COMMENTS:

None.

Tab 1 ACTION ITEMS

1.1

Discuss District Reorganization Plan

Staff and the Board of Directors discussed the proposed District Reorganization Plan and the continuing organizational development consistent with the District's Strategic Plan. No reportable action was taken.

Directors' and General Manager's Comments

None.

Future Agenda Items

None.

Late Business

None

Next Regular Board Meeting

December 9, 2014, 6:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 5:44 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary

Tab

1.3



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

November 18, 2014 – 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None.

OTHERS PRESENT:

Joseph P. Byrne, Legal Counsel, Best Best & Krieger
Erin La Combe Gilhuly, CV Strategies
Greg Galindo, La Puente Valley County Water District
David Hastings, La Puente Valley County Water District
John P. Escalera, La Puente Valley County Water District
Charlie Aguirre, La Puente Valley County Water District
William Rojas, La Puente Valley County Water District
Henry P. Hernandez, La Puente Valley County Water District
Michael Holmes, Walnut Valley Water District
Erik Hitchman, Walnut Valley Water District
Allen L. Wu, Walnut Valley Water District
Edwin M. Hilden, Walnut Valley Water District
Barbara A. Carrera, Walnut Valley Water District
Theodore L. Ebenkamp, Walnut Valley Water District
Scarlett P. Kwong, Walnut Valley Water District
Klaus Rohwer, Northrop Grumman Corporation
Amy Sullivan, Northrop Grumman Corporation

ROWLAND WATER DISTRICT STAFF:

Ken Deck, General Manager
Tom Coleman, Assistant General Manager
Rose Perea, Director of Administrative Services
Dave Warren, Water Systems Superintendent

PUBLIC COMMENT ON NON-AGENDA ITEMS

COMMENTS:

None.

Tab 1 ACTION ITEMS

1.1

Presentation by Northrop Grumman Corporation on the Puente Valley Operable Unit Clean-up Project

Mr. Klaus Rohwer, Project Coordinator, Northrop Grumman Corporation, provided a Power Point presentation explaining the location and purpose of the clean-up project as well as the relationship between the Northrop Grumman Corporation, Walnut Valley Water District, La Puente Valley County Water District, Rowland Water District and the Puente Basin Water Agency. No reportable action was taken.

Directors' and General Manager's Comments

None.

Future Agenda Items

None.

Late Business

None

Next Regular Board Meeting

December 9, 2014, 6:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 6:58 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary

Tab

1.4

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18720						
10/14	10/01/2014	18720	62584	1ST ENTERPRISE BANK	Retention Payment No 4- Whittier Booster Station	20,985.50
Total 18720:						20,985.50
18721						
10/14	10/01/2014	18721	1070	AMERICAN EXPRESS	CONFERENCE & MISC EXPENSES	139.86
10/14	10/01/2014	18721	1070	AMERICAN EXPRESS	CONFERENCE & MISC EXPENSES	2,845.09
10/14	10/01/2014	18721	1070	AMERICAN EXPRESS	CONFERENCE & MISC EXPENSES	1,258.01
Total 18721:						4,242.96
18722						
10/14	10/01/2014	18722	402	BOOMERANG BLUEPRINT	EDISON PLANS	24.42
Total 18722:						24.42
18723						
10/14	10/01/2014	18723	1079	CA-NV SECTION AWWA	H2O KNOW ONLINE TRAINING FOR 30 EMPLOYEE	5,370.00
Total 18723:						5,370.00
18724						
10/14	10/01/2014	18724	62439	CVSTRATEGIES	COMMUNICATION SERVICES	5,403.79
Total 18724:						5,403.79
18725						
10/14	10/01/2014	18725	29	DANIEL WARREN	MILEAGE REIMBURSEMENT	56.00
10/14	10/01/2014	18725	29	DANIEL WARREN	TOTAL EXPENSES-REFRESHER COURSE IN RIVE	123.86
Total 18725:						179.86
18726						
10/14	10/01/2014	18726	1754	ED BUTTS FORD	2015 FORD EXPLORER VIN-1FM5K7D83FGA78339	31,380.33
Total 18726:						31,380.33
18727						
10/14	10/01/2014	18727	62239	FRANKLIN TRUCK PARTS	TRUCK #28	19.88
Total 18727:						19.88
18728						
10/14	10/01/2014	18728	5600	G M SAGER CONSTRUCTION	ASPHALT	3,766.40
10/14	10/01/2014	18728	5600	G M SAGER CONSTRUCTION	CONCRETE	2,146.60
Total 18728:						5,913.00
18729						
10/14	10/01/2014	18729	244	INFOSEND INC	BILLING SERVICE	3,100.79
Total 18729:						3,100.79

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18730						
10/14	10/01/2014	18730	62066	JANITORIAL SYSTEMS	WINDOW CLEANING INSIDE & OUT	300.00
Total 18730:						300.00
18731						
10/14	10/01/2014	18731	62531	KEN GRODY FORD	MAINTENANCE TRUCK 3	602.04
Total 18731:						602.04
18732						
10/14	10/01/2014	18732	62574	MYSTIC LAMINATING	BALANCE-TROPHY CASE	745.00
Total 18732:						745.00
18733						
10/14	10/01/2014	18733	62582	PACIFIC HYDROTECH CORPORATION	Progress Payment 4 - Whittier Booster Station	398,724.50
Total 18733:						398,724.50
18734						
10/14	10/01/2014	18734	62448	PARS	GASBY 45 MANAGEMENT FEE	300.00
Total 18734:						300.00
18735						
10/14	10/01/2014	18735	62575	PROGROUP	BALANCE-BOARDROOM WALL GRAPHICS	1,470.66
Total 18735:						1,470.66
18736						
10/14	10/01/2014	18736	335	PUBLIC SAFETY APPREC LUNCHEON	2014-PUBLIC SAFETY LUCHEON	240.00
Total 18736:						240.00
18737						
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	RMA 29367-CREDIT MEMO	169.32-
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	6" X 12-1/2" x 2" IP SB-239-069012-114 FCRC W/SS	647.27
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	GT618 6" X 18" GALV SLIP TOP SECTION	712.50
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	SDR35PG620 6" X 20" SDR35 GSKT SEWER PIPE G	489.88
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	GT624 6" X 24" GALV SLIP TOP SECTION	322.09
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	C850CCDC8 CLOW 850 FIRE HYD DC 8H	7,514.46
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	JPW5252PC J&R P-W5-1/4 PLMR 2PC COVER	850.00
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	JPW525RL J&R P-W5-1/4 PLMR RDG LID	318.75
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	JPW552PC J&R P-W5-1/2 PLMR 2PC	969.50
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	JPW55RL J&R P-W5-1/2 PLMR RDG LID	539.89
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	GCW6 6" GATE CAP M/ WTR	735.76
10/14	10/01/2014	18737	62502	S & J SUPPLY COMPANY, INC	GT618 6" X 18" GALV SLIP TOP SECTION	517.76
Total 18737:						13,448.54
18738						
10/14	10/01/2014	18738	6600	THREE VALLEYS MUN WATER DIST	LEADERSHIP BREAKFAST	140.00
Total 18738:						140.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18739						
10/14	10/01/2014	18739	62577	TOM COLEMAN	TOTAL EXPENSES-CUEMA CONFERENCE	281.00
10/14	10/01/2014	18739	62577	TOM COLEMAN	TOTAL EXPENSES-FUEL	131.57
Total 18739:						412.57
18740						
10/14	10/01/2014	18740	62501	TW TELECOM	INTERNET & DATA	1,460.61
Total 18740:						1,460.61
18741						
10/14	10/01/2014	18741	323	UPS	POSTAGE	19.42
Total 18741:						19.42
18742						
10/14	10/01/2014	18742	7950	WESTERN WATER WORKS SUPPLY	material for valve tree	644.96
Total 18742:						644.96
18755						
10/14	10/09/2014	18755	62584	1ST ENTERPRISE BANK	Retention for Progress Payment 5 - Whittier Booster St	13,332.48
Total 18755:						13,332.48
18756						
10/14	10/09/2014	18756	1000	ACWA/JPIA	EMPLOYEE HEALTH BENEFITS	38,778.37
10/14	10/09/2014	18756	1000	ACWA/JPIA	EMPLOYEE VISION BENEFITS	635.40
10/14	10/09/2014	18756	1000	ACWA/JPIA	EMPLOYEE ASSISTANCE PROGRAM	65.78
10/14	10/09/2014	18756	1000	ACWA/JPIA	RETIRES HEALTH BENEFITS	7,448.96
10/14	10/09/2014	18756	1000	ACWA/JPIA	DIRECTORS HEALTH BENEFITS	6,616.66
Total 18756:						53,545.17
18757						
10/14	10/09/2014	18757	4600	AIRGAS USA LLC	OXY/ACETYLENE FOR TANK	133.03
10/14	10/09/2014	18757	4600	AIRGAS USA LLC	CUTTING TIPS FOR TORCH	27.08
Total 18757:						160.11
18758						
10/14	10/09/2014	18758	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	1,615.96
Total 18758:						1,615.96
18759						
10/14	10/09/2014	18759	3850	ATHENS SERVICES (MODERN SVC)	BULK ITEM	45.45
Total 18759:						45.45
18760						
10/14	10/09/2014	18760	62440	BNY MELLON N.A.	INVESTMENT MANAGEMENT	3,147.86
Total 18760:						3,147.86

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18761						
10/14	10/09/2014	18761	62524	BRITTNIE VAN DE CAR	MILEAGE REIMBURSEMENT	17.36
Total 18761:						17.36
18762						
10/14	10/09/2014	18762	403	CASELLE INC	APPLICATION SOFTWARE: UTILITY/SERVICE ORD	1,500.00
Total 18762:						1,500.00
18763						
10/14	10/09/2014	18763	62534	CINTAS DOCUMENT MANAGEMENT	SHREDDING SERVICE	40.80
Total 18763:						40.80
18764						
10/14	10/09/2014	18764	2125	DANIELS TIRE SERVICE	TIRE TRUCK 17	342.10
Total 18764:						342.10
18765						
10/14	10/09/2014	18765	62351	ELITE EQUIPMENT INC.	D1APHRAGM PUMP REPAIR	187.54
Total 18765:						187.54
18766						
10/14	10/09/2014	18766	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 18766:						170.00
18767						
10/14	10/09/2014	18767	379	HIGHROAD INFORMATION TECHNOL	BLUEBEAM REVU 12 EXTREME-ANNUAL MAINTEN	1,937.00
Total 18767:						1,937.00
18768						
10/14	10/09/2014	18768	244	INFOSEND INC	BILLING SERVICE	1,844.39
10/14	10/09/2014	18768	244	INFOSEND INC	BILLING SERVICE	24.10
Total 18768:						1,868.49
18769						
10/14	10/09/2014	18769	62517	INVENSYS SYSTEMS, INC.	IGP10-A22C1F (0-32 FT LEVEL TRANSMITTER)	4,754.00
10/14	10/09/2014	18769	62517	INVENSYS SYSTEMS, INC.	IGP10-A22D1F (0-300 PSI TRANSMITTER)	950.80
10/14	10/09/2014	18769	62517	INVENSYS SYSTEMS, INC.	TAXES	570.71
Total 18769:						6,275.51
18770						
10/14	10/09/2014	18770	62491	ITZEN ARCHITECTS INC	PRINCIPAL DESIGN COORDINATION	268.75
10/14	10/09/2014	18770	62491	ITZEN ARCHITECTS INC	PROJECT DESIGNER:DESIGN COORDIANTION, CL	481.25
10/14	10/09/2014	18770	62491	ITZEN ARCHITECTS INC	LANDSCAPE DESIGNER:CONCEPTUAL PLAN & PL	1,650.00
Total 18770:						2,400.00
18771						
10/14	10/09/2014	18771	3625	MAINTENANCE SHACK INC	3/4-10 X 3 1/2 HEX CAP SCREW 316 STAINLESS	578.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/14	10/09/2014	18771	3625	MAINTENANCE SHACK INC	3/4-10 HEX NUTS 316 STAINLESS	148.00
10/14	10/09/2014	18771	3625	MAINTENANCE SHACK INC	TAX	65.34
Total 18771:						791.34
18772						
10/14	10/09/2014	18772	62327	MATHIS GROUP	CONSULTING SERVICES	2,827.50
Total 18772:						2,827.50
18773						
10/14	10/09/2014	18773	62078	MCKINNEY CONSTRUCTION CO INC	contract work for construction of water services	17,325.00
Total 18773:						17,325.00
18774						
10/14	10/09/2014	18774	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	141.11
10/14	10/09/2014	18774	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR PBWA	37.67
Total 18774:						178.78
18775						
10/14	10/09/2014	18775	62582	PACIFIC HYDROTECH CORPORATION	Progress Payment 5 for Whittier Booster Station	253,317.02
Total 18775:						253,317.02
18776						
10/14	10/09/2014	18776	4500	PETTY CASH	MISC EXPENSES	132.69
Total 18776:						132.69
18777						
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	121.02
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	JE3403SG07 3/4" NO LEAD CORP	303.78
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	KS1100 1" X 100 TYPE K SOFT COPPER	486.00
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	KS160 1" X 60 TYPE K SOFT COPPER	291.60
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	SALES TAX	69.98
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	KS160 1" x 60' TYPE K SOFT COOPER	1,166.40
10/14	10/09/2014	18777	62502	S & J SUPPLY COMPANY, INC	TAX	104.98
Total 18777:						2,543.76
18778						
10/14	10/09/2014	18778	339	S C W U A	RESERVATION (4)	100.00
Total 18778:						100.00
18779						
10/14	10/09/2014	18779	336	SAN GABRIEL VALLEY NEWSPAPER	PUBLIC NOTICE	1,687.04
Total 18779:						1,687.04
18780						
10/14	10/09/2014	18780	62249	SECURE SITE SOLUTIONS INC	50 Percent Deposit for security system at Whittier Boo	11,850.00
Total 18780:						11,850.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18781						
10/14	10/09/2014	18781	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	35,455.44
10/14	10/09/2014	18781	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,939.49
Total 18781:						39,394.93
18782						
10/14	10/09/2014	18782	3550	SOUTHERN COUNTIES FUELS	DIESEL CLEAR	1,245.25
Total 18782:						1,245.25
18783						
10/14	10/09/2014	18783	62202	SPECTER INSTRUMENTS	ANNUAL RENEWAL OF SOFTWARE MAINT. & SUP	395.00
Total 18783:						395.00
18784						
10/14	10/09/2014	18784	62395	TRANSWORLD SYSTEMS INC	COLLECTION FEE	664.31
Total 18784:						664.31
18785						
10/14	10/09/2014	18785	62462	VERIZON	CONFERENCE CALLING	72.65
Total 18785:						72.65
18786						
10/14	10/09/2014	18786	62353	VERIZON BUSINESS	PHONE SYSTEM-VOIP/VOICE LINE	1,782.14
Total 18786:						1,782.14
18787						
10/14	10/09/2014	18787	205	WARREN GRAPHICS	MANDATE DROUGHT FLYERS & MAILERS	2,555.28
Total 18787:						2,555.28
18788						
10/14	10/09/2014	18788	62568	XCEPTIONAL NETWORKS, INC	MONTHLY AGREEMENT	300.00
Total 18788:						300.00
18790						
10/14	10/20/2014	18790	4750	PWR JT WATER LINE COMMISSION	614.6 AC FT-AUG 2014 WATER	537,775.00
10/14	10/20/2014	18790	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	7,370.26
10/14	10/20/2014	18790	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,066.91
10/14	10/20/2014	18790	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	2,301.90
Total 18790:						548,514.07
18791						
10/14	10/21/2014	18791	750	A & B ELECTRIC	BUILD FOUR 50FT 4/0 CABLES WITH POSI-LOK EN	3,982.00
Total 18791:						3,982.00
18792						
10/14	10/21/2014	18792	910	ACWA	REGISTRATION-ANTHONY LIMA	510.00
10/14	10/21/2014	18792	910	ACWA	REGISTRATION-SZU PEI LU-YANG	510.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/14	10/21/2014	18792	910	ACWA	REGISTRATION-ROBERT LEWIS	695.00
10/14	10/21/2014	18792	910	ACWA	REGISTRATION-ROSEMARIE PEREA	510.00
10/14	10/21/2014	18792	910	ACWA	REGISTRATION-JOHN BELLAH	695.00
Total 18792:						2,920.00
18793						
10/14	10/21/2014	18793	1050	ACWA JOINT POWERS INSURANCE A	WORKERS' COMP QUARTERLY PREMIUM	13,722.00
Total 18793:						13,722.00
18794						
10/14	10/21/2014	18794	4600	AIRGAS USA LLC	TANK RENTAL	63.61
Total 18794:						63.61
18795						
10/14	10/21/2014	18795	62528	AM CONSERVATION GROUP INC	HOSE NOZZLE-BLUE (250)	645.00
10/14	10/21/2014	18795	62528	AM CONSERVATION GROUP INC	HOSE NOZZLE-GREEN (250)	645.00
10/14	10/21/2014	18795	62528	AM CONSERVATION GROUP INC	FREIGHT	83.48
Total 18795:						1,373.48
18796						
10/14	10/21/2014	18796	322	AMERICAN WATER WORKS ASSN	2014 AWWA COMPENSATION SURVEY	192.90
Total 18796:						192.90
18797						
10/14	10/21/2014	18797	62576	ARCADIA RECLAMATION INC	HAULING DIRT	145.00
Total 18797:						145.00
18798						
10/14	10/21/2014	18798	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	218.19
Total 18798:						218.19
18799						
10/14	10/21/2014	18799	1400	BADGER METER INC	ORION LAPTOP: MAPPING SOFTWARE, ORION DP	11,990.00
Total 18799:						11,990.00
18800						
10/14	10/21/2014	18800	224	CALIF RURAL WATER ASSOCIATION	ANNUAL MEMBERSHIP DUES	1,060.00
Total 18800:						1,060.00
18801						
10/14	10/21/2014	18801	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 18801:						430.00
18802						
10/14	10/21/2014	18802	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,214.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 18802:						1,214.00
18803						
10/14	10/21/2014	18803	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	2,180.86
Total 18803:						2,180.86
18804						
10/14	10/21/2014	18804	62534	CINTAS DOCUMENT MANAGEMENT	SHREDDING SERVICE	40.80
Total 18804:						40.80
18805						
10/14	10/21/2014	18805	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	19,319.96
Total 18805:						19,319.96
18806						
10/14	10/21/2014	18806	285	CSDA	MEMBERSHIP DUES	5,691.00
Total 18806:						5,691.00
18807						
10/14	10/21/2014	18807	1270	DATA QUICK INFORMATION SYSINC	PROPERTY DATA INFO	100.00
Total 18807:						100.00
18808						
10/14	10/21/2014	18808	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	1,695.00
Total 18808:						1,695.00
18809						
10/14	10/21/2014	18809	330	FUEL PRO INC	ANNUAL MONITOR CERTIFICATION	675.00
Total 18809:						675.00
18810						
10/14	10/21/2014	18810	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	5,781.63
Total 18810:						5,781.63
18811						
10/14	10/21/2014	18811	244	INFOSEND INC	BILLING SERVICE	2,112.64
Total 18811:						2,112.64
18812						
10/14	10/21/2014	18812	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	460.00
Total 18812:						460.00
18813						
10/14	10/21/2014	18813	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 18813:						600.00
18814						
10/14	10/21/2014	18814	62586	JD PRINTING & MAILING	MAILING SERVICE	1,649.36
Total 18814:						1,649.36
18815						
10/14	10/21/2014	18815	62567	JOSHUA CLARK	TOTAL EXPENSES-CASELLE CONFERENCE	17.00
Total 18815:						17.00
18816						
10/14	10/21/2014	18816	62020	LA COUNTY DEPT OF PUBLIC WORKS	ANNUAL INDUSTRIAL WASTE INSPECTION FEE	306.00
Total 18816:						306.00
18817						
10/14	10/21/2014	18817	62583	LINCOLN FINANCIAL GROUP	LIFE INSURANCE	256.95
10/14	10/21/2014	18817	62583	LINCOLN FINANCIAL GROUP	SHORT/LONG TERM DISABILITY	963.14
Total 18817:						1,220.09
18818						
10/14	10/21/2014	18818	3625	MAINTENANCE SHACK INC	TOOL & SUPPLIES	30.41
10/14	10/21/2014	18818	3625	MAINTENANCE SHACK INC	TOOL & SUPPLIES	54.35
Total 18818:						84.76
18819						
10/14	10/21/2014	18819	233	MCCALL'S METER SALES & SVC	FIELD METER TEST	470.00
Total 18819:						470.00
18820						
10/14	10/21/2014	18820	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	48.47
Total 18820:						48.47
18821						
10/14	10/21/2014	18821	3925	NATIONAL SAFETY COUNCIL	MEMBERSHIP RENEWAL	395.00
Total 18821:						395.00
18822						
10/14	10/21/2014	18822	62476	NETWORKFLEET INC	MONTHLY SERVICE	399.20
Total 18822:						399.20
18823						
10/14	10/21/2014	18823	62377	OREILLY AUTOMOTIVE STORES INC	AUTO SUPPLIES	249.60
Total 18823:						249.60
18824						
10/14	10/21/2014	18824	62125	PREMIER ACCESS	EMPLOYEES' DENTAL BENEFITS	3,207.99

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
10/14	10/21/2014	18824	62125	PREMIER ACCESS	DIRECTORS DENTAL BENEFITS	541.90
10/14	10/21/2014	18824	62125	PREMIER ACCESS	RETIREEES' DENTAL BENEFITS	496.53
Total 18824:						4,246.42
18825						
10/14	10/21/2014	18825	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEE	9,348.74
10/14	10/21/2014	18825	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEE FOR SIX BA	11,425.59
10/14	10/21/2014	18825	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEE	1,540.00
10/14	10/21/2014	18825	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	350.63
10/14	10/21/2014	18825	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR SIX BASINS GROUNDWATER P	7,871.98
Total 18825:						30,536.94
18826						
10/14	10/21/2014	18826	62502	S & J SUPPLY COMPANY, INC	NEMA200 NEMA-200 DE-CHLORINATOR	848.02
10/14	10/21/2014	18826	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	82.14
Total 18826:						930.16
18827						
10/14	10/21/2014	18827	180	SEAN HENRY	MILEAGE REIMBURSEMENT	91.84
Total 18827:						91.84
18828						
10/14	10/21/2014	18828	62249	SECURE SITE SOLUTIONS INC	SYSTEM MAINTENANCE	1,989.00
Total 18828:						1,989.00
18829						
10/14	10/21/2014	18829	62166	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	58.00
Total 18829:						58.00
18830						
10/14	10/21/2014	18830	215	SOUTH COAST AQMD	ANNUAL OPERATING FEES	429.91
10/14	10/21/2014	18830	215	SOUTH COAST AQMD	EMISSIONS FEES	119.76
Total 18830:						549.67
18831						
10/14	10/21/2014	18831	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	710.11
10/14	10/21/2014	18831	62481	STAPLES ADVANTAGE	OFFICE SUPPLIES	16.99
Total 18831:						727.10
18832						
10/14	10/21/2014	18832	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	617.83
Total 18832:						617.83
18833						
10/14	10/21/2014	18833	35	TERESA M RYAN	MILEAGE REIMBURSEMENT-BUCKBOARD PARAD	117.60
Total 18833:						117.60

