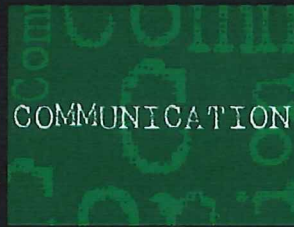
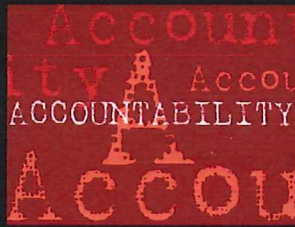


# ROWLAND WATER DISTRICT

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

## RWD BOARD VISION



### Our Mission:

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

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

**Board of Directors Regular Meeting**  
**January 12, 2021**  
**5:00 p.m.**



## AGENDA

Regular Meeting of the Board of Directors  
January 12, 2021 -- 5:00 PM

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Pursuant to the provisions of Executive Order N-25-20 Issued by Governor Gavin Newsom on March 12, 2020, any Director, and any member of the public who desires to participate in the open session items of this meeting, may Login into <https://us02web.zoom.us/j/8759899861>, Meeting ID: 875 989 9861 or call into the Rowland Water District meeting using the call-in number (669) 900-6833 -- Passcode: 8759899861# without otherwise complying with the Brown Act's teleconference requirements. Any member of the public wishing to make any comments to the Board of Directors may do so by calling in to the call-in number referenced above and being acknowledged by the chair at the appropriate time in the meeting prior to making his or her comment. Materials related to items on this Agenda are available for public review at [www.rowlandwater.com/agendas-minutes/](http://www.rowlandwater.com/agendas-minutes/).

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL OF DIRECTORS

Teresa P. Rios, President

Anthony J. Lima, Vice President

Szu Pei Lu-Yang

John Bellah

Robert W. Lewis

### ADDITION(S) TO THE AGENDA - PUBLIC COMMENT ON NON-AGENDA ITEMS

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

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

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

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



## **Tab 1 CONSENT CALENDAR**

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

**1.1 Approval of the Minutes of Regular Board Meeting held on December 8, 2020**

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

**1.2 Demands on General Fund Account for November 2020**

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

**1.3 Investment Report for November 2020**

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

**1.4 Water Purchases for November 2020**

*For information purposes only.*

**Next Special Board Meeting:**

**January 26, 2021, 5:00 p.m.**

**Next Regular Board Meeting:**

**February 9, 2021, 5:00 p.m.**

## **Tab 2 ACTION ITEMS**

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

**2.1 Review and Approve Directors' Meeting Reimbursements for December 2020**

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

**2.2 Approve Change in IRS Mileage Rate from \$.575 to \$.56 effective January 1, 2021**

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

**2.3 Receive and File Final Puente Basin Water Agency Financial Audit for Fiscal Year Ended June 30, 2020 prepared by Fedak & Brown LLP, Certified Public Accountants**

*Recommendation: The Board of Directors Receive and File the Financial Audit As presented.*

**2.4 Approve Proposal of NBS Government Finance Group (NBS) to Prepare and Complete a Water and Recycled Water Rate Study**

*Recommendation: The Board of Directors approve the Hiring of NBS and their Proposal to complete the study.*

- 2.5 Authorize General Manager to Execute all Agreements, Contracts and Letters In Connection with the Public Water Agencies Group (PWAG) Hazardous Mitigation Grant Program**
- **Staff Report**
- Recommendation: The Board of Directors authorize the General Manager to take such official action as may be reasonably necessary to carry out the proposed actions of the grant application and the plan.*

- 2.6 Public Relations (Rose Perea)**
- **Communications Outreach (CV Strategies)**
  - **Education Update**
- For information purposes only.*

- 2.7 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**
- **None**
- Intentionally left blank.*

**Tab 3 LEGISLATIVE INFORMATION**

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

**Tab 4 REVIEW OF CORRESPONDENCE**

*Intentionally left blank.*

**Tab 5 COMMITTEE REPORTS**

- 5.1 Joint Powers Insurance Authority (Director Lewis/Mr. Coleman)**
- **2021 JPIA Executive Committee Election Notice**

