



AGENDA

Regular Meeting of the Board of Directors

December 13, 2011

6PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items on the Agenda or other matters within the subject matter jurisdiction of the Board should do so at this time. The Board may allow additional input on Agenda items during the meeting. 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 Nicole Palacios, 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.

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 8, 2011**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.2 Approval of the Minutes of Special Board Meeting held on November 22, 2011**
Recommendation: The Board of Directors approve the Minutes as presented.
- 1.3 Demands on General Fund Account for November 2011**
Recommendation: The Board of Directors approve the demands on the general fund account as presented.
- 1.4 Investment Report for November 2011**
Recommendation: The Board of Directors approve the investment report as presented.
- 1.5 Calendar of Events for December 2011 and January 2012**
For information purposes only.

Special Board Meeting: Strategic Planning to be held on December 27, 2011

Regular Board Meeting to be held on January 10, 2012

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 2011**
Recommendation: The Board of Directors approve the reimbursements as presented.
- 2.2 Administer Oaths of Office to Anthony J. Lima, Division 2; and Teresa P. Rios, Division 1**
No recommendation provided.
- 2.3 Presentation from National Demographics Corp. on Results from their Review of 2010 Census Data for Existing Rowland Water Director Divisions**
No recommendation provided.

- 2.4 Approve Final Financial Audit Report for Fiscal Year 2010-2011 Prepared by Diehl, Evans & Company, LLP**
Recommendation: The Board of Directors approve the final financial audit for fiscal year 2010-2011. Directors reviewed draft audit at the November 8, 2011 board meeting.
- 2.5 Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2010-2011 Prepared by Diehl, Evans & Company, LLP**
Recommendation: The Board of Directors approve the receipt and filing of the PWR financial audit for fiscal year 2010-2011.
- 2.6 Review and Approve Conveyance of Interest in Real Property by Easement Deed from New Age Kaleidoscope, LLC., a California Limited Liability Corporation (Grantor) to Rowland Water District, (Grantee), 17520 Castleton Street, City of Industry, California**
Recommendation: The Board of Directors approve acceptance of easement deed.
- 2.7 Review and Approve License Agreement Between Rowland Water District and Los Angeles County for Ingress and Egress over Reservoir 14 Access Road**
Recommendation: The Board of Directors approve the license agreement as presented.
- 2.8 Approve Executive Officer Positions of the Board of Directors for 2012**
No recommendation provided.
- 2.9 Review and Approve Board of Directors Committee Assignments for 2012**
No recommendation provided.
- 2.10 Approve Change in IRS Standard Mileage Rate from 51 Cents a Mile to 55.5 Cents a Mile to be Effective January 1, 2012**
Recommendation: The Board of Directors approve the IRS mileage increase as presented.
- 2.11 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
No recommendation provided.

Tab 3 GENERAL MANAGER'S REPORT

- 3.1 Water Purchase Report**

Tab 4 LEGISLATIVE INFORMATION

- 4.1 Legislative Updates**

Tab 5 REVIEW OF CORRESPONDENCE

Tab 6 COMMITTEE REPORTS

- 6.1 **Three Valleys Municipal Water District** (Directors Lu-Yang/Lima)
 - Minutes of the Regular Board Meeting held on November 16, 2011
- 6.2 **Joint Powers Insurance Authority** (Director Lewis/Mr. Deck)
 - Low Loss Ratio Certificates

There are no tabs for the remainder of the meeting.

- 6.3 **Regional Chamber of Commerce** (Directors Lu-Yang/Lewis)
- 6.4 **PWR Joint Water Line Commission** (Directors Lima/Bellah)
- 6.5 **Puente Basin Water Agency** (Directors Lima/Lewis)
- 6.6 **Association of California Water Agencies** (Directors Lewis/Bellah)
- 6.7 **Sheriff's Community Advisory Council** (Directors Lu-Yang/Rios)
- 6.8 **Project Ad-Hoc Committee** (Directors Lima/Lu-Yang)
- 6.9 **Finance Ad-Hoc Committee** (Directors Lewis/Lima)

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

- 7.1 **CLOSED SESSION**
Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of §54956.9)
Name of case: In re: IH 1, Inc. f/k/a Indalex Holdings Finance, Inc. etc., Debtors;
George Miller, etc., Plaintiff vs. Rowland Water District, Defendant. Chapter 7
Case No: 09-10982 (PJW); Adversary No.: 11-51451 (PJW)
- 7.2 **CLOSED SESSION**
Conference with Real Property Negotiator - Government Code Sec. 54956.8
Property: A Portion of the Parcel at 1015 Nogales Street, Rowland
Heights, Ca APN# 8264-021-028
Negotiating Parties: John A. Rowland, Jr., Trustee
Under Negotiation: Price and Terms of Sale

Tab 8 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

- 8.1 **Public Relations** (Ms. Perea)
- 8.2 **Personnel Report** (Mr. Deck)

8.4 Directors' and General Manager's Comments

8.5 Future Agenda Items

8.6 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 Anthony J. Lima, Presiding

Tab

1

1.1



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

November 8, 2011 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None

OTHERS PRESENT:

Janet Morningstar, Legal Counsel
Dan Horan, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Robert J. Callanan, White, Nelson, Diehl & Evans (formerly Diehl, Evans & Company, LLP)
David Malkin, Rowland Heights Resident
Teri Malkin, Rowland Heights Resident

ROWLAND WATER DISTRICT STAFF:

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Sean Henry, Finance Officer
Rose Perea, Director of Administrative Services

ADDITION(S) TO AGENDA

President Lima re-ordered the Agenda by moving Tab 2.3 above Tab 2.2 under Action Items to accommodate the representative from Diehl, Evans & Company, LLP.

PUBLIC COMMENT ON AGENDA ITEMS

David and Teri Malkin, Rowland Heights residents, thanked the District for their participation in the Buckboard Days Parade and for supporting the Rotary Club by participating in the pancake breakfast.

Tab 1 - CONSENT CALENDAR

Director Lewis noted that the date of the next regularly scheduled Board meeting, December 13, 2011, had been omitted from the Agenda and moved that it be added to the Consent Calendar.

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, the Consent Calendar was approved as amended. The motion was unanimously carried.

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Special Board Meeting Held on October 4, 2011

1.2

Approval of the Minutes of Special Board Meeting Held on October 25, 2011

1.3

Demands on General Fund Account for October 2011

1.4

Investment Report for October 2011

1.5

Calendar of Events for November and December 2011

Tab 2 - ACTION ITEMS

2.1

Review and Approve Director's Meeting Reimbursements for October 2011

Staff noted that the meeting reimbursement to Vice President Lu-Yang for her attendance at the CAUSE Political Institute event had been omitted and that it would be included with the November meeting reimbursements.

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

2.3

Review Draft Financial Audit Report for Fiscal Year 2010-2011 Prepared by Diehl, Evans & Company, LLP

Robert Callanan representing the firm of Diehl, Evans & Company, LLP, reported that the firm had merged with another firm and that the name had been changed to: White, Nelson, Diehl, Evans & Co. There are now twelve new partners and their staff has increased to one hundred.

Mr. Callanan provided an update and report on the audit process and noted that there were no significant accounting policy changes and no unusual transactions that would require additional consultation. The firm encountered no difficulty in completing the audit and there were no disagreements with management. Mr. Callanan reviewed the documents contained in the Draft Financial Audit Report and answered questions posed by the Directors. He indicated that the draft report was presented for information and discussion only. The final document will be presented at the December 13, 2011, Board meeting for approval.

2.2

Approve Board of Directors' Strategic Planning Workshops for Every Fourth Tuesday of Each Month from 4:00 p.m.-7:00 p.m. Next meeting: Tuesday, November 22, 2011

Upon motion by Vice President Lu-Yang, seconded by Director Rios, the Board of Directors' Strategic Planning Workshops for every fourth Tuesday of each month commencing November 22, 2011 was unanimously approved.

2.4

Review and Approve Rowland Water District's Statement of Operations Ending September 30, 2011

Mr. Henry explained the report covering the period July 1, 2011 through September 30, 2011, in detail and then responded to questions from the Board. Mr. Henry also noted that an additional column had been added to the report which provides a comparison between "current year" and "past year" figures.

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to receive and file the Statement of Operations as presented. The motion was unanimously carried.

2.5

Review and Approve Rowland Water District's Quarterly Investment Report Ending September 30, 2011

Mr. Henry summarized the report for the Board and noted the balances as of September 30, 2011, indicating that a very low rate environment currently exists.

A motion was made by Vice President Lu-Yang, seconded by Director Rios, to receive and file the investment report as presented. The motion was unanimously carried.

2.6

Authorization to Purchase up to 2,000 Acre Feet of Untreated Tier 1 Water for Spreading Purposes

General Manager, Ken Deck, discussed the opportunity to purchase up to 2,000 acre feet of untreated Tier 1 water for spreading purposes in the Main San Gabriel Basin from Three Valleys Municipal Water District and Metropolitan Water District at a purchase price of \$534.00 per acre foot, at a maximum of \$1,680,000. The cost of the water purchased would come from the District's liquid funds account which is currently earning less than one-half percent interest. The District would maintain storage in the Three Valleys' Cyclic Storage Account at no cost to the District. Effective January 1, 2012, the per acre foot cost of untreated Metropolitan water will increase to \$567.00. He noted that taking advantage of this opportunity to purchase the water

will result in a substantial savings. It was staff's recommendation that the Board approve this purchase.

A motion was made by Vice President Lu-Yang, seconded by Director Bellah, to authorize the purchase of up to 2,000 acre feet of untreated Tier 1 water for spreading purposes at a cost of \$534.00 per acre foot, at a maximum of \$1,680,000. The motion was unanimously carried.

2.7

Approve Resolution No. 11-2011 Negotiated Exchange of Property Tax Revenues Resulting from Annexation of L 021-2011 to County Lighting Maintenance District 1687

A motion was made by Vice President Lu-Yang, seconded by Director Lewis, to approve Resolution No. 11-2011 Negotiated Exchange of Property Tax Revenues Resulting from Annexation of L 021-2011 to County Lighting Maintenance District 1687.

Roll call vote.

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

Motion was passed by a vote of 5-0.

2.8

Select Voting Designee for ACWA Officers for Elections to be held at the ACWA Fall Conference

It was staff's recommendation that Director Lewis be selected as the Voting Designee for the election of ACWA officers to be held at the ACWA fall conference. Upon motion made by Vice President Lu-Yang, Seconded by Director Rios, the Board unanimously approved Director Lewis' appointment as the Voting Designee.

2.9

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

- Regional Chamber of Commerce Holiday Luncheon to be Held December 8, 2011 (Diamond Bar).
Staff was directed to register Directors Lewis, Bellah and Rios for attendance at the Holiday luncheon. President Lima indicated that he would contact staff and advise whether he would be attending.
- Industry Manufacturers' Council luncheon December 5, 2011.
Directors were asked to contact staff and advise whether they would be attending the luncheon.

Tab 3 - GENERAL MANAGER'S REPORT

3.1

Water Purchase Report

Mr. Deck advised the Board that CV Strategies will begin the customer telephone surveys tomorrow, November 9, 2011.

3.2

Media Updates

Provided for informational purposes only.

TAB 4 - LEGISLATIVE INFORMATION

4.1

Legislative Updates

Nothing to report.

TAB 5 - REVIEW OF CORRESPONDENCE

5.1

Mr. and Mrs. McClish, La Habra Heights Residents

Provided for informational purposes only.

5.2

Ms. Bernadette Camacho, District Resident

Provided for informational purposes only.

TAB 6 – COMMITTEE REPORTS

6.1

Three Valleys Municipal Water District

Mr. Kirk Howie from Three Valleys MWD reported on their redistricting process and advised that they have the option of possibly going from seven to five Directors. Their consultant has advised that that would be very difficult to do. They are reviewing several options.

Vice President Lu-Yang reported on an article in the San Bernardino Law Journal regarding the Stolen Valor Act. It was also reported that Three Valleys' Director, David DeJesus, was appointed Vice Chair on the Metropolitan Water District Board.

6.2

Puente Basin Water Agency

Director Lewis reported that the Central Basin Project is continuing to move forward.

6.3

Regional Chamber of Commerce

Vice President Lu-Yang noted that the Chamber Holiday luncheon had been set for December 8, 2011. The Farmers' Market continues to meet at Mt. SAC every Saturday. The Chamber Interim Vice President, Stephen Lee, is doing well and his quarterly review is forthcoming.

6.4

PWR Joint Water Line Commission

Nothing to report.

6.5

Joint Powers Insurance Authority

Nothing to report.

6.6

Association of California Water Agencies

Director Lewis reported on the progress which the San Diego region has made in reducing their dependence upon Metropolitan Water District (MWD). Director Lewis also referred to his written report which had been distributed at the meeting in connection with the October 19 and 20, 2011, ACWA Southern California Region 8-9-10 Annual Targeted Issue Briefing. Director Bellah gave a report on his tour of the Lake Hodges facilities of San Diego County Water Authority.

6.7

Sheriff Community Advisory Committee

Vice President Lu-Yang reported on the Community Advisory Committee's conference on Sheriff's training and reported on parole re-alignment which will be switching from Federal to County jurisdiction.

6.8

Project Ad-Hoc Committee

President Lima reported on the Committee meeting held on November 3, 2011, and indicated that monthly meetings have been scheduled for the first Thursday of each month to discuss District projects and provide guidance to staff. He mentioned that Staff had developed a current projects list that is updated monthly and identifies project status and potential issues. Vice President Lu-Yang discussed the possibility of pursuing a solution to mitigate reoccurring nitrification in the upper zone reservoirs.

6.9

Finance Ad-Hoc Committee

Mr. Deck advised that the District is expecting a draft of the Water Rate Study soon. Staff will analyze the study in depth to review operational costs and the rate increase to examine the true cost of providing water to its customers.

TAB 7 - ATTORNEY'S REPORT (Ms. Morningstar)

7.1

CLOSED SESSION

- Conference with Legal Counsel – Existing Litigation (Subdivision (a) of § 54956.9)
Name of case: In re: IH 1, Inc. f/k/a Indalex Holdings Finance, Inc. etc., Debtors; George Miller, etc., Plaintiff vs. Rowland Water District, Defendant. Chapter 7
Case No: 09-10982 (PJW); Aversary No.: 11-51451 (PJW)

There was nothing to report, therefore, a closed session was not necessary.

Tab 8 – OTHER REPORTS, INFORMATION ITEMS, AND COMMENTS

8.1

Public Relations

Mrs. Perea reported that she received no applications from K-12 schools within our District for consideration in the granting of 2011 Edu Grant(s) in the amount of \$750.00 each.

8.2

Personnel Report

Nothing to report.

8.3

Engineer's Report

Mr. Carrera reported on the status of the painting of San Jose Pipeline Crossing and shared pictures taken at the recent Buckboard Days Parade.

8.4

Directors' and General Manager's Comments

In connection with the CSDA and ACWA conferences, Director Bellah questioned the value of attending these conferences. He also discussed social media such as Twitter and Facebook and the fact that anything converted electronically is public record and subject to public scrutiny.

General Manager, Ken Deck, reported that on-line payment testing commences on November 21, 2011 and will become active shortly thereafter. He also mentioned that National Demographics Corporation will make a presentation to the Board at the December Board Meeting. The purpose of the presentation is to provide information to the Board concerning the potential need to redraw division boundaries.

8.5

Future Agenda Items

- Redistricting presentation by National Demographics Research, Inc.
- Water Rate Increase effective January 1, 2012.

8.6

Late Business

None.

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:50 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary

1.2



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

November 22, 2011 - 4:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None

OTHERS PRESENT:

Janet Morningstar, Legal Counsel

ROWLAND WATER DISTRICT STAFF:

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Sean Henry, Finance Officer
Rose Perea, Director of Administrative Services

ADDITION(S) TO AGENDA

None.

PUBLIC COMMENT ON AGENDA ITEMS

None.

Tab 1 - ACTION ITEMS

1.1

Approve Resolution No. 11.1-2011 Establishing New Water Rates Under Automatic Adjustment for Increase in Wholesale Water Cost

Mr. Deck explained that Metropolitan Water District (MWD) is increasing their wholesale water rate by 7.5% effective January 1, 2012. Resolution No. 9-2009 provided the authority for RWD to automatically pass through increases in wholesale water cost. Mr. Deck explained that Three Valleys Municipal Water District was passing through the MWD rate increase to RWD. He explained that the amount by which the District's rates would increase was calculated as the amount of the MWD rate increase converted to a per hundred cubic feet (hcf) amount. The wholesale price per acre foot from MWD for Tier 1 water is increasing from \$744.00 to \$794.00 and the Three Valleys' pass through rate to RWD is \$793.00. With an increase of \$49.00 per acre foot divided by 435.6 cubic feet/per acre foot equates to \$0.11 cents per unit (hcf) increase in the retail rate which affects Level 1 and Level 2 of RWD's tiered rate structure. The wholesale price per acre foot from MWD for Tier 2 water is increasing from \$869.00 to \$920.00 and the Three Valleys' pass through rate to RWD is \$919.00. With an increase of \$50.00 per acre foot divided by 435.6 cubic feet/per acre foot equates to \$0.12 cents per unit (hcf) increase in the retail rate which affects Level 3 of RWD's tiered rate structure.

A motion was made by Vice President Lu-Yang, seconded by Director Rios, to approve Resolution No. 11.1-2011 Establishing New Water Rates Under Automatic Adjustment for Increase in Wholesale Water Cost

Roll call vote.

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

Motion was passed by a vote of 5-0.

1.2

Approve Resolution No. 11.2-2011 Concurring in the Nomination of Ronald S. Richard as a Member of the Board of Directors of the Association of California Water Agencies Health Benefits Authority

Mr. Deck explained the purpose of the nomination and noted that it could be of benefit to the District to have local representation on the Board. It was staff's recommendation that the Board concur in the nomination of Ronald S. Richard as a Member of the Board of Directors of the Association of California Water Agencies Health Benefits Authority.