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
18834						
10/14	10/21/2014	18834	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	210.00
Total 18834:						210.00
18835						
10/14	10/21/2014	18835	2550	VERIZON CALIFORNIA	PHONE SERVICE	541.43
Total 18835:						541.43
18836						
10/14	10/21/2014	18836	7700	WALNUT VALLEY WATER DISTRICT	RECLAIMED WATER	1,376.83
Total 18836:						1,376.83
18837						
10/14	10/21/2014	18837	62084	WESTIN ENGINEERING INC	ENGINEERING-CMMS IMPLEMENTATION	9,905.00
Total 18837:						9,905.00
18838						
10/14	10/21/2014	18838	2212	WHITE NELSON DIEHL EVANS LLP	THIRD INTERIM BILLING FISCAL YR 6/30/14	5,500.00
Total 18838:						5,500.00
18839						
10/14	10/23/2014	18839	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	51.07
Total 18839:						51.07
18840						
10/14	10/23/2014	18840	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	691.32
10/14	10/23/2014	18840	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	154.62
10/14	10/23/2014	18840	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	23.82
Total 18840:						869.76
18841						
10/14	10/23/2014	18841	62327	MATHIS GROUP	CONSULTING SERVICES	3,888.00
Total 18841:						3,888.00
18842						
10/14	10/23/2014	18842	62078	MCKINNEY CONSTRUCTION CO INC	Mckinney Invoice	46,176.68
Total 18842:						46,176.68
18843						
10/14	10/23/2014	18843	5740	QUINN COMPANY	BACKHOE LOADER AND WORK TOOLS-SERIAL #0	142,207.50
Total 18843:						142,207.50
18844						
10/14	10/23/2014	18844	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	100.80
10/14	10/23/2014	18844	3360	ROBERT LEWIS	TOTAL EXPENSES-CSDA CONFERENCE	12.54

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 18844:						113.34
18845						
10/14	10/23/2014	18845	62593	STUDIO H LANDSCAPE ARCHITECTU	PROFESSIONAL LANDSCAPE ARCHITECTURAL SE	3,000.00
Total 18845:						3,000.00
18846						
10/14	10/23/2014	18846	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	44.58
Total 18846:						44.58
18859						
10/14	10/27/2014	18859	62250	AMERICAN BACKFLOW PREVENTION	MEMBERSHIP RENEWAL-DUSTY MOISIO	65.00
Total 18859:						65.00
18860						
10/14	10/27/2014	18860	400	AT&T MOBILITY	MOBILE PHONES, IPADS	2,215.43
Total 18860:						2,215.43
18861						
10/14	10/27/2014	18861	1400	BADGER METER INC	3" CONSTRUCTION METERS	3,313.08
Total 18861:						3,313.08
18862						
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	1,857.00
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	529.67
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	1,078.14
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	99.85
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	75.00
10/14	10/27/2014	18862	1476	BUSINESS CARD (VISA)	CONFERENCES & MISC EXPENSES	471.63
Total 18862:						4,111.29
18863						
10/14	10/27/2014	18863	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,448.75
Total 18863:						2,448.75
18864						
10/14	10/27/2014	18864	244	INFOSEND INC	BILLING SERVICE	1,733.47
10/14	10/27/2014	18864	244	INFOSEND INC	BILLING SERVICE	1,682.63
Total 18864:						3,416.10
18865						
10/14	10/27/2014	18865	3300	LAGERLOF SENECA ET AL	ATTORNEY FEES-MAIN BASIN	75.00
Total 18865:						75.00
18866						
10/14	10/27/2014	18866	62327	MATHIS GROUP	CONSULTING SERVICES	562.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 18866:						562.50
18867						
10/14	10/27/2014	18867	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	44.15
Total 18867:						44.15
18868						
10/14	10/27/2014	18868	62448	PARS	GASBY 45 MANAGEMENT FEE	311.81
Total 18868:						311.81
18869						
10/14	10/27/2014	18869	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROFESSIONAL FEES	3,363.33
10/14	10/27/2014	18869	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEES	481.25
10/14	10/27/2014	18869	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROJECT #PB13-0003 LABOR	227,435.70
10/14	10/27/2014	18869	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR CONSULTING FEE FOR SIX BA	6,166.01
10/14	10/27/2014	18869	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR PROJECT #PB13-0003 SUPPLI	1,375.00
Total 18869:						238,821.29
18870						
10/14	10/27/2014	18870	62562	RMC WATER AND ENVIRONMENT	RWD-RECYCLED WATER ON CALL SERVICES	8,490.50
10/14	10/27/2014	18870	62562	RMC WATER AND ENVIRONMENT	RWD POTABLE WATER ON CALL SERVICES	5,887.50
Total 18870:						14,378.00
18871						
10/14	10/27/2014	18871	62501	TW TELECOM	INTERNET & DATA	1,460.61
Total 18871:						1,460.61
101514						
10/14	10/15/2014	101514	62558	PUENTE BASIN WATER AGENCY	PM-22 CONNECTION	436,275.00
10/14	10/15/2014	101514	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,322.62
10/14	10/15/2014	101514	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,642.66
10/14	10/15/2014	101514	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	992.23
10/14	10/15/2014	101514	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	6,490.47
Total 101514:						446,722.98
Grand Totals:						2,519,893.71

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11172-0	19,504.46	.00	19,504.46
11185-0	173,587.83	.00	173,587.83
11505-0	775,285.56	.00	775,285.56
222100	169.32	2,520,063.03-	2,519,893.71-
51310-0	974,050.00	.00	974,050.00
51410-1	3,294.13	.00	3,294.13
51410-2	2,389.53	.00	2,389.53

GL Account	Debit	Credit	Proof
51410-3	1,642.66	.00	1,642.66
51410-5	13,860.73	.00	13,860.73
51510-0	20,696.79	.00	20,696.79
51910-0	4,903.33	.00	4,903.33
52210-0	3,982.00	.00	3,982.00
52310-0	41,237.07	.00	41,237.07
54210-0	2,793.87	.00	2,793.87
54211-0	9,133.30	169.32-	8,963.98
54212-0	3,806.90	.00	3,806.90
54213-0	154.62	.00	154.62
54214-0	2,777.99	.00	2,777.99
54215-0	930.16	.00	930.16
54216-0	6,670.51	.00	6,670.51
54219-0	263,660.69	.00	263,660.69
56210-0	2,730.30	.00	2,730.30
56211-0	3,759.67	.00	3,759.67
56212-0	192.90	.00	192.90
56214-0	3,572.19	.00	3,572.19
56215-0	7,286.00	.00	7,286.00
56216-0	1,768.63	.00	1,768.63
56217-0	479.25	.00	479.25
56218-0	75.00	.00	75.00
56218-1	831.88	.00	831.88
56219-0	8,954.38	.00	8,954.38
56220-0	6,358.22	.00	6,358.22
56221-0	9,646.11	.00	9,646.11
56223-0	5,018.22	.00	5,018.22
56311-0	13,722.00	.00	13,722.00
56312-0	20,376.08	.00	20,376.08
56320-0	13,251.86	.00	13,251.86
56411-0	38,778.37	.00	38,778.37
56413-0	3,207.99	.00	3,207.99
56414-0	617.83	.00	617.83
56415-0	635.40	.00	635.40
56416-0	256.95	.00	256.95
56417-0	9,561.45	.00	9,561.45
56418-0	963.14	.00	963.14
56419-0	65.78	.00	65.78
56421-0	7,158.56	.00	7,158.56
56510-0	549.67	.00	549.67
56710-0	411.26	.00	411.26
56811-0	5,500.00	.00	5,500.00
56812-0	2,654.00	.00	2,654.00
57310-0	2,400.00	.00	2,400.00
57312-0	2,272.78	.00	2,272.78
57314-0	3,293.80	.00	3,293.80
57315-0	2,448.75	.00	2,448.75
57316-0	14,378.00	.00	14,378.00
57319-0	1,373.48	.00	1,373.48
57321-0	845.00	.00	845.00
57322-0	306.00	.00	306.00
Grand Totals:	<u>2,520,232.35</u>	<u>2,520,232.35-</u>	<u>.00</u>

GL Account

Debit

Credit

Proof

Report Criteria:

Report type: GL detail

Report Criteria:
Detail Report

Check Number	Date	Payee					
18743	10/01/2014	TIM CHEK WONG					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	169812-31	DEPOSIT REFUND-2938 BLAKEMAN AVE	22810-0	152.38	152.38
18744	10/01/2014	YIGANG LI					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	433137-90	DEPOSIT REFUND-18603 VIDORA	22810-0	184.39	184.39
18745	10/01/2014	HONGXIA YUAN					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	211377-85	DEPOSIT REFUND-18672 NOTTINGHAM LANE	22810-0	226.81	226.81
18746	10/01/2014	ALEX CHENG C/O YUAN HAO CHENG					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	373090-92	DEPOSIT REFUND-16625 CHARIOT PL	22810-0	444.95	444.95
18747	10/01/2014	CHENGIN DUAN					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	742503-78	DEPOSIT REFUND-2209 PASO REAL	22810-0	199.27	199.27
18748	10/01/2014	GREG GABA					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	856054-62	DEPOSIT REFUND-18545 COLIMA RD	22810-0	54.28	54.28
18749	10/01/2014	INTERNATIONAL LINE BUILDERS INC					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	7496-00	DEPOSIT REFUND-CONSTRUCTION METER	22810-0	686.94	686.94
18750	10/01/2014	NATIONAL PLANT SERVICES					
		Sequence	Source	Description	GL Account	Amount	Check Amount
		1	44-00	DEPOSIT REFUND-CONSTRUCTION METER	22810-0	695.34	
		2	44-00	CREDIT REFUND	15210-0	240.52	935.86

Sequence	Source	Description	GL Account	Amount	Check Amount
18751	10/01/2014	DANIEL HAN			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	8207-63	DEPOSIT REFUND-16560 ELM HAVEN	15210-0	95.64	95.64
18752	10/01/2014	LYNN NOEL YUAN			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	68288-44	CREDIT REFUND-359 FRANKFURT AVE	15210-0	87.30	87.30
18753	10/01/2014	COLEEN CASADO			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	843275-11	CREDIT REFUND-18704 AGUIRO	15210-0	54.83	54.83
18754	10/01/2014	SHANG HSIEN YANG			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	106928-25	CREDIT REFUND-18879 AMBERLY PL	15210-0	71.30	71.30
18847	10/24/2014	BINGHUI ZHAO			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	246298-65	CREDIT REFUND-1939 AVENIDA DEL CANADA	15210-0	56.43	56.43
18848	10/24/2014	HENRY LEE			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	641115-64	CREDIT REFUND-18052 ROWLAND ST	15210-0	192.24	192.24
18849	10/24/2014	HAIHONG CHEN			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	389273-35	CREDIT REFUND-18703 MARIMA ST	15210-0	55.95	55.95
18850	10/24/2014	JCC CA PROPERTIES LLC			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	116-00	CREDIT REFUND-17651 COLIMA RD	15210-0	94.31	94.31
18851	10/24/2014	MOOREFIELD CONSTRUCTION			

Sequence	Source	Description	GL Account	Amount	Check Amount
1	45-00	CREDIT REFUND-17651 COLIMA (CONSTRUCTION	15210-0	248.92	
2	45-00	DEPOSIT REFUND	22810-0	702.98	951.90

18852 10/24/2014 JOEL DELGADO GARCIA

Sequence	Source	Description	GL Account	Amount	Check Amount
1	125330-11	DEPOSIT REFUND-1819 CAMBERLEY PLACE	22810-0	143.93	143.93

18853 10/24/2014 ANNA CHOU

Sequence	Source	Description	GL Account	Amount	Check Amount
1	319116-77	DEPOSIT REFUND-1916 SAMARA DR	22810-0	43.86	43.86

18854 10/24/2014 LI YANG

Sequence	Source	Description	GL Account	Amount	Check Amount
1	591524-15	DEPOSIT REFUND-1964 LOS PADRES DR	22810-0	393.75	393.75

18855 10/24/2014 GOLDEN STATE REALTY & INVEST

Sequence	Source	Description	GL Account	Amount	Check Amount
1	349131-52	DEPOSIT REFUND-1602 ORCHARD HILL	22810-0	127.40	127.40

18856 10/24/2014 YUAN SHI C/O WANBING TAN

Sequence	Source	Description	GL Account	Amount	Check Amount
1	532694-73	DEPOSIT REFUND-18414 FARJARDO ST	22810-0	144.96	144.96

18857 10/24/2014 DLL ENTERPRISES INC C/O MARTHA HODGE

Sequence	Source	Description	GL Account	Amount	Check Amount
1	157291-53	DEPOSIT REFUND-2430 POCATELLO AVE	22810-0	440.12	440.12

18858 10/24/2014 LI WEI

Sequence	Source	Description	GL Account	Amount	Check Amount
1	990501-56	DEPOSIT REFUND-2302 CHERRY GATE WAY	22810-0	76.42	76.42

18872 10/28/2014 JANICE YEH

<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>	<u>Check Amount</u>
1	62942-01	CREDIT REFUND	15210-0	1,593.03	1,593.03
Grand Totals:					<u>7,508.25</u>

Report Criteria:
Detail Report

Tab

1.5



Rowland Water District Memorandum

To: Kenneth Deck, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: November 3, 2014

Subject: Investment Update – October 2014

Economic Review: The next meeting of the Federal Reserve is scheduled for December 16th. The last meeting was held on October 28th. The Fed Funds rate remains at a target range of 0 to ¼ percent. At the meeting, the Federal Reserve stated “Labor market conditions improved somewhat further, with solid job gains and a lower unemployment rate. On balance, a range of labor market indicators suggest that underutilization of labor resources is gradually diminishing. Household spending is rising moderately and business fixed investment is advancing, while recovery in the housing sector remains slow. Inflation has continued to run below the Committee’s longer-run objective.” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 1.6 for the month of September. The previous reading was 1.8 in August.

LAIF Update: LAIF ended the month of September with a yield of 0.25%. This represents a .01 basis point decrease from the month of August. A comparison with last year shows LAIF .01 basis points lower than September 2013 when the yield stood at 0.26%.

RWD Investments: Rowland Water District’s bond portfolio carries an average yield of 1.38%. This represents a .02 basis point decrease from the month of September. This represents a 1.13 basis point premium to LAIF. The District had on bond purchase in the month of October. This was a \$240,000.00 Federal Farm Credit Bank with a yield of 1.25% and term of five years. The District CD Placement program carries an effective yield of 0.47% and an average maturity of 594 days.

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

ROWLAND WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
FOR MONTH ENDED OCTOBER 31, 2014



CASH	
Citizens Business Bank	751,218.75
Comerica Bank MMIA	10,429.01
TOTAL CASH	761,647.76

COMERICA SECURITIES CD PLACEMENT	NA	1mth - 2 Years	NA	NA	NA	0.47%	594	2,176,000.00	11.76%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	NA	NA	0.25%	NA	3,115,402.11	16.83%

BNY MELLON INVESTMENTS (UNION BANK CUSTODIAN)	Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
Fed Natl Mtg Assn	5 Year	100,000.00	101.835	100.119	11/20/14	2.63%	NA	100,119.00	0.54%
Fed Home Loan Mtg Corp	5 Year	250,000.00	100.896	100.734	02/09/15	2.88%	NA	251,835.00	1.36%
US Treasury Note	5 Year	250,000.00	99.489	100.980	03/31/15	2.50%	NA	252,450.00	1.36%
US Treasury Note	5 Year	250,000.00	102.016	101.172	04/30/15	2.50%	NA	252,930.00	1.37%
Fedl Natl Mtg Assn	5 Year	250,000.00	102.061	101.633	07/28/15	2.38%	NA	254,082.50	1.37%
US Treasury Note	5 Year	250,000.00	100.266	102.758	03/31/16	2.25%	NA	256,895.00	1.39%
US Treasury Note	5 Year	250,000.00	101.219	101.883	07/31/16	1.50%	NA	254,707.50	1.38%
US Treasury Note	5 Year	250,000.00	101.231	100.953	10/31/16	1.00%	NA	252,382.50	1.36%
Fedl Natl Mtg Assn	5 Year	250,000.00	100.639	101.509	11/15/16	1.38%	NA	253,772.50	1.37%
US Treasury Note	5 Year	250,000.00	99.942	100.664	11/30/16	0.88%	NA	251,660.00	1.36%
Fed Natl Mtg Assn	5 Year	200,000.00	101.194	101.162	01/30/17	1.25%	NA	202,324.00	1.09%
Fed Natl Mtg Assn	5 Year	250,000.00	100.083	99.755	08/28/17	0.88%	NA	249,387.50	1.35%
US Treasury Note	5 Year	250,000.00	99.559	99.117	09/30/17	0.63%	NA	247,792.50	1.34%
Fed Natl Mtg Assn	5 Year	250,000.00	100.019	99.339	12/20/17	0.88%	NA	248,347.50	1.34%
Fed Home Loan Mtg Corp	5 Year	200,000.00	99.289	99.120	01/12/18	0.75%	NA	198,240.00	1.07%
US Treasury Note	5 Year	200,000.00	99.742	98.734	02/28/18	0.75%	NA	197,468.00	1.07%
US Treasury Note	4 Year	250,000.00	99.539	100.430	06/30/18	1.38%	NA	251,075.00	1.36%
Fed Natl Mtg Assn	5 Year	500,000.00	100.300	98.446	05/21/18	0.88%	NA	492,230.00	2.66%
US Treasury Note	5 Year	250,000.00	99.727	100.141	09/30/18	1.38%	NA	250,352.50	1.35%
US Treasury Note	5 Year	250,000.00	99.868	99.945	11/30/18	1.38%	NA	249,862.50	1.35%
US Treasury Note	5 Year	250,000.00	99.137	100.297	12/31/18	1.50%	NA	250,742.50	1.35%
US Treasury Note	5 Year	250,000.00	100.172	100.180	01/31/19	1.50%	NA	250,450.00	1.35%
US Treasury Note	5 Year	250,000.00	99.140	100.102	02/28/19	1.50%	NA	250,255.00	1.35%
US Treasury Note	5 Year	250,000.00	99.617	100.508	03/31/19	1.63%	NA	251,270.00	1.35%
US Treasury Note	5 Year	250,000.00	98.719	98.836	04/30/19	1.26%	NA	247,090.00	1.35%
Cash Reserve Account						0.01%		54,467.83	0.29%
Total BNY Mellon Investments								6,272,188.83	33.88%

MERRILL LYNCH INVESTMENTS (UNION BANK CUSTODIAN)	Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
Fedl Home Loan Bank	5 Year	300,000.00	100.687	100.288	12/12/14	2.75%	NA	300,864.00	1.63%
Fedl Home Loan Bank	4 Year	245,000.00	99.270	100.124	12/12/14	1.25%	NA	245,303.80	1.33%
Fedl Natl Mtg Assn	5 Year	480,000.00	100.625	101.359	09/28/16	1.25%	NA	486,523.20	2.63%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.898	101.509	11/15/16	1.38%	NA	507,545.00	2.74%
Fedl Home Loan Mtg Corp	5 Year	465,000.00	100.427	100.598	03/08/17	1.00%	NA	467,780.70	2.53%
Fedl Home Loan Mtg Corp	5 Year	250,000.00	102.124	100.949	05/12/17	1.25%	NA	252,372.50	1.36%
Fedl Home Loan Mtg Corp	5 Year	250,000.00	100.793	100.322	06/29/17	1.00%	NA	250,805.00	1.35%
Fedl Natl Mtg Assn	5 Year	485,000.00	101.342	99.755	08/28/17	0.88%	NA	483,811.75	2.61%
Fedl Natl Mtg Assn	5 Year	495,000.00	100.650	99.339	12/20/17	0.88%	NA	491,728.05	2.66%
Fedl Home Loan Mtg Corp	5 Year	495,000.00	100.066	99.120	01/12/18	0.75%	NA	490,644.00	2.65%
Fedl Natl Mtg Assn	5 Year	495,000.00	100.448	98.870	02/08/18	0.88%	NA	489,406.50	2.64%
Fedl Home Loan Mtg Corp	5 Year	495,000.00	100.392	98.803	03/07/18	0.88%	NA	489,074.85	2.64%
Fedl Natl Mtg Assn	5 Year	500,000.00	100.530	98.446	05/21/18	0.88%	NA	492,230.00	2.66%
Fedl Natl Mtg Assn	4 Year	250,000.00	98.671	99.049	09/27/18	1.27%	NA	247,622.50	1.34%
Fedl Natl Mtg Assn	5 Year	245,000.00	100.061	100.457	11/27/18	1.63%	NA	246,119.65	1.33%
Fedl Farm Credit Bank	5 Year	240,000.00	98.229	96.543	10/22/19	1.29%	NA	231,703.20	1.25%
ML Bank Deposit (Cash Account)						0.01%		12,118.72	0.07%
Total Merrill Lynch Investments								6,185,653.42	33.42%

TOTAL INVESTMENTS		17,749,244.36	100%
TOTAL CASH AND INVESTMENTS		18,510,892.12	
Weighted Average Yield of Total Investment Portfolio:	0.97%		