*There are no tabs for the remainder of the meeting.*

- 5.2 Three Valleys Municipal Water District (Directors Lu-Yang/Lima)**
- 5.3 Association of California Water Agencies (Directors Lewis/Bellah)**
- 5.4 Puente Basin Water Agency (Directors Lima/Lewis)**
- 5.5 Project Ad-Hoc Committee (Directors Lima/Lu-Yang)**
- 5.6 Regional Chamber of Commerce-Government Affairs Committee (Directors Bellah/Lewis)**
- 5.7 PWR Joint Water Line Commission (Directors Lima/Rios)**
- 5.8 Sheriff's Community Advisory Council (Directors Lu-Yang/Rios)**
- 5.9 Rowland Heights Community Coordinating Council (Directors Lu-Yang/Bellah)**
- 5.10 City of Industry Council Meetings (Directors Bellah/Lewis)**



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

**6.1 Finance Report** (Mrs. Malner)

**6.2 Operations Report** (Mr. Moisio)

**6.3 Personnel Report** (Mr. Coleman)

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

## **Tab 8 CLOSED SESSION**

### **a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**

**Paragraph (1) of subdivision (d) of Government Code Section 54956.9. Name of Case: Rowland Water District vs. La Habra Heights County Water District, Case No. KC070088.**

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

Property: Portion of Property Located at  
804 S. Azusa Ave., City of Industry, CA  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: City of Industry  
Under Negotiation: Price and Terms

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

## **Future Agenda Items**

## **Late Business**

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

## **ADJOURNMENT**

President TERESA P. RIOS, Presiding

# Tab

## 1.1





Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District  
December 8, 2020 – 5:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

None.

**OTHERS PRESENT:**

Joseph P. Byrne, Legal Counsel, Best Best & Krieger  
Erin Gilhuly, CV Strategies  
Denise Jackman, Director, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
Jody Roberto, Director, Three Valleys Municipal Water District  
Ed Chavez, Upper San Gabriel Municipal Water District  
Dean Gipson, Claris Strategy, Inc.  
William Lim, Claris Strategy, Inc.

**ROWLAND WATER DISTRICT STAFF**

Tom Coleman, General Manager  
Dave Warren, Assistant General Manager  
Rose Perea, Director of Administrative Services  
Dusty Moisio, Director of Operations  
Myra Malner, Director of Finance  
John Poehler, Project Manager

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEM**

None.

## **TAB 1 – CONSENT CALENDAR**

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

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

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

### **1.1**

**Approval of the Minutes of Adjourned Regular Board Meeting Held on November 17, 2020**

### **1.2**

**Demands on General Fund Account for October 2020**

### **1.4**

**Investment Report for October 2020**

### **1.5**

**Water Purchases for October 2020**

Next Regular Board Meeting

January 12, 2021, 5:00 p.m.

## **Tab 2 – ACTION ITEMS**

### **2.1**

**Review and Approve Directors' Meeting Reimbursements for November 2020**

Upon motion by Director Lima, seconded by Director Lewis, the Directors' Meeting Reimbursement Report was approved as follows:

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

### **2.2**

**Administer Oaths of Office to Teresa P. Rios, Division 1 and Anthony J. Lima, Division 2**

General Manager/Board Secretary, Tom Coleman, administered the Oaths of Office to Directors Rios and Lima.

### **2.3**

**Approve Executive Officer Positions of the Board of Directors for 2021**

After discussion, upon motion by Director Lewis, seconded by Director Lu-Yang, the Board unanimously approved Director Teresa Rios' election to serve as President for calendar year 2021 and Director Anthony Lima's election to serve as Vice President for calendar year 2021. The motion was approved as follows:

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



## 2.4

### **Review and Approve Board of Directors Committee Assignments for 2021**

All Committee assignments for the 2021 calendar year were discussed and it was agreed that the Hacienda Heights Improvement Association be removed from the list of committee assignments and that City of Industry Council meetings be added in its place. A motion was made by Director Lu-Yang, seconded by Director Lima, and unanimously approved, to confirm the following committee assignments for the 2021 calendar year:

Puente Basin Water Agency	Director Lewis Director Lima Tom Coleman, Alternate
PWR Joint Water Line Commission	Director Lima Director Rios, Alternate
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 Tom Coleman, Alternate
San Gabriel Valley Regional Chamber of Commerce-Government Affairs Committee	Director Bellah, Voting Member Director Lewis, Alternate
Los Angeles County Sheriff's Department Advisory Council	Director Lu-Yang Director Rios
Project Ad-Hoc Committee	Director Lima Director Lu-Yang
Rowland Heights Community Coordinating Council	Director Bellah Director Lu-Yang
City of Industry Council Meetings	Director Bellah Director Lewis, Alternate

The motion was approved as follows:

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

## 2.5

### **Approve/Confirm Appointment of Directors to Serve on the Puente Basin Water Agency**

A motion was made by Director Lima, seconded by Director Lu-Yang, and unanimously carried to confirm the appointment of Director Lima and Director Lewis as Commissioners of the Puente Basin Water Agency and General Manager, Tom Coleman, as Alternate Commissioner.