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, Resolution No. 11.2-2011 was unanimously approved by the following roll call vote:

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

Motion was passed by a vote of 5-0.

1.3

CLOSED SESSION

■ Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of § 54956.9)

Name of case: In re: IH 1, Inc. f/k/a Indalex Holdings Finance, Inc. etc., Debtors;
George Miller, etc., Plaintiff vs. Rowland Water District, Defendant. Chapter 7
Case No: 09-10982 (PJW); Aversary No.: 11-51451 (PJW)

President Lima adjourned the meeting to closed session at 4:12 p.m. pursuant to Government Code Section 54956.9(a) in order to confer with the District's legal counsel, Janet Morningstar, regarding the above-captioned suit against Rowland Water District.

The Board of Directors met in closed session to discuss settlement of the Indalex suit.

The closed session was adjourned and the Board resumed the meeting in open session at 4:15 p.m. Legal counsel stated that no reportable action had been taken.

Open session reconvened at 4:15 p.m.

1.4

Strategic Planning Workshop: Establishment of Priorities in the Development of the District's Strategic Plan.

Mr. Deck facilitated the discussion on the Board's priorities in the development of the District's Strategic Plan. It was agreed that this workshop, as well as future workshops, will focus on a specific area and/or areas of development in order to set goals and develop a Board vision and/or strategy.

In connection with Board Development, the Board had a lengthy discussion with respect to tenure and how it applies to the positions of President and Vice President. It was the consensus of the Board that Director Lima continue in his role as President of the Board and that Director Lu-Yang remain as Vice President for the 2012 Calendar year. The Board agreed to discuss Board policy with respect to rotation and term limits at a future time.

In connection with the remaining strategy areas, the Board requested additional information with respect to the category entitled "Water Supply Availability, Reliability and Cost Initiative" in order to evaluate the potential for securing adequate and reliable water for the District, the financial impact of these long-term goals and the opportunities available to the District in this area.

Directors' and General Manager's Comments

None.

Future Agenda Items

Next Strategic Planning Workshop is scheduled for December 27, 2011, at 4:00 p.m.

Late Business

None.

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 6:23 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary

1.3

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11588						
11/11	11/03/2011	11588	379	HIGHROAD INFORMATION TECH	NAS FILE SERVER	3,909.13
11/11	11/03/2011	11588	379	HIGHROAD INFORMATION TECH	NETGEAR 8-PORT GIGABIT DESKTOP SWITCH	289.22
Total 11588:						<u>4,198.35</u>
11589						
11/11	11/03/2011	11589	244	INFOSEND INC	BILLING SERVICE	1,586.46
11/11	11/03/2011	11589	244	INFOSEND INC	BILLING SERVICE	1,546.97
11/11	11/03/2011	11589	244	INFOSEND INC	BILLING SERVICE	6.29
Total 11589:						<u>3,139.72</u>
11590						
11/11	11/03/2011	11590	62227	KIWANIS CLUB OF HACIENDA HEIGH	BUCKBOARD DAYS PANCAKE BREAKFAST	130.00
Total 11590:						<u>130.00</u>
11591						
11/11	11/03/2011	11591	28	MARCOS ASPEITIA IV	REIMBURSEABLE EXPENSE-WORK BOOTS	375.16
Total 11591:						<u>375.16</u>
1592						
11/11	11/03/2011	11592	4500	PETTY CASH	MISC EXPENSE	154.13
11/11	11/03/2011	11592	4500	PETTY CASH	MISC EXPENSE	5.97
11/11	11/03/2011	11592	4500	PETTY CASH	MISC EXPENSE	17.72
Total 11592:						<u>177.82</u>
11593						
11/11	11/03/2011	11593	5900	THE GAS COMPANY	GAS UTILITY BILL	29.29
Total 11593:						<u>29.29</u>
11594						
11/11	11/03/2011	11594	62434	UNION BANK NA	CUSTODY FEES-ACCOUNT #6736302170	875.00
11/11	11/03/2011	11594	62434	UNION BANK NA	CUSTODY FEES-ACCOUNT #6736302171	210.00
Total 11594:						<u>1,085.00</u>
11595						
11/11	11/08/2011	11595	3375	ANTHONY LIMA	MILEAGE REIMBURSEMENT	30.93
Total 11595:						<u>30.93</u>
11596						
11/11	11/08/2011	11596	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	38.95
11/11	11/08/2011	11596	3360	ROBERT LEWIS	REIMBURSABLE EXPENSE	381.09
Total 11596:						<u>420.04</u>
11597						
11/11	11/08/2011	11597	62045	SZU-PEI LU-YANG	MILEAGE REIMBURSEMENT	64.14

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/11	11/08/2011	11597	62045	SZU-PEI LU-YANG	REIMBURSABLE EXPENSE	16.00
Total 11597:						80.14
11598						
11/11	11/08/2011	11598	62233	JOHN BELLAH	MILEAGE REIMBURSMENT	106.77
11/11	11/08/2011	11598	62233	JOHN BELLAH	REIMBURSABLE EXPENSE	116.57
Total 11598:						223.34
11599						
11/11	11/10/2011	11599	1000	ACWA	EMPLOYEE HEALTH BENEFITS	37,673.82
11/11	11/10/2011	11599	1000	ACWA	EMPLOYEE HEALTH BENEFITS	651.09
11/11	11/10/2011	11599	1000	ACWA	RETIREEES HEALTH BENEFITS	6,829.49
Total 11599:						45,154.40
11600						
11/11	11/10/2011	11600	193	ACWA HEALTH BENEFITS AUTHORIT	EMPLOYEE ASSISTANCE PROGRAM	88.50
Total 11600:						88.50
11601						
11/11	11/10/2011	11601	62461	ATKINS NORTH AMERICA INC	WATER RATE STUDY	2,354.00
Total 11601:						2,354.00
11602						
11/11	11/10/2011	11602	62473	CASE POWER & EQUIPMENT	SUPPLIES FOR CASE TRACTOR	63.61
Total 11602:						63.61
11603						
11/11	11/10/2011	11603	6966	CINTAS CORPORATION LOC 693	UNIFORM RENTAL	1,810.90
Total 11603:						1,810.90
11604						
11/11	11/10/2011	11604	1270	DATA QUICK INFORMATION SYSINC	PROPERTY DATA INFO	100.00
Total 11604:						100.00
11605						
11/11	11/10/2011	11605	62239	FRANKLIN TRUCK PARTS	CREDIT MEMO-TRUCK #27	6.59-
11/11	11/10/2011	11605	62239	FRANKLIN TRUCK PARTS	TRUCK #27	18.14
11/11	11/10/2011	11605	62239	FRANKLIN TRUCK PARTS	TRUCK #27	31.99
Total 11605:						43.54
11606						
11/11	11/10/2011	11606	330	FUEL PRO INC	D/O INSPECTION	145.00
Total 11606:						145.00
11607						
11/11	11/10/2011	11607	2600	HACH COMPANY	DPD SWIFTEST REFILL #2105660	258.54
11/11	11/10/2011	11607	2600	HACH COMPANY	NITRIVER 3 REAGENTS #2107169	63.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/11	11/10/2011	11607	2600	HACH COMPANY	SPADNS FLUORIDE REAGENT #2527025	29.39
11/11	11/10/2011	11607	2600	HACH COMPANY	ELECTROLYTE GEL CARTRIDGE #2546902	37.35
11/11	11/10/2011	11607	2600	HACH COMPANY	DEIONIZED WATER #27256	45.18
11/11	11/10/2011	11607	2600	HACH COMPANY	PH 4 BUFFER SINGLET #2770020	57.18
11/11	11/10/2011	11607	2600	HACH COMPANY	PH 7 BUFFER SINGLET #2770120	57.18
11/11	11/10/2011	11607	2600	HACH COMPANY	PH 10 BUFFER SINGLET #2770220	57.18
11/11	11/10/2011	11607	2600	HACH COMPANY	TAX	90.92
Total 11607:						696.42
11608						
11/11	11/10/2011	11608	2690	HARPER & ASSOCIATES ENG.	ENGINEERING SERVICES-EXTERIOR PAINTING O	3,487.50
11/11	11/10/2011	11608	2690	HARPER & ASSOCIATES ENG.	PREP OF TECH SPEC FOR RECOATING THREE (3)	3,704.00
Total 11608:						7,191.50
11609						
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	SUPPLIES FOR SERVICES	334.95
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	1" MUE NL MIP X CTS110 CORP	456.00
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	1" ARI COMBINATION AV / AR VALVE	1,584.00
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	2" MUE NL CST110 AMS LW	1,200.00
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	2" J-129 BRASS METER FLANGE	588.00
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	1 1/2" J-129 BRASS METER FLANGE	324.00
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	TAX	363.30
11/11	11/10/2011	11609	3050	INLAND WATER WORKS SUPPLY CO	8" PC 350 TJ DUCTILE IRON PIPE	14,663.56
Total 11609:						19,513.81
11610						
11/11	11/10/2011	11610	2120	J W D'ANGELO CO	SUPPLIES FOR SERVICES	190.64
Total 11610:						190.64
11611						
11/11	11/10/2011	11611	397	JANET MORNINGSTAR	LEGAL FEES	4,075.00
Total 11611:						4,075.00
11612						
11/11	11/10/2011	11612	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	92.11
Total 11612:						92.11
11613						
11/11	11/10/2011	11613	62377	OREILLY AUTOMOTIVE STORES INC	AUTO SUPPLIES	126.79
Total 11613:						126.79
11614						
11/11	11/10/2011	11614	5000	PUENTE BASIN WATER AGENCY	ASSESSMENT FOR ATTORNEY FEE	264.38
Total 11614:						264.38
11615						
11/11	11/10/2011	11615	62166	SO CAL GAS CO	GAS UTILITY BILL-2505 ARTIGAS	55.09

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 11615:						55.09
11616						
11/11	11/10/2011	11616	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	24,549.42
11/11	11/10/2011	11616	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	2,727.71
Total 11616:						27,277.13
11617						
11/11	11/10/2011	11617	62030	STUMP FENCE CO	MEND HOLE IN EXISTING CHAIN LINK FENCE	250.00
Total 11617:						250.00
11618						
11/11	11/10/2011	11618	62395	TRANSWORLD SYSTEMS	COLLECTION FEES	27.41
Total 11618:						27.41
11619						
11/11	11/10/2011	11619	7100	U S POSTAL SERVICE	POSTAGE-PERMIT 5030	4,500.00
Total 11619:						4,500.00
11620						
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	C2501 CLASS 2 LIME VEST XL	59.08
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	C2501 CLASS 2 LIME VEST 2XL	59.08
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	C2501 CLASS 2 LIME VEST 3XL	29.54
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	CLASS 3 LIME MESH PAKA - SIZE LARGE	47.20
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	LIME WATERPROOF PANTS - LARGE	20.51
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	CLASS 3 LIME MESH PAKA - SIZE 2XL	47.20
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	LIME WATERPROOF PANTS - 2XL	20.51
11/11	11/10/2011	11620	62061	UNITED TRAFFIC	TAXES	24.77
Total 11620:						307.89
11621						
11/11	11/10/2011	11621	382	W A RASIC CONSTRUCTION CO INC	INSTALL FIRE HYDRANT-1560 AZUSA	13,072.50
11/11	11/10/2011	11621	382	W A RASIC CONSTRUCTION CO INC	INSTALL FIRE HYDRANT-1560 AZUSA	13,072.50
11/11	11/10/2011	11621	382	W A RASIC CONSTRUCTION CO INC	INSTALL FIRE SERVICE-18007 GALE	11,730.00
Total 11621:						37,875.00
11622						
11/11	11/10/2011	11622	62084	WESTIN ENGINEERING INC	ENGINEERING-IT STRATEGIC PLAN	11,220.00
Total 11622:						11,220.00
11623						
11/11	11/14/2011	11623	4750	PWR JT WATER LINE COMMISSION	702.3 AC FT-SEP 2011 WATER	529,534.20
11/11	11/14/2011	11623	4750	PWR JT WATER LINE COMMISSION	702.3 AC FT-SEP 2011 WATER	7,491.02
11/11	11/14/2011	11623	4750	PWR JT WATER LINE COMMISSION	3RD QUARTER SEP 2011	11,104.67
Total 11623:						548,129.89
11624						
11/11	11/17/2011	11624	750	A & B ELECTRIC	GRANBY BOOSTER STATION	288.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 11624:						288.00
11625						
11/11	11/17/2011	11625	910	ACWA	REGISTRATION & EXPENSES-FALL CONF.-JOHN B	694.00
Total 11625:						694.00
11626						
11/11	11/17/2011	11626	4600	AIRGAS WEST	TANK RENTAL	42.36
Total 11626:						42.36
11627						
11/11	11/17/2011	11627	1165	ANTIMITE TERMITE & PEST	PEST CONTROL-MONTHLY SERVICE	100.00
Total 11627:						100.00
11628						
11/11	11/17/2011	11628	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	492.01
Total 11628:						492.01
11629						
11/11	11/17/2011	11629	1600	B & K ELECTRIC WHOLESALE	SUPPLIES FOR TELEMETRY	93.27
Total 11629:						93.27
11630						
11/11	11/17/2011	11630	1400	BADGER METER INC	3" COMPOUND METER WITH ORION MODULES	1,856.10
Total 11630:						1,856.10
11631						
11/11	11/17/2011	11631	402	BOOMERANG BLUEPRINT	SYSTEM MAP	35.07
Total 11631:						35.07
11632						
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	2,605.86
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	146.18
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	1,865.10
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	55.31
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	CONFERENCE & MISC EXPENSES	301.82
11/11	11/17/2011	11632	1476	BUSINESS CARD (VISA)	MEMBERSHIP FEE	100.00
Total 11632:						5,074.27
11633						
11/11	11/17/2011	11633	62071	CALIFORNIA LIVING INC	INTERIOR PLANT MAINTENANCE	430.00
Total 11633:						430.00
11634						
11/11	11/17/2011	11634	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	1,948.29

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 11634:						1,948.29
11635						
11/11	11/17/2011	11635	2057	COUNTY OF LA-PUBLIC WORKS	PERMIT ISSUANCE & CONTROL	22.59
Total 11635:						22.59
11636						
11/11	11/17/2011	11636	62075	DC EPPL	TROUBLESHOOT-BAD BATTERIES	160.00
Total 11636:						160.00
11637						
11/11	11/17/2011	11637	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	1,695.00
Total 11637:						1,695.00
11638						
11/11	11/17/2011	11638	62351	ELITE EQUIPMENT INC.	HONDA GENERATOR	210.19
Total 11638:						210.19
11639						
11/11	11/17/2011	11639	2300	FEDERAL EXPRESS	POSTAGE	45.24
Total 11639:						45.24
11640						
11/11	11/17/2011	11640	62239	FRANKLIN TRUCK PARTS	BATTERY CORES	367.84
Total 11640:						367.84
11641						
11/11	11/17/2011	11641	3550	GENERAL PETROLEUM	DIESEL, CLEAR	1,396.00
11/11	11/17/2011	11641	3550	GENERAL PETROLEUM	GASOLINE, REGULAR GRADE	6,725.58
Total 11641:						8,121.58
11642						
11/11	11/17/2011	11642	24701	GRAINGER	TOOLS & SUPPLIES	155.53
Total 11642:						155.53
11643						
11/11	11/17/2011	11643	9155	GRAND CENTRAL RECYCLING	CLEAN ASPHALT	360.00
11/11	11/17/2011	11643	9155	GRAND CENTRAL RECYCLING	MIXED BASE	154.02
Total 11643:						514.02
11644						
11/11	11/17/2011	11644	348	HDR ENGINEERING INC	ENGINEERING-HYDRAULIC MODEL DEVELOPMEN	11,453.43
Total 11644:						11,453.43
11645						
11/11	11/17/2011	11645	379	HIGHROAD INFORMATION TECH	MANAGE SERVICE	4,414.01

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/11	11/17/2011	11645	379	HIGHROAD INFORMATION TECH	DATA CENTER	3,052.61
Total 11645:						7,466.62
11646						
11/11	11/17/2011	11646	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	250.57
11/11	11/17/2011	11646	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	19.44
11/11	11/17/2011	11646	2724	HOME DEPOT CREDIT SERVICES	MATERIAL & SUPPLIES	615.42
Total 11646:						885.43
11647						
11/11	11/17/2011	11647	62259	HYDRO-SCAPE PRODUCTS, INC	CREDIT MEMO	1,987.73-
11/11	11/17/2011	11647	62259	HYDRO-SCAPE PRODUCTS, INC	SEE ATTACHE QUOTE NO. 142538 01	15,019.12
11/11	11/17/2011	11647	62259	HYDRO-SCAPE PRODUCTS, INC	SEE ATTACHE QUOTE NO. 142538 01	369.63
11/11	11/17/2011	11647	62259	HYDRO-SCAPE PRODUCTS, INC	SEE ATTACHE QUOTE NO. 142538 01	81.99
Total 11647:						13,483.01
11648						
11/11	11/17/2011	11648	3050	INLAND WATER WORKS SUPPLY CO	8" PC 350 TJ DUCTILE IRON PIPE	41,770.47
Total 11648:						41,770.47
11649						
11/11	11/17/2011	11649	3299	LA HABRA FENCE COINC	REPAIR CHAIN LINK FENCE	550.00
Total 11649:						550.00
11650						
11/11	11/17/2011	11650	404	LOS ANGELES COUNTY TREASURER	RECYCLED WATER PLAN CHECKING FEE-18718-1	1,348.00
Total 11650:						1,348.00
11651						
11/11	11/17/2011	11651	62474	MASON & MASON	APPRAISAL REPORT-NOGALES ST GRADE SEP	8,500.00
Total 11651:						8,500.00
11652						
11/11	11/17/2011	11652	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	116.83
Total 11652:						116.83
11653						
11/11	11/17/2011	11653	62181	ONE TOUCH OFFICE TECHNOLOGY	CONTRACT BASE RATE-RICOH/MPC3500	924.05
Total 11653:						924.05
11654						
11/11	11/17/2011	11654	62196	PRAXAIR DISTRIBUTION INC	CO2 FILL AT WELL #1	3,195.40
Total 11654:						3,195.40
1655						
11/11	11/17/2011	11655	116	RECALL SECURE DESTRUCTION SVC	SHREDDING SERVICE	179.02