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


 Sean S. Henry, Finance Officer



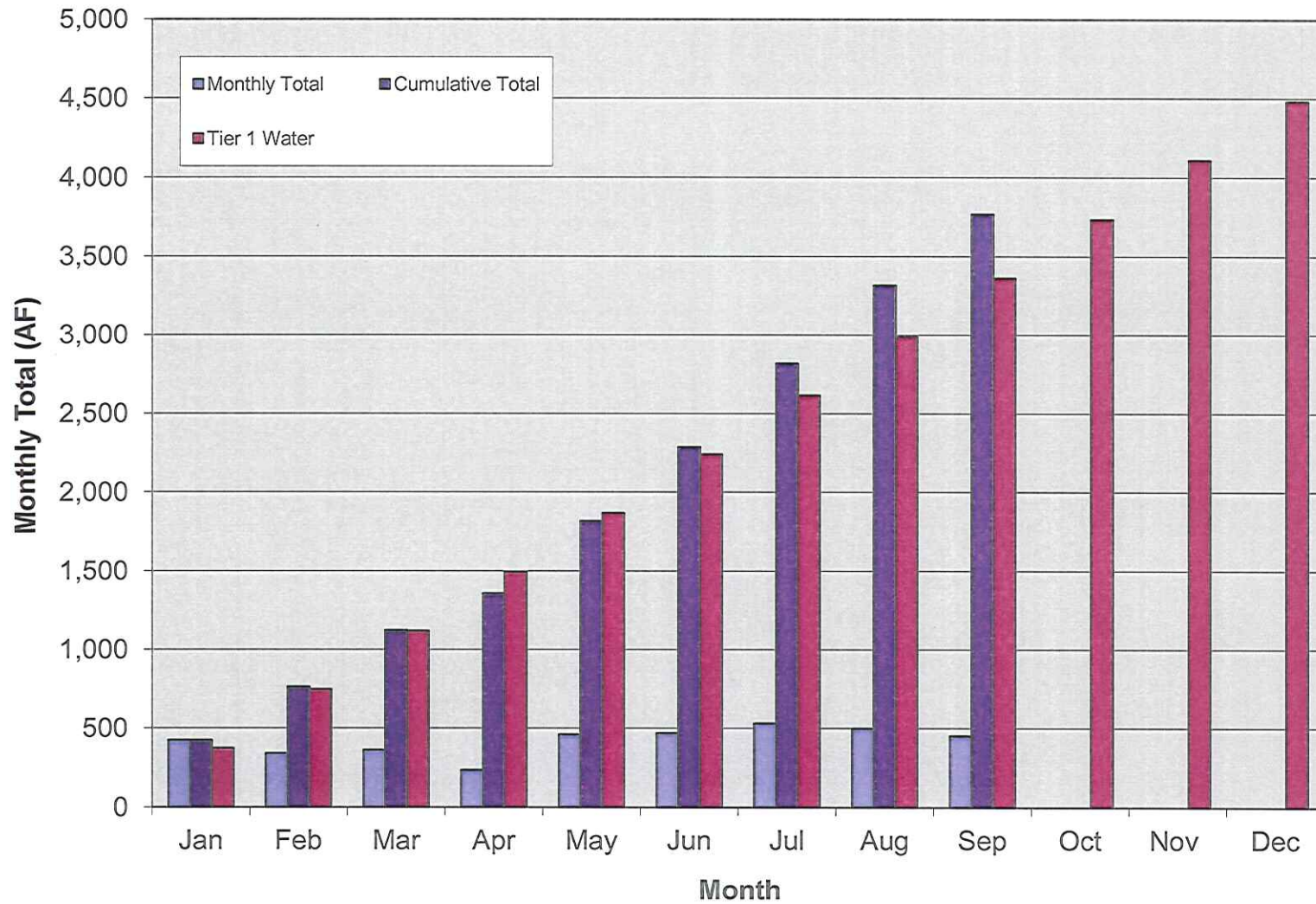
COMPARATIVE PURCHASED WATER REPORT FOR THE MONTH OF SEPTEMBER 2014

SOURCE / DESCRIPTION	2014			2013		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
WATER CHARGES:						
POTABLE WATER						
PUENTE BASIN WATER AGENCY / TVMWD	451.2	394,800.00	875.00	588.2	499,381.80	849.00
POMONA-WALNUT-ROWLAND JWLC	607.8	531,825.00	875.00	590.1	500,995.00	849.00
LA HABRA HEIGHTS						
WATER REPLENISHMENT DISTRICT (WRD)						
	1,059.0	926,625.00		1,178.3	1,000,376.80	
RECLAIMED WATER	87.6	20,696.79	236.26	107.1	26,253.27	245.13
TOTAL WATER CHARGES	1,146.6	947,321.79		1,285.4	1,026,630.07	
FIXED CHARGES:						
PUENTE BASIN WATER AGENCY / TVMWD						
CAPACITY RESERVATION		6,490.47			4,943.57	
CONNECTED CAPACITY		1,322.62			3,044.54	
WATER USE CHARGE		992.23			1,769.32	
EQUIV. SMALL METER		1,642.66			3,811.55	
SUBTOTAL		10,447.98			13,568.98	
PWR JWLC						
CAPACITY RESERVATION		7,370.26			5,801.72	
CONNECTED CAPACITY		1,066.91			2,455.93	
WATER USE CHARGE		2,301.90			5,826.17	
DEPRECIATION		1,389.00			1,389.00	
REPLACEMENT		1,910.00			1,910.00	
PWR BUDGET ASSESSMENT		7,797.00			7,797.00	
SUBTOTAL		21,835.07			25,179.82	
LHH						
WHEELING CHARGE						
SUBTOTAL						
TOTAL FIXED CHARGES		32,283.05			38,748.80	
TOTAL PURCHASED WATER CHARGES		979,604.84			1,065,378.87	
AVERAGE WATER CHARGE:		\$ 854.36			\$ 828.83	

Rowland Imported Water Purchases PM-22 Tier 1 (in Acre-Feet)
Calendar Year 2014
Year to Date Invoiced as of 1/1/14

	ACTUAL			ESTIMATED			Percentage Difference
	Monthly Total	Cumulative Total	Balance in Tier 1 (4,482 AF)	Cumulative Total	Acre Foot Difference		
Jan	423.0	423.0	4,059.0	373.5	49.5	13.25%	
Feb	339.3	762.3	3,719.7	747	15.3	2.05%	
Mar	361.3	1,123.6	3,358.4	1120.5	3.1	0.28%	
Apr	233.2	1,356.8	3,125.2	1494	-137.2	-9.18%	
May	459.5	1,816.3	2,665.7	1867.5	-51.2	-2.74%	
Jun	469.1	2,285.4	2,196.6	2241	44.4	1.98%	
Jul	532.5	2,817.9	1,664.1	2614.5	203.4	7.78%	
Aug	498.6	3,316.5	1,165.5	2988	328.5	10.99%	
Sep	451.2	3,767.7	714.3	3361.5	406.2	12.08%	
Oct				3735	-3735	-100.00%	
Nov				4108.5	-4108.5	-100.00%	
Dec				4482	-4482	-100.00%	

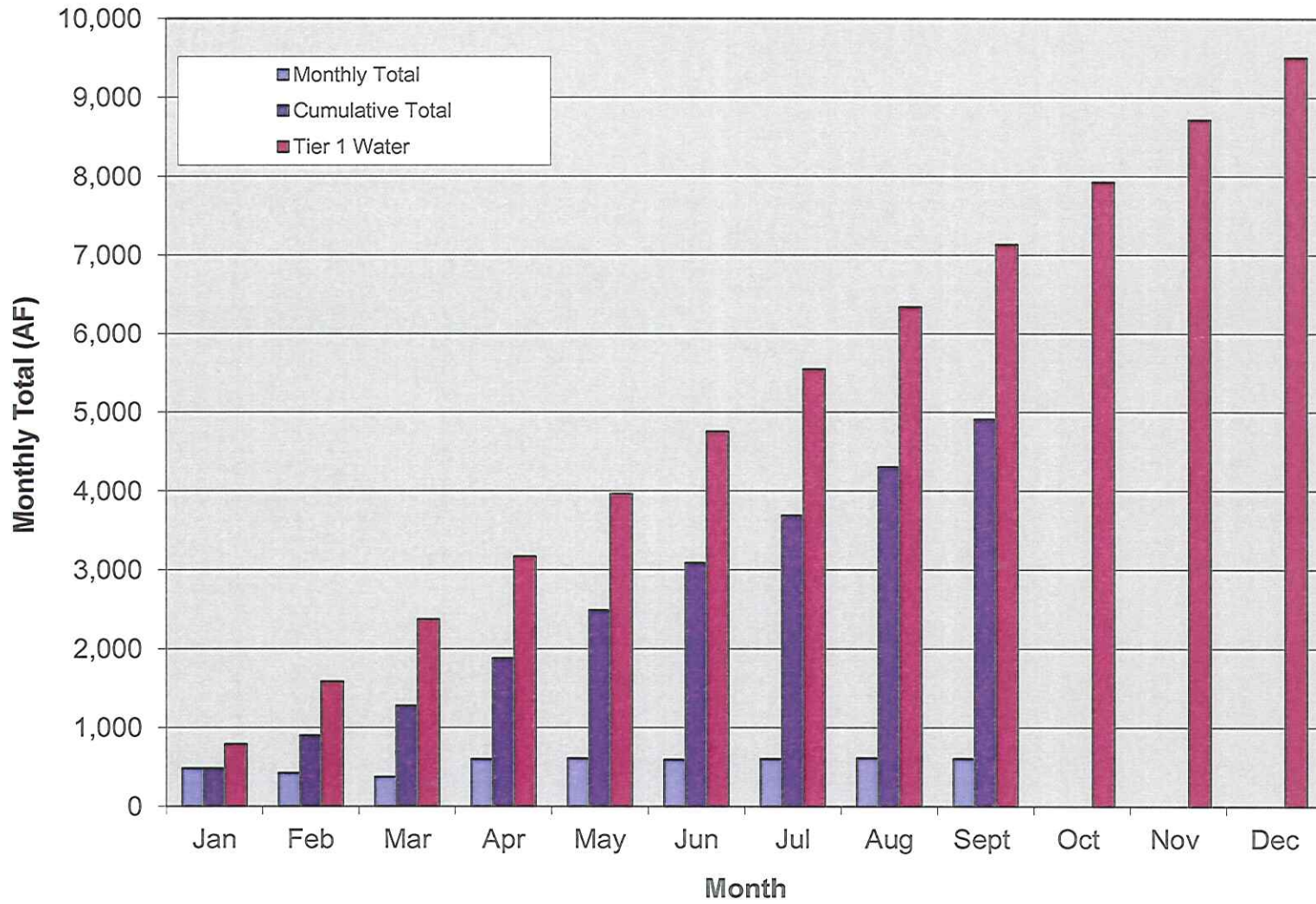
CY 2014 PM-22 Water Purchases



Rowland JWL Purchases Tier-1 (in Acre-Feet)
Calendar Year 2014
Year to Date Invoiced as of 1/1/14

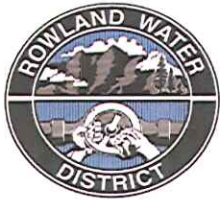
	ACTUAL			ESTIMATED		
	Monthly Total	Cumulative Total	Balance in Tier 1 (9,508 AF)	Cumulative Total	Acre Foot Difference	Percentage Difference
Jan	482.6	482.6	9,025.4	792	-310	-39.09%
Feb	422.0	904.6	8,603.4	1,585	-680	-42.92%
Mar	375.0	1,279.6	8,228.4	2,377	-1,097	-46.17%
Apr	600.6	1,880.2	7,627.8	3,169	-1,289	-40.68%
May	611.1	2,491.3	7,016.7	3,962	-1,470	-37.11%
Jun	594.0	3,085.3	6,422.7	4,754	-1,669	-35.10%
Jul	603.1	3,688.4	5,819.6	5,546	-1,858	-33.50%
Aug	614.5	4,302.9	5,205.1	6,339	-2,036	-32.12%
Sept	607.8	4,910.7	4,597.3	7,131	-2,220	-31.14%
Oct				7,923	-7,923	-100.00%
Nov				8,716	-8,716	-100.00%
Dec				9,508	-9,508	-100.00%

CY 2014 Rowland JWL Purchases



Tab

1.6

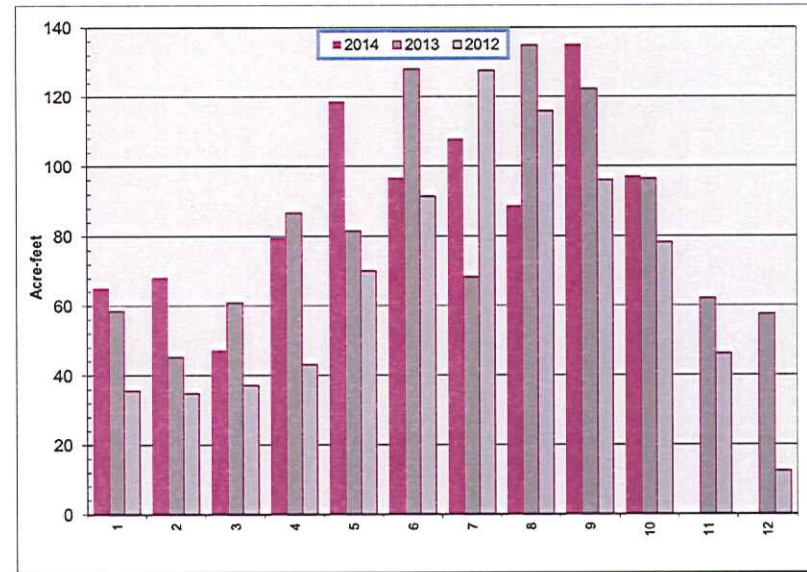
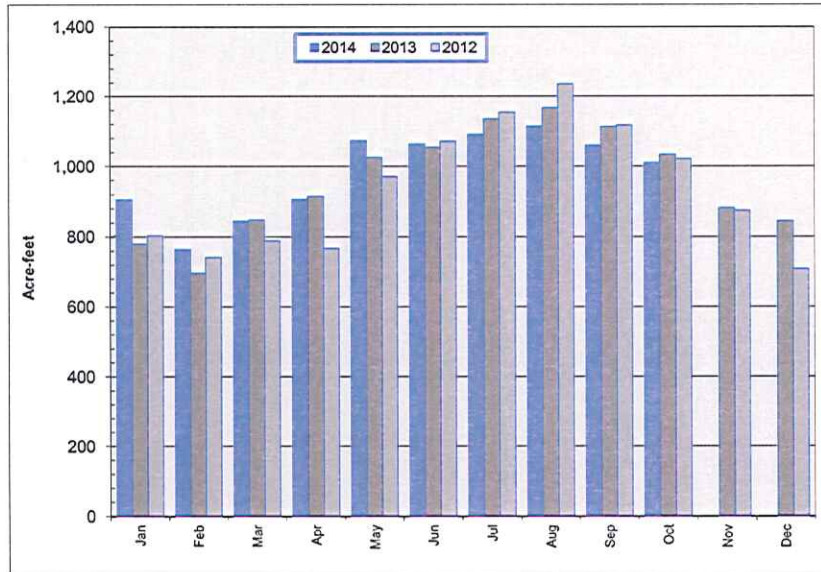


Water Purchases for CY 2014 (Acre-feet)

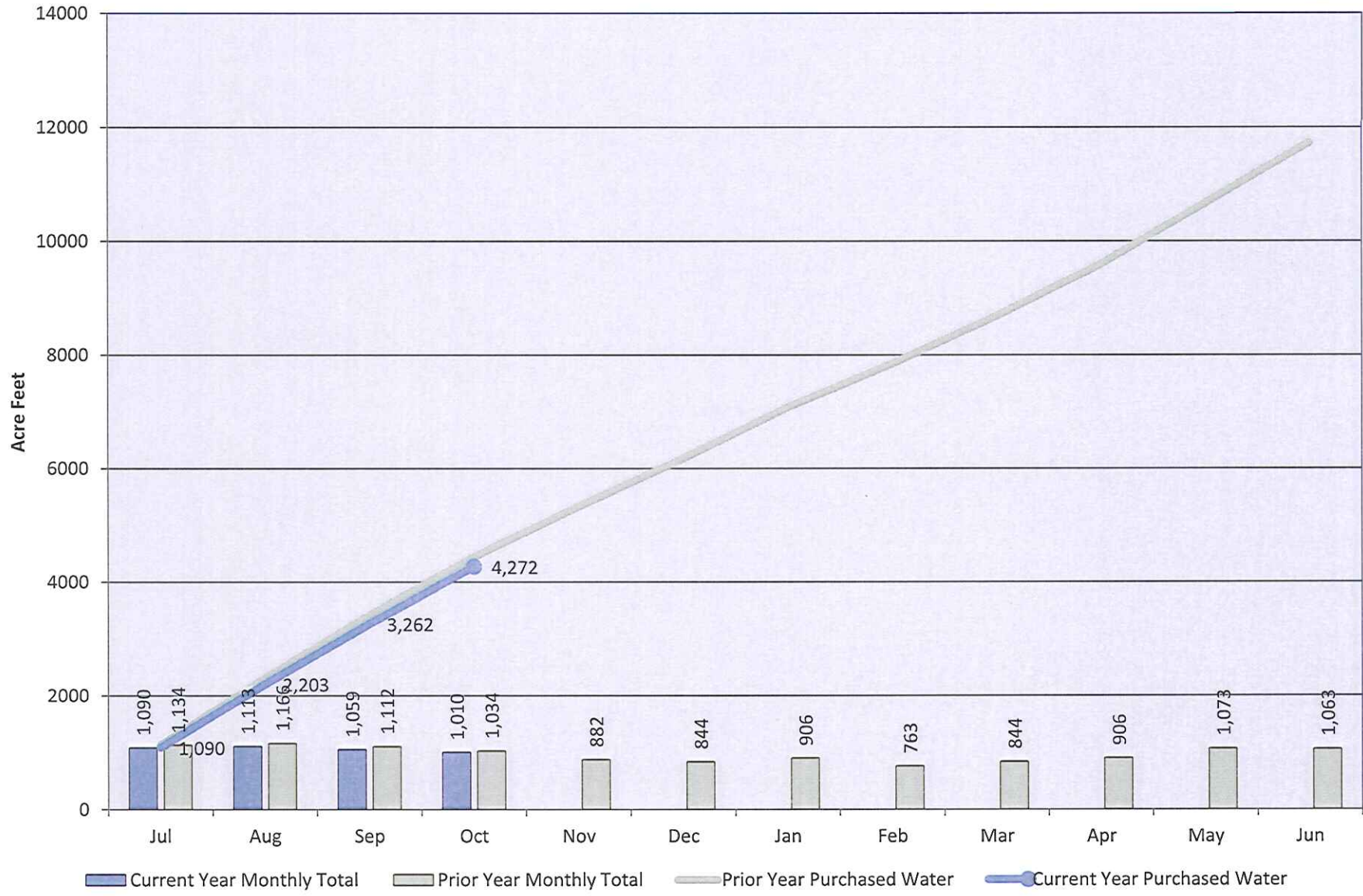


	POTABLE SYSTEM				TOTAL
	LHH	PM-22	JWL		
			PM-15	Miramar	
JAN	0.0	423.0	332.4	150.2	905.6
FEB	2.0	339.3	315.0	107.0	763.3
MAR	107.7	361.3	250.1	125.0	844.1
APR	72.3	233.2	449.2	151.4	906.1
MAY	2.4	459.5	486.4	124.6	1,072.9
JUN	0.0	469.1	483.0	110.9	1,063.0
JUL	0.0	496.1	483.0	110.9	1,090.0
AUG	0.0	498.6	558.8	55.8	1,113.2
SEP	0.0	451.2	576.0	31.8	1,059.0
OCT	4.7	469.3	499.9	35.9	1,009.8
NOV					0.0
DEC					0.0
TOTAL	189.1	4,200.6	4,433.8	1,003.5	9,827.0

RECYCLED SYSTEM					
Well 1	Wet Well	WVWD	Industry	Potable Make-up	TOTAL
0.0	20.5	1.0	43.7	0.0	65.2
0.0	13.2	1.0	54.1	0.0	68.3
0.0	10.6	1.0	35.7	0.0	47.3
0.0	30.8	1.0	47.9	0.0	79.7
0.0	27.2	3.0	88.5	0.0	118.7
3.2	27.4	5.0	61.1	0.0	96.7
24.2	15.9	6.0	61.8	0.0	107.9
21.8	9.1	3.0	55.0	0.0	88.9
32.2	15.4	4.0	83.6	0.0	135.2
17.3	21.0	3.0	55.9	0.0	97.2
					0.0
					0.0
					0.0
98.7	191.1	28.0	587.3	0.0	905.1



Potable Water Purchases For FY 2013-2014 (Acre-feet)



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

JUNE 30, 2014 AND 2013

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ROWLAND WATER DISTRICT

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June 30, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rowland Water District
Rowland Heights, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Rowland Water District (the District), which comprise the statements of net position as of June 30, 2014 and 2013, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rowland Water District as of June 30, 2014 and 2013 and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, 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.

Irvine, California
REPORT DATE

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

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, 2014. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Fiscal Year 2014

- The District's total net position decreased by \$535,573 or .88 percent
- During the year, the District's total revenues increased to \$21,945,277 or 11.54 percent, and total expenses increased to \$22,536,752 or 4.77 percent

Fiscal Year 2013

- The District's total net position decreased by \$1,507,637 or 2.41 percent.
- During the year, the District's total revenues increased to \$19,675,001 or 13.68 percent, and total expenses increased to \$21,511,277 or 15.70 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

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

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

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 2014	Fiscal Year 2013	Dollar Change	Fiscal Year 2012 (As Restated)	Dollar Change
Assets:					
Current, restricted and other assets	\$ 45,403,134	\$ 46,222,653	\$ (819,519)	\$ 24,229,635	\$ 21,993,018
Capital assets	59,617,090	60,182,455	(565,365)	61,698,032	(1,515,577)
Total Assets	105,020,224	106,405,108	(1,384,884)	85,927,667	20,477,441
Liabilities:					
Current liabilities	4,469,452	4,234,140	235,312	2,905,496	1,328,644
Noncurrent liabilities	39,956,000	41,040,623	(1,084,623)	20,384,189	20,656,434
Total Liabilities	44,425,452	45,274,763	(849,311)	23,289,685	21,985,078
Net Position:					
Net investment in capital assets	41,272,337	41,843,787	(571,450)	42,145,449	(301,662)
Restricted	1,503,963	1,477,654	26,309	1,524,688	(47,034)
Unrestricted	17,818,472	17,808,904	9,568	18,967,845	(1,158,941)
Total Net Position	\$ 60,594,772	\$ 61,130,345	\$ (535,573)	\$ 62,637,982	\$ (1,507,637)

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

NET POSITION (CONTINUED)

As can be seen from Table 1, total assets decreased \$1,384,884 from fiscal year 2013 to 2014. The decrease comes from current, restricted and other assets that saw an \$819,519 or 1.77% decrease from fiscal year 2013. This decrease was caused by the 2012 Puente Basin Water Agency Revenue Bond. These funds will be used to upgrade facilities and for other projects that will help reduce the District's reliability on imported water sources. The District, through its Joint Powers Agreement with Puente Basin Water Agency, entered into a Water Rights Lease Agreement with the Cal Domestic Water Company. The total amount of the lease is \$1,575,000 with the Rowland Water District's portion being \$787,500.