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

## 2.6

### **Review and Approve Resolution 12-2020 of the Board of Directors Appointing Representatives to the Puente Basin Water Agency**

A motion was made by Director Lima, seconded by Director Lewis, to approve Resolution No. 12-2020 appointing Director Lima and Director Lewis as Commissioners of the Puente Basin Water Agency and General Manager, Tom Coleman, as Alternate Commissioner to represent the District. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah

Noes: None

Abstain: None

Absent: None

Motion passed by a vote of 5-0.

## 2.7

### **Approve/Confirm Appointment of Directors to Serve on the Pomona-Walnut-Rowland Joint Water Line Commission**

A motion made by Director Lewis, seconded by Director Lima, for the appointment of Director Lima as Commissioner, and Director Rios as alternate, to serve on the Pomona-Walnut-Rowland Joint Water Line Commission. The motion was unanimously carried.

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah

Noes: None

Abstain: None

Absent: None

## 2.8

### **Review and Approve Resolution 12.1-2020 Establishing the Rowland Water District Investment Policy**

After discussion, a motion was made by Director Lewis, seconded by Director Lu-Yang, to approve Resolution No. 12.1-2020 Establishing the Rowland Water District Investment Policy. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah

Noes: None

Abstain: None

Absent: None

Motion passed by a vote of 5-0.

## 2.9

### **Review and Approve Resolution No. 12.2-2020 Re-Appointing the District Treasurer and Delegating Authority for the Investment of Surplus Funds of the District to the General Manager/Treasurer**

After discussion, a motion was made by Director Lu-Yang, seconded by Director Lewis, to approve Resolution No. 12.2-2020 Re-Appointing the District Treasurer and Delegating Authority for the



Investment of Surplus Funds of the District to the General Manager. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None  
Motion passed by a vote of 5-0.

## **2.10**

### **Review and Approve 2% Cost of Living Increase for all Employees Based on Merit**

After discussion, a motion was made by Director Lu-Yang, and seconded by Director Lima, to approve the 2% Cost of Living Increase for all Employees Based on Merit to become effective January 1, 2021. The motion was approved as follows:

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

## **2.11**

### **Review and Approve 2021 Schedule of Monthly Salary Ranges**

Mr. Coleman explained that CalPERS requires its contracting agencies to certify their salary schedule at least once a year for purposes of enabling CalPERS to ensure that compensation is not “spiked” in the last year prior to retirement.

After discussion and upon motion by Director Lewis seconded by Director Lima, the 2021 Salary Schedule was unanimously approved as follows:

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

## **2.12**

### **Review and Certify Risk and Resilience Assessment (RRA) Prepared by Claris Strategy, Inc.**

General Manager, Tom Coleman, provided the Board with background information in connection with the RRA. Messrs. Gipson and Lim, Claris Strategy, Inc., presented a Power Point Presentation on the Risk and Resilience Assessment (RRA) which included an overview of the American Water Works Infrastructure Act (AWIA) of 2018 and the requirement to complete a review and revision of the District's Emergency Response Plan. After discussion, a motion was made by Director Lewis, seconded by Director Lu-Yang, to authorize staff to certify and file the Risk and Resilience Assessment (RRA) Prepared by Claris Strategy, Inc. on or before December 31, 2020 and to proceed with the preparation and completion of the District's Emergency Response Plan no later than June 30, 2021. The motion was unanimously carried.

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

## 2.13

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

Mrs. Perea advised the board that the District's Education and Community Outreach Coordinator, Brittne Van De Car, is working with CV Strategies in developing a Water Career Pathways program for high school students which will include:

Live (ZOOM) Community Forum, February 10 and 11, from 4-6:00 p.m.