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 11655:						179.02
11656						
11/11	11/17/2011	11656	339	S C W U A	RESERVATION (5)	125.00
Total 11656:						125.00
11657						
11/11	11/17/2011	11657	415	SE NELSON CONSTRUCTION INC	INSTALL LONGSIDE 2" COPPER SERVICE	8,990.00
Total 11657:						8,990.00
11658						
11/11	11/17/2011	11658	62209	SIERRA WATER GROUP INC	PROFESSIONAL SERVICES	3,312.50
Total 11658:						3,312.50
11659						
11/11	11/17/2011	11659	6075	STAPLES CREDIT PLAN	OFFICE SUPPLIES	677.02
Total 11659:						677.02
11660						
11/11	11/17/2011	11660	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	142.50
Total 11660:						142.50
11661						
11/11	11/17/2011	11661	62154	UNITED BROTHERS MOTOR GROUP I	MAINTENANCE TRUCK 15, 26	754.46
Total 11661:						754.46
11662						
11/11	11/17/2011	11662	62061	UNITED TRAFFIC	CLASS 3 LIME MESHA PARKA - SIZE 2XL	94.40
11/11	11/17/2011	11662	62061	UNITED TRAFFIC	LIME WATERPROOF PANTS - 2XL	41.02
11/11	11/17/2011	11662	62061	UNITED TRAFFIC	TAXES	11.85
Total 11662:						147.27
11663						
11/11	11/17/2011	11663	2212	WHITE NELSON DIEHL EVANS LLP	AUDITING SERVICES FISCAL YR 06/30/11	4,500.00
Total 11663:						4,500.00
11664						
11/11	11/17/2011	11664	910	ACWA	2012 AGENCY DUES	13,442.00
Total 11664:						13,442.00
11665						
11/11	11/23/2011	11665	400	AT&T MOBILITY	MOBILE PHONES, DATA CONNECT, & NOTEBOOK	941.83
Total 11665:						941.83
11666						
11/11	11/23/2011	11666	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,448.75

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 11666:						1,448.75
11667						
11/11	11/23/2011	11667	62439	CVSTRATEGIES	COMMUNICATIONS SERVICES	3,404.10
Total 11667:						3,404.10
11668						
11/11	11/23/2011	11668	5600	G M SAGER CONSTRUCTION	ASPHALT	1,402.80
11/11	11/23/2011	11668	5600	G M SAGER CONSTRUCTION	ASPHALT	4,778.40
11/11	11/23/2011	11668	5600	G M SAGER CONSTRUCTION	ASPHALT	1,085.80
11/11	11/23/2011	11668	5600	G M SAGER CONSTRUCTION	ASPHALT	1,207.40
11/11	11/23/2011	11668	5600	G M SAGER CONSTRUCTION	ASPHALT	575.40
Total 11668:						9,049.80
11669						
11/11	11/23/2011	11669	2690	HARPER & ASSOCIATES ENG.	PREP OF TECH SPEC FOR RECOATING THREE (3)	1,813.50
Total 11669:						1,813.50
11670						
11/11	11/23/2011	11670	62265	HI-WAY SAFETY INC	MESSAGBOARD	625.00
Total 11670:						625.00
11671						
11/11	11/23/2011	11671	62435	INDUSTRY PUBLIC UTILITY COMMISS	PUMPING POWER-PUMPSTATION 2A	1,396.47
Total 11671:						1,396.47
11672						
11/11	11/23/2011	11672	244	INFOSEND INC	BILLING SERVICE	2,198.19
Total 11672:						2,198.19
11673						
11/11	11/23/2011	11673	62226	INLAND DESERT SECURITY &	ANSWERING SERVICE	228.90
Total 11673:						228.90
11674						
11/11	11/23/2011	11674	3050	INLAND WATER WORKS SUPPLY CO	SUPPLIES FOR PROJECT-SAN JOSE AVE 8"	1,166.67
11/11	11/23/2011	11674	3050	INLAND WATER WORKS SUPPLY CO	SUPPLIES FOR PROJECT-SAN JOSE AVE 8"	60.90
11/11	11/23/2011	11674	3050	INLAND WATER WORKS SUPPLY CO	SUPPLIES FOR PROJECT-SAN JOSE AVE 8"	1,458.34
Total 11674:						2,685.91
11675						
11/11	11/23/2011	11675	2120	J W D'ANGELO CO	SUPPLIES FOR PROJECT-SAN JOSE AVE 8"	1,474.08
11/11	11/23/2011	11675	2120	J W D'ANGELO CO	SUPPLIES FOR PROJECT-SAN JOSE AVE 8"	45.47
11/11	11/23/2011	11675	2120	J W D'ANGELO CO	SUPPLIES FOR MAINS	35.38
11/11	11/23/2011	11675	2120	J W D'ANGELO CO	SUPPLIES FOR SERVICES	65.78
Total 11675:						1,620.71

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11676						
11/11	11/23/2011	11676	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	600.00
Total 11676:						600.00
11677						
11/11	11/23/2011	11677	62327	MATHIS CONSULTING GROUP	CONSULTING SERVICES	1,014.86
11/11	11/23/2011	11677	62327	MATHIS CONSULTING GROUP	CONSULTING SERVICES	1,500.00
Total 11677:						2,514.86
11678						
11/11	11/23/2011	11678	62126	METLIFE	EMPLOYEES' BENEFITS-LIFE	235.08
11/11	11/23/2011	11678	62126	METLIFE	SHORT & LONG TERM DISABILITY	763.02
Total 11678:						998.10
11679						
11/11	11/23/2011	11679	62125	PREMIER ACCESS	EMPLOYEES' DENTAL BENEFITS	3,216.31
11/11	11/23/2011	11679	62125	PREMIER ACCESS	RETIREEES' DENTAL BENEFITS	411.17
Total 11679:						3,627.48
11680						
11/11	11/23/2011	11680	62329	VERIZON BUSINESS	DATA SERVICES-INTERNET	1,768.54
Total 11680:						1,768.54
11681						
11/11	11/23/2011	11681	62353	VERIZON BUSINESS	PHONE SYSTEM-VOIP/VOICE LINE	687.87
Total 11681:						687.87
11682						
11/11	11/23/2011	11682	2550	VERIZON CALIFORNIA	PHONE SERVICE	339.72
Total 11682:						339.72
11683						
11/11	11/23/2011	11683	62467	VIDEO FACT DOCUMENTATION SERV	PRECONSTRUCTION AUDIO/VIDEO SURVEY	600.00
Total 11683:						600.00
11684						
11/11	11/23/2011	11684	7700	WALNUT VALLEY WATER DISTRICT	RECLAIMED WATER	824.95
Total 11684:						824.95
112211						
11/11	11/22/2011	112211	6600	THREE VALLEYS MUN WATER DIST	348.8 AC FT-SEP 2011 WATER	262,995.20
11/11	11/22/2011	112211	6600	THREE VALLEYS MUN WATER DIST	348.8 AC FT-SEP 2011 WATER	5,452.49
Total 112211:						268,447.69
Grand Totals:						1,171,573.54

GL Account	Debit	Credit	Proof
11505-0	168,950.77	1,987.73-	166,963.04
222100	1,994.32	1,173,567.86-	1,171,573.54-
51310-0	792,529.40	.00	792,529.40
51410-5	12,943.51	.00	12,943.51
51510-0	2,773.24	.00	2,773.24
51810-0	11,104.67	.00	11,104.67
52210-0	3,483.40	.00	3,483.40
52310-0	25,945.89	.00	25,945.89
54210-0	2,645.58	.00	2,645.58
54211-0	10,460.47	.00	10,460.47
54212-0	1,911.41	.00	1,911.41
54213-0	269.44	.00	269.44
54214-0	1,085.80	.00	1,085.80
54216-0	93.27	.00	93.27
56210-0	9,888.59	6.59-	9,882.00
56211-0	1,085.00	.00	1,085.00
56214-0	694.74	.00	694.74
56215-0	13,542.00	.00	13,542.00
56216-0	4,580.31	.00	4,580.31
56217-0	240.79	.00	240.79
56218-0	4,339.38	.00	4,339.38
56219-0	5,452.54	.00	5,452.54
56220-0	13,433.51	.00	13,433.51
56221-0	3,550.28	.00	3,550.28
56223-0	3,813.52	.00	3,813.52
56312-0	13,723.26	.00	13,723.26
56320-0	2,639.86	.00	2,639.86
56411-0	37,673.82	.00	37,673.82
56413-0	3,216.31	.00	3,216.31
56415-0	651.09	.00	651.09
56416-0	235.08	.00	235.08
56417-0	7,240.66	.00	7,240.66
56418-0	763.02	.00	763.02
56419-0	88.50	.00	88.50
56710-0	941.16	.00	941.16
56811-0	4,500.00	.00	4,500.00
56812-0	2,802.37	.00	2,802.37
57312-0	1,435.05	.00	1,435.05
57314-0	550.00	.00	550.00
57315-0	1,448.75	.00	1,448.75
57321-0	841.42	.00	841.42
Grand Totals:	<u>1,175,562.18</u>	<u>1,175,562.18-</u>	<u>.00</u>

Report Criteria:
 Report type: GL detail

1.4



Rowland Water District Memorandum

To: Kenneth Deck, General Manager

From: Sean S. Henry, Finance Officer

CC:

Date: December 1, 2011

Subject: Investment Update – November 2011

Economic Review: The next meeting of the Federal Reserve is scheduled for December 13th. The last meeting was held on November 1st. The Fed Funds rate remains at a target range of 0 to ¼ percent. At that meeting, the Federal Reserve stated that “recent indicators point to continuing weakness in overall labor market conditions, and the unemployment rate remains elevated. Household spending has increased at a somewhat faster pace in recent months. Inflation appears to have moderated since earlier in the year as prices of energy and some commodities have declined from their peaks. Longer-term inflation expectations have remained stable. ” The latest reading of the Consumer Price Index (CPI) for Los Angeles, Riverside and Orange Counties was 3.1 for the month of October. The previous reading was 3.5 in September.

LAIF Update: LAIF ended the month of November with a yield of 0.39%. This represents a .01 basis point increase from the month of October. A comparison with last year shows LAIF .06 basis points lower than November 2010 when the yield stood at .45%.

RWD Investments: Rowland Water District’s bond portfolio carries an average yield of 2.80%, a .01 basis point decrease from the month of September. This represents a 2.41 basis point premium to LAIF. The District had one bond purchase and two bond mature/calls in the month of November. The matured/called bonds carried yields of 4.88 and 1.00 percent. The one bond purchased carries a yield of 1.16 percent. The District’s CD Placement Program has an effective yield of .80% with an average maturity of 581 days, no change from October.

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



ROWLAND WATER DISTRICT
SUMMARY SH AND INVESTMENTS
FOR MONTH ENDED NOVEMBER 30, 2011

CASH 491,079.23
Comerica Bank checking account 8,032.66
Comerica Bank MMIA account 499,111.89
TOTAL CASH

COMERICA SECURITIES CD PLACEMENT NA 1mth - 2 Years NA NA NA 0.80% 581 2,712,000.00 13.70%

LOCAL AGENCY INVESTMENT FUND (LAIF) NA NA NA NA NA 0.39% NA 2,544,856.64 12.86%

Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
4 Year	250,000.00	99.144	100.371	12/31/11	4.60%	NA	250,927.50	1.27%
4 Year	250,000.00	108.525	100.698	01/15/12	5.75%	NA	251,745.00	1.27%
5 Year	250,000.00	98.523	101.469	03/31/12	4.50%	NA	253,672.50	1.28%
3 Year	250,000.00	101.321	100.633	04/24/12	1.84%	NA	252,082.50	1.27%
5 Year	200,000.00	99.398	102.777	06/30/12	5.01%	NA	205,554.00	1.04%
4 Year	250,000.00	108.957	103.803	08/20/12	5.50%	NA	259,507.50	1.31%
2 Year	250,000.00	101.191	100.996	12/15/12	1.13%	NA	252,490.00	1.28%
4 Year	250,000.00	99.636	104.053	12/15/12	4.13%	NA	260,132.50	1.31%
5 Year	250,000.00	103.454	103.781	02/27/13	3.38%	NA	259,452.50	1.31%
5 Year	250,000.00	99.902	104.113	04/30/13	3.40%	NA	260,622.50	1.32%
4 Year	250,000.00	106.993	105.405	06/28/13	3.75%	NA	263,512.50	1.33%
5 Year	250,000.00	99.864	105.223	07/31/13	3.38%	NA	263,057.50	1.33%
4 Year	250,000.00	101.968	104.976	12/11/13	2.41%	NA	262,440.00	1.33%
5 Year	250,000.00	99.758	104.251	01/07/14	2.50%	NA	260,627.50	1.32%
5 Year	250,000.00	100.531	104.693	02/05/14	2.42%	NA	261,732.50	1.32%
5 Year	250,000.00	99.749	104.929	03/13/14	2.49%	NA	262,322.50	1.33%
5 Year	250,000.00	99.782	104.910	04/17/14	2.63%	NA	262,275.00	1.33%
5 Year	250,000.00	100.012	104.664	04/23/14	2.50%	NA	261,660.00	1.32%
5 Year	250,000.00	99.594	104.478	05/15/14	2.50%	NA	261,195.00	1.32%
5 Year	100,000.00	101.835	105.849	11/20/14	2.63%	NA	105,849.00	0.53%
5 Year	250,000.00	100.896	106.655	02/09/15	2.86%	NA	266,637.50	1.35%
5 Year	250,000.00	99.489	106.688	03/31/15	2.50%	NA	266,720.00	1.35%
5 Year	250,000.00	102.016	106.742	04/30/15	2.50%	NA	266,855.00	1.35%
5 Year	250,000.00	102.061	105.037	07/28/15	2.38%	NA	262,592.50	1.33%
5 Year	250,000.00	100.266	106.445	03/31/16	2.25%	NA	266,112.50	1.34%
5 Year	250,000.00	101.219	102.898	07/31/16	1.50%	NA	257,245.00	1.30%
Cash Reserve Account					0.00%		567,868.49	1.34%
Total BNY Mellon Investments							7,124,578.99	36.00%

Term	Quantity	Purchase Price	Current Price	Maturity Date	Effective Yield	Next Call	Current Value	% of Portfolio
3 Year	495,000.00	100.323	100.201	01/09/12	2.00%	NA	495,994.95	2.51%
3 Year	500,000.00	99.609	100.669	04/20/12	1.88%	NA	503,445.00	2.54%
3 Year	500,000.00	99.859	101.081	06/11/12	2.25%	NA	505,405.00	2.55%
2 Year	495,000.00	101.794	101.540	09/21/12	2.13%	NA	502,623.00	2.54%
4 Year	1,000,000.00	102.203	104.053	12/21/12	4.13%	NA	1,040,530.00	5.26%
5 Year	500,000.00	98.345	103.552	03/08/13	3.13%	NA	517,760.00	2.62%
3 Year	495,000.00	99.680	101.689	03/20/13	1.63%	NA	503,360.55	2.54%
5 Year	500,000.00	98.425	104.083	04/09/13	3.25%	NA	520,415.00	2.63%
5 Year	495,000.00	100.901	104.973	12/13/13	3.13%	NA	519,616.35	2.63%
4 Year	240,000.00	100.441	102.043	09/12/14	1.38%	NA	244,903.20	1.24%
5 Year	300,000.00	100.687	106.076	12/12/14	2.75%	NA	318,228.00	1.61%
4 Year	245,000.00	99.270	101.377	12/12/14	1.25%	NA	248,373.65	1.25%
5 Year	480,000.00	100.761	99.300	09/29/16	1.25%	NA	476,640.00	2.41%
5 Year	500,000.00	100.710	99.898	11/15/16	0.00%	NA	499,480.00	2.52%
Total Merrill Lynch Investments							6,911,580.36	34.92%
TOTAL INVESTMENTS							19,293,015.99	100%
TOTAL CASH AND INVESTMENTS							19,792,127.88	
Weighted Average Yield of Total Investment Portfolio:								2.04%

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

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



**COMPARATIVE PURCHASED WATER REPORT
FOR THE MONTH OF OCTOBER 2011**

SOURCE / DESCRIPTION	2011			2010		
	ACRE-FEET	COST	COST/A.F.	ACRE-FEET	COST	COST/A.F.
WATER CHARGES:						
POTABLE WATER						
TVMWD	232.6	175,380.40	754.00	814.8	563,841.60	692.00
PWR	710.7	535,867.80	754.00	87.6	60,619.20	692.00
	943.3	711,248.20		902.4	624,460.80	
RECLAIMED WATER	10.1	2,773.24	274.58	7.7	2,251.19	292.36
TOTAL WATER CHARGES	953.4	714,021.44		910.1	626,711.99	
FIXED CHARGES:						
TVMWD--						
CAPACITY RESERVATION		5,452.49			5,517.50	
CONNECTED CAPACITY		-			3,044.54	
WATER USE CHARGE		-			2,216.35	
EQUIV. SMALL METER		-			3,812.64	
PWR--						
CAPACITY RESERVATION		5,452.49			14,591.03	
CONNECTED CAPACITY		7,491.02			-	
WATER USE CHARGE		-			7,580.33	
DEPRECIATION		-			2,455.93	
REPLACEMENT		-			5,091.93	
PWR BUDGET ASSESSMENT		-			-	
SUBTOTAL		7,491.02			15,128.19	
TOTAL FIXED CHARGES		12,943.51			29,719.22	
TOTAL PURCHASED WATER CHARGES		726,964.95			656,431.21	
AVERAGE WATER CHARGE:		\$ 762.50			\$ 721.27	