Large projects completed during fiscal year 2014 included:

RWD/LHHCWD Interconnection

In an effort to secure water reliability for the customers of the Rowland Water District, the District entered into an agreement with Orchard Dale Water District (ODWD) and La Habra Heights County Water District (LHHCWD) to utilize the District's ground water rights in the Central Basin. Through the agreement, the District is able to bring water from the Central Basin through ODWD and LHHCWD into RWD's distribution system. New infrastructure was required to connect those water systems to the District's water system.

The new infrastructure included the addition of 3,800 feet of 12" pipeline and the construction of a 682 sq. ft. building for flow control and chemical injection. The District will convert the free chlorine residual of the Central Basin water to a chloramines residual to match the existing water within the water system. The water from the Central Basin enters the Interconnection building where it first goes through a flow control/pressure reducing valve before being treated with sodium hypochlorite then aqueous ammonia to create a chloramines residual. Chemical injection is done by two Pulsafeeder diaphragm pumps fed from 1,100 gallon sodium hypochlorite tanks and a 275 gallon aqueous ammonia tank. Treated water is run through a static mixer before being introduced into the water system. This addition of chemicals required the District to amend its operating permit with the California Department of Public Health.

The construction of the building also included the installation of a complete telemetry system to remotely operate and monitor all functions of the facility. Additionally, the District installed a security system connected to the District's alarm monitoring company.

A further review shows total liabilities increased by \$21,870,328 or 93.91% from fiscal year 2013 to 2014. The majority of that increase was due to the Puente Basin Water Agency issuing \$19,835,000 in water revenue bonds, 2012 series A in order to finance the acquisition of certain water system improvements of Rowland Water District and entities that will help Rowland Water District reduce its future dependence on imported water.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

NET POSITION (CONTINUED)

TABLE 2

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Fiscal Year 2012 (As Restated)	Dollar Change
Revenues:					
Operating revenues	\$ 21,000,529	\$ 18,862,463	\$ 2,138,066	\$ 16,354,144	\$ 2,508,319
Nonoperating revenues	944,748	812,538	132,210	953,040	(140,502)
Total Revenues	21,945,277	19,675,001	2,270,276	17,307,184	2,367,817
Expenses:					
Operating expenses	20,504,612	19,278,221	1,226,391	17,270,674	2,007,547
Nonoperating expenses	2,032,140	2,233,056	(200,916)	1,321,804	911,252
Total Expenses	22,536,752	21,511,277	1,025,475	18,592,478	2,918,799
Income (loss) before Capital Contributions	(591,475)	(1,836,276)	1,244,801	(1,285,294)	(550,982)
Capital contributions	55,902	328,639	(272,737)	164,056	164,583
Change in Net Position	(535,573)	(1,507,637)	972,064	(1,121,238)	(386,399)
Beginning Net Position, as Restated	61,130,345	62,637,982	(1,507,637)	63,759,220	(1,121,238)
Ending Net Position, as Restated	<u>\$ 60,594,772</u>	<u>\$ 61,130,345</u>	<u>\$ (535,573)</u>	<u>\$ 62,637,982</u>	<u>\$ (1,507,637)</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, Loss before Capital Contributions of \$(591,475) and Capital Contributions of \$55,902 resulted in a decrease in ending net position of \$(535,573) or an decrease of 64.48% in fiscal year 2014.

A closer examination of the source of changes in Net Position reveals that the District's total revenues increased by \$2,270,276 or 11.54% in fiscal year 2014. Of this amount, operating revenues increased by \$2,138,066 or 11.34% and its nonoperating revenues increased by \$132,210 or 16.27% in the past fiscal year.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

June 30, 2014

NET POSITION (CONTINUED)

The main factor attributing to the increase in operating revenues was an increase in the water rate and service charge that became effective on January 1, 2014. The base rate increase \$0.10 from \$2.52 to \$2.62 or 3.96%. Water use over 16 hcf is paid at a higher rate. The monthly service charge for standard 5/8" to 3/4" meters increased \$.71 from \$23.53 to \$24.24 or 3.02%. The District continues to use conservation rates that were initially implemented in January, 2009. The conservation rates as of January, 2014 were a base rate of \$2.62 for 1-16 hcf, \$3.01 for 17-23 hcf, and \$3.80 for 24+ hcf. The District has six different pumping zones. Pumping charges cover the energy costs to pump water to each zone of elevation over Zone 1. The additional pumping cost is added to the base rate if the property resides in Zone 2 through Zone 6.

Nonoperating revenues increased significantly in 2014. The main reason for this was an increase in interest expense due to the 2012 Puente Basin Water Agency issuing water revenue bonds for use by Rowland Water District. Interest Expense increased by \$457,743 or 40.55% over the past fiscal year. The District also incurred \$233,778 in debt issuance costs. The District had unrestricted cash and investments totaling \$17,568,206, ending the fiscal year, a decrease of \$1,399,639 from 2013. This decrease caused a reduction in interest and dividend income along with a continual declining interest rate environment. The District's cash and investments are held in cash, short-term CD's, money market mutual funds, government bonds and treasury bills. A comparison for these types of investments can be the State of California Local Agency Investment Fund (LAIF). LAIF saw its yield reduced from 0.24% ended fiscal year 2013 to 0.24% ended fiscal year 2014. Realized and unrealized loss on investments decreased \$(319,539) or 80.84%. This is a decrease in the value of the District's bond portfolio as new issues are purchased at lower interest rates. This causes the value of the portfolio to decrease as lowering yielding securities replace higher yielding ones in times of declining interest rates. It is important to note that this is a reduction in the unrealized gain or book value of the portfolio only.

Total operating revenues increased by \$2,138,066 or 11.34% while operating expenses increased by 6.36%. This resulted in an operating gain of \$911,675 in fiscal year 2014. While the District saw total water sales revenue increase by \$1,633,011 or 12.38% from fiscal year 2013, Source of Supply costs increased \$639,569 or 6.38% from fiscal year 2013. Source of Supply includes the cost of potable and reclaimed water along with MWD and TVMWD fixed charges. The average cost of an acre foot of water increased 3.06% from \$849 in 2013 to \$875 in 2014. Fixed charges remained consistent from fiscal year 2013 to 2014. General and administrative expense saw a decrease of \$236,035 or 5.56%. The majority of this decrease comes from pension plan contributions and service charges. In 2013, the District paid off its CalPERS side fund of approximately \$384,000. CalPERS-charged 7.50% interest on this fund and the District reserves are yielding approximately 1.00%. By eliminating this, the District employer contribution rate to CalPERS was reduced from 17.677% to 14.660% in fiscal year 2013-2014. Service charges and office supplies and expenses saw increases due to licensing fees for District software programs such as CIP Planner, CMMS, and additional computer hardware and software support for these additional systems. Also, bank charges increased due to additional trustee and management fees to support the 2012 revenue bond during 2013. Depreciation expense for fiscal year 2014 was \$2,236,199. It is important to note that depreciation expense is the yearly accumulated depreciation on the District capital assets, not an amount paid directly by the District for the cost of the depreciated assets. The District does continue to fund 80% of depreciation of Rowland Water District assets through its rates and charges.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

BUDGETARY HIGHLIGHTS

TABLE 3
Budget vs. Actual

	Fiscal Year 2014		
	Actual	Budget	Variance
Revenues:			
Operating revenues	\$ 21,000,529	\$ 19,960,000	\$ 1,040,529
Nonoperating revenues	944,748	550,000	394,748
Total Revenues	21,945,277	20,510,000	1,435,277
Expenses:			
Operating Expenses:			
Source of supply	10,672,714	10,225,000	(447,714)
Pumping and power	950,494	875,000	(75,494)
Transmission and distribution	2,150,763	1,045,000	(1,105,763)
Customer services	126,886	135,000	8,114
Depreciation expenses	2,236,199	1,855,000	(381,199)
Other operating expenses	466,674	265,000	(201,674)
General and administrative expenses	3,900,882	4,467,000	566,118
Total Operating Expenses	20,504,612	18,867,000	(1,637,612)
Nonoperating expenses	2,032,140	2,800,000	767,860
Total Expenses	22,536,752	21,667,000	(869,752)
Capital Contributions	55,902	-	55,902
Change in Net Position	\$ (535,573)	\$ (1,157,000)	\$ 621,427

In looking at Table 3, Budget vs. Actual, the discrepancy in net income over budgeted change in net position and change in net position is \$(535,573) or 53.71%. Total Revenues shows a positive variance of \$1,435,277 or 6.54% from actual.

Total operating expenses saw a negative variance of \$1,637,612 or 7.98%. Nonoperating expenses saw a positive variance of \$767,860 or 37.79% from actual. These expenses account for the interest expense and the amortization expense bond issuance cost associated with the 2012 Puente Basin Water Agency Revenue Bond and interest expense on the 2008 Recycled Water Certificate of Participation. Total expenses showed a 4.01% variance above the budgeted amount.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of fiscal year 2014, the District had invested \$59,617,090 in a broad range of infrastructure as shown in Table 4.

**TABLE 4
Capital Assets**

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Fiscal Year 2012 (As Restated)	Dollar Change
Capital assets, not being depreciated:					
Land	\$ 261,340	\$ 261,340	\$ -	\$ 261,340	\$ -
Water rights	5,000	5,000	-	5,000	-
Construction in progress	864,310	1,016,046	(151,736)	3,103,632	(2,087,586)
Total capital assets, not being depreciated	1,130,650	1,282,386	(151,736)	3,369,972	(2,087,586)
Capital assets, being depreciated:					
Intangible plant	1,022,551	1,022,551	-	877,484	145,067
Sources of supply plant	2,058,703	2,058,703	-	1,998,543	60,160
Pumping plant	10,037,819	10,037,819	-	10,037,819	-
Transmission and distribution plant	62,774,393	62,575,537	198,856	60,363,747	2,211,790
Telemetry equipment	1,354,235	1,354,235	-	1,332,302	21,933
General plant	570,451	550,403	20,048	550,403	-
Office building and equipment	6,056,639	4,544,906	1,511,733	4,321,686	223,220
Transportation equipment	790,997	769,259	21,738	647,923	121,336
Communication equipment	133,902	133,902	-	133,902	-
Total capital assets, being depreciated	84,799,690	83,047,315	1,752,375	80,263,809	2,783,506
Less accumulated depreciation	(26,313,250)	(24,147,246)	(2,166,004)	(21,935,749)	(2,211,497)
Total capital assets, being depreciated, net	58,486,440	58,900,069	(413,629)	58,328,060	572,009
Total capital assets, net	\$ 59,617,090	\$ 60,182,455	\$ (565,365)	\$ 61,698,032	\$ (1,515,577)

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

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

DEBT ADMINISTRATION

At the end of fiscal year 2014, the District had noncurrent liabilities totaling \$40,671,000 as shown in Table 5.

**TABLE 5
Noncurrent Liabilities**

	Fiscal Year 2014	Fiscal Year 2013	Dollar Change	Fiscal Year 2012 (As Restated)	Dollar Change
Certificates of Participation, net	\$ 18,949,753	\$ 19,258,668	\$ (308,915)	\$ 19,552,583	\$ (293,915)
Installment Purchase Contract payable, net	20,949,205	21,379,857	(430,652)		21,379,857
Compensated absences	312,516	323,778	(11,262)	321,351	2,427
Accrued net OPEB obligation	459,526	773,320	(313,794)	810,255	(36,935)
	<u>\$ 40,671,000</u>	<u>\$ 41,735,623</u>	<u>\$ (1,064,623)</u>	<u>\$ 20,684,189</u>	<u>\$ 21,051,434</u>

The District currently has four sources of Noncurrent Liabilities in 2014. The Certificates of Participation (COP) issued in January 2009 were used for the expansion of the District's Recycled Water System. The goal is to lower the dependence on import water by producing recycled water at a lower cost. Recycled water can be used for irrigation at school, parks, industrial buildings, etc. In November 2012, the District entered into an installment purchase contract with Puente Basin Water Agency in order to finance the acquisition of certain water system improvements. The liability is payable over the next thirty years. The increase in compensated absences is attributed to more sick and vacation time being due to current employees. Compensated absences are District liabilities for accrued unpaid sick and vacation time. These liabilities would have to be paid at the employee's retirement or separation from service. Net OPEB obligations refer to Other Post Employment Benefits that would be owed to employees upon retirement. The Net OPEB obligation is the difference between the actuarially-determined annual required contribution and the actual contributions made. The District currently funds these expenses on a pay-as-you-go basis, but is funding a GASB 45 trust to help offset the future cost of Other Post Employment Benefits.

Additional information on the District's noncurrent liabilities can be found in Notes 7 - 9 and 12 of the notes to basic financial statements.

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

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 2014 Budget, user fees, and charges. A projection is made on the amount of acre feet of water that will be purchased and sold. The District also looks at the increase in the Source of Supply. Since the District heavily relies on import water, the costs are directly passed through by Metropolitan Water District and Three Valleys Municipal Water District. Most are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as Automobile and Truck Expenses or Workers' Compensation Insurance. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected.

TABLE 6
Fiscal Year 2015 Budget vs. Fiscal Year 2014 Actual

	Fiscal Year 2014 Actual	Fiscal Year 2015 Budget	Variance
DRAFT			
Revenues:			
Operating revenues	\$ 21,000,529	\$ 20,765,000	\$ (235,529)
Nonoperating revenues	944,748	600,000	(344,748)
Total Revenues	<u>21,945,277</u>	<u>21,365,000</u>	<u>(580,277)</u>
Expenses:			
Operating Expenses:			
Source of supply	10,672,714	10,675,000	(2,286)
Pumping and power	950,494	885,000	65,494
Transmission and distribution	2,150,763	1,085,000	1,065,763
Customer services	126,886	140,000	(13,114)
Depreciation expenses	2,236,199	1,855,000	381,199
Other operating expenses	466,674	265,000	201,674
General and administrative expenses	3,900,882	4,459,000	(558,118)
Total Operating Expenses	<u>20,504,612</u>	<u>19,364,000</u>	<u>1,140,612</u>
Nonoperating expenses	<u>2,032,140</u>	<u>2,800,000</u>	<u>(767,860)</u>
Total Expenses	<u>22,536,752</u>	<u>22,164,000</u>	<u>372,752</u>
Capital Contributions	<u>55,902</u>	<u>-</u>	<u>(55,902)</u>
Change in Net Position	<u>\$ (535,573)</u>	<u>\$ (799,000)</u>	<u>\$ (263,427)</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

June 30, 2014

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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See independent auditors' report.

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BASIC FINANCIAL STATEMENTS

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ROWLAND WATER DISTRICT
STATEMENTS OF NET POSITION

June 30, 2014 and 2013

	2014	2013
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,161,539	\$ 2,150,166
Investments	14,571,208	14,313,673
Accounts receivable, net of allowance for doubtful accounts of \$30,000 for 2014 and 2013	2,903,628	2,809,546
Interest receivable	40,412	48,339
Other receivables	253,018	920,986
Supply inventories	136,197	139,378
Water in storage	2,475,537	2,475,537
Prepaid expenses	50,425	49,364
TOTAL CURRENT ASSETS	22,591,964	22,906,989
RESTRICTED ASSETS:		
Cash and cash equivalents	5,097,074	18,000,029
Investments	13,031,146	2,622,420
TOTAL RESTRICTED ASSETS	18,128,220	20,622,449
CAPITAL ASSETS:		
Capital assets, not being depreciated	1,130,650	1,282,386
Capital assets, being depreciated, net	58,486,440	58,900,069
TOTAL CAPITAL ASSETS, NET	59,617,090	60,182,455
OTHER NONCURRENT ASSETS:		
Investment in joint ventures	4,682,950	2,693,215
TOTAL ASSETS	105,020,224	106,405,108

(Continued)

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

ROWLAND WATER DISTRICT
STATEMENTS OF NET POSITION
(CONTINUED)

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
LIABILITIES:		
CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED ASSETS):		
Accounts payable	\$ 2,497,054	\$ 2,945,521
Interest payable	160,692	163,178
Other payables	744,099	114,750
Current portion of certificates of participation	330,000	315,000
Current portion of installment purchase contract payable	385,000	380,000
	<u>4,116,845</u>	<u>3,918,449</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS):		
Refundable customer deposits	188,722	176,465
Unearned construction advances	163,885	139,226
	<u>352,607</u>	<u>315,691</u>
TOTAL CURRENT LIABILITIES	<u>4,469,452</u>	<u>4,234,140</u>
NONCURRENT LIABILITIES:		
Compensated absences	312,516	323,778
Accrued net OPEB obligation	459,526	773,320
Certificates of participation	18,619,753	18,943,668
Installment purchase contract payable	20,564,205	20,999,857
TOTAL NONCURRENT LIABILITIES	<u>39,956,000</u>	<u>41,040,623</u>
TOTAL LIABILITIES	<u>44,425,452</u>	<u>45,274,763</u>
NET POSITION:		
Net investment in capital assets	41,272,337	41,843,787
Restricted for debt service	1,503,963	1,477,654
Unrestricted	17,818,472	17,808,904
TOTAL NET POSITION	<u>\$ 60,594,772</u>	<u>\$ 61,130,345</u>

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

ROWLAND WATER DISTRICT

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:		
Water sales:		
Residential	\$ 8,041,797	\$ 7,484,513
Business	5,768,188	4,917,210
Public entities	246,614	207,454
Industrial	12,511	9,329
Reclaimed water	732,959	548,031
Other	26,758	29,275
	<u>14,828,827</u>	<u>13,195,812</u>
Water services:		
Water service charges	5,894,968	5,348,504
Nonrefundable new service fees	42,240	44,992
Reconnection fees	25,920	24,124
Customer penalties	193,645	189,591
Other	14,929	59,440
	<u>6,171,702</u>	<u>5,666,651</u>
TOTAL OPERATING REVENUES	<u>21,000,529</u>	<u>18,862,463</u>
OPERATING EXPENSES:		
Source of supply	10,672,714	10,033,145
Pumping and power	950,494	845,228
Transmission and distribution	2,150,763	1,518,173
Customer services	126,886	122,420
Depreciation expense	2,236,199	2,211,497
Other operating expenses	466,674	301,870
General and administrative expenses	3,900,882	4,245,888
	<u>20,504,612</u>	<u>19,278,221</u>
TOTAL OPERATING EXPENSES	<u>20,504,612</u>	<u>19,278,221</u>
OPERATING INCOME (LOSS)	<u>495,917</u>	<u>(415,758)</u>

(Continued)

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

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

For the years ended June 30, 2014 and 2013

	2014	2013
NONOPERATING REVENUES (EXPENSES):		
Investment income:		
Interest and dividend income	\$ 326,399	\$ 303,285
Realized and unrealized loss on investments	(75,737)	(395,276)
Property tax revenues	339,888	325,159
Gain on disposition of assets	532	-
Miscellaneous income	233,362	164,854
Interest expense	(1,939,957)	(1,586,698)
Debt issuance costs	-	(223,778)
Amortization of debt premium/(discount)	44,567	19,240
Loss from investment in joint ventures	(16,446)	(27,304)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,087,392)	(1,420,518)
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(591,475)	(1,836,276)
CAPITAL CONTRIBUTIONS:		
Contributions from developers	55,902	328,639
CHANGE IN NET POSITION	(535,573)	(1,507,637)
NET POSITION - BEGINNING OF YEAR	61,130,345	62,637,982
NET POSITION - END OF YEAR	\$ 60,594,772	\$ 61,130,345

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

ROWLAND WATER DISTRICT
STATEMENTS OF CASH FLOWS

For the years ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 20,918,704	\$ 18,535,643
Cash payments to suppliers for goods and services	(15,054,259)	(15,726,807)
Cash payments to employees for services	(2,688,240)	(2,268,950)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,176,205	539,886
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	339,888	325,159
Other receipts	233,362	164,854
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	573,250	490,013
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(1,670,834)	(695,920)
Proceeds from sale of capital assets	532	-
Change in deferred construction advances	24,659	(292,471)
Principal payments on certificates of participation	(695,000)	(300,000)
Interest paid	(1,942,443)	(1,522,341)
Proceeds from installment purchase contract	-	21,405,182
Debt issuance costs	-	(223,778)
Capital contributions received	55,902	328,639
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(4,227,184)	18,699,311
CASH FLOWS FROM INVESTING ACTIVITIES:		
Contributions to joint ventures	(2,006,181)	(439,104)
Purchases of investments	(41,548,166)	(15,025,503)
Proceeds from sale of investments	30,806,168	12,643,506
Investment income	334,326	311,402
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(12,413,853)	(2,509,699)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,891,582)	17,219,511
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	20,150,195	2,930,684
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,258,613	\$ 20,150,195

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

(Continued)

ROWLAND WATER DISTRICT
STATEMENTS OF CASH FLOWS
(CONTINUED)

For the years ended June 30, 2014 and 2013

	2014	2013
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 495,917	\$ (415,758)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,236,199	2,211,497
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(94,082)	(343,876)
(Increase) decrease in supply inventories	3,181	4,217
(Increase) decrease in water in storage	-	(1,120,000)
(Increase) decrease in prepaid expenses	(1,061)	(2,458)
(Increase) decrease in other receivable	667,968	(920,986)
Increase (decrease) in accounts payables	(448,467)	1,029,952
Increase (decrease) in other payable	629,349	114,750
Increase (decrease) in refundable customer deposits	12,257	17,056
Increase (decrease) in compensated absences	(11,262)	2,427
Increase (decrease) in accrued net OPEB obligation	(313,794)	(36,935)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 3,176,205	\$ 539,886
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Amortization of debt discount and premium costs	\$ 44,567	\$ 19,240
NONCASH INVESTING ACTIVITIES:		
Loss from investment in joint ventures	\$ (16,446)	\$ (27,304)

See independent auditors' report and 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, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Nature of Organization:

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

b. Basis of Presentation:

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

c. Measurement Focus and Basis of Accounting:

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. New Accounting Pronouncements:

Current Year Standards:

GASB 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", required in to be implemented in the current fiscal year, did not impact the District.

GASB 70 - "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", required in to be implemented in the current fiscal year, did not impact the District.

Pending Accounting Standards:

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

- GASB 68 - "*Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.
- GASB 69 - "*Government Combinations and Disposals of Government Operations*", effective for periods beginning after December 15, 2013.
- GASB 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*", effective for periods beginning after June 15, 2014.

e. Deferred Outflows/Inflows of Resources:

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

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

f. Net Position:

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

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

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

g. Uniform System of Accounts for Water Utility Districts:

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

h. Operating Revenues and Expenses:

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Cash and Cash Equivalents:

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

j. Investments:

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

k. Restricted Assets:

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

l. Accounts Receivable:

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

m. Inventories and Water in Storage:

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

n. Capital Assets and Depreciation:

Capital assets are stated at cost, net of accumulated depreciation. District policy has set the capitalization threshold for reporting capital assets at \$2,500. Depreciation is recorded on the straight-line basis over the estimated useful lives 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.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

o. Capitalized Interest:

The District incurred interest charges on long-term debt totaling \$1,939,957 and \$1,639,589 for the years ended June 30, 2014 and 2013, respectively. \$0 and \$55,052 of these amounts have been capitalized as additions to the cost of construction for the years ended June 30, 2014 and 2013, respectively.

p. Restricted Liabilities:

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

q. 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 one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government.