- Forum will include Q&A, breakout rooms, poll questions, presentation, and overview
- Tara is working on a flyer and slider for the website to promote this to the community
- Brittne will send the flyer out via Constant Contact

Interviews with 10 staff members to provide an overview of the various water career paths that students can take will be conducted as follows:

- Brittne: Outreach and Education Component
- Myra: Financial Component
- David Tapia: Intern progression to his current position
- Dusty: Operations Overview
- John Poehler: Project Management
- Andrew: Field overview
- Ryan: SCADA and reservoir water testing
- Dave Warren: Overall progression at each position
- Tom: Welcome and value of these positions
  - Videos will be linked on our website and marketed on social media
- "Landscape Series" will commence in February 2021. These classes will be offered free of charge to our customers on a first-come, first served basis and will be hosted by Green Media Creations, Inc.

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

Erin Gilhuly, CV Strategies, advised that they had completed the direct outreach bill stuffers on the service charge suspension which will go out to all customers commencing on December 9, 2020. They have also drafted press releases on this as well as the 2021 Committee Assignments and the RRA preparation. They have re-drafted the Directors' Bios for the website as well. The video on the Three Valleys MWD Miramar Water Treatment Plant Tour, "Where Does Your Water Come From", was viewed by the Directors and Staff.

### **Education Update**

*For information purposes only.*

## 2.14

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

- None

## **TAB 3 LEGISLATIVE INFORMATION**

### **3.1**

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

General Manager, Tom Coleman, reviewed the 2020 Annual Report from Reeb Government Relations, LLC.

## **TAB 4 REVIEW OF CORRESPONDENCE**

None.

## **TAB 5 COMMITTEE REPORTS**

### **5.1**

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

Director Lewis provided information on his attendance at the JPIA virtual conference which was held on November 30, 2020.

### **5.2**

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

Director Lima reported on his virtual attendance at the November 18, 2020 meeting and advised that members of the public were present to contest the Cadiz Project. Well No. 1 will be back in service January 2021. Director Lu-Yang reported on her virtual attendance at the December 2, 2020 meeting and advised that Directors Mendoza and Jackman were recognized for their service to the District after having been voted out of office on November 3, 2020. Director Lima reported on the status of the Grand Avenue and Grand Miramar wells.

### **5.3**

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

Director Lewis provided a summary on his attendance at the ACWA Fall Virtual Conference held on December 2-3, 2021.

### **5.4**

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

Director Lewis reported that the next meeting will be held on December 10, 2020.

### **5.5**

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

Nothing to report.

### **5.6**

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

Director Lewis advised that the Chamber has been dark. It was the consensus of the Board that Director Bellah be the voting member and Director Lewis the alternate to represent the District at the Government Affairs meetings.

## **5.7**

### **PWR Joint Waterline Commission**

Director Lima reported that the next Commission meeting will be held in February.

## **5.8**

### **Sheriff's Community Advisory Council**

Nothing to report. Director Lu-Yang advised that no meeting was held.

## **5.9**

### **Rowland Heights Community Coordinating Council (RHCCC)**

Director Lu-Yang advised that the next meeting will be held on December 14, 2020.

## **5.10**

### **Hacienda Heights Improvement Association**

Nothing to report. It was the consensus of the Board to remove this Association from the list of committee assignments for 2021 and to add the City of Industry Council Meetings in its place.

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

### **6.1**

#### **Finance Report**

Director of Finance, Myra Malner presented a year-to-date Revenue and Expense Report by Category and Consumption by Class through October 2020. General Manager, Tom Coleman, and Ms. Malner answered questions posed by members of the Board.

### **6.2**

#### **Operations Report**

Director of Operations, Dusty Moisio, provided the following updates:

- Scada Towers Project: Provided the board with pictures of the construction and provided a construction schedule update of the project.
- AMI Update: 8,183 meters have been converted to AMI, with a reading accuracy of 99%. The District is currently 59% converted.
- Field Operations Completed Task- Provided the board with the following tasks completed for the month of November:
  - Water Samples – 171
  - Site Inspections - 85
  - Service Orders Completed - 175
  - Meters Replaced - 126
  - Modules Replaced - 262
  - Dig Alerts – 175
  - Service Lines Repaired- 3

### **6.3**

#### **Personnel Report**

General Manager, Tom Coleman, advised the Board that the District had completed its recruitment for the Water Systems Operator I position. Eight candidates were selected and will be interviewed for the position on December 9, 2020. The recruitment for the Engineering and Compliance Manager position has closed and eleven applications have been received for consideration.



## **TAB 7 ATTORNEY'S REPORT**

Nothing to report.