1.5

December 2011

Sun	Mon	Tues	Wed	Thu	Fri	Sat
				1 Regional Chamber Board Meeting: Director Lu-Yang to attend	2 OFFICE CLOSED	3
					Conclusion of ACWA Fall Conference	
4	5 IMC Christmas Luncheon: Director Lewis to attend	6	7	8 Regional Chamber Holiday Luncheon: Directors Lewis and Lu-Yang to attend	9	10
11	12 Regional Chamber Governmental Affairs Meeting: Director Lewis to attend	13 RWD Regular Board Meeting 6:00 pm	14	15	16 OFFICE CLOSED	17
18	19	20	21	22	23	24
25 Christmas Day	26 OFFICE CLOSED	27 RWD Special Board Meeting 4:00 pm	28	29	30 OFFICE CLOSED	31

January 2012

Sun	Mon	Tues	Wed	Thu	Fri	Sat
1 <i>New Year's Day</i>	2 OFFICE CLOSED	3	4 TVMWD Workshop 8:00 am: Directors Lima and Lu-Yang may attend	5	6	7
8	9 Regional Chamber Governmental Affairs Meeting 12:00 pm: Director Lewis to attend	10 RWD Regular Board Meeting 6:00 pm	11	12	13 OFFICE CLOSED	14
15	16 <i>M.L. King, Jr. Day</i> OFFICE CLOSED	17	18 TVMWD Board Meeting 8:00 am	19 PBWA Board Meeting at WVWD 7:00 am: Directors Lewis and Lima to attend	20	21
22	23	24 RWD Special Board Meeting 4:00 pm	25	26	27 OFFICE CLOSED	28
29	30	31				

Tab

2

2.1

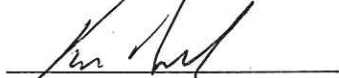


NOVEMBER 2011 DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursable	Non-Reimbursable	Additional Comments <i>(i.e. mileage reimbursement)</i>
Robert W. Lewis					
	11/8/11	RWD Regular Board Meeting	\$110.00		
	11/10/11	Public Safety Appreciation Luncheon		X	
	11/14/11	Regional Chamber Governmental Affairs Committee Meeting	\$110.00		
	11/22/11	RWD Special Board Meeting	\$110.00		
	11/23/11	PBWA Board Meeting (at WVWD)	\$110.00		
	11/28/11-11/30/11	ACWA Fall Conference	\$330.00		
		TOTAL PAYMENT	\$770.00		
Anthony J. Lima					
	11/3/11	Project Ad Hoc Committee Meeting	\$110.00		
	11/8/11	RWD Regular Board Meeting	\$110.00		
	11/22/11	RWD Special Board Meeting	\$110.00		
	11/23/11	PBWA Board Meeting (at WVWD)	\$110.00		Mileage
		TOTAL PAYMENT	\$440.00		
Szu Pei Lu-Yang					
	10/14/11	CAUSE Political Institute Event	\$110.00		Did not receive reimbursement in October.
	11/3/11	Project Ad Hoc Committee Meeting	\$110.00		
	11/8/11	RWD Regular Board Meeting	\$110.00		
	11/10/11	Youth Science Gala		X	

	11/10/11	Public Safety Appreciation Luncheon		X	
	11/16/11	TVMWD Regular Board Meeting	\$110.00		Mileage
	11/22/11	RWD Special Board Meeting	\$110.00		
		TOTAL PAYMENT	\$550.00		
John Bellah			Per Director Bellah's request— Per diem @\$88.00		
	11/8/11	RWD Regular Board Meeting	\$88.00		
	11/10/11	Public Safety Appreciation Luncheon		X	
	11/10/11	Ed Royce Congressman Event		X	
	11/22/11	RWD Special Board Meeting	\$88.00		
	11/23/11	PBWA Board Meeting (at WVWD)	\$88.00		
	11/30/11	ACWA Fall Conference	\$88.00		
		TOTAL PAYMENT	\$352.00		
Teresa P. Rios					
	11/8/11	RWD Regular Board Meeting	\$110.00		
	11/22/11	RWD Special Board Meeting	\$110.00		
	11/23/11	PBWA Board Meeting (at WVWD)	\$110.00		
		TOTAL PAYMENT	\$330.00		

APPROVED FOR PAYMENT:

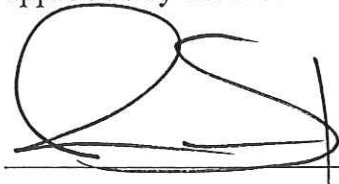


Ken Deck

2.2

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

, Sachi A. Hamai, Executive Officer-Clerk of the Board of Supervisors, do hereby certify that
Anthony J. Lima, was duly reappointed, in lieu of election, as a member of the
Rowland County Water District (Division 2), for a term of office, expiring December 4, 2015,
of Los Angeles County, WITNESS my hand this 15th day of November 2011. Said appointment was
approved by the Board of Supervisors on November 15, 2011.



Deputy Executive Officer-Clerk of the Board of Supervisors



OATH OF OFFICE

I, Anthony J. Lima, during such times as I hold the above office do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion and that I will well and faithfully discharge the duties upon which I am about to enter.

(Signature of Sworn Person)

ANTHONY J. LIMA

Subscribed and sworn to before me

this _____ day of _____ 2011

Signature and title of person administering oath
JANET MORNINGSTAR, Attorney

III.25.12.2

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

I, Janet Morningstar, legal counsel for Rowland Water District, do hereby certify that

Teresa P. Rios, was duly elected as a member of the Board of Directors,

Director Division I, for a term of office, expiring December 4, 2015, of Los Angeles County,

WITNESS my hand this 13th day of December 2011.

Said elected appointment was approved by the Board of Directors of the Rowland Water District on December 13, 2011.

JANET MORNINGSTAR
Legal Counsel, Rowland Water District



OATH OF OFFICE

I, Teresa P. Rios, during such times as I hold the above office do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion and that I will well and faithfully discharge the duties upon which I am about to enter.

TERESA P. RIOS
(Signature of Sworn Person)

Subscribed and sworn to before me

this 13th day of December, 2011

JANET MORNINGSTAR, Attorney
Signature and title of person administering oath

2.3

**THIS TAB IS
INTENTIONALLY
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2.4

**THE
INFORMATION
RELATED TO
THIS TAB WILL
BE PROVIDED AT
THE BOARD OF
DIRECTORS
MEETING**

2.5

**THE
INFORMATION
RELATED TO
THIS TAB WILL
BE PROVIDED AT
THE BOARD OF
DIRECTORS
MEETING**

2.6

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

ROWLAND WATER DISTRICT
3021 South Fullerton Road
P. O. Box 8460
Rowland Heights, CA 91748
MAIL TAX STATEMENTS TO:

ROWLAND WATER DISTRICT
3021 South Fullerton Road
P. O. BOX 8460
Rowland Heights, CA 91748

(Space Above This Line For Recorder's Use Only)
Documentary Transfer Tax: None
Exempt per Rev. & Tax Code § 11922

EASEMENT GRANT DEED

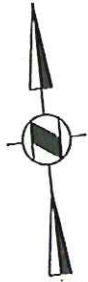
FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, NEW AGE KALEIDOSCOPE, LLC, a California limited liability corporation ("Grantor"), hereby grants to ROWLAND WATER DISTRICT, a county water district of the State of California ("Grantee"), its successors and assigns, an easement and right-of-way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, enlarge, improve, inspect, relocate (but only within the easement area), and remove, at any time and from time-to-time, underground water service pipelines, and appurtenances thereto, which may include but is not limited to, pipes, valves, meters, meter boxes and vaults, (hereinafter collectively referred to as "facilities"), both above ground and underground, for the purpose of transmitting, conveying, and distributing water in, on, over, under, across, and along that certain real property in the County of Los Angeles, State of California, described in Exhibit "A" attached hereto and incorporated herein ("Easement Area"). The rights granted herein include the right to construct a raised area, curbs and paving over a portion of the Easement Area, as deemed necessary by Grantee, to protect and preserve access to the facilities.

Grantor agrees that it and its successors and assigns will not erect, place, or maintain, and will not permit the erection, placement, or maintenance of any building, block or masonry wall, sign, light standard, or other structure within the Easement Area. Grantor will not increase or decrease the earth fill above said facilities, nor plant any trees, shrubs or other plantings within the Easement Area. Grantor shall not place or store, or permit the placement or storage of, trash, rubbish, refuse, solid or liquid waste, dumpsters, barrels or other waste containers, within the Easement Area. The Easement Area may be used for vehicular traffic, and parking of vehicles except that no vehicles shall be permitted within the raised area. The Grantee and its contractors, agents, and employees shall have free access to said facilities and every part thereof, at all times, for

Exhibit A

An easement for water service lines and water meter purposes over that portion of parcel 4 of parcel map No. 156 as shown on parcel Map recorded January 11, 1980, in Book 121, page 100 as instrument Number 80-44266, on file in the office of the County Recorder of Los Angeles County, State of California, the sidelines of said easement being described as follows:

Beginning at the most southeasterly corner of Parcel 4 of said parcel map, said point also being the southwesterly corner of Parcel 2 of said parcel map: thence north $05^{\circ} 58' 22''$ east along the easterly line of parcel (4), 15.00 feet to a point on the easterly line of parcel 4: thence north $84^{\circ} 01' 38''$ west 92.64 feet to a point. Said point being the TRUE POINT OF BEGINNING. Thence north $05^{\circ} 58' 22''$ east 22.75 feet: thence north $84^{\circ} 01' 38''$ west 34.00 feet; thence south $05^{\circ} 58' 22''$ west 22.75 feet; thence south $84^{\circ} 01' 38''$ east 34.00 feet to the true point of beginning.



SCALE 1" = 60'

PARCEL MAP NO. 156
BOOK 121, PAGE 100

PARCEL 4

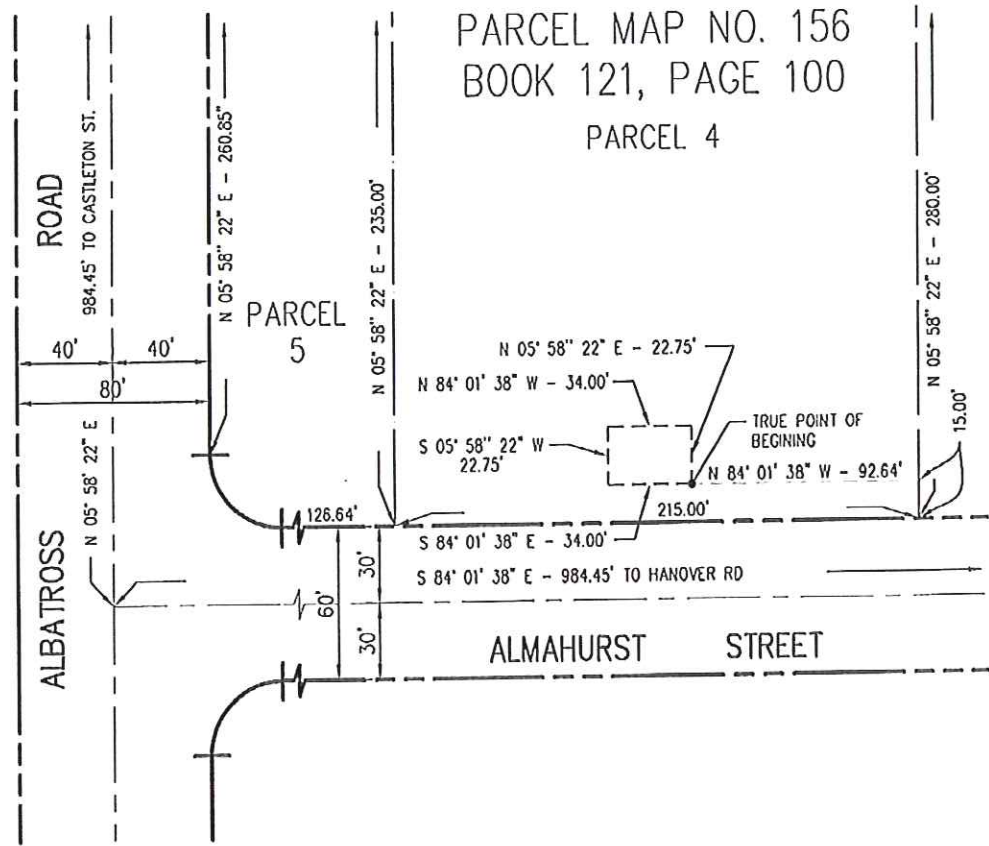


EXHIBIT B

X:\2011\2011.36.00-RWD-LEVITZ FURNITURE\DWG\BASE\2011.36.00 EXHIBIT B.DWG (06-06-11 5:16:42PM)

2.7

LICENSE AGREEMENT
FOR INGRESS AND EGRESS OVER
RESERVOIR 14 ACCESS ROAD

THIS LICENSE AGREEMENT ("License") is entered into on _____, 2011 by and between ROWLAND WATER DISTRICT, a public entity organized and existing under Division 12 of the Water Code of the State of California (hereinafter "District") and the County of Los Angeles, a body corporate and politic (hereinafter "County").

RECITALS

WHEREAS, District owns and maintains a private access road approximately 20 feet wide and 2,100 feet long, which runs from Vantage Point, a public street, on the north western boundary, traveling south easterly to the south eastern boundary of the land owned by District identified as Assessor Parcel 8261-081-900, also known as the District's Reservoir 14 site, located in the Rowland Heights area of unincorporated Los Angeles County (hereinafter "Access Road"). A map showing the Access Road and a legal description of the property on which it stands are attached hereto as Exhibits "A" and "B", respectively, and incorporated herein by reference; and

WHEREAS, County desires to use the Access Road for the purpose of transporting construction crew and equipment, in a manner which does not interfere with District's use of the Access Road and other District activities and functions;

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

1. **USE.** District hereby grants to County a non-exclusive license for use of the Access Road for the purpose of transporting County employees, contractors and their construction equipment to a County telecommunication site adjacent to and immediately east of the District's Reservoir 14 site, which is commonly referred to as Puente Hills Radio Communication Site on County-owned land identified as Assessor Parcel 8261-006-900, for the purpose of constructing a new communication tower and a new communication building for County's use. The use of the Access Road will be done in such a manner that no damage or unusual wear and tear is caused to the Access Road, or the improvements thereon. County, its agents and contractors shall not store, repair, or deposit any motor vehicle, equipment, materials, or supplies on the Access Road for any period of time. County, its agents and contractors may park vehicles on the paved surface of the Access Road during County's construction period; provided drivers are available at the site at all times to move the vehicles immediately, if instructed to do so by District personnel. County, its agents and contractors shall at no time, block, obstruct, or interfere with access or free passage on and over the Access Road by District, its employees, agents, invitees, licensed contractors, or other persons using the Access Road with the permission of District.

County, its agents and contractors shall not make any cut, excavation, removal, or alteration of any kind to any pavement, curbs, gutter, drainage facility, or other improvement on District property without District's written consent. In the event County's activities cause damage to the Access Road or any improvements associated therewith, County shall, at County's sole cost and within the time specified by District, restore all improvements damaged to at least as good a condition and repair as they existed prior to County's activity, as determined by District in its reasonable judgment, and verified by video and/or photographs taken on location by District prior to County's construction and mutually agreed upon as the existing condition of the Access Road, with common and identical copies kept by both parties prior to the start of County's construction

Under no circumstances shall County allow or permit persons to enter or use the Access Road for recreational purposes or any purpose other than those specifically provided for herein.

2. **CONSIDERATION.** Consideration for this License shall be County's faithful performance of its obligations under this License.
3. **TERM.**
 - A. The License granted herein shall only be valid from _____, 2011, (the Commencement Date) to February 28, 2014, (the Completion Date) followed by a 60 day period for County, its agents and contractors to repair all road damage beyond normal wear and tear resulting from County's use of the Access Road, back to the condition as specified by the pre-construction video-photography and/or photographs. The above dates shall not be extended unless otherwise agreed to in writing by both parties.
 - B. Before the Completion Date, this License may be terminated by District or County, which termination shall be effective 30 days after written notice of termination given the other party in the manner specified in Section 10 hereof. Termination of this License by District or County shall not relieve County of liability for any damages or other sum of money due from County to District hereunder, which shall continue to be due and shall be payable immediately, notwithstanding termination of County's right to use of the Access Road. District reserves the right to terminate County's right to use the Access Road in District's sole discretion, with or without cause, and District shall in no way incur any liability to County or any person or entity claiming under County for termination of the License. County acknowledges that the Access Road is not the only means available to County for ingress and egress to the property and that this License is intended for convenience, rather than necessity. Upon termination County shall immediately remove any locks placed on the Access Road gate by County and return all keys provided by District.

4. **RESTRICTION ON USE.**

- A. County shall not permit or authorize any person other than County's employees, agents, contractors and construction crew, to enter onto or use the Access Road under this License. Nothing herein shall be deemed to give any right or license to County to permit persons other than those specified herein to use the Access Road for any purpose. Authorization to use the Access Road under this License is limited to the uses and persons identified herein. County, its agents and contractors shall be responsible for all persons coming onto District's property under this License to ensure that they do not damage District property or interfere with District's use of the Access Road.
- B. County, its agents and contractors shall not make any improvements, alteration, excavation, embankment, or modification to the Access Road or other District property without District's prior written consent.
- C. County shall comply with all applicable Federal, State, County and local statutes, ordinances, regulations, rules, and orders applicable to County's activities on or about the Access Road.