The property tax calendar is as follows:

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

s. Compensated Absences:

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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, 2014 and 2013, in the opinion of the District's legal counsel, the District had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenses when paid

u. Reclassifications:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The line items affected by the reclassifications are other receivables, other payables and the net position classifications.

v. Use of Estimates:

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

2. CASH AND INVESTMENTS:

Cash and Investments:

Cash and investments as of June 30, 2014 and June 30, 2013 are reported in the accompanying statements of net position as follows:

	<u>2014</u>	<u>2013</u>
Financial Statement Classification:		
Unrestricted:		
Cash and cash equivalents	\$ 2,161,539	\$ 2,150,166
Investments	14,571,208	14,313,673
Restricted:		
Cash and cash equivalents	5,097,074	18,000,029
Investments	<u>13,031,146</u>	<u>2,622,420</u>
Total cash and investments	<u>\$ 34,860,967</u>	<u>\$ 37,086,288</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

2. CASH AND INVESTMENTS (CONTINUED):

Cash and Investments (Continued):

Cash and investments as of June 30, 2014 and June 30, 2013 consisted of the following:

	2014	2013
Cash on hand	\$ 400	\$ 400
Demand deposits	444,500	501,905
Time deposits	828,000	1,751,000
Investments	33,588,067	34,832,983
Total cash and cash equivalents	\$ 34,860,967	\$ 37,086,288

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

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

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

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

N/A - Not Applicable

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

2. CASH AND INVESTMENTS (CONTINUED):

Investments Authorized by Debt Agreements:

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

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

N/A - Not Applicable

Disclosures Relating to Interest Rate Risk:

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

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, 2014 and 2013.

Investment Type	Remaining Maturity (in Years)				Fair Value Total
	Less Than 1 year	1 to 2 Years	2 to 3 Years	3 to 5 Years	
U.S. Treasury Notes	\$ 509,493	\$ 258,253	\$ 759,083	\$ 2,439,851	\$ 3,966,680
U.S. Government Sponsored Agency Securities:					
FHLB	790,337	-	-	-	790,337
FHLMC	254,187	-	969,679	1,172,534	2,396,400
FNMA	100,971	255,857	1,450,344	3,436,435	5,243,607
Negotiable CD	743,250	602,934	-	-	1,346,184
LAIF	1,968,078	-	-	-	1,968,078
Money Market Mutual Funds Held by Trustee:	101,168	-	-	-	101,168
U.S. Treasury Notes	-	-	-	2,460,426	2,460,426
U.S. Government Sponsored Agency Securities:					
FHLB	1,500,165	-	-	-	1,500,165
FHLMC	1,458,789	1,478,025	989,937	997,940	4,924,691
FNMA	1,499,126	-	1,491,168	-	2,990,294
Investment Agreement	-	-	-	1,155,570	1,155,570
LAIF	3,842,030	-	-	-	3,842,030
Money Market Mutual Funds	902,437	-	-	-	902,437
	<u>\$ 13,670,031</u>	<u>\$ 2,595,069</u>	<u>\$ 5,660,211</u>	<u>\$ 11,662,756</u>	<u>\$ 33,588,067</u>

Investment Type	Remaining Maturity (in Years)				Fair Value Total
	Less Than 1 year	1 to 2 Years	2 to 3 Years	3 to 5 Years	
U.S. Treasury Notes	\$ 250,673	\$ 519,375	\$ 261,270	\$ 1,197,142	\$ 2,228,460
U.S. Government Sponsored Agency Securities:					
FHLB	501,633	801,903	-	-	1,303,536
FHLMC	507,746	260,113	-	2,112,738	2,880,597
FNMA	1,016,352	103,246	259,880	4,098,642	5,478,120
FFCB	254,777	-	-	-	254,777
Negotiable CD	-	417,184	-	-	417,184
LAIF	1,613,948	-	-	-	1,613,948
Money Market Mutual Funds Held by Trustee:	349,603	-	-	-	349,603
U.S. Treasury Notes	-	-	-	1,466,846	1,466,846
Investment Agreement	-	-	-	1,155,575*	1,155,575
Money Market Mutual Funds	17,684,337	-	-	-	17,684,337
	<u>\$ 22,179,069</u>	<u>\$ 2,101,821</u>	<u>\$ 521,150</u>	<u>\$ 10,030,943</u>	<u>\$ 34,832,983</u>

* Investment agreement expires December 3, 2018

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

2. CASH AND INVESTMENTS (CONTINUED):

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are the Standard and Poor's credit ratings for the Districts investments as of June 30, 2014 and 2013. U.S. treasury notes and bills are not required to be rated and, therefore, have been excluded from the tables below.

June 30, 2014	Minimum Legal Rating	Total as of June 30, 2014	AAA	AA+	Unrated
U.S. Government					
Sponsored Agency Securities:					
FHLB	N/A	\$ 790,337	\$ -	\$ 790,337	\$ -
FHLMC	N/A	2,396,400	-	2,396,400	-
FNMA	N/A	5,243,607	-	5,243,607	-
Negotiable CD	N/A	1,346,184	1,346,184	-	-
LAIF	N/A	1,968,078	-	-	1,968,078
Money Market Mutual Funds	A	101,168	101,168	-	-
Held by Trustee:					
U.S. Government					
Sponsored Agency Securities:					
FHLB	N/A	1,500,165	-	1,500,165	-
FHLMC	N/A	4,924,691	-	4,924,691	-
FNMA	N/A	2,990,294	-	2,990,294	-
Investment Agreement	N/A	1,155,570	-	-	1,155,570
LAIF	N/A	3,842,030	-	-	3,842,030
Money Market Mutual Funds	A	902,437	902,437	-	-
		<u>\$ 27,160,961</u>	<u>\$ 2,349,789</u>	<u>\$ 17,845,494</u>	<u>\$ 6,965,678</u>

June 30, 2013	Minimum Legal Rating	Total as of June 30, 2013	AAA	AA+	Unrated
U.S. Government					
Sponsored Agency Securities:					
FHLB	N/A	\$ 1,303,536	\$ -	\$ 1,303,536	\$ -
FHLMC	N/A	2,880,597	-	2,880,597	-
FNMA	N/A	5,478,120	-	5,478,120	-
FFCB	N/A	254,777	-	254,777	-
Negotiable CD	N/A	417,184	417,184	-	-
LAIF	N/A	1,613,948	-	-	1,613,948
Money Market Mutual Funds	A	349,603	349,603	-	-
Held by Trustee:					
Investment Agreement	N/A	1,155,575	-	-	1,155,575
Money Market Mutual Funds	A	17,684,337	17,684,337	-	-
		<u>\$ 31,137,677</u>	<u>\$ 18,451,124</u>	<u>\$ 9,917,030</u>	<u>\$ 2,769,523</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

2. CASH AND INVESTMENTS (CONTINUED):

Concentration of Credit Risk:

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

Issuer	Investment Type	2014	2013
Federal Home Loan Bank	U.S. Government Sponsored Agency Securities	\$2,290,502	\$ -
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Agency Securities	\$7,321,091	\$2,880,597
Federal National Mortgage Association	U.S. Government Sponsored Agency Securities	\$8,233,901	\$5,478,120

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, 2014 and 2013, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

2. CASH AND INVESTMENTS (CONTINUED):

Investment in State Investment Pool

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

3. RESTRICTED ASSETS:

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

Funding Source	Use	June 30, 2014	June 30, 2013
Deposits from customers	Security deposits for payment of utility bills	\$ 188,722	\$ 176,465
Customer advances	Construction	163,885	139,226
Bond proceeds	Debt service	2,679,093	2,638,352
Bond proceeds	Construction projects	<u>15,096,520</u>	<u>17,668,406</u>
		<u>\$ 18,128,220</u>	<u>\$ 20,622,449</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

4. CAPITAL ASSETS:

Changes in capital assets for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Retirements Transfers	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress	<u>1,016,046</u>	<u>1,520,839</u>	<u>(1,672,575)</u>	<u>864,310</u>
Total capital assets, not being depreciated	<u>1,282,386</u>	<u>1,520,839</u>	<u>(1,672,575)</u>	<u>1,130,650</u>
Capital assets, being depreciated:				
Intangible plant	1,022,551	-	-	1,022,551
Sources of supply plant	2,058,703	-	-	2,058,703
Pumping plant	10,037,819	-	-	10,037,819
Transmission and distribution plant	62,575,537	198,856	-	62,774,393
Telemetry equipment	1,354,235	-	-	1,354,235
General plant	550,403	20,048	-	570,451
Office building and equipment	4,544,906	1,511,733	-	6,056,639
Transportation equipment	769,259	91,933	(70,195)	790,997
Communication equipment	<u>133,902</u>	<u>-</u>	<u>-</u>	<u>133,902</u>
Total capital assets, being depreciated	83,047,315	1,822,570	(70,915)	84,799,690
Less accumulated depreciation	<u>(24,147,246)</u>	<u>(2,236,199)</u>	<u>70,195</u>	<u>(26,313,250)</u>
Total capital assets, being depreciated, net	<u>58,900,069</u>	<u>(413,629)</u>	<u>-</u>	<u>58,486,440</u>
Total capital assets, net	<u>\$ 60,182,455</u>	<u>\$ 1,107,210</u>	<u>\$ (1,672,575)</u>	<u>\$ 59,617,090</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

4. CAPITAL ASSETS (CONTINUED):

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

	Balance July 1, 2012 (As Restated)	Additions	Retirements Transfers	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction in progress	3,103,632	1,178,254	(3,265,840)	1,016,046
Total capital assets, not being depreciated	3,369,972	1,178,254	(3,265,840)	1,282,386
Capital assets, being depreciated:				
Intangible plant	877,484	145,067	-	1,022,551
Sources of supply plant	1,998,543	60,160	-	2,058,703
Pumping plant	10,037,819	-	-	10,037,819
Transmission and distribution plant	60,363,747	2,211,790	-	62,575,537
Telemetry equipment	1,332,302	21,933	-	1,354,235
General plant	550,403	-	-	550,403
Office building and equipment	4,321,686	223,220	-	4,544,906
Transportation equipment	647,923	121,336	-	769,259
Communication equipment	133,902	-	-	133,902
Total capital assets, being depreciated	80,263,809	2,783,506	-	83,047,315
Less accumulated depreciation	(21,935,749)	(2,211,497)	-	(24,147,246)
Total capital assets, being depreciated, net	58,328,060	572,009	-	58,900,069
Total capital assets, net	\$ 61,698,032	\$ 1,750,263	\$ (3,265,840)	\$ 60,182,455

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

5. OTHER RECEIVABLES/PAYABLES:

The District is involved in various projects and a joint venture with Walnut Valley Water District. The purpose of these projects are to enhance water production and delivery for the districts. The District along with Walnut Valley Water District are each obligated to make capital contributions to fund fifty percent, respectively of the project costs. They become obligated for their fifty percent share of such capital contributions as project costs are incurred. The District has paid for certain project costs on behalf of the Walnut Valley Water District. These amounts will be reimbursed and have been included in the accompanying statements of net position as other receivables. Conversely, Walnut Valley Water District has paid for certain project costs on behalf of the District. These amounts will be reimbursed and have been included in the accompanying statements of net position as other payables. The receivables and payables due to and from Walnut Valley Water District at June 30 are as follows:

	2014	2013
Receivables from Walnut Valley Water District	\$ 253,018	\$ 920,986
Payables to Walnut Valley Water District	744,099	114,750

6. INVESTMENT IN JOINT VENTURES:

Puente Basin Water Agency:

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

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

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

Puente Basin Water Agency (Continued):

The changes in its investment in Puente Basin Water Agency consisted of the following:

	<u>2014</u>	<u>2013</u>
Beginning of year	\$ 2,053,573	\$ 1,651,987
Contributions	2,006,180	439,104
Share of loss	<u>(28,085)</u>	<u>(37,518)</u>
End of year	<u>\$ 4,031,668</u>	<u>\$ 2,053,573</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2014 including the participants' approximate percentage shares:

	<u>Amount</u>	<u>2014</u>	
		<u>Walnut Valley Water District</u>	<u>Rowland Water District</u>
Total assets	\$ 11,917,206	50.0%	50.0%
Total liabilities	3,853,870	50.0%	50.0%
Total equity	8,063,336	50.0%	50.0%
Billings to participants	3,634,620		

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

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

Pomona-Walnut-Rowland Joint Water Line Commission:

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

Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission which is allocated based on each agency's capacity rights in the pipeline. In addition, a capital surcharge is assessed for the future replacement of the pipeline. For the years ended June 30, 2014 and 2013, the District remitted assessments of \$44,073 and \$44,106, respectively, for their 20.0% capacity rights and their share of future replacement costs. Also, the District purchased water totaling \$5,402,342 and \$5,303,632 from the Commission during the years end June 30, 2014 and 2013, respectively.

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

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

	<u>2014</u>	<u>2013</u>
Beginning of year	\$ 639,642	\$ 629,428
Share in income	<u>11,640</u>	<u>10,214</u>
End of year	<u>\$ 651,282</u>	<u>\$ 639,642</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

6. INVESTMENT IN JOINT VENTURES (CONTINUED):

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

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Waterline Commission as of and for the year ended June 30, 2014 including the participants' approximate percentage shares:

	Amount	2014			
		City of Pomona	Walnut Valley Water District	Rowland Water District	Unallocated
Total assets	\$ 6,737,742	28.4%	42.6%	27.5%	1.5%
Total liabilities	4,369,445	28.4%	42.6%	27.5%	1.5%
Total equity	2,368,297	28.4%	42.6%	27.5%	1.5%
Water billings to participants	20,124,285				

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

	Amount	2013			
		City of Pomona	Walnut Valley Water District	Rowland Water District	Unallocated
Total assets	\$ 6,339,062	28.4%	42.6%	27.5%	1.5%
Total liabilities	4,013,092	28.4%	42.6%	27.5%	1.5%
Total equity	2,325,970	28.4%	42.6%	27.5%	1.5%
Water billings to participants	19,504,925				

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

7. CERTIFICATES OF PARTICIPATION:

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

The Certificates were issued at a discount of \$188,627, which is being amortized and recognized as interest expense over the life of the debt on a straight-line basis. This issuance is comprised of \$6,815,000 serial certificates maturing annually on December 1 from 2009 to 2025 and three term certificates (totaling \$13,730,000) maturing on December 1, 2029, 2035 and 2039 that are payable in annual sinking fund installments commencing December 1, 2026. Interest on the certificates is payable semi-annually on December 1 and June 1 at rates ranging from 4.00% to 5.75% for the serial certificates and 6.00% to 6.50% for the term certificates. The required reserve for the Certificates of Participation is \$1,524,688 and as of June 30, 2014 the reserve was funded at \$1,503,963.

The following is a summary of the changes in Certificates of Participation for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Reductions	Balance at June 30, 2014	Due Within One Year
Certificates of Participation (COP):					
2008 COP	\$ 19,420,000	\$ -	\$ (315,000)	\$ 19,105,000	\$ 330,000
Less:					
Unamortized discount	(161,332)	-	6,085	(155,247)	-
TOTAL	\$ 19,258,668	\$ -	\$ (308,915)	\$ 18,949,753	\$ 330,000

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

7. CERTIFICATES OF PARTICIPATION (CONTINUED):

Maturities of the 2008 Certificates of Participation and interest payments subsequent to June 30, 2014 as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 330,000	\$ 1,149,850	\$ 1,479,850
2016	345,000	1,132,975	1,477,975
2017	365,000	1,114,313	1,479,313
2018	385,000	1,094,650	1,479,650
2019	405,000	1,074,900	1,479,900
2020 - 2024	2,385,000	5,010,431	7,395,431
2025 - 2029	3,175,000	4,218,875	7,393,875
2030 - 2034	4,320,000	3,074,775	7,394,775
2035 - 2039	5,960,000	1,432,050	7,392,050
2040	1,435,000	44,844	1,479,844
Total	\$ 19,105,000	\$ 19,347,663	\$ 38,452,663

8. INSTALLMENT PURCHASE CONTRACT PAYABLE:

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

The bond premium is being amortized and recognized as interest expense over the life of the debt on a straight-line basis. The installment purchase contract payments mirror the debt service payments on the water revenue bonds. Interest is payable semi-annually on December 1 and June 1 at rates ranging from 2.00% to 5.00%. The District's obligation to make installment payments is a special obligation of the District payable solely from the net revenues of the District. The required reserve for contract is \$1,181,250 and as of June 30, 2014 the reserve was funded at \$1,175,138.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

8. INSTALLMENT PURCHASE CONTRACT PAYABLE (CONTINUED):

The following is a summary of the installment purchase contract for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Reductions	Balance at June 30, 2014	Due Within One Year
Installment purchase Contract	\$ 19,835,000	\$ -	\$ (380,000)	\$ 19,455,000	\$ 385,000
Add:					
Unamortized premium	1,544,857	-	(50,652)	1,494,205	-
TOTAL	\$ 21,379,857	\$ -	\$ (430,652)	\$ 20,949,205	\$ 385,000

Maturities of the installment purchase contract and interest payments subsequent to June 30, 2014 as follows:

Year Ending	Principal	Interest	Total
2015	\$ 385,000	\$ 766,350	\$ 1,151,350
2016	395,000	756,575	1,151,575
2017	410,000	742,450	1,152,450
2018	425,000	725,750	1,150,750
2019	445,000	710,575	1,155,575
2020 - 2024	2,485,000	3,279,000	5,764,000
2025 - 2029	3,005,000	2,757,625	5,762,625
2030 - 2034	3,515,000	2,252,031	5,767,031
2035 - 2039	4,205,000	1,563,844	5,768,844
2040 - 2042	4,185,000	431,375	4,616,375
Total	\$ 19,455,000	\$ 13,985,575	\$ 33,440,575

9. COMPENSATED ABSENCES:

In accordance with the District's policy, employees may accrue up to 240 hours of vacation. For the years ended June 30, 2014 and 2013, the total accrued vacation liability for all employees totaled \$153,247 and \$148,044, respectively.

Also, in accordance with the District's policy, employees may accrue up to 352 hours of sick leave. Upon attaining 352 hours, the employee may exercise a one-time option to exchange sick leave hours for cash or vacation time. Upon separation, retirement or death, an employee shall receive as additional retirement benefit, an amount equal to 50% of accrued hours for unused sick leave pay for up to 352 hours, or 176 hours.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

9. COMPENSATED ABSENCES (CONTINUED):

The District has modified the Employment Agreement in regards 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, except that upon retirement or other termination of employment, the General Manager is entitled to receive 100% of accrued sick leave up to 1,000 hours in the event of separation from employment. For the years ended June 30, 2014 and 2013, the total accrued sick leave liability for all employees totaled \$159,269 and \$175,734, respectively.

10. DEFERRED COMPENSATION PLAN:

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

11. EMPLOYEE RETIREMENT PLANS:

a. Plan Descriptions:

Rowland Water District contributes to the Miscellaneous 2.5% at 55 Risk Pool and Miscellaneous 2% at 62 Risk Pool of the California Employees Retirement System (CalPERS), cost sharing, multiple-employer public employee defined benefit pension plans. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. The Miscellaneous 2% at 62 Risk Pool was created by California Employees' Pension Reform Act (PEPRA) as of January 1, 2013, and is open to all new employees who do not qualify for the Miscellaneous 2.5% at 55 Risk Pool. Benefit provisions and all other requirements are established by State statute and District resolutions. Copies of CalPERS' annual financial report may be obtained from their Executive Office located at, 400 P Street, Sacramento, CA 95814.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

11. EMPLOYEE RETIREMENT PLANS (CONTINUED):

b. Funding Policies:

The contributions to the Miscellaneous 2.5% at 55 Risk Pool include an employee portion of 8% of current covered payroll. The District has elected to contribute the employee portion. The District is also required to contribute any actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year's ended June 30, 2014, and 2013 were 17.677% and 16.871%, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

The contributions to the Miscellaneous 2% at 62 Risk Pool include an employee portion of 6.25% of current covered payroll which the District is prohibited from paying on behalf of the employees. The required employer contribution rate was 6.25%. The contribution requirements of the plan members and the District are established by State statute.

The District's contributions to the Miscellaneous 2.5% at 55 Risk Pool for the years ended June 30, 2014, 2013 and 2012, which were all prepaid by the District at the beginning of the year, were \$365,788, \$345,787, and \$334,641, respectively. These contributions were equal to the required contributions for each year. There were no contributions to the Miscellaneous 2% at 62 Risk Pool during the fiscal years ended June 30, 2014 and 2013.

On July 15, 2013, the District paid \$384,274 to pay off the remaining balance of the Side Fund that had been created as a result of the mandate by the State to participate in the Miscellaneous 2.5% at 55 Risk Pool back on July 1, 2005. This amount was included in accounts payable as of June 30, 2013 as the Side Fund relates to past service costs.

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

a. Plan Description:

The District has a single-employer other post-employment benefit plan that provides medical, dental and vision coverage to 24 active employees and 8 retired employees through the ACWA health program. At retirement, the District provides a contribution for the continuation of these coverage's for eligible retirees. Eligibility for a District contribution requires retirement from the District and under CalPERS on or after age 55 with at least 15 years of continuous service. The District provides 100% of the cost of coverage for the retiree and any covered spouse.

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

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

a. Plan Description (Continued):

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

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

b. Funding Policy:

The contribution requirements of plan members and the District are established and may be amended by the District, District's Board of Directors, and/or the employee associations. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis. For the years ended June 30, 2014 and 2013, the District paid \$118,860 and \$103,272, respectively, in health care costs for its retirees and their covered dependents. In addition the District made a \$555,000 and a \$285,000 contribution to a trust account established to fund the District's net OPEB obligation for the years ended June 30, 2014 and 2013, respectively.

c. Annual OPEB Cost and Net OPEB Obligation:

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

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

	2014	2013
Annual required contribution	\$ 349,995	\$ 346,266
Interest on net OPEB obligation	50,266	52,667
Adjustment to annual required contribution	(40,195)	(47,596)
Annual OPEB cost (expense)	360,066	351,337
Actual contributions made	(673,860)	(388,272)
Increase (decrease) in net OPEB obligation	(313,794)	(36,935)
Net OPEB Obligation - beginning of year	773,320	810,255
Net OPEB Obligation - end of year	\$ 459,526	\$ 773,320

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

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

d. Three-Year Trend Information:

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2014, 2013 and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
6/30/12	\$ 423,292	27.79%	\$ 810,255
6/30/13	351,337	110.50%	773,320
6/30/14	360,066	187.15%	459,526

e. Funded Status and Funding Progress:

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

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

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

f. Actuarial Methods and Assumptions:

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

13. RISK MANAGEMENT:

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

At June 30, 2014, the District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$50,000 per occurrence and has purchased excess insurance coverage up to \$100,000,000 (total insurable value of \$44,178,022). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$1,000 deductible for mobile equipment and a \$500 deductible for licensed vehicles.

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

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

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

13. RISK MANAGEMENT (CONTINUED):

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

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

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

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

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

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

14. UNRESTRICTED NET POSITION:

The District has adopted a policy to designate reserves of unrestricted net position. Total reserves were designated as follows as of June 30, 2014 and 2013:

	2014	2013
Designated reserves for:		
Operations	\$ 3,697,500	\$ 3,610,000
Rate stabilization	1,053,180	976,591
Capital funding including expansion of facilities and future repairs and maintenance	<u>12,251,586</u>	<u>11,868,713</u>
Total Designated Reserves	17,002,266	16,455,304
Undesignated net position	<u>816,206</u>	<u>1,353,600</u>
 Total Unrestricted Net Position	 <u>\$ 17,818,472</u>	 <u>\$ 17,808,904</u>

See independent auditors' report.

ROWLAND WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

15. COMMITMENTS AND CONTINGENCIES:

- a. The District has entered into a water production and delivery agreement with another party to receive groundwater produced on behalf of the District. Under the terms of the agreement, the District is required to contribute \$2,000,000 to the other party for necessary expansion, rehabilitation and improvements of their facilities as a result of this agreement. The District made one payment in the amount of \$660,000 in fiscal year 2011-2012. Of that amount, \$330,000 is due from another district and is included in other receivable in the accompanying statements of net position and \$330,000 was expensed in the accompanying statements of revenues, expenses and changes in net position. The remaining \$1,340,000 (\$670,000 of which is due from another District) was paid upon meeting certain conditions set forth in the agreement in fiscal year 2013-2014.
- b. The District is party to a water production and delivery agreement dated May 12, 2012 with the La Habra Heights County Water District ("La Habra Heights") for the purpose of assisting the District to access water rights in the Central Groundwater Basin of Los Angeles County ("Central Basin"). The District has acquired pumping rights in the Central Basin but has no facilities to produce water from Central Basin. La Habra Heights has facilities to produce water from the Central Basin and is able to assist the District to produce water, pursuant to the District's water rights, and deliver the water to the District's water distribution system. Subject to certain limitations as specified in the agreement, La Habra Heights will convey to the District, groundwater from the Central Basin. La Habra Heights will bill the District on a monthly basis for water delivery costs. The District will pay La Habra Heights for transporting water, and La Habra Height's direct cost of production, energy costs associated with the delivery of the water to the delivery point, 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. In fiscal year 2014, the District incurred \$533,127 in costs to construct the transmission facilities on La Habra Height's property which the La Habra Heights is responsible for maintaining. These amounts are recorded as contributed capital to La Habra Heights.

See independent auditors' report.

ROWLAND WATER DISTRICT

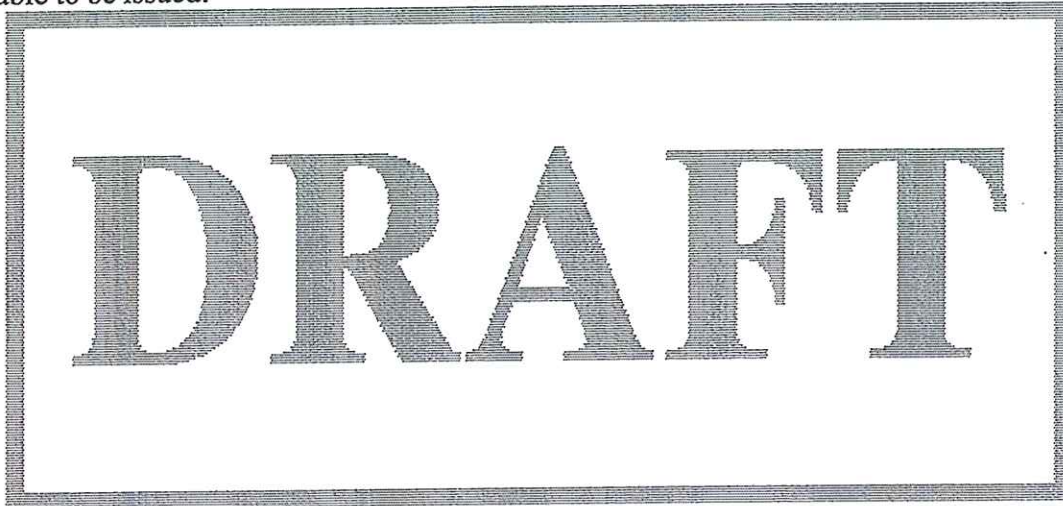
NOTES TO BASIC FINANCIAL STATEMENTS
(CONTINUED)

June 30, 2014 and 2013

16. SUBSEQUENT EVENTS:

On September 18, 2014 the District issued \$20,060,000 in refunding water bonds, series 2014 at a premium of \$1,686,785, in order to advance refund the District's outstanding 2008 Certificates of Participation. 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 to the present values of the old and new debt service payments) of \$2,659,410.

Events occurring after June 30, 2014 have been evaluated for possible adjustments to the financial statements or disclosure as of REPORT DATE, which is the date these financial statements were available to be issued.



See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

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ROWLAND WATER DISTRICT

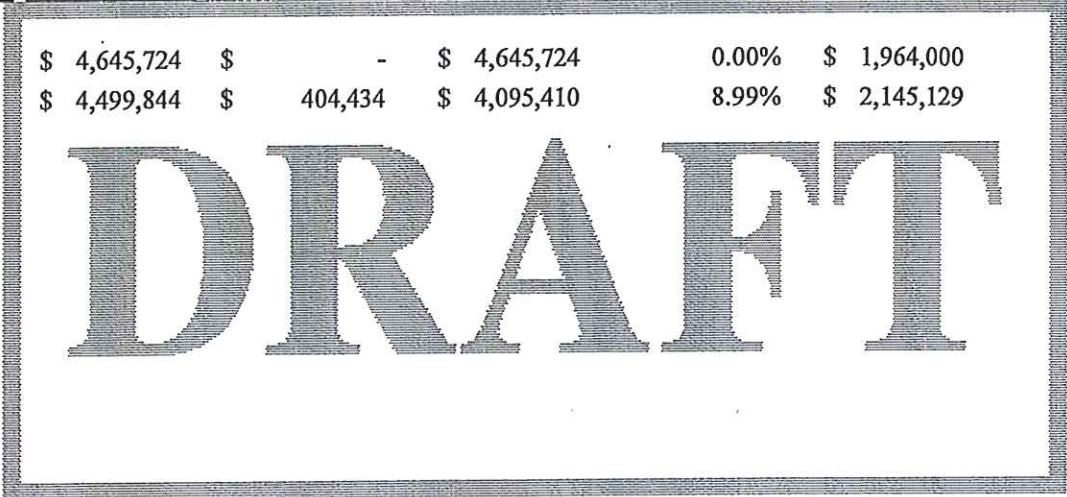
REQUIRED SUPPLEMENTARY INFORMATION

For the years ended June 30, 2014 and 2013

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

Retiree Health Plan

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



See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

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ROWLAND WATER DISTRICT

SCHEDULES OF OTHER OPERATING EXPENSES

For the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Engineering	\$ 5,230	\$ 22,012
Maintenance and operations	71,601	23,247
Small tools and supplies	25,414	19,356
Water tests	20,751	22,482
Certification, fees and permits	59,718	40,332
Water supply planning and development	<u>283,960</u>	<u>174,441</u>
TOTAL OTHER OPERATING EXPENSES	<u><u>\$ 466,674</u></u>	<u><u>\$ 301,870</u></u>



See independent auditors' report.

ROWLAND WATER DISTRICT

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended June 30, 2014 and 2013

	2014	2013
Salaries and wages	\$ 1,050,674	\$ 898,864
Payroll taxes	166,794	159,495
Insurance	764,921	670,875
Automobile expenses	71,578	58,248
Service charges	98,410	135,295
Office supplies and expenses	227,221	259,881
Utilities	78,351	74,152
Professional services	302,111	331,930
Membership fees and dues	40,143	42,744
Conferences and travel	47,948	67,928
Directors' fees and expenses	31,812	31,790
Public relations	69,602	160,794
Repairs and maintenance	16,088	14,734
Pension plan contributions	457,577	889,957
Other post employment benefits	360,066	351,337
Seminars and training	50,327	41,638
Conservation rebate program expenses	5,399	1,442
Taxes, permits and fees	13,843	7,020
Uncollectable accounts	6,006	14,420
Miscellaneous	42,011	33,344
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ 3,900,882	\$ 4,245,888

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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 Rowland Water District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated REPORT DATE.

Internal Control over Financial Reporting

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

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 or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described below to be a material weakness.

Internal Control over Financial Reporting (Continued)

Material Weakness:

Accounting for Joint Capital Projects

The District is involved with several other organizations in the development and construction of certain projects that will enhance water production and delivery for the District. We noted that the accounting for these joint capital projects was not correct resulting in significant differences to the balances for the District's construction-in-progress, other receivables and other payables general ledger accounts. We recommend that management review and modify its internal controls to ensure that activity related to these joint capital projects is accounted for correctly at the time that the transactions are occurring.

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*.

Purpose of this Report

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

Irvine, California
REPORT DATE

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RESOLUTION NO. 12-2014
(Supersedes Resolution No. 1-2012)

RESOLUTION OF THE BOARD OF DIRECTORS
OF ROWLAND WATER DISTRICT
AMENDING BOARD POLICY FOR
ELECTION AND ROTATION OF BOARD OFFICERS

WHEREAS, Water Code Section 30520 provides that, within thirty days of directors taking office after a general district election the Board of Directors shall meet and elect one of their members President of the Board and may elect one of their members vice-president; and,

WHEREAS, the Board of Directors considers that experience with Board procedures and customs, knowledge of the District's operations and facilities, and familiarity with the laws governing county water districts, gained while serving as a member of the Board of Directors is invaluable to a director assuming the office of President of the Board of Directors; and,

WHEREAS, having experienced directors serve in the role of President of the Board promotes effective and efficient governance and continuity of District goals and policies; and,

WHEREAS, the Board of Directors desires to adopt a policy to ensure that Directors have an opportunity to acquire experience and knowledge prior to being elected to the office of President of the Board; and,

WHEREAS, the Board of Directors believes that the existing policy of rotation of each of the members of the Board into the office of President and Vice-President of the Board is beneficial to the District and to the Directors by allowing each to bring his or her own talents to the running of the District;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rowland Water District as follows:

1. The term of the President and the Vice-President of the Board of Directors shall be for two (2) years, coinciding with the election year (odd years). The terms shall commence at the regularly scheduled meeting in December, following the election. In the event the office of President of the Board becomes vacant prior to the end of his or her term, the Vice-President shall become President of the Board to complete the remainder of the term. A director may serve two consecutive terms as President of the Board. Completing the unexpired term of President where a vacancy has occurred, shall not disqualify a director from serving as President for two full consecutive terms.

2. It shall be the policy of the Board that a Director shall have served on the Board of Directors for a minimum of four (4) years before being elected to the office of President or Vice-President of the Board.

3. The policy that the director serving as Vice-President shall be next in line for election to the office of President, shall continue. As the terms of the President and Vice-President expire, the director with the next most seniority shall be elected to the office of Vice-President and then President in order.

4. When the Director having the least seniority on the Board of Directors is elected to the office of President, the Director with the most seniority shall be in line for election to the office of Vice-President, and the rotation of office shall continue with each Director following in order of seniority.

5. If a vacancy occurs in the office of President or Vice-President prior to the end of a term for that office, then it is the policy of the Board that the Director who would next succeed to that office at the end of the term be elected to serve the balance of the term in which the vacancy occurred as well as the next full term for that office.

6. Whenever a person who has not previously served as Director is elected to the Board of Directors, that person shall assume the last place in the order of rotation, notwithstanding the position of his predecessor.

7. This policy reflects the preference of the Board of Directors as to the experience of the directors serving as President and Vice-President and the rotation of the office of President and Vice-President of the Board, and may be suspended or superseded at any time by subsequent action of the Board.

ADOPTED THIS 9th day of December 2014 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Szu Pei Lu-Yang
Board President

ATTEST:

Ken Deck
Board Secretary

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CURRENT LIST OF COMMITTEE ASSIGNMENTS
Rowland Water District
Board of Directors

UPDATED AND APPROVED BY BOARD ON DECEMBER 9, 2014

Committee	Current Assignments	New Assignments
Puente Basin Water Agency	Director Lewis Director Lima Ken Deck (Alternate)	
PWR Joint Water Line Commission	Director Lima Director Bellah	
Three Valleys Municipal Water District	Director Lima Director Lu-Yang	
Association of California Water Agencies	Director Bellah Director Lewis	
Joint Powers Insurance Authority	Director Lewis Ken Deck	
San Gabriel Valley Regional Chamber of Commerce	Director Lewis Director Lu-Yang	
Los Angeles County Sheriff's Department Advisory Council	Director Lu-Yang Director Rios	
Project Ad-Hoc Committee	Director Lima Director Lu-Yang	
Rowland Heights Coordinating Council	Director Bellah Director Rios	

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RESOLUTION NO. 12.1-2014
Supersedes Resolution No. 12-2013

ROWLAND WATER DISTRICT

**RESOLUTION OF THE BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE
PUENTE BASIN WATER AGENCY**

WHEREAS, the Rowland Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Walnut Valley Water District, (the PBWA Agreement); and,

WHEREAS, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

WHEREAS, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a Director on the governing board of the appointing member; and,

WHEREAS, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rowland Water District:

1. That ANTHONY J. LIMA, who is a member of the Board of Directors of the Rowland Water District, shall be appointed as a representative of the Rowland Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That ROBERT W. LEWIS, who is a member of the Board of Directors of the Rowland Water District shall be appointed as a representative of the Rowland Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That TOM COLEMAN, General Manager of Rowland Water District, shall be appointed as an alternate representative of the Rowland Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.

4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.

5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT HELD DECEMBER 9, 2014 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Szu Pei Lu-Yang, 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 December 9, 2014.

TOM COLEMAN
General Manager/Board Secretary

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RESOLUTION NO. 2.1-2006

ROWLAND WATER DISTRICT

**RESOLUTION OF THE BOARD OF DIRECTORS
ESTABLISHING THE ROWLAND WATER DISTRICT
INVESTMENT POLICY**

WHEREAS, The Legislature of the State of California has declared that to protect the solvency and creditworthiness of the state and all of its political subdivisions, the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code Section 53600.6); and,

WHEREAS, The Legislature has authorized the legislative body of a local agency having money in a sinking fund or money in its treasury not required for the immediate needs of the local agency ("surplus funds") to invest any portion of the money that it deems wise or expedient in those investments authorized under the Government Code (Sections 53600 et seq.); and,

WHEREAS, the Board of Directors of the Rowland Water District has previously established a policy for the investment of surplus funds of the District pursuant to Government Code Section 53646, and has reviewed and approved said policy annually since its adoption in 1996 at public meetings of the Board of Directors; and,

WHEREAS, the Board of Directors has previously delegated to the General Manager/Treasurer of the District the authority to establish written procedures and to invest and reinvest surplus funds of the District in accordance with the investment policy pursuant to Government Code Section 53607, and has renewed said delegation annually; and

WHEREAS, the Board of Directors now desires to amend and restate the Statement of Investment Policy, and make the delegation of investment authority by separate resolution;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rowland Water District that the Policy for Investment of Surplus Funds of the District shall be as follows:

SECTION ONE: Purpose.

This Statement of Investment Policy sets forth the policy of the Board of Directors of the Rowland Water District for the investment of any surplus funds of the District which are not required for the immediate operating necessities of the District, including , but not limited to, sinking funds, reserves, trust funds, restricted funds, and surplus monies. All District funds available for investment shall be invested in accordance with this Policy with the goal of achieving the highest rate of return consistent with the ultimate priorities of safeguarding the principal and maintaining liquidity sufficient to insure that funds are available when needed to meet all operating expenses of the District.

SECTION TWO: Objectives.

The District shall operate a cash management system which is designed to accurately monitor and forecast expenditures and reserves, to permit the most efficient investment of District funds. Investment of District funds shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments of surplus funds of the District may be made as authorized by law.

SECTION THREE: Delegation of Authority.

The Board of Directors shall annually consider delegation of the authority to invest or to reinvest surplus funds of the District to the General Manager/Treasurer of the District for a one-year period as permitted by Government Code Section 53607, which delegation shall be made by separate resolution. Upon delegation of investment authority, the General Manager/Treasurer shall assume full responsibility for investment of surplus funds of the district until such delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the Board of Directors.

SECTION FOUR: Policy.

The investment of surplus funds of the District shall be made in consultation with the District's financial advisors and with the exercise judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used in the investment of District funds shall be the "prudent investor" standard (Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. If investment authority is delegated to the General Manager/Treasurer, the General Manager/Treasurer so long as he is acting in accordance with the Investment Policy

established by the Board of Directors and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. Within the limitations of the foregoing standard, surplus funds of the District may be invested in any of the types of investments permitted under Section 53601 and 53601.1 of the Government Code of the State of California as currently written, and as it may be amended in the future by the Legislature. Investment of District funds is expressly authorized in the Local Agency Investment Fund of the California State Treasurer (Government Code Section 16429.1). All investments of surplus funds of the District shall comply with the limitations and requirements of Government Code Sections 53600 through 53609, inclusive and any other legal restrictions imposed by State or Federal law.

To the extent possible, one hundred percent (100%) of the surplus funds of the District shall be invested such that a return is being earned and shall not be left in non-interest-bearing deposit accounts. The criteria for selecting investments, and the absolute order of priority of goals, are as follows:

1. **Safety of Principal:** The safety of principal is the primary objective of the investment program. Investments of surplus funds of the District shall be undertaken in a manner that seeks, first and foremost, to ensure the preservation of capital in the overall portfolio. To attain this objective, investment of District funds shall be diversified in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - (a) **Credit Risk:** Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be avoided by investing only in very safe institutions and by diversifying the investments so that the failure of any one issuer would not unduly harm the District's cash flow.
 - (b) **Market Risk:** It is explicitly recognized that in a diversified portfolio, the potential loss of value due to overall changes in the general level of interest rates ("market risk") is inevitable, and must be considered within the context of the overall investment return. Market risk shall be mitigated by limiting the weighted average maturity of the District's investment portfolio to five (5) years, (subject to shorter maturity requirements for individual investments provided by law).
2. **Liquidity:** Securities purchased with surplus funds of the District shall have maturities of appropriate durations such that reasonably anticipated operating expenses of the District will be met without the necessity of selling securities prior to their stated maturity. Notwithstanding the foregoing, any security may be sold prior to maturity if it is determined that such sale would be advantageous to the District within its overall investment strategy.

3. **Yield:** The investment of surplus funds of the District shall be made with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio.

Government securities and debt obligations of governmental agencies whose obligations carry the full faith and credit of the Government of the United States of America are preferred as the highest quality investments in terms of safety and liquidity.

Investments in certificates of deposit, savings accounts and interest bearing active accounts shall be insured or collateralized to a degree consistent with or exceeding requirements of existing laws and regulations. Maturities of certificates of deposit and term accounts shall be selected to anticipate cash needs and to avoid forced liquidation and the accompanying loss of interest.

Reasonably available and economically feasible investment aids and advisors shall be used to monitor economic conditions and markets to assess the probable course of interest rates.

The most important objective of this Investment Policy is that the safety of the public's money in the hands of the District must be ensured and that such funds must be available when needed for the District's purposes. A high dollar yield on investments, though important, ranks third in priority of investment strategy.

SECTION FIVE: Safekeeping and Custody.

All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by Government Code Section 53601.

SECTION SIX: Reporting.

In addition to the monthly report of investment transactions, the General Manager/Treasurer shall submit to each member of the Board of Directors, a quarterly investment report within thirty (30) days following the end of the quarter covered by the report, which shall include the type of investment, issuer, date of maturity, par and dollar amount invested for all securities, investments and monies of the District, and shall additionally include a description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs and such other information as is required under Government Code Section 53646. With respect to all securities held by the District, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall identify the source of such valuation. With respect to funds placed in the Local Agency Investment Fund, FDIC-Insured accounts and/or in a county investment pool, the

foregoing information may be provided by including a copy of the latest statement from such institutions. The quarterly report shall include a statement that the portfolio is in compliance with this statement of Investment Policy, or shall identify in what respect it is not in compliance. The quarterly report shall include a statement that the District will be able to meet its anticipated operating expenses and expenditure obligations for the following six months or provide an explanation as to why sufficient money shall, or may not be available.

The General Manager/Treasurer shall maintain a complete and up-to-date record of all investment transactions. The General Manager/Treasurer shall also report any additional information or data that may be requested by the Board of Directors.

SECTION SEVEN: Prohibited Investments.

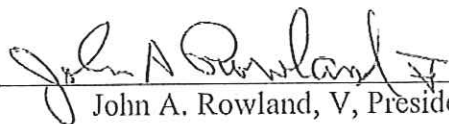
No District funds shall be invested in any security or investment specifically prohibited under Government Code Section 53601, 53601.6 or any other provision of applicable law.

SECTION EIGHT: Effective Date:

This Resolution shall supersede all prior resolutions and actions of the Board of Directors establishing any investment policy and shall become effective on February 15th, 2006. The Investment Policy provided herein shall continue until repealed or amended by the Board of Directors.