5. **SECURITY.** Entry onto the Access Road is restricted by means of a locked gate at the entrance from Vantage Point Drive. Upon commencement of the term of this License, District will provide County with means to gain entry to the Access Road by supplying County with a key, combination, or opportunity to provide County's own lock. County, its agents and contractors shall be responsible for relocking the gate immediately after any entry to, or exit from, the Access Road by County, its agents and contractors. County shall be responsible for restricting distribution of keys, combinations, or locks within the control of County so as to prevent unauthorized use of the Access Road. County shall be responsible for and shall immediately pay to District, upon demand, all costs, damages, liability, and losses incurred by District as a result of County's failure to comply with the requirements of this Section, including, but not limited to, repair of vandalism, graffiti removal, replacement of stolen property, loss of water or additional treatment of water. County shall indemnify and hold District harmless from any claims, suits, actions, damages, or losses to third parties as a result of County's failure to comply with the requirements of this Section, including claims for property damage, personal injury, and death. County shall return all keys and remove all County locks immediately upon the Completion Date, or as soon as repairs required under Section 6, if any, have been completed.

6. **REPAIRS.** County, its agents and contractors, shall be responsible for all damage and unusual wear and tear to District Access Road and improvements arising out of County's use of this Access Road hereunder. County, its agents and contractors shall make all necessary repairs and/or replacements to correct such damage or wear and tear, as well as pay immediately any damages or costs proximately caused by County's use of the Access Road, upon demand by

District, within 60 days of the expiration of this License, as long as such damage or unusual wear and tear can be verified to have occurred by comparing pre-construction and post-construction videos and/or photographs of the Access Road.

7. **INDEMNIFICATION.**

A. County, its agents and contractors, shall indemnify, defend, and hold District, its officers, employees, and agents harmless from and against all claims, losses, damage, actions, suits, expenses, liabilities, and/or costs for 1) property damage, personal injury, or death arising in any way, directly or indirectly, out of County's use of the Access Road, including, but not limited to, claims, actions, and liability for property damage or personal injury or death suffered by County, its employees, officers, members, shareholders, agents, and/or persons entering onto the Access Road at County's invitation or with County's permission or consent; and 2) any injuries, losses, violations, or damages that are caused by County's access to the Puente Hills Communication Site. Notwithstanding the foregoing, County shall not be required to indemnify District for liability arising out of the gross negligence or willful misconduct of the District or its employees.

B. District shall indemnify, defend and hold harmless County, its officers, employees, agents and contractors from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from the gross negligence or willful misconduct of the District or its employees arising from and/or relating to the Access Road.

8. **INSURANCE.** County, its agents and contractors, shall procure and maintain, in effect for the duration of this License, policies of insurance covering comprehensive liability, automobile, and worker's compensation. County, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to District after execution of this license at District's request, prior to start of this agreement. The comprehensive general liability policy and the automobile liability policy shall have a combined single limit per occurrence and annual aggregate limit of not less than One Million Dollars (\$1,000,000.00) per annum. Any policies of comprehensive general liability insurance and automobile liability insurance maintained to comply with the requirements of this section shall name Rowland Water District as an additional insured. The worker's compensation insurance shall be in an amount required by law. Notwithstanding the Commencement Date provided in Section 3, this License shall not become effective until County, its agents and contractors, has provided District with evidence of the required insurance.

9. **NO ASSIGNMENT.** This License is personal to County and County shall not assign, transfer, or sell this License or any privilege or rights hereunder in whole or in part and any attempt to do so will be void and will confer no right on any third party.
10. **NOTICES.** All notices required to be given by either party will be made in writing and delivered in person or deposited in the United States Mail, first class postage prepaid, addressed to the party to which it is directed as follows:

District:

ROWLAND WATER DISTRICT
P. O. Box 8460
Rowland Heights, CA 91748
Attention: Ken Deck, General Manager
(562) 690-7142 Fax (562) 697-6149

County:

COUNTY OF LOS ANGELES
Chief Executive Office Real Estate Division
222 South Hills Street, 3rd floor CA 90012
Attention: Christopher M. Montana, Acting Director of Real Estate,
(213) 974-4200 Fax (213) 217-4971

Notices will be deemed effective on the date personally delivered or three days after deposit in the mail. Either party may change the address to which notices are to be sent by written notice to the other party.

11. **ENTIRE AGREEMENT.** This License Agreement constitutes the entire agreement between the parties relating to the use of the Access Road and no modifications or amendments shall be effective unless in writing and signed by both parties.

DISTRICT:

Dated: _____

ROWLAND WATER DISTRICT

KEN DECK
General Manager

COUNTY OF LOS ANGELES

ATTEST:

COUNTY OF LOS ANGELES

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

By: _____
WILLIAM T FUJIOKA
Chief Executive Officer

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
COUNTY COUNSEL

By _____
Amy M. Caves
Senior Deputy

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CURRENT LIST OF COMMITTEE ASSIGNMENTS
Rowland Water District
Board of Directors

UPDATED AND APPROVED BY BOARD ON DECEMBER 13, 2011

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	
Finance Ad-Hoc Committee	Director Lewis Director Lima	

2.10



IRS Increases Mileage Rate to 55.5 Cents per Mile

IRS YouTube Videos
[Mileage Rates for 2011: English](#) | [Spanish](#) | [ASL](#)

IR-2011-69, June 23, 2011

WASHINGTON — The Internal Revenue Service today announced an increase in the optional standard mileage rates for the final six months of 2011. Taxpayers may use the optional standard rates to calculate the deductible costs of operating an automobile for business and other purposes.

The rate will increase to 55.5 cents a mile for all business miles driven from July 1, 2011, through Dec. 31, 2011. This is an increase of 4.5 cents from the 51 cent rate in effect for the first six months of 2011, as set forth in Revenue Procedure 2010-51.

In recognition of recent gasoline price increases, the IRS made this special adjustment for the final months of 2011. The IRS normally updates the mileage rates once a year in the fall for the next calendar year.

"This year's increased gas prices are having a major impact on individual Americans. The IRS is adjusting the standard mileage rates to better reflect the recent increase in gas prices," said IRS Commissioner Doug Shulman. "We are taking this step so the reimbursement rate will be fair to taxpayers."

While gasoline is a significant factor in the mileage figure, other items enter into the calculation of mileage rates, such as depreciation and insurance and other fixed and variable costs.

The optional business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage.

The new six-month rate for computing deductible medical or moving expenses will also increase by 4.5 cents to 23.5 cents a mile, up from 19 cents for the first six months of 2011. The rate for providing services for charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile.

The new rates are contained in [Announcement 2011-40](#) on the optional standard mileage rates.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Mileage Rate Changes

Purpose	Rates 1/1 through 6/30/11	Rates 7/1 through 12/31/11
Business	51	55.5
Medical/Moving	19	23.5
Charitable	14.	14

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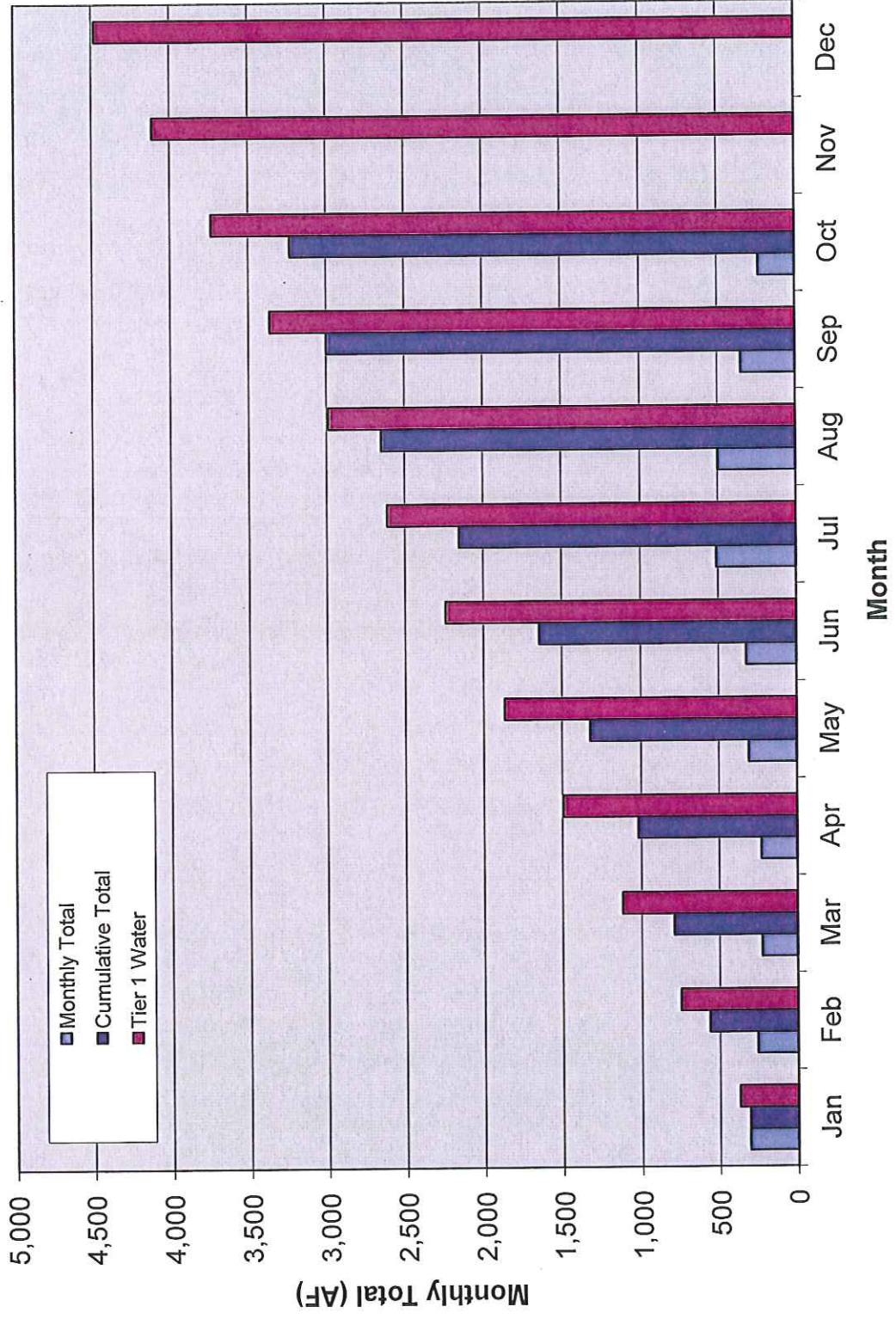
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Rowland Imported Water Purchases PM-22 Tier 1 (in Acre-Feet)
Calendar Year 2011
Year to Date Invoiced as of 1/1/11

	ACTUAL			ESTIMATED			Percentage Difference
	Monthly Total	Cumulative Total	Balance in Tier 1 (4,482 AF)	Cumulative Total	Acre Foot Difference		
Jan	306.6	306.6	4175.4	373.5	-66.9	-17.91%	
Feb	257.2	563.8	3918.2	747	-183.2	-24.52%	
Mar	225.1	788.9	3693.1	1120.5	-331.6	-29.59%	
Apr	228.7	1017.6	3464.4	1494	-476.4	-31.89%	
May	306.5	1324.1	3157.9	1867.5	-543.4	-29.10%	
Jun	320.3	1644.4	2837.6	2241	-596.6	-26.62%	
Jul	509	2153.4	2328.6	2614.5	-461.1	-17.64%	
Aug	497.3	2650.7	1831.3	2988	-337.3	-11.29%	
Sep	348.8	2999.5	1482.5	3361.5	-362	-10.77%	
Oct	232.6	3232.1	1249.9	3735	-502.9	-13.46%	
Nov				4108.5	-4108.5	-100.00%	
Dec				4482	-4482	-100.00%	
TOTAL							

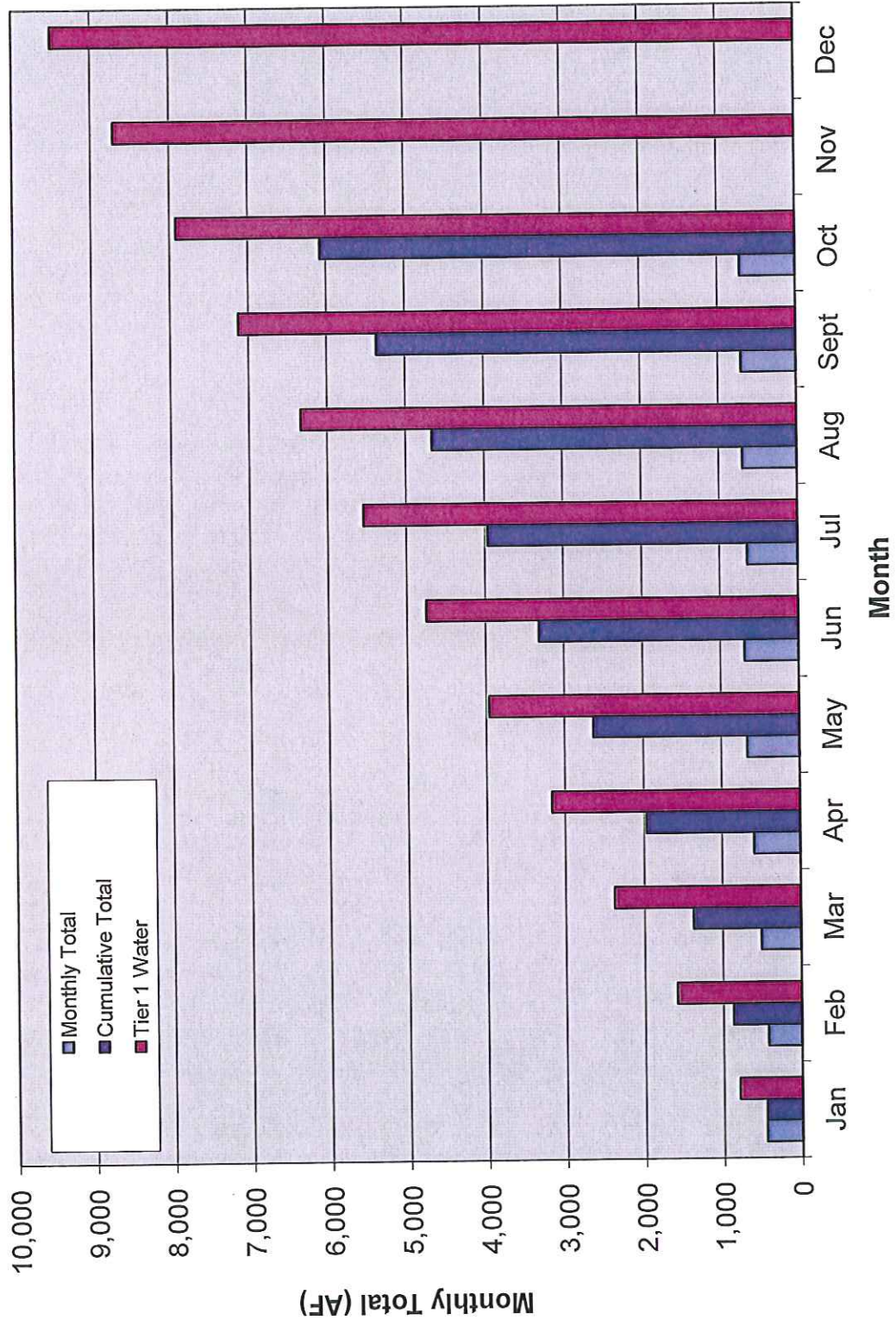
CY 2011 PM-22 Water Purchases



**Rowland JWL Purchases Tier-1 (in Acre-Feet)
Calendar Year 2011
Year to Date Invoiced as of 1/1/11**

	ACTUAL			ESTIMATED			Percentage Difference
	Monthly Total	Cumulative Total	Balance in Tier 1 (9,508 AF)	Cumulative Total	Acre Foot Difference		
Jan	449.3	449.3	9,058.7	792	-343	-43.29%	
Feb	421.2	870.5	8,637.5	1,585	-714	-45.07%	
Mar	504.1	1,374.6	8,133.4	2,377	-1,002	-42.17%	
Apr	590.3	1,964.9	7,543.1	3,169	-1,204	-38.00%	
May	667.2	2,632.1	6,875.9	3,962	-1,330	-33.56%	
Jun	689.8	3,321.9	6,186.1	4,754	-1,432	-30.12%	
Jul	645.4	3,967.3	5,540.7	5,546	-1,579	-28.47%	
Aug	695.6	4,662.9	4,845.1	6,339	-1,676	-26.44%	
Sept	702.3	5,365.2	4,142.8	7,131	-1,766	-24.76%	
Oct	710.8	6,076.0	3,432.0	7,923	-1,847	-23.32%	
Nov				8,716	-8,716	-100.00%	
Dec				9,508	-9,508	-100.00%	
TOTAL							

CY 2011 Rowland JWL Purchases



Tab

4

4.1

MEMORANDUM

November 1, 2011

TO: Ken Deck, General Manager
Rowland Water District

Tom Coleman, General Manager
Orchard Dale Water District

FROM: Bob Reeb and Raquel Ayala
Reeb Government Relations, LLC

SUBJECT: 2011 Annual Report

2011 has been the first year that Reeb Government Relations has had the honor and privilege to represent Rowland Water District (RWD) and Orchard Dale Water District (ODWD) before the California executive and legislative branches in Sacramento. This year, Reeb Government Relations worked together with you to advance the interests of the districts and their customers in the State Capitol. Reeb Government Relations looks forward to continuing our work together with RWD and ODWD for common sense legislation and regulations that enable, rather than detract from, pursuit of the districts' mission.