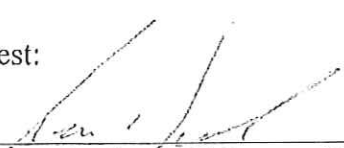
Adopted this 14th day of February, 2006 by the following roll call vote:

AYES: Directors Rowland, Lewis, Lima and Rios
NOES: None
ABSENT: Director Diliberti
ABSTAIN: None



John A. Rowland, V, President

Attest:



Ken Deck, General Manager/Treasurer

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2.10



RESOLUTION NO. 12.2-2014
Supersedes Resolution No. 12.1-2013

ROWLAND WATER DISTRICT

**RESOLUTION OF THE BOARD OF DIRECTORS
APPOINTING THE DISTRICT TREASURER AND
DELEGATING AUTHORITY FOR THE INVESTMENT OF SURPLUS FUNDS
OF THE DISTRICT TO THE GENERAL MANAGER/TREASURER**

WHEREAS, the Board of Directors has adopted a Statement of Investment Policy governing the investment of surplus funds of the District not required for the immediate needs of the District as set forth in Resolution No. 2.1-2006 , and has reviewed said policy and determined that no revisions to the investment policy are necessary or desirable at this time; and,

WHEREAS, on December 10, 2013, the Board of Directors re-appointed General Manager, KEN DECK, as the Treasurer of the District and delegated to the General Manager/ Treasurer the authority to invest and reinvest funds of the District, and to sell and exchange securities purchased on behalf of the District pursuant to Government Code Section 53607; and,

WHEREAS, the delegation of investment authority to the General Manager/Treasurer was for a period of one year from the date of delegation, and the Board of Directors desires to amend the delegation of investment authority to the current General Manager/Treasurer for a period of one year.

NOW THEREFORE, be it resolved by the Board of Directors of the Rowland Water District as follows:

1. The Board of Directors hereby delegates to the General Manager/ Treasurer, TOM COLEMAN the authority and responsibility for the investment of District funds pursuant to the Statement of Investment Policy established by the Board of Directors.
2. In investing surplus funds of the District, the General Manager/Treasurer shall consult with the District's financial advisors and shall exercise judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by the General Manager/Treasurer shall be the "prudent investor" standard (Government Code Section 53600.3) and shall be applied in the context of managing an overall

portfolio. The General Manager/Treasurer, acting in accordance with the Investment Policy established by the Board of Directors and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. Within the limitations of the foregoing standard, the General Manager/Treasurer is authorized to invest surplus funds of the District in any of the types of investments permitted under Section 53601 and 53601.1 of the Government Code of the State of California as currently written, and as it may be amended in the future by the Legislature. The General Manager/Treasurer is expressly authorized to invest surplus funds of the District in the Local Agency Investment Fund of the California State Treasurer (Government Code Section 16429.1). All investments of surplus funds of the District shall comply with all of the limitations and requirements of Government Code Sections 53600 through 53609, inclusive and any other legal restrictions imposed by State or Federal law.

3. The General Manager/Treasurer shall establish written procedures for the operation of the investment program consistent with the Statement of Investment Policy which procedures shall include references to safekeeping; repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts as appropriate. The General Manager/Treasurer may delegate to District staff members authority to engage in specific investment transactions and shall institute such controls and restrictions as appropriate to ensure compliance with the Investment Policy. No person may engage in an investment transaction except as provided under the terms of the Investment Policy and the procedures established by the General Manager/Treasurer. The General Manager/Treasurer shall be ultimately responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, outside investment advisors and contracted managers.
4. The General Manager/Treasurer shall make monthly reports of investment transactions made with District funds to the Board of Directors. In addition, the General Manager/Treasurer shall submit to each member of the Board of Directors, a quarterly investment report within thirty (30) days following the end of the quarter covered by the report, which shall include the type of investment, issuer, date of maturity, par and dollar amount invested for all securities, investments and monies of the District, and shall additionally include a description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs and such other information as is required under Government Code Section 53646. With respect to all securities held by the District, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation. With respect to funds placed in the Local Agency Investment Fund, FDIC-Insured accounts and/or in a county investment pool, the foregoing information may be provided by including a copy of the latest statement from such institutions. The quarterly report shall include a statement that the portfolio is in compliance with this statement of

Investment Policy, or shall identify in what respect it is not in compliance. The quarterly report shall include a statement that the District will be able to meet its anticipated operating expenses and expenditure obligations for the following six months or provide an explanation as to why sufficient money shall, or may not be available. The General Manager/Treasurer shall maintain a complete and up-to-date record of all investment transactions. The General Manager/Treasurer shall also report any additional information or data that may be requested by the Board of Directors.

5. The investment authority delegated to the General Manager/Treasurer herein shall continue for one year or until earlier revoked by the Board of Directors.

ADOPTED December 9, 2014 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Szu Pei Lu-Yang, President

Attest:

TOM COLEMAN
General Manager/Treasurer

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2.11

**PUENTE BASIN WATER AGENCY
PROJECT AGREEMENT NO. 3
POMONA BASIN REGIONAL GROUNDWATER PROJECT
PHASES 1 and 2**

Pursuant to Section B.7 of the Agency's Amended, Restated and Renewed Joint Powers Agreement, Rowland Water District ("Rowland") and Walnut Valley Water District ("Walnut") now set forth the Project Agreement for the Agency's proposed Pomona Basin Regional Groundwater Project, Phases 1 and 2, to address the following:

1. Description of Project: The Project involves the production of Six Basins groundwater by the Agency. The Project includes the design and construction of the following facilities, which are necessary to connect production facilities to the Pomona-Walnut-Rowland Joint Water Line (JWL): (a) rehabilitation of the Old Baldy Well, owned by the City of La Verne, including associated electrical and motor control center upgrades; (b) a new production well; (c) approximately 4,000 feet of twelve-inch through twenty-inch diameter pipeline, running from the Old Baldy Well Site, at the intersection of 5th and C streets in La Verne, to a point of connection with the JWL at Fairplex Drive adjacent to Golden State Water Company's (GSWC) Durward Well Site, north of Wright Avenue; (d) a sixteen-inch bypass structure, with a 16 inch flow control valve, located upstream of the Three Valleys Municipal Water District (TVMWD) Miramar connection to the JWL; (e) a forty-two inch bypass structure, with a 36 inch flow control valve and meter, located at the GSWC Durward Well Site (f) a twelve-inch connection to the JWL for GSWC at the Durward Well Site; (g) a block building, chlorine and ammonia storage tanks, chlorine and ammonia chemical feed pumps, and dual probe free and total chlorine analyzer; (h) Supervisory Control and Data Acquisition (SCADA) system components at each facility.

2. Design and Planning: Staff at Walnut will oversee the development of plans and specification for each of the project components to be designed by a consulting engineer. Improvements of the electrical system, and motor control center for the Old Baldy Well shall be subject to such approval from the City of La Verne as may be required under the contract entered into with La Verne for the use of the Old Baldy Well as part of the Project.

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

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

5. Project Budget: The parties estimate that the construction cost for the Project will be \$5,245,000. Once such actual costs are determined, the parties shall prepare a

schedule summarizing those costs, and shall thereafter amend this Agreement to attach that schedule as an exhibit to be incorporated into this Agreement.

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

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

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

9. Durward Well Site Acquisition - Capacity in the JWL: If necessary as a condition of acquiring an easement from GSWC for the installation of the 42-inch bypass structure at the Durward Well Site, Rowland and Walnut each shall allocate 50 percent of the capacity requested by GSWC in the JWL from each agencies respective capacity in the JWL. This capacity will be made available to GSWC to convey water from the TVMWD Miramar Water Treatment Plant or Metropolitan Water District Weymouth Water Treatment Plant to the new connection at the Durward Well Site.

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

11. Reserve Account: For the first year of operation of the Project, a reserve fund of \$20,000.00 shall be established to be used by the project operator, in its discretion, for funding repairs to the Project. The contribution of Rowland and Walnut into this fund shall be on an equal basis, with each party contributing fifty percent (50%). The sum of \$20,000 shall be the floor for the reserve fund and the parties acknowledge that it may be necessary, from time to time after monies have been expended from that fund, for the parties to contribute additional monies to the reserve fund to keep the fund at that minimum level. Ongoing funding to supplement this reserve account shall be accomplished through the imposition of a surcharge on water delivered through the Project, which surcharge is initially fixed at \$5.00 per acre foot delivered, but which

may be adjusted as the Commission may determine; or through imposition of a surcharge determined on some other basis that fairly and equitably allocates such contributions between Rowland and Walnut.

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

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

Dated: _____, 2014

ROWLAND WATER DISTRICT

By: _____
Ken Deck, General Manager

Dated: _____, 2014

WALNUT VALLEY WATER DISTRICT

By: _____
Michael Holmes, General Manager

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**DEWATERING AGREEMENT
(Nogales Street Grade Separation)**

This Dewatering Agreement (“**Agreement**”) is effective as of _____, 2014 (“**Effective Date**”), and is between the CITY OF INDUSTRY, a California municipal corporation and charter city (“**City**”), the ROWLAND WATER DISTRICT, a county water district (“**District**”), and the COUNTY OF LOS ANGELES, a subdivision of the State of California (“**County**”). The City, District and County are sometimes individually referred to as a “**Party**” and, collectively, as the “**Parties**”.

RECITALS

- A. City and County are members of the Alameda Corridor – East Construction Authority, a joint powers agency (“**ACE**”), which is constructing a grade separation project on behalf of City and County under the Union Pacific Railroad line where it crosses Nogales Street (“**Nogales Grade Separation Project**” or “**Project**”).
- B. Nogales Street is a public right-of way, and a portion of the Project is located in the City and a portion of the Project is located in the County as depicted on the attached Exhibit A. The Project is entirely within the boundaries of the District. The Project is also located within the Puente Basin groundwater basin in which both City and District have rights to extract groundwater.
- C. Because of the high ground water levels in the vicinity of the Project, the Project is subject to flooding by groundwater infiltration, and a permanent groundwater pumping dewatering system has been included in the Project design to resolve the flooding issues. This system includes a subdrain piping system, which will enable ground water to gravity flow into a pumping vault located within the street-raised median within Nogales Street.
- D. District provides potable and recycled water service to customers within its boundaries. District pumps groundwater from wells in the vicinity of the Project and has tested the groundwater produced by the Project and has determined that it is suitable for use as recycled water. Therefore, District is willing to take delivery of the groundwater produced by the dewatering system for use in its recycled water system.
- E. Dual 25 horsepower electric pumps will be installed within the pumping vault to pump the groundwater by means of connecting facilities into District’s nearby recycled water distribution system for the exclusive use of District. The dewatering system is designed for a flow rate of 150 gallons of groundwater per minute. The system also includes a 12-inch gravity pipe between the groundwater pump station and the stormwater pump station owned and operated by City, with a valve that normally will be closed and will only be opened to connect the two pump stations under the conditions specified in this Agreement.
- F. The portion of the system consisting of the groundwater pump vault, the dual pumps and related electrical facilities necessary to operate the pumps are referred to in this Agreement as the “**Groundwater Pumping System**” or “**System**.”

- G. District has reviewed and approved the design plans for the Groundwater Pumping System.
- H. The Parties desire to enter into this Agreement to establish, among other things, the manner in which the Groundwater Pumping System will be constructed, operated and maintained, the responsibility for the discharge of the groundwater extracted, and the water rights associated with such extraction.

AGREEMENT

The Parties agree as follows:

1. Construction of the Groundwater Pumping System.
 - a. The Parties acknowledge and agree that the construction of the Project, including the Groundwater Pumping System and the connection of the Ground Water Pumping System to District's recycled water system, and all construction costs for such work, including design, materials, construction permits and other necessary costs will be the responsibility of ACE.
 - b. During the construction of the Project, however, District will have the right to review and approve the plans and submittals and provide direction to the Project contractor for all Requests For Information ("**RFIs**") with respect to the Groundwater Pumping System.
 - c. Upon completion of the Groundwater Pumping System, District will provide written notice ("**Transfer Notice**") to City and County that the improvements have been constructed in accordance with the plans and specifications and that District is prepared to take over ownership of the pumps, and the operation and maintenance of the System in accordance with this Agreement.
2. Operation and Maintenance of the Groundwater Pumping System.
 - a. As of the Transfer Notice, District will own the pumps, and all facilities constructed as a part of the Groundwater Pumping System on the discharge side of the pumps, and will be solely responsible for the operation and maintenance of the Groundwater Pumping System, including all electrical and other costs associated with the operation and maintenance of the System.
 - b. District covenants that it will continuously operate and maintain the System in a manner generally consistent with standard operating practices for similar public facilities and in any event at a level no less than that of its other facilities, except as specifically provided in this Section 2.
 - c. District acknowledges and agrees that neither City nor County will have any obligation with respect to the replacement of the pumps during the term of this Agreement, it being understood and agreed that all such long-

term capital replacement costs for the pumps will be the sole obligation of District.

- d. If District is unable to convey the pumped groundwater into its recycled water system due to any cause beyond the reasonable control of District, including but not limited to power failure, unusual weather event, accident or other emergency situation, District will have the right to open the valve to the stormwater pump station so that the water may be discharged through that system. If the stormwater pump station fails to operate properly in an emergency or other situation where the District has opened the valve to the stormwater pump station, then City and County will shut down the Nogales Street underpass to traffic if the area floods in an acceptable manner to reduce risk to public safety. To the extent not caused by the negligence or willful misconduct of District or the breach of any obligation under this Agreement, City and County agree that District will not be liable for any cost or damage resulting from the discharge of any pumped groundwater into the stormwater pump station and agree to hold District harmless from claims arising out of a closure of Nogales Street due to failure of the stormwater pump station to adequately remove the groundwater from Nogales Street.
 - e. City is solely responsible for the operation and maintenance of the stormwater pump station, including any required National Pollution Discharge Elimination System (“NPDES”) permit for the discharge of any groundwater from the Groundwater Pumping System.
3. License to Operate and Maintain Groundwater Pumping System. City and County hereby grant District, and its officers, employees, contractors, and agents a license in, on, over, across and under the respective property of City and County within the Nogales Street right-of-way for the purpose of operating and maintaining the Groundwater Pumping System, including, without limitation, the maintenance and repair of all surface and underground pipelines and laterals, mains, manholes, vaults, pumps, regulators, valves, wiring, and all other underground and surface structures appurtenant to the System or necessary for the operation, maintenance, and repair of the System. The license granted by this Agreement includes all rights incidental or reasonably necessary to District’s obligation to operate, maintain, and repair the facilities that comprise the Groundwater Pumping System, and the right of access, ingress and egress for such purposes.
 4. Groundwater Quality, Rights, Use and Discharge.
 - a. Neither City nor County makes any representations or warranties as to the quality or quantity of the groundwater that will be available for extraction through the Groundwater Pumping System. District hereby assumes at its sole cost all responsibility with respect to the testing, treatment and discharge of all the groundwater extracted through the Groundwater Pumping System.

- b. District has the right to utilize all groundwater extracted from the Groundwater Pumping System and to introduce such groundwater into District's recycled water system for the exclusive use by District.
- c. District agrees to maintain accurate records of the volume of groundwater extracted by the Groundwater Pumping System and to make such records available to City and County upon reasonable advance notice. All groundwater extracted by the Groundwater Pumping System will be applied to District's existing water rights within the Puente Basin at no charge to City or County.
- d. In the event that the water quantity or quality of the groundwater extracted by the Groundwater Pumping System is such that District is required to discharge the water to the stormwater pump station instead of into its recycled water system, District may do so upon City and County obtaining any required approvals for such discharge including a NPDES permit required by the Regional Water Quality Control Board at City's and County's sole expense.
- e. Notwithstanding anything above in this Section to the contrary, if the quality of the groundwater becomes unsuitable for use as recycled water, either because of deterioration of the quality of the groundwater or the imposition or modification of any statutory or regulatory provisions governing recycled water, by any governmental authority with jurisdiction over District's recycled water system, District may provide City and County with a written notice stating the reasons for such unsuitability of the groundwater and reasonable documentation supporting such finding ("**Notice of Groundwater Unsuitability**"). Within 30-days of receipt of a Notice of Groundwater Unsuitability, the parties must schedule a meeting to review the Notice and District's supporting documentation, and discuss methods to potentially address District's concerns regarding the quality of the groundwater extracted, including the potential installation of a small package treatment facility or alternative discharge options. If following such meeting or any additional meetings to which the parties may collectively agree to conduct, a mutually satisfactory agreement is not reached regarding the alleged unsuitability of the groundwater for use as part of District's recycled water system, then District may terminate this Agreement upon 18 months written notice to the other parties, it being understood and agreed that such period reflects a reasonable period for City and County to develop and implement an alternative method of discharging the groundwater..
- f. District acknowledges and agrees that all groundwater extracted by the Groundwater Pumping System may only be utilized for such uses as are legally permissible under the laws of the State of California and any regulatory agency having jurisdiction over such groundwater, including the Regional Water Quality Control Board and state and local health departments.

5. Indemnification.

- a. By District. District agrees to indemnify, protect, defend and hold harmless the City and County from and against any and all claims, losses, liabilities, damages, fines, penalties, actions, causes of action, judgments, costs and expenses (including, without limitation, attorneys' fees and costs) (collectively "**Claims**") arising out of or relating to the operation, maintenance, or use of the Groundwater Pumping System and all groundwater extracted by the System, including the distribution, sale or discharge of any such groundwater except into City's or County's storm drain system. Notwithstanding the foregoing, District will have no liability for any Claims related to flooding at Nogales Street caused by the failure of the Groundwater Pumping Station, except to the extent caused by the negligence or willful misconduct of District. If any action or proceeding is brought against City or County by reason of any of the matters against which District has agreed to indemnify City and County as provided above, District, upon notice from City or County, must defend City and County at District's expense by counsel acceptable to City and County, such acceptance not to be unreasonably withheld. For the purposes of this subsection 5(a), "City" and "County" includes their respective officers, officials, employees, agents and volunteers. The provisions of this subsection 5(a) do not apply to the extent any Claims are the result of the City's or County's negligence or willful acts or omissions. The indemnity obligations of District in this subsection 5(a) are joint and several and will survive the termination of this Agreement.
- b. By City and County. City and County agree to indemnify, protect, defend and hold harmless District from and against any and all claims, losses, liabilities, damages, fines, penalties, actions, causes of action, judgments, costs and expenses (including, without limitation, attorneys' fees and costs) (collectively "**Claims**") arising out of or relating to any breach by City or County of this Agreement. In addition, City and County agree to indemnify, protect, defend and hold District harmless from and against any claims for flooding of the Nogales Street underpass and for any damages or personal injury arising out of flooding, standing water or other alleged water-related causes at the Nogales Street underpass, except to the extent caused by the District's, negligence or willful misconduct. If any action or proceeding is brought against District by reason of any of the matters against which City and County have agreed to indemnify District as provided above, City and/or County, as applicable, upon notice from District, must defend District at City's or County's expense by counsel acceptable to District, such acceptance not to be unreasonably withheld. For the purposes of this subsection 5(b), "District" includes its respective officers, officials, employees, agents and volunteers. The provisions of this subsection 5(b) do not apply to the extent any Claims are the result of the District's negligence or willful acts or omissions. The indemnity obligations of City and County in this subsection 5(b) are joint and several and will survive the termination of this Agreement.
6. Notices. All notices between the Parties must be in writing addressed to the recipient Party's notice address specified below and must be given (a) personally (including by commercial courier or next business day delivery service), in which case notice will be deemed to have been given upon delivery to the Party's

notice address, (b) by certified mail, return receipt requested, in which case notice will be deemed to have been given on the delivery date indicated on the return receipt, or (c) by United States Mail, in which case notice will be deemed to have been given 3 business days following deposit in the United States Mail. Either Party may change its notice address by giving notice to the other Party. The Notice Addresses for the Parties are:

If to City: City of Industry
15625 E. Stafford St., Suite 100
City of Industry, California 91744
Attn: City Engineer

If to County:

_____, California
Attn: _____

If to District: Rowland Water District
3021 Fullerton Heights
Rowland Heights, California 91748
Attn: _____

Failure to give a copy of a notice to the address indicated above will not render such notice ineffective if otherwise given to a Party as provided above.

7. Further Assurances. The Parties each agree to take all such further actions and to execute and deliver all such other agreements and instruments as may be necessary to more fully carry out the purposes of this Agreement.

8. Term.

a. The term of this Agreement will be in perpetuity unless sooner terminated by one of the following occurrences.

1. The mutual agreement of all parties.

2. 18 months' notice by District upon determination that the groundwater is not suitable for recycled use in accordance with Section 4(b).

3. Upon default by a party that is not cured within three months or a cure commenced within such period and is not being diligently pursued to completion, at the option of the non-defaulting parties.

b. If this Agreement is terminated then:

1. The ownership of the pumps and the 4-inch discharge line to Rowland's existing recycled water line in Railroad Street will transfer back to City and County and the operation and maintenance responsibilities for the Groundwater Pumping

System will be shared by City and County in proportion to the area that each entity owns or controls with respect to the total area of the Project that benefits from this groundwater pumping. City and County will also be proportionately liable to District for the reasonable costs of disconnecting and abandoning the connection to District's recycled water system.

2. The pumping of groundwater will no longer be charged against the pumping rights of the District, and City and County will have to acquire or secure or apply their own water rights.
3. The groundwater extracted will belong exclusively to City and County in proportion to the Project benefits described above.

9. General Provisions.

- a. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the Parties with respect to such subject matter.
- b. No term or provision of this Agreement may be amended, modified or waived orally or by a course of conduct, but only by an instrument in writing duly executed and delivered by the Parties. A waiver of any term or provision of this Agreement will only be effective to the extent specified in the instrument establishing such waiver.
- c. This Agreement is the result of negotiation between the Parties, each of which has been represented by legal counsel of its choosing. Accordingly, no term or provision of this Agreement is to be interpreted or construed against the Party that drafted such term or provision.
- d. All Exhibits referred to in this Agreement are incorporated in and made a part of this Agreement.
- e. The rights and obligations of the parties under this Agreement may not be assigned or transferred without the prior written consent of the other Parties, which consent may be withheld in such party's reasonable discretion due to the unique subject matter of this Agreement.
- f. If any Party to this Agreement brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in such action will be entitled to its reasonable attorneys' fees and costs from the losing Party.
- g. This Agreement may be executed in counterparts, each of which is an original but all of which together constitute but one and the same instrument.

[Signatures on the following page.]

The Parties have caused this Agreement to be duly executed by their undersigned respective and duly authorized officials, officers, or representatives as of the Effective Date.