Governor Brown Takes Office; Budget Dominates Agenda

Edmund G. Brown, Jr. was sworn into this third term as Governor of California, having first served two consecutive terms between 1974 and 1982. He joined a new Legislature sworn into office in December 2010. Senate Democrats retained a 25-15 seat majority and in the Assembly, the Democratic majority swelled to 52-28. The Democrat-Republican ratio left Democrats just two seats shy of a super-majority in both houses.

During his 2010 campaign, Governor Brown said:

"The next Governor must be ready to stand against the crowd to lead a broken legislature out of a morass of poisonous partisanship. It will take old fashioned hard work, patience, and a keen understanding of the process.

"I have a deep knowledge about how government functions and how politicians operate. I have seen it as a governor, as a mayor, and as Attorney General. I know how to get budgets done-balanced and on time. I have learned first-hand how stupid state regulations can stop jobs and development in cities like Oakland; and how ridiculous jurisdictional squabbles and endless rules delay the

construction of new transmission lines to bring solar energy to our cities. I know how to break political log jams, both in cities and at the State Capital.

As Governor, I will ensure that money is spent carefully and that state government is operated as efficiently as possible. I have always taken a no nonsense and frugal approach to taxpayers' money."

In January, the estimated General Fund (GF) shortfall was \$27.6 billion - including a \$1 billion reserve and reflecting the cancellation of a state building sales-leaseback transaction program. In March, the Legislature passed \$14 billion in solutions, primarily spending reductions. On May 16, Governor Brown unveiled a revised state budget that, according to the Governor, reduced by nearly \$3 billion the amount of taxes needed to balance the budget, spurred job creation through new tax incentives and paid off most of the \$34.7 billion debt built up over the last decade. The revised budget also proposed that the Legislature implement and that voters ratify a plan to extend for five years sales tax and vehicle license fee rates and the dependent credit exemption level that were set to expire on June 30, 2011. The May budget revision did not seek a 2011 personal income tax surcharge, but would have reinstated it for the 2012 through 2015 tax years.

The Legislature adopted most of the Governor's May Revision framework that relied on about \$11 billion in additional revenues. However, with the deadline for passing a budget fast approaching, and the Governor's inability to reach a deal with Republican legislators to obtain the 4 votes needed – 2 in the Assembly and 2 in the Senate – to extend the sales tax and vehicle license fee increase until an special election on taxes could be held; the Democratic majorities in both houses passed by a majority vote their first spending plan for closing the budget gap. The Governor received the first budget on June 15, the constitutional deadline for passing the state budget plan, but vetoed the measure within 24 hours after he received it.

"Unfortunately, the budget I have received is not a balanced solution," the Governor wrote legislative leaders. "It continues big deficits for years to come and adds billions of dollars of new debt. It also contains legally questionable maneuvers, costly borrowing and unrealistic savings. Finally, it is not financeable and therefore will not allow us to meet our obligations as they occur."

In November 2010, voters approved Proposition 25 which lowered the threshold for passing the State spending plan from a 2/3 vote to a simple majority vote. However, it also required legislators to send a budget to the Governor's desk by the constitutional deadline of June 15 or else permanently forfeit their salary for each day the budget was late. State Controller John Chiang, who issues state paychecks, determined that Proposition 25 requires lawmakers to send the governor a "balanced budget" to meet the pay requirement and docked the salary of legislators until a balanced budget was passed.

At a press conference after vetoing the budget, Governor Brown said, "We need four Republican votes, and in the next several days I'm going to do everything I can... I'll

move heaven and earth to get those votes.” Republican Senators Anthony Cannella, Tom Berryhill, Bill Emmerson, and Tom Harman, were said to be willing to vote to place taxes on the ballot if their conditions were met, but not to extend the taxes before they expire on July 1. The Republican Senators sought a spending cap, state pension reform, relaxed environmental protection laws and reduced state regulations. But talks never delivered a compromise agreement and the Governor, in the end, worked with legislative Democrats to identify additional alternative solutions, as well as retain many of the solutions from the June 15 budget, to close the state’s remaining \$9.6 billion deficit and ensure a balanced budget in 2011-12.

On June 30, Governor Jerry Brown signed the state spending plan for fiscal year 2011-2012 – the second majority-vote budget sent to the Governor within two weeks of the first. The second majority-vote budget package relies on spending cuts, a projected \$4 billion rise in tax revenue and fee increases. General Fund spending totals \$85.9 billion, a 6.1% reduction from 2010-11. The budget also includes some \$2.5 billion in mid-year “trigger” cuts that would be made if revenues fall short of projections. The package outlines three tiers of trigger cuts based on how much of the \$4 billion in projected revenues materializes. The majority of trigger cuts would fall on education and social services programs.

A week after Governor Brown signed the state budget; the Standard & Poor's Agency adjusted the state's ratings outlook from “negative” to “stable”. The ratings agency said the solutions in the 2011-12 budget are “largely realistic and should clear a path” for the state to borrow cash in the short term to pay its bills. Despite the outlook improvement, California's general obligation debt rating remains at A-, lowest in the nation.

The budget includes Governor Brown’s proposed local government “realignment” plan, with a \$1.7 billion fund shift from redevelopment agencies to counties and a 1.06 percentage point sales tax “swap” that redirects money to local governments instead of the state. Significantly, for water and wastewater agencies throughout the state, the approved budget package eliminates \$24 million in General Fund support for the State Water Resources Control Board and replaces those General Fund dollars with higher fees. The fee increases include \$1.4 million for the National Pollution Discharge Elimination System, \$1.8 million for the Irrigated Lands Regulatory Program (agricultural waiver program), \$6.7 million for basin planning activities, \$11.5 million for Total Maximum Daily Load activities and \$3.2 million for water rights. The package additionally eliminates \$1.23 million from the Department of Water Resources’ budget for the Watermaster Program replacing the funding with fees. The Association of California Water Agencies (ACWA) and its member agencies voiced opposition against these additional fees to support the State Water Resources Control Board. ACWA and its member agencies had successfully fought off similar fee increases in previous years, originally proposed by Gov. Schwarzenegger. Unfortunately, the ongoing economic malaise, persistently high unemployment, a yawning budget deficit and the need for significant cuts all contributed to a feeling that every available option to balance the General Fund must be included.

On October 10, State Controller John Chiang released his latest State Cash Update which revealed that the State's revenues for the month of September came in \$301.6 million below the State budget projections.

"September's revenues alone do not guarantee that trigger cuts will be pulled," Chiang said. "But as the largest revenue month before December, these numbers do not paint a hopeful picture."

After accounting for September revenues, total year-to date general fund revenues are now behind the budget's estimates by \$705.5 million.

The first year of the 2011-12 Regular Session of the Legislature ended on September 9, 2011; the deadline for Governor Brown to act on legislation that reached his desk in the final two weeks of the session was October 9. A total of 2,719 bills were introduced by the Senate and Assembly, including legislation introduced into a special session called to address budget-related issues. Reeb Government Relations monitored or actively lobbied 93 measures on behalf of our clients.

This year, Governor Brown considered the lowest number of bills (870) of any governor since the California Constitution was changed to disallow the pocket veto in 1966. Governor Brown vetoed a higher percentage in 2011 (14.36%) than in any of his prior years as governor; his veto percentage is only slightly above the average for governors since 1967 (13.82%). Governors Deukmejian and Schwarzenegger still rank first and second for the most bills vetoed in a year, 436 (1990) and 414 (2008) respectively. This year saw the fewest vetoed bills (125) since the recall year in 2003 (58).

Legislation seeks Local Government Transparency and Accountability

In 2010, salary abuses reported in the City of Bell spurred committee hearings and legislative proposals focused on increasing transparency and accountability in local government compensation, accounting and auditing practices. Many bills were held due to the lack of time remaining in the 2010 session to give due consideration to the myriad reform proposals. This year, a number of bills inspired by the City of Bell scandal were introduced in the Legislature.

A summary of some of the key measures is as follows:

- AB 23 (Smyth) would require a member of a legislative body or the clerk to announce, prior to holding a meeting simultaneously or in serial order, during a meeting of a legislative body where the members constitute at least a quorum of the legislative body of the other meeting, how much compensation or stipend the members will receive for the second meeting. The bill was signed into law, by Governor Brown, on July 25. (Chapter No. 91, Statutes of 2011)
- AB 187 (Lara) would allow the state auditor to establish a program to identify and audit any local government agency that the auditor deems to have a "high risk"

for waste, fraud, abuse or mismanagement. The bill passed both houses of the legislature and was signed into law on October 4. (Chapter 451, Statutes of 2011)

- AB 392 (D- Alejo)—would require the legislative body of a local agency to post agenda and specified staff-generated reports that relate to items on the agenda on its Internet Website, failed the May 29 deadline pursuant to Rule 61 (a) (5) - last day for fiscal committees to hear and report to the floor bills introduced in their house. The bill had been amended to be narrowed somewhat, but still would have posed significant restrictions and costs on local agencies.
- AB 582 (Pan)—would require the legislative body of a local agency to publicly notice on two separate occasions a proposed compensation increase of more than 5% for a city manager, deputy city manager, county chief administrative officer, deputy chief administrative officer, or similar employees of special districts. The bill failed the May 29 deadline pursuant to Rule 61 (a) (5) - last day for fiscal committees to hear and report to the floor bills introduced in their house.

RWD and ODWD Active on the Legislative Front

The two districts actively monitored or engaged in direct lobbying on over 11 bills this year. I will highlight only a handful of bills below for which the districts were active. Many of the bills that I will highlight below are 2-year bills. This was the first year of the 2011-12 legislative session, therefore, bills that failed to meet a legislative deadline and remain active may be taken up for legislative consideration next year.

State water policy: regional water management planning.

AB 685, by Assemblymember Eng (D-Monterey park), would have declared that it is the policy of the state that every human being has the right to clean, affordable, and accessible water. The bill would require, on and after January 1, 2012, all relevant state agencies implement this state policy upon revising existing, and upon adopting or establishing new, policies, regulations, and grant criteria.

The Association of California Water Agencies (ACWA), RWD, ODWD and other water service providers opposed AB 685, arguing that the bill language could lead to a requirement that water agencies provide water service without consideration to the reasonable cost of providing service, thereby creating inequitable and disproportionate water rates in violation of the California Constitution. Other concerns included extension of water service and potential challenges to long-held water rights allocations.

Currently, a retail water provider can discontinue water service when a customer has not paid the water bill in a timely manner. Under AB 685, a customer has a right to water. If the water supplier were not allowed to stop service because a customer could not afford water service, other customers would have to subsidize service for those who cannot afford service. This scenario could have a devastating impact on the viability of

water agencies across the state and conceivably have a greater impact on those agencies which have a large low-income population. At the very least, it could mean higher water bills for those who could “afford” to pay. And at worst, areas with high low income populations would have suppliers who wouldn’t be able to provide adequate service or plan for future infrastructure needs.

The bill is similar to AB 1242 (Ruskin, 2009), which was vetoed by Governor Schwarzenegger, who stated:

“While providing safe drinking water is fundamental to our laws and to human health, this bill would not enhance our current efforts in achieving this goal... Our most pressing barrier in achieving this goal is not desire, it is funding.”

AB 685 was sent to the Senate Appropriations Committee Suspense File, on August 15, where it was held under submission. The bill failed to meet the August 29 legislative deadline for bills to be reported out of fiscal committees and it is now a 2-year bill.

SB 224 (Pavley) Public Contracts: Department of Water Resources

Current law provides that contracts entered into by any state agency for goods, services, or other specified activities, whether awarded through competitive bidding or not, are void unless and until approved by the Department of General Services (DGS), and approval shall be denied if the contract does not meet the required specifications of the bidding process. Current law requires state agencies to secure at least 3 competitive bids for each contract. Current law exempts certain transactions and contracts from that law, as specified.

SB 224, by Senator Fran Pavley (D-Agoura Hills) exempts specified contracts entered into by the Department of Water Resources (DWR) from competitive bidding requirements and DGS approval. Specifically, SB 224 exempts from competitive bidding requirements DWR contracts for the acquisition of specialized equipment for State Water Resources Development System (SWRDS) facilities that are in excess of \$25,000 and requires DWR to collaborate with DGS to establish conditions where competitive bidding exemptions apply in order to expedite operations and maintenance work to reduce the risk of the loss of water or power to the SWRDS. The bill exempts from approval by DGS, contracts for the acquisition, sale, or transmission of power, or for services to facilitate such activities under the Central Valley Project (CVP) or the California Resources Development Bond Act. As well as, exempts service contracts for the operation, maintenance, repair, or replacement of specialized equipment at SWRDS facilities under the CVP or California Water Plan from competitive bidding requirements and DGS approval. (For an alternative bill description, please look at bill language)

RWD and ODWD were in support of SB 224. The districts argued that by providing DWR with an exception from DGS contract review, SB 224 would eliminate costly contract delays and unnecessary bureaucratic review. The energy marketplace can be very volatile and energy rates can change rapidly. Delay in the approval of contracts by

DGS can affect DWR's ability to procure electricity in a timely manner, thus driving up energy costs that ultimately result in increased water costs for business and consumers. This situation has had costly, multimillion dollar consequences for the SWP and the 29 state water contractors who pay all SWP-related expenses. Furthermore, DGS charges the contracting department for DGS's time in the reviewing process of the contract. The DGS fee for contracts for last fiscal year was 1.6% of the value of the contract. Each year, DWR enters into hundreds of contracts, often valued in the millions of dollars. Despite having an extensive contracting operation staffed by dozens of experienced attorneys and contracting specialists, DWR still was required to have many of its contracts reviewed and approved by DGS.

The bill was signed into law by Governor Brown on October 8, 2011.

SB 263 (Pavley), relating to wells reports: public availability.

Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources (DWR). Current law prohibits those reports from being made available to the public, except under certain circumstances. SB 263 by Senator Pavley would require DWR to make well log reports available to the general public. The bill would prohibit the Department of Public Health (DPH) from preventing the disclosure of information provided in the reports, which are part of vulnerability assessments protected from public disclosure under the California Public Records Act.

The bill was supported by the American Society of Civil Engineers, Clean Water Action, Community Water Center, Environmental Justice Coalition for Water, Groundwater Resources Association (public and private water entities), League of Women Voters, Planning and Conservation League, The Nature Conservancy and individual water districts, among others. The measure was opposed by the California Water Association (investor-owned water corporations), California Groundwater Association (well drillers), California Police Chiefs Association, Los Angeles County Sheriff Lee Baca and individual cities and water districts. The Association of California Water Agencies watched the bill based on its divided membership.

ROWD and ODWD took an "oppose unless amended" position on SB 263, stating concerns that the broad availability of such reports would provide terrorists and metal thieves with well locations and increase safety risks to public water supplies. Robert Reeb, along with a coalition in opposition of the bill, met with various Assembly offices to encourage members to vote "No" on the bill, unless it was amended to remove the security issues from the bill. The opposition was able to convince a sufficient number of Assembly Democrats, who joined Assembly Republicans in voting against SB 263 on the floor to force the author to accept amendments to narrow the well log availability to only a few categories of professionals. The bill failed passage in the Assembly Floor on August 31 with a 30-34 vote.

On September 2, the author accepted amendments to the bill that maintain the confidentiality of well log reports, by allowing only certain professionals and college faculty to gain access to the report for research purposes, as opposed to having the general public having access to the reports. The amended version requires persons requesting a report to identify the purpose for the request. The exact location of a well could not be revealed in any published research or studies and well log reports cannot be shared with anyone outside of the research team. The amendments also provide for fines and penalties for violation of the prohibitions against release of the well log reports.

Based on the September 2 amendments, Rowland Water District, Orchard Dale Water District and others in opposition removed their opposition to the bill. SB 263 passed the Assembly floor on a 57-13 vote after reconsideration and amendment based on the removal of opposition. The bill was sent to the Governor's desk for approval on September 13.

Governor Jerry Brown vetoed SB 263 on October 8, 2011, stating:

The original intent of this bill recognized that wise management and use of groundwater supply requires public disclosure of well logs. Unfortunately, as amended, this bill now unduly restricts the use of these reports and imposes severe criminal penalties for disclosure. California is the only western state that does not provide ready access to well reports. That should be changed. I am directing the Department of Water Resources to work with the author to ensure responsible public access to well logs.

Clearly, this matter will be before the Legislature again next year absent the ability of the Department to make administrative changes that might satisfy the supporters of the legislation without opening the well log reports to the general public.

Public Works Projects: Contract Retention

SB 293 would reduce the amount of money that local public agencies can withhold from a contractor prior to completion of a public works project. These retention proceeds are currently required to be not less than five percent. The widespread practice among local public entities is to retain 10 percent. Under the bill, retention could not exceed five percent. This provision would sunset in 2016. The bill is supported by contractors and subcontractors. It is opposed by many local public agencies who argue that the ability to retain construction funds is an important control to ensure that contractors perform their work well, on time and on budget.

RWD and ODWD opposed to SB 293. Under current law, local agencies must accept the lowest responsible bidder when awarding contracts. Because local agencies are required to contract with the lowest bidder, sometimes less qualified contractors, who are more likely to create issues of costly change orders and project abandonment, may under-bid more qualified contractors. The retention flexibility provided in existing law

allows agencies to do a project risk assessment and determine retention provisions that are appropriate to the level of risk assessed for a project.

Contract retention ensures that public projects are delivered on time and on budget, that contractors complete all contract requirements including the small unprofitable punch-list items, that there are sufficient funds to correct defective work if a contractor fails to do so and/or to pay workers in the event that contractors fail to pay prevailing wage properly. The widespread highly variable practice among local public entities is to retain 10% of the payment for contracts. Local agencies commonly reduce retention to 5% at the half-way point of project completion, if adequate progress is being made and the contractor is acting in good faith. The districts argued that by reducing the amount of money that local public agencies can withhold from a contractor prior to completion of the job, SB 293 imposes a one-size-fits-all policy, removing local agencies flexibility to appropriately manage risk on a project-by-project basis. The districts were concerned that when a contractor does not have the proper incentive to complete a public works project, the local agency may be left without sufficient funds and would be forced to seek new funding to complete the project. During this difficult economic and budgetary time, public agencies, taxpayers and ratepayers cannot afford failures or disingenuous commitments on the part of general contractors. This bill compromises the public agency to the benefit of the contractor.

Several bills with similar proposed retention limitations have been vetoed over the past: AB 806 (Keeley) of 1999; AB 940 (Miller) of 1997; and AB 1949 (Conroy) of 1996. And more recently, SB 802 (Leno) of 2009, which limited retention for 5%, was vetoed by Governor Schwarzenegger, who expressed concern that such a limit would harm public agencies' ability to complete project on time and within budget.

Nonetheless, Governor Jerry Brown departed from his predecessors and signed SB 293 into law on October 9, 2011.

Integrated Regional Water Management Plans: contents

SB 834, as introduced by Senator Lois Wolk, required integrated regional water management plans (IRWMP) to demonstrate the manner in which it complies with a new state policy to reduce water reliance in the Delta watershed. RWD and ODWD took an "oppose unless amended" position to the bill, objecting to provisions in the bill that would force compliance with one state policy as against all others when developing a IRWMP, which under existing law should ensure the availability of sufficient supplies to meet the state's agricultural, domestic, industrial, and environmental needs.

Reeb Government Relations sought amendments to the bill on behalf of its clients that require a region that depends on water from the Delta watershed to include in an IRWMP projects and programs that improve regional self-reliance for water through investments in water use efficiency, water recycling, advance water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts. "This amendment would add an additional essential

element for IRWMP for a region that relies on water supply from the Delta watershed," said Reeb. "It would not, however, require a plan to demonstrate compliance with state policy to reduce reliance on the Delta, which could be interpreted by the Department of Water Resources (DWR) to limit export areas to receiving state funding for only water use efficiency or water recycling projects in their IRWMPs. It's also a bit of an affront to Federal and State project water contractors that have paid for a contractual entitlement to water for decades to now turn away from receiving that water, but continuing to pay the full fixed costs of the projects."

Bob Reeb convinced the ACWA State Legislative Committee to seek the amendments as well, but the Association subsequently removed its opposition when it failed to achieve more than minor amendments. Fortunately, DWR responded to entreaties by Reeb to engage on the legislation and the Department ultimately concurred with the concerns stated by the districts about mandating compliance with one state policy in what has heretofore been a voluntary, collaborative regional planning approach; and received approval from the Governor's office to express opposition to SB 834 absent amendments similar to those sought by the districts.

On August 25, Senator Wolk's office took amendments to the bill that were similar to those requested by Reeb and which satisfied the districts' concern with the legislation. Based on those amendments the districts moved to a "Watch" position on the bill. SB 834 passed both houses of the legislature.

SB 834 was vetoed by the Governor on October 2, of which he stated:

"I am returning Senate Bill 834 without my signature because I do not believe it adds anything to current law."

SB 931 (Vargas) relating to public employee organizations

SB 931, by Senator Juan Vargas (D-San Diego), would prohibit public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer about ways to minimize or deter the exercise of public employee union activities. RWD and ODWD took an "oppose" position on the bill for what they saw as an attempt to make unionization easier by precluding a public agency employer from consulting with attorneys who have the expertise to counsel the agency through the unionizing process while the union is free to use their funds in any manner they like.

The districts argued that given that the Meyers-Milias Brown Act protect the rights of public employees to "form, join and participate in the activities of employee organizations of their own choosing" as well as the right to "refuse to join or participate in the activities of employee organizations," it is not clear what the need for the bill is or what problem the bill is attempting to remedy. The districts further argued that the proposed language in SB 931 is so vague that the only way to determine whether communication would be wrongful would be to disclose such communication to the

challenging party, which violates the attorney-client privilege and the agencies right to counsel. Such a practice would have a chilling effect on any public agency business that requires legal confidentiality. Additionally, the threat of disclosure would likely deter employers from getting advice on issues that may fall in the gray area, of which there are many. The districts believe that public agencies are entitled to seek counsel, and freely communicate with counsel in order to best determine the agency's rights and obligations.

RWD and ODWD stated that most public agency employers who consult for services from an employment attorney are not seeking to curtail employee rights or the right of its workers to unionize, but to ensure they are protecting their rights and complying with their responsibilities under law. Many small-to-medium sized public agency employers act in good faith but do not have expertise on staff to negotiate employment issues, including organization and collective bargaining, and as such are required to seek outside counsel. In addition, many of the issues that a union is able to negotiate on behalf of their members are matters which may bind the public agency to a contract worth millions of the public's dollars. As such, the districts believe that employment negotiations are not small matters that should be negotiated without the expertise available to an agency through outside counsel, especially during such harsh economic times and that it is inappropriate to expect ratepayers of a water agency to be held liable for contracts in which their best interests were not taken into account.

After considering the impacts the bill would have on special districts and local agencies, and the strong lobby effort in opposition to the bill, Senator Vargas dropped the legislation. SB 931 was order to the Inactive File on August 22 at the request of Assemblymember Calderon. A week later, SB 931 was removed from the Inactive File and used by Senator Evans to address and encourage the usage of payroll cards for purposes of union elections.

RWD, ODWD Effective Advocates on Behalf of Their Taxpayers and Customers

This past six months represented the initial commitment on the part of the RWD and ODWD to aggressively pursue advocacy efforts in the State Capitol relying on Reeb Government Relations to be their voice.

Looking ahead to next year, 20 Senate seats and 80 Assembly seats will be up for election in districts newly-drawn by the California Citizens Redistricting Commission. Legislative Democrats lack two additional seats in each house in order to achieve a two-thirds super majority status, which is significant in terms of approving taxes and fees, assuming every Democrat could be persuaded to support such increases or new enactments. Locally, Assembly Member Tony Mendoza will leave the Assembly and is seeking election to the State Senate. His open seat will be filled with a new legislator. The November General Election will feature a top-two system, under which the top two vote recipients, regardless of party affiliation, will appear on the ballot. Districts with larger Republican or Democratic party registration advantages could see two members from the same party facing off.

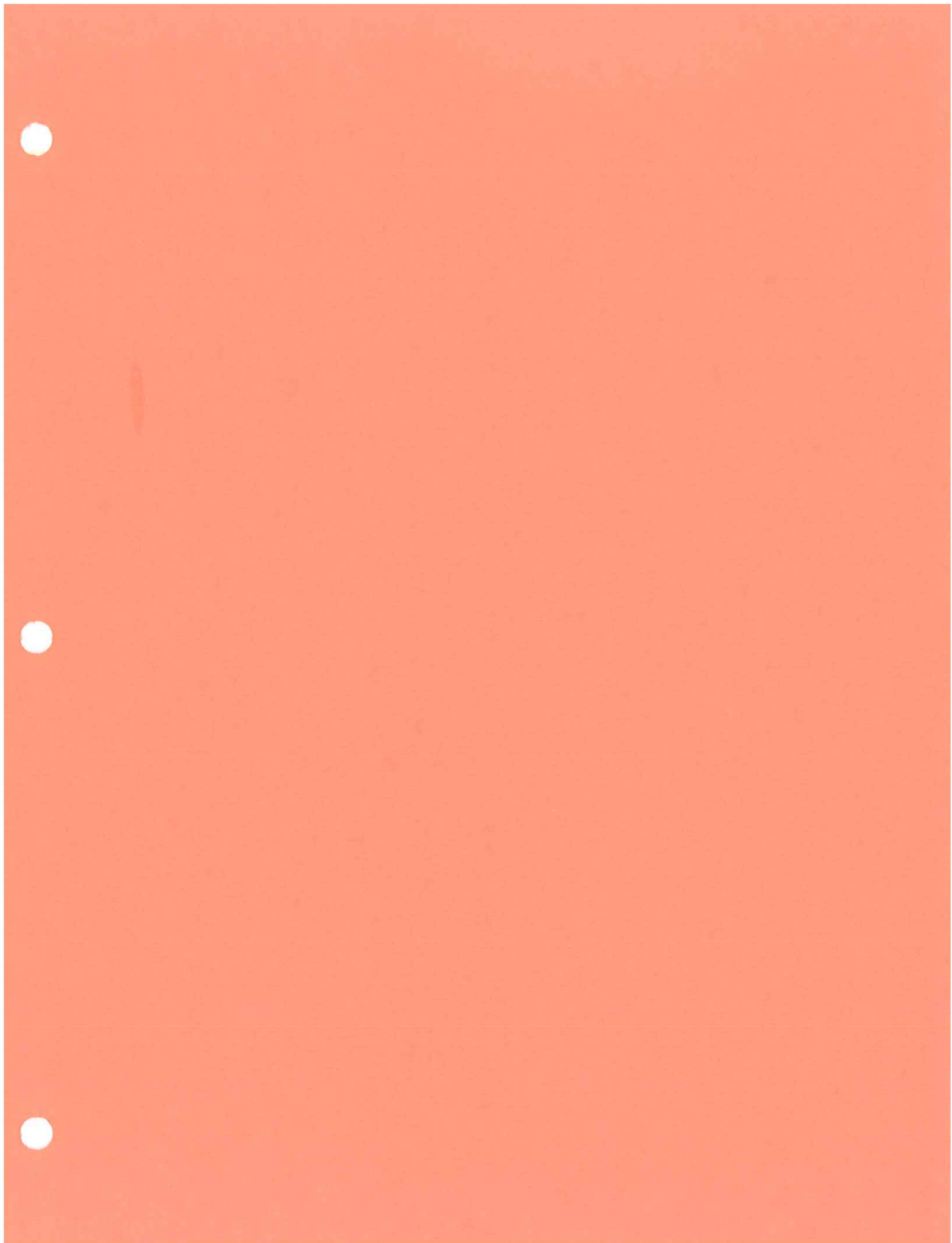
The \$11.14 billion water general obligation bond is slated to appear on the November 2012 ballot, but its fate remains unclear due to the moribund state economy and the continuing challenges facing the State General Fund. Governor Brown already has indicated his intent to reopen the debate on the water bond, signaling a desire to reduce the size of the bond as well as to change the makeup of the programs and projects that would be funded under the bond. Moving the bond to a future ballot also is a possibility. Any changes to the status quo would require a two-thirds vote in each legislative chamber and the signature of the Governor.

There is a growing sense among legislative Democrats and possibly Governor Brown that the use of General Obligation bonds to fund water infrastructure might not be sustainable in the future. SB 34 by Senator Joe Simitian (D-Palo Alto) and SB 571 by Senator Lois Wolk (D-Davis) are 2-year bills that would establish a public goods charge on water purveyors (a per acre foot charge) that could collect up to \$5 billion annually; one-half of the funds would be available to the State Legislature to appropriate for water and environmental programs and projects, and one-half would be available to local agencies through a new regional governance structure to fund programs and projects under integrated regional water management plans. This means that for every \$1 collected from an individual water purveyor, at best, less than 50 cents would be returned to benefit local water customers.

In a related move, the Association of California Water Agencies Board of Directors has established a Water Finance Task Force that will develop a board policy. An advisory group has been formed to assist the task force, which is expected to produce a work product for board consideration by the end of the calendar year. The board member for Region 8 on the Task Force is Glen Peterson, while Region 8 representatives on the Advisory Group include Richard Nagel, Western Municipal Water District; Kathy Cole and Roger Patterson, Metropolitan Water District of Southern California; and Dan Masnada, Castaic Lake Water Agency.

The creation of the Water Finance Task Force is not the first time that ACWA Executive Director Tim Quinn has encouraged the Board of Directors to develop and adopt policy frameworks. In recent past, a groundwater framework was prepared and adopted. These policies become binding on the ACWA State Legislative Committee as that committee seeks to represent ACWA membership on myriad legislative issues. A rigid approach could undermine the ability of the committee to act on legislation in a timely manner and there is no formal mechanism for interpreting broad policy language and applying it to specific legislative proposals. Either the work of the committee will be slowed or ACWA will not be able to engage in potentially significant legislation. Already, Reeb Government Relations has witnessed a growing divide on the State Legislative Committee between coastal urban members versus inland and agricultural members. As membership divides along lines of centralized versus local control, ACWA may either be neutered in terms of advocating on behalf of its members, or narrower majorities will direct positions at the committee level. This trend argues for the districts to become more active in ACWA Region 8 board and committee level positions in the Association,

as well as to regularly communicate their positions and concerns to Region 8 representatives on the ACWA Board of Directors and standing committees. The trend also argues for continued vigilance in Sacramento on the part of the districts, as their positions may not line up with statewide associations on important legislative and regulatory matters.



MEMORANDUM

NOVEMBER 1, 2011

TO: Ken Deck, General Manager
Rowland Water District

Tom Coleman, General Manager
Orchard Dale Water District

FROM: Bob Reeb
Reeb Government Relations, LLC

SUBJECT: Analysis of Safe, Clean and Reliable Drinking Water Supply Act of 2012

SBX7 2 (Cogdill) would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11.14 billion pursuant to the State General Obligation Bond Law. The measure would finance safe drinking water and water supply reliability programs, among other provisions. The measure will appear on the November 2012 General Election ballot.

November 2010 Water Bond Allocation of Funds
(In Millions)

Water supply (surface and groundwater storage)	\$ 3,000
Sacramento-San Joaquin Delta sustainability	2,250
Conservation and watershed protection	1,785
Regional water supply	1,400
Water recycling and conservation	1,250
Groundwater protection and water quality	1,000
Drought relief	455
Total	\$ 11,140

There are some important caveats regarding SBX7 2:

- Provisions of the bond fund some of the other elements of the Delta legislative package enacted in November 2009; e.g., funding for capital improvements that help in meeting urban water conservation goals (SBX7 7).
- The bond was not designed to be a financing mechanism for the whole legislative package. For example, other sources of funding must be found for ongoing administrative functions of the new Delta Stewardship Council.
- The bond explicitly does not provide funding for the design, construction, operation, or maintenance of Delta conveyance facilities (federal and/or state water project facilities involving the movement of water through or around the Delta).

General Provisions

Up to 5 percent of the funds allocated for a grant program are to be used to pay for the administrative costs of that program.

Up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program.

Prior to disbursing the grants:

- Each state agency that is required to administer a competitive grant program shall develop and adopt a project solicitation and evaluation guidelines.
- The state agency shall conduct three public meetings to consider public comments before finalizing the guidelines.
- The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings.
- One meeting shall be conducted in northern California, one meeting shall be conducted in the central valley, and one meeting shall be conducted in southern California.
- Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

SBX7 2 creates the Safe, Clean, and Reliable Drinking Water Finance Committee for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law. Of the \$11.14 billion in bonds authorized, up to \$5.57 billion shall only be sold by the Treasurer before July 1, 2015.

Allocation Breakdown by Chapter

Chapter 5 provides \$455 million for drought relief projects:

- ❖ \$190 million for the planning, design, and construction of local and regional drought relief projects. Eligible projects include all of the following:
 - Water conservation and efficiency projects
 - Water recycling and related infrastructure
 - Groundwater cleanup
 - Local and regional conveyance projects that improve water supplies and public benefits associated with conveyance facilities
 - Other local and regional water supply reliability projects
 - Local and regional surface water storage projects that provide emergency water supplies and water supply reliability in drought conditions

Projects funded must provide a sustainable water supply that does not contribute to groundwater overdraft or increase surface water diversions and must be capable of being operational within 2-years of receiving the grant. Preference will be given to applicants that can demonstrate substantial past and current investments in conservation and local water projects.

A cost share of not less than 50 percent of total project costs shall be required from non-state sources. The Department of Water Resources (department) may waive or reduce the cost-sharing requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

- ❖ \$90 million to disadvantaged communities and economically distressed areas experiencing economic impacts from drought for drought relief projects and programs.
- ❖ \$75 million shall be available to the State Water Resources Control Board for grants, for small community wastewater treatment projects.
- ❖ \$80 million to be deposited into the Safe Drinking Water State Revolving Fund for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards.
- ❖ \$20 million for water quality and public health projects on the New River.

Chapter 6 provides \$1.4 billion for water supply reliability projects:

- ❖ \$1.05 billion dollars for awarding grants to eligible projects that implement an adopted integrated regional water management (IRWM) plan. Funds made available by this chapter shall be allocated as follows:

1. North Coast:	\$	45,000,000
2. San Francisco Bay:		132,000,000
3. Central Coast:		58,000,000
4. Los Angeles subregion:		198,000,000
5. Santa Ana subregion:		128,000,000
6. San Diego subregion:		87,000,000
7. Sacramento River:		76,000,000
8. San Joaquin River:		64,000,000
9. Tulare/Kern:		70,000,000
10. North/South Lahontan:		51,000,000
11. Colorado River Basin:		47,000,000
12. Mountain Counties Overlay:		44,000,000
13. Interregional:		50,000,000

Interregional funds may be expended directly or granted by the department to address multiregional needs or state priorities, including, but not limited to, any of the following:

- Investing in new water technology development and deployment
- Meeting state water recycling and water conservation goals
- Adapting to climate change impacts
- Reducing contributions to climate change
- Other projects to improve statewide water management systems
- Other projects and activities designed to meet the needs of disadvantaged communities or economically distressed areas

At least 10 percent of the funds shall be allocated to disadvantaged communities.