CITY OF INDUSTRY

Kevin Radecki, City Manager

APPROVED AS TO FORM:

Michele Vadon, City Attorney

COUNTY OF LOS ANGELES

By: _____
,

APPROVED AS TO FORM:

, Deputy County Counsel

ROWLAND WATER DISTRICT

By: _____

APPROVED AS TO FORM:

, General Counsel

EXHIBIT A

Depiction of Project Area

Tab

2.13

**Rowland Water District
Communication Strategies Update
December 9, 2014**

- **Northrop Grumman Superfund**
 - Press release and other messaging
 - Highlight multi-agency partnership
 - Highlight new area water supply

- **Management Transition**
 - Press Release
 - Web language
 - To be distributed week of December 1

- **Updated Strategic Plan**
 - Incorporate management changes in language
 - Planning session TBD
 - Revised plan to be developed/written January 2015
 - Plan adoption anticipated early 2015

- **On-going updates**
 - Website (sliders and text updated as needed)
 - On-Hold Messages (payment options, winter water use)

• Press Releases

Date	News Story	In Process	Completed	Distributed
6/30	CCR Available		*****	*****
7/24	Conservation Mandates		*****	*****
7/31	Bellflower Somerset	*****	*****	
9/9	Stage 2 – Mandatory Restrictions		*****	*****
9/15	Kiosk/Lobby Improvements		*****	*****
9/23	District Refinancing		*****	*****
10/1	Buckboard Days	*****	*****	*****
10/1	Grant Application	*****		
10/21	New Legal Counsel		*****	*****
12/1	Management Transition	*****		
12/15	Northrop Grumman Superfund	*****		



Memorandum

To: Board of Directors

From: Brittnie Van De Car
Public Affairs Representative

Date: December 9, 2014

Re: Public Affairs & Education Update

- Classroom Presentations (November and December):
 - November 5th-Blandford Elementary School
 - 1st Grade
 - Water Cycle Bracelet
 - 3 Classes
 - 66 Students
 - November 13th-Rowland Elementary School
 - 2nd Grade
 - Water Cycle Bracelet
 - 2 Classes
 - 33 Students
 - December 2nd-Rowland Elementary School
 - 2nd Grade
 - Water Cycle Bracelet
 - 22 Students
 - December 25th-Blandford Elementary School
 - 5th & 6th Grade GATE Students
 - Water Supply & Conservation Presentation
 - 92 Students
 - **TOTAL STUDENTS= 213**
- Assisted several teachers with the EduGrant applications (eligible to receive up to \$750 for water-related classroom activities)
- Created a Survey Monkey to send out to the teachers that have participated in the classroom presentations.
 - The Teacher Evaluations are anonymous and provide valuable feedback
 - The feedback is used to develop and enhance future presentations
- Keeping up-to-date with the WaterSense partnership program:
 - Printing appropriate promotional material and placing it at the Customer Service Counter for distribution to customers
 - Attending bi-monthly webinars on upcoming promotional items and programs put on by the Environmental Protection Agency (EPA) WaterSense program
- Updating the Lobby Player on a daily/weekly basis

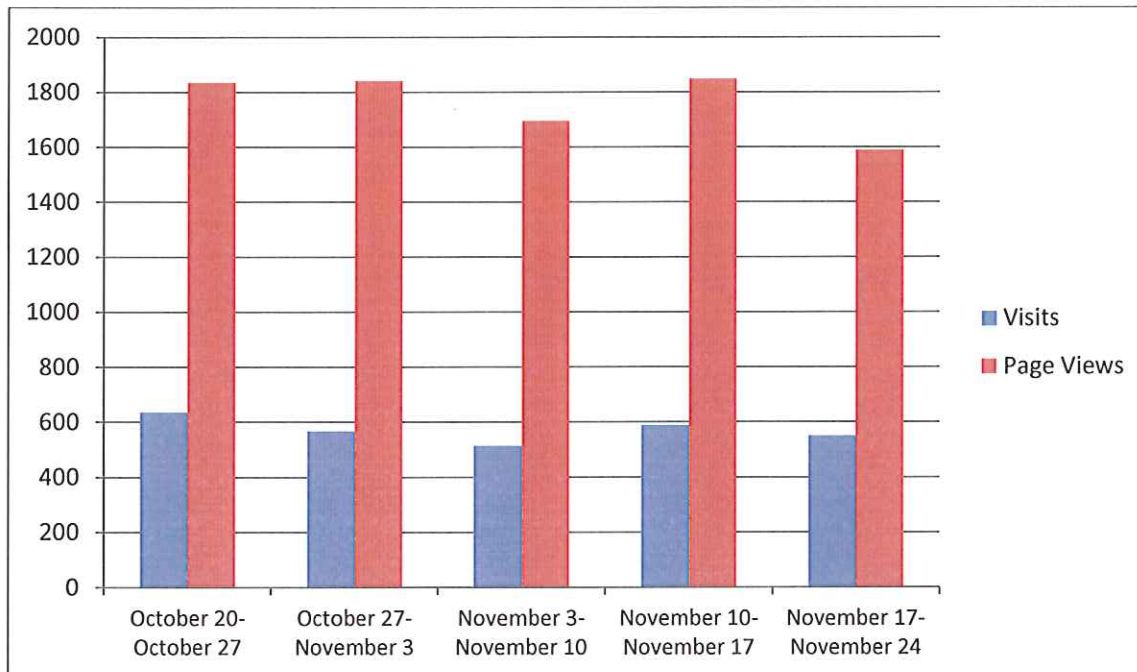


- Checking the Google Analytics weekly (see attached data charts)
 - The “Website Visits and Pageviews” allows us to determine the number of new vs. returning visitors and the source of viewing
 - The “Pageviews” allows us to evaluate which pages on the website are viewed most frequently
- Adding all new customer emails to Constant Contact to be utilized as a customer newsletter database
 - Creating content, ideas and layout for quarterly e-newsletter
- Checking the District’s FaceBook and Twitter page weekly
 - Posting necessary information on the pages
- Maintain and view District website on a daily basis
 - Update pages
 - Make relevant changes
 - Updating the Drought Monitor page weekly
 - Upload the Board packet, minutes and agendas when necessary
- Attended the EPA WaterSense Webinar on Tuesday, November 18, 2014
- Attended the EduGrant Pre-Review meeting on Tuesday, November 25, 2014

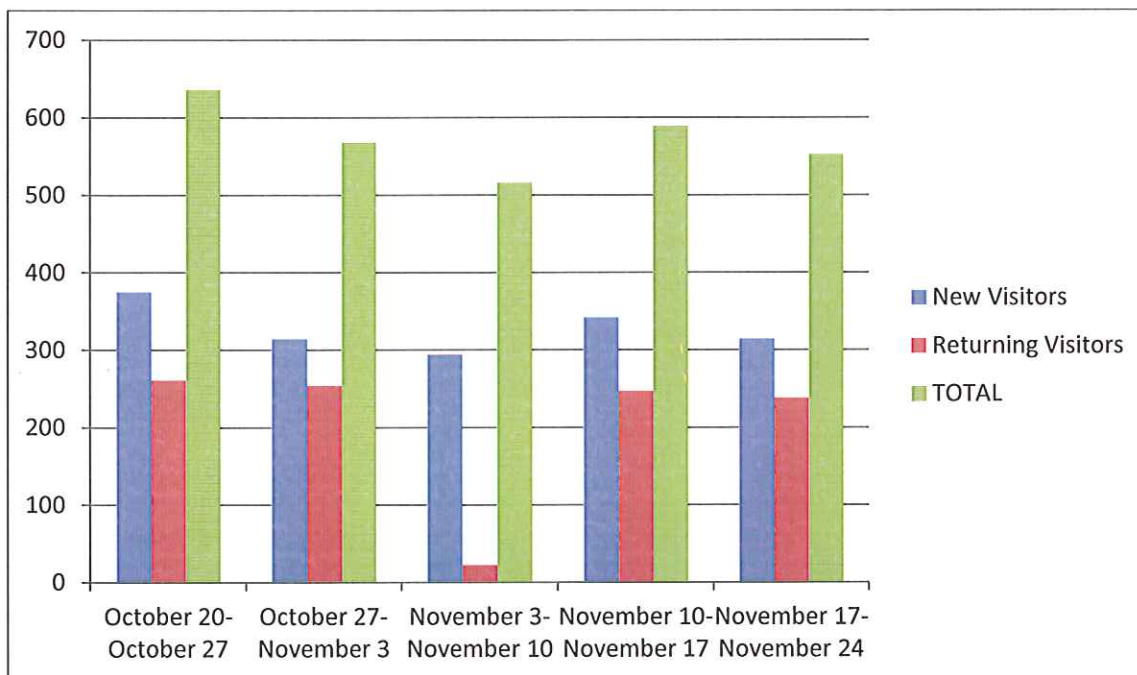
A handwritten signature in purple ink, reading "Brittnie L. Van De Car".

Brittnie L. Van De Car
Public Affairs Representative

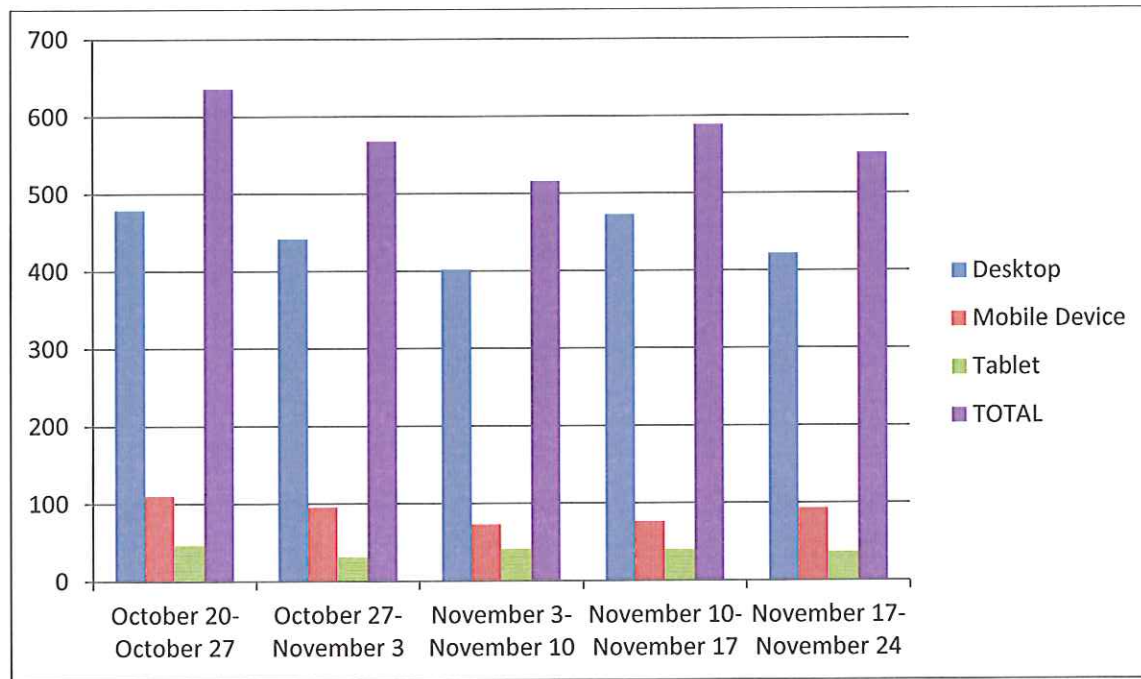
Website Visits and Pageviews



New vs. Returning Visitors



Source of Viewing

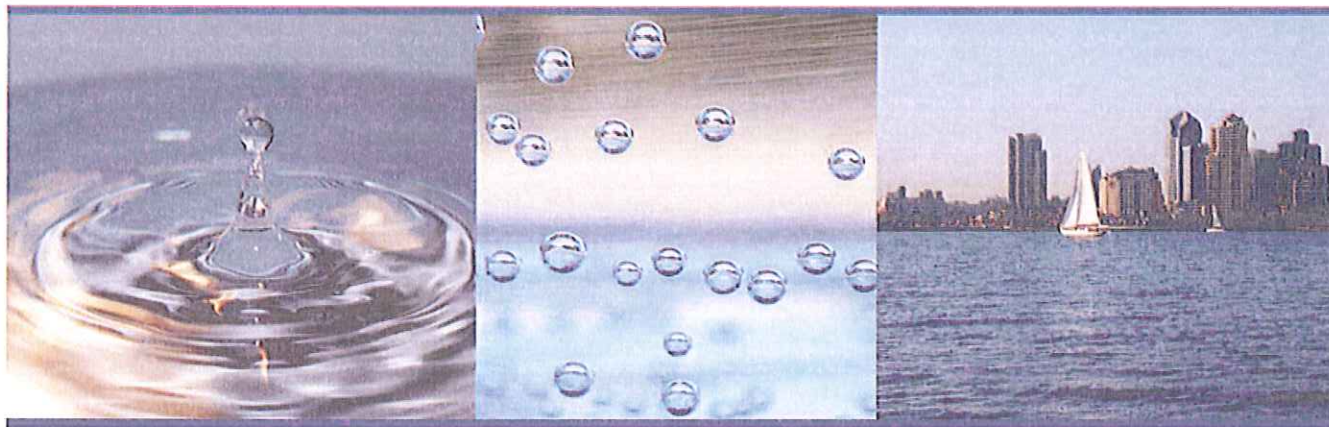


Tab

2.14

Urban Water Institute, Inc.

- o Home
- o About
- o Program
- o Sponsorship
- o Exhibitor
 - Advertise
- o Membership
- o Archives
- o Photos
- o Contact



welcome to the
URBAN WATER INSTITUTE, INC.

The Urban Water Institute, Inc., was incorporated as a nonprofit public education organization in the State of California in 1993, with the Mission to provide non-partisan information of timely and pertinent interest to the water resource industry, including public agencies and private firms, with particular emphasis on water economics, management and resource policies as they affect consumers and the general economy.

Please Mark Your Calendar For The Upcoming Events:

- o **Save The Date For The Urban Water Institute's Spring Water Conference taking place March 4-6, 2015 at the Hilton Palm Springs Hotel.**

SPONSOR LINKS



Sign up for our
 Email Newsletter

Thank You To Our Annual Conference Sponsors!

PREMIUM SPONSORS

Tab

3.1

**Intentionally
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Tab

4

Debbie Pultz
1520 Arbolita Dr.
La Habra, Ca 9061

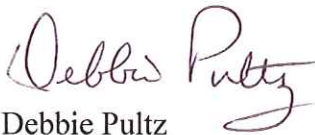
The Rowland Water District
3021 Fullerton Road
Rowland Heights, Ca 91748

November 5, 2014

To The Board of Directors,

I want to commend project manager Mark Serna for his professionalism in handling citizen concerns in relation to the recent clean water project that occurred in the City of La Habra. Mark demonstrated an exceptional demeanor and personality that reflects what a competent manager should display. Mark's prompt response and actions were greatly appreciated! Thank you for assigning an individual who can not only head a major construction project but one that has terrific public relation skills as well.

Best Regards,


Debbie Pultz

Tab

5.1

**AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 EAST MIRAMAR AVENUE, CLAREMONT, CALIFORNIA**

Wednesday, November 5, 2014 at 8:00 AM

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

<i>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.</i>		
1.	Call to Order	Kuhn
2.	Pledge of Allegiance	Kuhn
3.	Roll Call <input type="checkbox"/> Bob Kuhn, President, Division IV <input type="checkbox"/> David De Jesus, Vice President, Division II <input type="checkbox"/> Brian Bowcock, Secretary, Division III <input type="checkbox"/> Joe Ruzicka, Treasurer, Division V <input type="checkbox"/> Dan Horan, Director, Division VII <input type="checkbox"/> Carlos Goytia, Director, Division I <input type="checkbox"/> Fred Lantz, Director, Division VI	Executive Assistant
4.	Additions to Agenda [1] [2] <i>(Government Code Section 54954.2(b)(2)</i> Upon a determination by a two-thirds vote of the members of the board present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action, and that the need for action came to the attention of the district subsequent to the agenda being posted. <i>The board shall call for public comment prior to voting to add any item to the agenda after posting.</i>	Kuhn
5.	Reorder Agenda [2]	Kuhn

6.	<p>Public Comment [2] (Government Code Section 54954.3)</p> <p>Opportunity for members of the public to directly address the board on items of public interest that is within the subject matter jurisdiction of the district. The general public may also address the board on items being considered on this agenda. The district requests that all public speakers complete a speaker’s card and provide it to the executive assistant.</p> <p><i>We request that remarks be limited to five minutes or less.</i></p>	Kuhn
<p>Discussion and Action Items: The board of directors and staff will discuss the following items, and the board may consider taking action.</p>		
7.	<p>Presentation: Ken Manning – San Gabriel Valley Water Quality Authority [2]</p> <p>Mr. Manning will be present to provide an update on the San Gabriel Valley Water Quality Authority</p> <p><i>Information Item</i></p>	Tab 1
8.	<p>General Manager’s Report [1] [2]</p> <p>A. Administration [1] [2] Staff will provide brief updates on existing matters under the guidance of Administration staff and will be available to respond to any questions thereof.</p> <p>1. Legislative/Election Update – November 2014 [enc] [2] Staff will provide a legislative update of the election results for the November 4, 2014 general election.</p> <p><i>Information only</i></p>	Hansen
	<p>2. 2015 Calendar: Proposed Board Meeting and Conference Schedule [enc] [1]</p> <p>The board will review the proposed CY 2015 meeting calendar and consider the cancellation of two meeting dates as follows due to conflicts. Upon approval of this action, the annual calendar for 2015 will be finalized. Staff will be seeking direction from the board to return this item to the November 19, 2014 board meeting for approval.</p> <p><u>Conflicts:</u></p> <ul style="list-style-type: none"> • December 3, 2014 – ACWA Fall Conference • May 6, 2015 – ACWA Spring Conference <p><i>Information Item – Direct staff to return to next meeting for approval</i></p>	Tab 2
	<p>3. Review Activities Calendars (November 2014 – January, 2015) [enc] [2]</p> <p>The board will review the event-activities calendars for October – December 2014 and provide direction to staff regarding listed events if any.</p> <p><i>Information only</i></p>	Tab 3
		Tab 4

	<p>B. Engineering and Operations [1] [2] Staff will provide brief updates on existing matters under the guidance of Engineering-Operations staff, and will be available to respond to any questions thereof.</p>	
	<p>1. Project Summary Update [enc] [2] A status summary update of ongoing projects will be provided. <i>Information only</i></p>	Tab 5
	<p>C. Finance and Personnel [1] [2] Staff will provide brief updates on existing matters under the guidance of Finance and Personnel staff, and will be available to respond to any questions thereof.</p>	
	<p>1. FY 13-14 Audit and Comprehensive Annual Financial Report (CAFR) [enc] [2] Staff will review the FY 13-14 CAFR and other related documents listed below. Staff is seeking direction from the board to return this item for approval at the November 19, 2014 board meeting.</p> <ul style="list-style-type: none"> a) FY 13-14 CAFR b) Audit Committee Letter c) Audit Management Letter <p><i>Information Item – Direct staff to return to next meeting for approval</i></p>	Tab 6
	<p>2. FY 13-14 Final Reserves/Fund Balance Schedule [enc] [2] Staff will review the final reserves/fund balance schedule for 2013-14. Staff is seeking direction from the board to return this item for approval at the November 19, 2014 board meeting</p> <p><i>Information Item – Direct staff to return to next meeting for approval</i></p>	Tab 7
	<p>3. Staff Benefits [enc] [2] Staff will provide options for changes to employee total compensation. <i>Information Item – Direct staff to return to next meeting for approval</i></p>	Tab 8
	<p>9. Future Agenda Items [2]</p>	Kuhn
	<p>10. Adjournment <i>Board adjourned to the November 19, 2014 Regular Board Meeting at 8:00 AM</i></p>	Kuhn

American Disabilities Act Compliance Statement
Government Code Section 54954.2(a)



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

Agenda items received after posting
Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the District Office located at, 1021 East Miramar Avenue, Claremont, CA. The materials will also be posted on the district's website at www.threevalleys.com.

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



Action Line

BOARD MEMBERS

CARLOS GOYTIA
DIVISION I

DAVID D. DE JESUS
DIVISION II

BRIAN BOWCOCK
DIVISION III

BOB G. KUHN
DIVISION IV

JOSEPH T. RUZICKA
DIVISION V

JOHN W. "FRED" LANTZ
DIVISION VI

DAN HORAN
DIVISION VII

THREE VALLEYS MWD

1021 E. Miramar Avenue

Claremont, CA 91711

Phone: 909-621-5568

Fax: 909-625-5470

www.threevalleys.com

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

For additional information: (909) 621-5568

The following is a summary of the Three Valleys Municipal Water District's Regular Board Meeting of Wednesday, **NOVEMBER 19, 2014**

Approved: Motion No. 14-11-5016 approving the consent calendar items A-H as follows: (A) Receive, approve, and file October 2014 minutes for October 1, 2014 and October 15, 2014; (B) Receive, approve, and file October 2014 financial reports: Change in Cash and Cash Equivalents Report, Consolidated Listing of Investment Portfolio, YTD District Budget Monthly Status Report, and Warrant Summary (Disbursements); (C) Approve 2015 Calendar: Proposed Board Meeting and Conference Schedule; (D) Approve Activity-Event Calendars for November 2014-January 2015; (E) Receive, approve and file FY 13-14 Audit and Comprehensive Annual Financial Report (CAFR); (F) Receive, approve and file FY 13-14 Final Reserves / Fund Balance; (G) Approve CY 2015 Holiday Schedule; (H) Ratify Replacement of Alternate to Service on Rowland-Walnut-Pomona Joint Water Line Commission. **Motion No. 14-11-5016 was approved unanimously by a 7-0 vote.**

Approved: Motion No. 14-11-5017 to authorize payment of director expense reports for October 2014. **Motion No. 14-11-5017 was approved unanimously by a 7-0 vote.**

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

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



Action Line
November 19, 2014
~ Page 2 ~

Approved: Motion No. 14-11-5018 to approve recommended changes to the Retiree Medical Policy as presented. **Motion No. 14-11-5018 was approved unanimously by a 7-0 vote.**

Motion No. 14-11-5019 concerning changes to the Employee Deferred Compensation Policy was tabled to an indefinite period in the future. **The action to table Motion No. 14-11-5019 passed on a 4-3 vote with Directors Bowcock, Goytia, Lantz and Ruzicka voting yes to table the item; and Directors De Jesus, Horan and Kuhn voting no.**

Swearing-in Ceremony: The three incumbents, Director Goytia, Division 1; Director Bowcock, Division 3; and Director Ruzicka, Division 5 ran unopposed. They were reappointed in lieu of election to serve another four-year term by the Los Angeles County Board of Supervisors on November 5, 2014. At today's proceeding, Supervisor-Elect, Hilda Solis officiated over the swearing-in ceremony.

Closed Session: A closed session was held to review two matters related to the three San Diego County Water Authority v. Metropolitan Water District of Southern California lawsuits:

- Case No. CPF-10-510830 (San Francisco Superior Court)
- Case No. CPF-12-512466 (San Francisco Superior Court)
- Case No. BC547139 (Los Angeles Superior Court)

There was no action reportable under the Ralph M. Brown Act.

NOTE: The December 3, 2014 meeting has been CANCELLED

NEXT MEETING:

Wednesday, December 17, 2014 @ 8:00 a.m.