- ❖ \$350 million to the Department of Water Resources (DWR) for grants and expenditures for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management. Projects shall be consistent with an adopted IRWM plan and shall provide one or more of the following benefits:

Not more than 10 percent of the funds provided by this section shall be available for planning, investigations, studies, and monitoring. A cost share of not less than 50 percent of total project costs shall be required from non-state sources. The

department may waive or reduce the cost share requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

Chapter 7 provides \$2.25 billion for Delta Sustainability programs and projects:

- ❖ \$750 million dollars for projects, including grants to Delta counties and cities within the Delta, including projects that do any of the following:
 - Delta levees and flood control projects
 - Delta water quality conditions
 - local urban and agricultural water supplies
 - Mitigation of impacts from eco restoration and conveyance
 - Local facilities, including waste water facilities

Not less than \$50 million dollars would be available for matching grants for improvements to wastewater treatment facilities upstream of the Delta. Up to \$250 million dollars may be expended in the Delta to provide assistance to local governments and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta. A project that receives funding shall only be eligible for funding to the extent that the combined state funding does not exceed 50 percent of the total project costs.

- ❖ \$1.5 billion dollars for projects that protect and enhance the sustainability of the Delta ecosystem.

Chapter 8 provides \$3 billion for Statewide Water System Operational Improvement projects:

- ❖ \$3 billion to the California Water Commission (continuous appropriation) for public benefits associated with new surface and groundwater storage. Groundwater contamination prevention and remediation, as well as reservoir re-operation projects are eligible.

Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

- Ecosystem improvements
- Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources

- Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system
- Emergency response
- Recreational purposes

With exception to funds that may be made available for the completion of environmental documentation and permitting of a project, no funds allocated under this chapter, may be allocated for a project before December 15, 2012, and until the commission approves the project.

The public benefit cost share is not to exceed 50 percent of the total costs of any project funded under this chapter, except for projects selected by the commission through a competitive public process. No project may be funded unless it provides ecosystem improvements that are at least 50 percent of total public benefits of the project funded under this chapter.

A project is not eligible for funding unless all of the following conditions are met by January 1, 2018:

- All feasibility studies are complete and draft environmental documentation is available for public review.
- The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.
- The director receives commitments for not less than 75 percent of the nonpublic benefit cost share of the project.

The funds allocated for the design, acquisition, and construction of surface storage projects may be provided to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects.

Any amendment of the provisions of this chapter by the Legislature shall require 2/3 vote of the membership in each house of the Legislature and voter approval.

Chapter 9 provides \$1.785 billion for Conservation and Watershed Protection:

Funds shall be available for expenditures and grants for ecosystem and watershed protection and restoration projects, including

- ❖ At least \$250 million to the State Coastal Conservancy for projects within coastal counties and coastal watersheds.
 - \$40 million or more for grants in San Diego County
 - \$20 million or more to the San Diego River Conservancy
 - \$40 million or more for the Santa Ana River Parkway
 - \$20 million or more for protection and restoration of the Bolsa Chica wetlands and adjacent uplands and for associated visitor and interpretive natural history or archeological facilities
- ❖ At least \$100 million to the Wildlife Conservation Board for direct expenditures or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas.
- ❖ At least \$215 million to the Wildlife Conservation Board for direct expenditures or grants for the protection or restoration of watershed lands or rivers and streams that support species listed as threatened or endangered species.
- ❖ \$25 million to the San Joaquin River Conservancy for river parkway projects
- ❖ \$75 million to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
- ❖ \$75 million to the Santa Monica Mountains Conservancy
- ❖ \$20 million to the Baldwin Hills Conservancy
- ❖ \$25 million Santa Monica Bay watershed projects pursuant to Santa Monica Mountains Conservancy Act
- ❖ \$50 million to the State Coastal Conservancy for coastal salmonid restoration projects
- ❖ \$100 million to the Lake Tahoe Conservancy for the Lake Tahoe Environmental Improvement Program
- ❖ \$20 million to the Department of Conservation for the California Farmland Conservancy Program Act, including up to \$5 million for the Department of Conservation Watershed Coordinator Grant Program
- ❖ \$50 million to the secretary for projects in accordance with the California River Parkways Act of 2004, including up to \$20 million to DWR for the Urban Streams Restoration Program

- ❖ Up to \$75 million to the Sierra Nevada Conservancy for grants, loans, direct expenditures, and other purposes and projects consistent with the mission and laws governing the conservancy
- ❖ \$100 million for Salton Sea restoration
- ❖ \$10 million to the Natural Resources Agency for planning for natural resources and watershed protections to address climate change impacts and adaptation
- ❖ \$30 million to the Department of Parks and Recreation for grants for watershed education facilities, of which \$20 million dollars shall be available for capital improvements to watershed education centers that serve an urban area with a population of over one million
- ❖ \$10 million to be deposited in the California Waterfowl Habitat Preservation Account for the purposes of implementing the California Waterfowl Habitat Program, the California Landowner Incentive Program, and the Permanent Wetland Easement Program
- ❖ \$100 million to the Department of Forestry and Fire Protection for direct expenditures or grants for fuel treatment and forest restoration projects
- ❖ Up to \$250 million for dam removal and related measures in the Klamath River watershed
- ❖ Up to \$20 million to Siskiyou County for the purpose of economic development
- ❖ \$50 million to the California State University for the purposes of funding agricultural water supply, water use, efficiency, water quality, and related research and education efforts
- ❖ \$50 million to the State Coastal Conservancy for projects that meet the requirements of the California Ocean Protection Act
- ❖ \$60 million to the Natural Resources Agency for projects authorized under the Central Valley Project Improvement Act that improve salmonid fish passage in the Sacramento River watershed
- ❖ \$50 million to the Wildlife Conservation Board to capitalize an advanced public infrastructure revolving fund mitigation program, designed to improve the environmental effectiveness and efficiency of infrastructure mitigation

Chapter 10 provides \$1 billion for Groundwater Protection and Water Quality:

Funds under this chapter shall be available for expenditures, grants, and loans for groundwater contamination/prevention, consistent with an adopted IRWM plan.

- ❖ At least \$100 million dollars shall be available for projects that meet the requirements of this section and both of the following criteria: (1) The project is part of a basinwide management and remediation plan for which federal funds have been allocated; and (2) The project addresses contamination at a site on the list maintained by the Department of Toxic Substances Control or a site listed on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.
- ❖ \$100 million dollars shall be available to the State Department of Public Health for grants and direct expenditures to finance emergency and urgent actions on behalf of disadvantaged communities and economically distressed areas to ensure that safe drinking water supplies are available to all Californians.

The Legislature, by statute, shall establish requirements for repayment of grant funds in the event of cost recovery from parties responsible for the groundwater contamination and for recipients of grants to make reasonable efforts to recover costs from parties responsible for groundwater contamination.

Chapter 11 provides \$1.25 billion for Water Recycling Projects

- ❖ \$1 billion for grants and loans for water recycling and advanced treatment technology projects.
 - At least \$50 million for projects that are designed to help restore lost water supply reliability in areas with widespread groundwater contamination.
 - At least a 50% local cost share shall be required. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

Projects funded shall be selected on a competitive basis, considering all of the following criteria:

- Water supply reliability improvement
- Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows
- Public health benefits from improved drinking water quality
- Cost effectiveness

- Energy efficiency and greenhouse gas emission impacts
- ❖ \$250 million for water recycling, desalination, water use measurement, and pilot projects for emerging technologies.

Frequently Asked Questions:

What percentage of bond funds is limited to “hard infrastructure?”

This is a difficult question to answer as it requires predicting the future. For example, Chapter 4 of SB 2 authorizes an amount that equals not more than 5 percent of the funds allocated for a grant program to be used to pay the administrative costs of that program (Section 79705, Water Code). In addition, Chapter 4 authorizes the expenditure of up to 10 percent of the funds allocated to each program for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under any particular program (Section 79706). For purposes of this analysis, I am assuming that the total amount that is authorized for administrative and planning purposes—15 percent—will be expended; therefore, the total amount of bond funds available for “hard infrastructure” would be reduced by \$1.671 billion.

Chapter 7 of SB 2 (“Delta Sustainability”) allocates \$2.25 billion for grants and expenditures are follows:

- \$750 million for projects that provide public benefits and support Delta sustainability options. Such projects include levees and flood control facilities, physical improvements to create waterflow and water quality conditions for native fish and wildlife.
- \$50 million for upstream wastewater facility upgrades
- \$250 million to provide assistance to local governments and the Delta agricultural economy to offset the loss of productive agricultural lands for habitat and ecosystem restoration.
- \$1.5 billion for projects to protect and enhance the sustainability of the Delta ecosystem, including projects for the development and implementation of the Bay Delta Conservation Plan, projects to restore native fish and wildlife, projects to reduce greenhouse gas emissions, projects to reduce mercury contamination, and for scientific studies and assessments that support such projects.

For purposes of this analysis, I am assuming one-third of the total amount of bonds allocated under Chapter 7 will be expended on “hard infrastructure.”

Chapter 9 of SB 2 (“Conservation and Watershed Protection”) allocates \$1.785 billion for expenditures and grants for ecosystem and watershed protection and restoration

projects. Examples of eligible expenditures include acquisition of water rights, land acquisition, watershed protection projects, coastal fishery restoration projects, fuel reduction projects, and projects for public access to restored areas. Although capital expenditures are included as eligible expenditures pursuant to some of the funding allocations, for purposes of this analysis, I am assuming that "hard infrastructure" will be zero.

As with prior bond proposals, Chapter 12 of SB 2 authorizes the cost of bond issuance to be paid out of the bond proceeds. These costs shall be shared proportionately by each program funded through the bond (Section 79821). The costs of bond issuance typically include, but may not be limited to, bond insurance, bond counsel, rating agencies, and underwriter's discount. A conservative estimate of these costs would be 2 percent of the total amount of bonds authorized to be issued, or \$222.8 million.

So, at this point in the analysis, the remainder of bond funds available for "hard infrastructure" is \$6.76 billion or 61 percent of the total amount of bonds authorized to be issued (\$11.14 billion).

Certainly, some funding in the remaining chapters of the bond proposal could be used for purposes other than the funding of "hard infrastructure," however it is difficult to determine precise dollar amounts. For example, one of the eligible projects under Chapter 5 of SB 2 is groundwater cleanup. Such expenditures could include treatment infrastructure; e.g., wellhead treatment and centralized treatment facilities. And, \$20 million is available for water quality and public health projects on the New River. Chapter 8 of SB 2 authorizes the expenditure of funds for public benefits associated with water storage projects, which include expenditures for ecosystem improvements.

One could estimate that no more than 25 percent of the remaining \$6.76 billion would be expended for projects and programs that would not be categorized as "hard infrastructure." This may be high. One could easily justify a 10 percent figure. Therefore, the final result would be a range of between 45 to 54 percent of the total \$11.14 billion would be available for "hard infrastructure."

What is the estimated debt service associated with the bond proposal?

General obligation bonds (GO bonds) must be approved by the voters and are most often paid off from the state's General Fund, which is largely supported by tax revenues. Because GO bonds are guaranteed by the state's general taxing power, they provide investors with greater certainty of return on their investment, and generally require a lower interest rate, compared to other debt instruments available to the state (e.g., lease-revenue bonds or revenue bonds).

The state's cost for using bonds depends on a number of factors, including the amount sold, their interest rates, the time period over which they are repaid, and their maturity structure, but a useful rule of thumb is that each \$1 borrowed will cost the state about \$2 (assuming a bond issue carries a tax-exempt interest rate of 5 percent and level payments are made over 30 years). This cost, however, is spread over a 30-year period, so the cost after adjusting for inflation is more like \$1.30 for each \$1 borrowed. Thus, unadjusted for inflation, the \$11.14 billion bond contained in SB 2 would cost the state \$22.28 billion over the next 30 years, requiring annual debt service payments of about \$742 million (or \$14.48 billion adjusted for inflation in "2009 dollars").

Did the Legislature propose spending cuts in order to pay debt service?

No, the Legislature did not propose spending cuts in order to pay the debt service associated with SB 2. GO bond debt service payments represent the first funding priority of the General Fund after K-12 education and, for this reason, debt service takes precedence over other spending priorities like higher education, health and social services, prisons, et cetera. According to the latest data from the Department of Finance (DOF), total annual debt service for the current fiscal year (2009-10) is about \$6 billion. This equates to a debt-service ratio (DSR) of about 6.7 percent. Put another way, \$6.70 out of every \$100 in annual state revenue must be set aside for debt-service payments on bonds. There is currently over \$130 billion of outstanding bonds and authorized bonds that have not yet been issued. DOF, making certain assumptions about the future issuance of authorized bonds, estimates that in the absence of additional bond authorizations (e.g., SB 2), the state's DSR will continue to rise for several more years before peaking at around 9.4 percent of revenues in fiscal year 2014-15. The level would thereafter decline in terms of percentage of total revenues.

In consideration of the peak debt service ratio in fiscal year 2014-15, the legislature did specifically limit the issuance of GO bonds pursuant to SB 2 to not more than \$5.57 billion before July 1, 2015.

Is there a definition of "administrative costs" in SB 2?

Eligible administrative costs are not defined in SB 2. Generally, administrative costs include bond coordination for the administering agency to work with the State Treasurer, the State Controller, the Department of Finance and others; mandatory annual audits; website development; and personnel costs associated with all aspects of administration, including preparation and adoption of implementation guidelines, development of proposal solicitation packages, review of applicants and applications, awarding of grants and loans, administration of grants and loans, auditing of grant recipients and related reporting.

Tab

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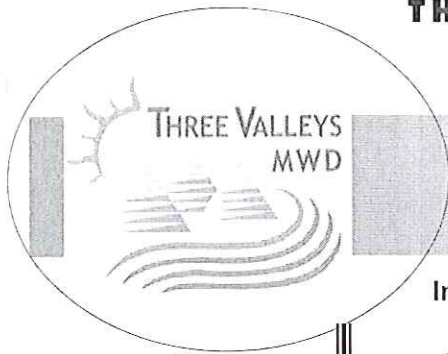
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6.1

THREE VALLEYS MWD BOARD OF DIRECTORS



Action Line

Information: (909) 621-5568

Date: November 17, 2011

The following is a summary of the Three Valleys Municipal Water District Regular Board Meeting of Wednesday, November 16, 2011.

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 MENDOZA
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 third
Wednesday of each
month at 8:00 a.m.

Withdrawn: After general discussion Motion #11-11-4834 approving Resolution #11-11-681 in support of Main San Gabriel Basin Watermaster Proposed Judgment Amendments was withdrawn. This item will be returned to the Board at a later date.

Approved: Motion #11-11-4835 (7-0 vote) to approve awarding of construction contract for the Sedimentation Basins and Filter Inlet Pipe/Gate Repairs Project to Advanced Industrial Services at a cost of \$253,400. Approved budget amendment of \$138,200 to fund the remaining consultant and construction activities associated with this project.

Approved: Motion #11-11-4836 (7-0 vote) to approve termination of Investment Management Services Contract with CitizensTrust.

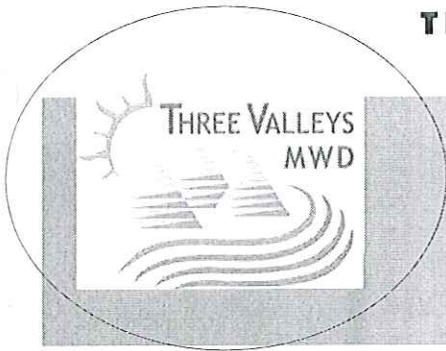
Approved: Motion #11-11-4837 (7-0 vote) to adopt a formal cell phone policy for Three Valleys MWD employees that includes the discontinuation of district-owned cell phones.

Approved: Motion #11-11-4838 (7-0 vote) to consider two redistricting options for TVMWD — *Minimal Change Option and Option A*. Redistricting review and analysis is required every ten years following the completion of the U.S. Census.

Approved: Motion #11-11-4839 (7-0 vote) regarding directors participation in the TVMWD cell phone policy. The Board agreed that each director will be responsible for purchasing their own cell phone and the monthly cost thereof.

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 600,000. 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
~ Page 2 ~

Future meeting dates:

December 7, 2011 committee meetings are cancelled

Wednesday, December 7, 2011
Special Board of Directors Meeting
TVMWD District Office
8:00 a.m.

6.2



JOINT POWERS
INSURANCE AUTHORITY

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

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800.231.5742

direct line
916.774.7050
800.535.7899

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www.acwajpia.com

President
E.G. "Jerry" Gladbach

Vice President
Tom Cuquet

Chief Executive Officer
Daniel N. Klaff

Chief Operations Officer
Walter "Andy" Sells

Auditor/Controller
Eldon Boone

Executive Committee
Tom Cuquet
Joseph Dion
E.G. "Jerry" Gladbach
David T. Hodgkin
W.D. "Bill" Knutson
Melody A. McDonald
Charles W. Muse
Randy A. Record
Lou Reinkens

November 28, 2011

Ken Deck
Rowland Water District
P.O. Box 8460
Rowland Heights, CA 91748-0460

Dear Ken:

Another year has passed and we are extremely happy with the great work that has been done by our districts and staff in reducing claims.

Congratulations to you and your district for receiving a Low Loss Ratio award. We encourage you to keep up the good work.

The JPIA wishes you the best in 2012.

Sincerely,

Walter A. Sells
Chief Executive Officer

Enclosure: Low Loss Ratio Certificate(s)

President's Special Recognition Award

*The President of the
ACWA Joint Powers Insurance Authority
hereby gives Special Recognition to*

Rowland Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/07 – 09/30/10
announced at the Board of Directors' Meeting in Anaheim.*

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



November 28, 2011

President's Special Recognition Award

*The President of the
ACWA Joint Powers Insurance Authority
hereby gives Special Recognition to*

Rowland Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/07 – 03/31/10
announced at the Board of Directors' Meeting in Anaheim.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



November 28, 2011

President's Special Recognition Award

*The President of the
ACWA Joint Powers Insurance Authority
hereby gives Special Recognition to*

Rowland Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/07 – 06/30/10
announced at the Board of Directors' Meeting in Anaheim.*

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



November 28, 2011