## **TAB 8 CLOSED SESSION**

Legal Counsel, Joseph Byrne, adjourned the meeting to closed session at 7:13 p.m. and announced that the purpose of the closed session, and the provisions of the Brown Act authorizing the closed session were listed in the agenda.

- a. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**  
**Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9.**  
**Name of Case: Rowland Water District vs. La Habra Heights County Water District, Case No. KC070088**
- b. **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**  
Property: 18938 Granby Place, Rowland Heights, CA 91748  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17  
Under Negotiation: Price and Terms
- c. **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**  
Property: Portion of Property Located at  
804 S. Azusa Ave., City of Industry, CA  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: City of Industry  
Under Negotiation: Price and Terms
- d. **Public Employee Performance Evaluation Pursuant to Government Code Section 54957**  
Performance Review for General Manager. This matter may be discussed in open session.

The closed session was adjourned, and the Board resumed the meeting in open session at 8:08 p.m.

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

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

None.

### **Future Agenda Item**

None.

**Late Business**

None.

A motion was made by Director Lima, seconded by Director Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:15 p.m.

\_\_\_\_\_  
TERESA P. RIOS  
Board President

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

# **Tab**

# **1.2**

## Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>28300</b>						
11/20	11/13/2020	28300	62736	GE DIGITAL LLC	GE Quote number BMIQ-10022020-390833 and its as	9,987.20-
Total 28300:						9,987.20-
<b>28324</b>						
11/20	11/09/2020	28324	62475	ALLEN DAVIDSON	TOTAL EXPENSES-TIRE REPLACEMENT FOR PUN	300.00
Total 28324:						300.00
<b>28325</b>						
11/20	11/09/2020	28325	402	BOOMERANG BLUEPRINT	SYSTEM OP REPORTS	291.93
Total 28325:						291.93
<b>28326</b>						
11/20	11/09/2020	28326	62645	CORE & MAIN LP	2" Recycled Master Meter Allegro Meters	10,884.80
11/20	11/09/2020	28326	62645	CORE & MAIN LP	1.5" Recycled Master Meter Allegro Meters	8,402.40
11/20	11/09/2020	28326	62645	CORE & MAIN LP	Sales Tax	1,832.28
Total 28326:						21,119.48
<b>28327</b>						
11/20	11/09/2020	28327	62439	CVSTRATEGIES	COMMUNICATION SERVICES	13,577.50
Total 28327:						13,577.50
<b>28328</b>						
11/20	11/09/2020	28328	62445	EXCEL DOOR & GATE COMPANY	ANNUAL DROP TEST OF (2) FIRE DOORS	558.75
Total 28328:						558.75
<b>28329</b>						
11/20	11/09/2020	28329	5600	G M SAGER CONSTRUCTION	REMOVE & REPLACE 49 LF OF 6" CONCRETE CUR	7,100.00
Total 28329:						7,100.00
<b>28330</b>						
11/20	11/09/2020	28330	62624	HASA INC	CHEMICALS FOR RCS	253.72
11/20	11/09/2020	28330	62624	HASA INC	CHEMICALS FOR RCS	239.22
11/20	11/09/2020	28330	62624	HASA INC	CHEMICALS FOR RCS	253.72
11/20	11/09/2020	28330	62624	HASA INC	CHEMICALS FOR RCS	166.73
Total 28330:						913.39
<b>28331</b>						
11/20	11/09/2020	28331	2724	HOME DEPOT CREDIT SERVICES	TOOLS & SUPPLIES	842.49
11/20	11/09/2020	28331	2724	HOME DEPOT CREDIT SERVICES	SUPPLIES FOR RES	16.62
Total 28331:						859.11
<b>28332</b>						
11/20	11/09/2020	28332	244	INFOSEND INC	BILLING SERVICE	80.04
11/20	11/09/2020	28332	244	INFOSEND INC	BILLING SERVICE	1,457.54

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/20	11/09/2020	28332	244	INFOSEND INC	BILLING SERVICE	1,411.56
11/20	11/09/2020	28332	244	INFOSEND INC	BILLING SERVICE	229.57
Total 28332:						3,178.71
<b>28333</b>						
11/20	11/09/2020	28333	62664	M & J TREE SERVICE	CLEAN UP AND HAUL AWAY-DISTRICT OFFICE	2,100.00
Total 28333:						2,100.00
<b>28334</b>						
11/20	11/09/2020	28334	62573	MANAGED MOBILE INC	MAINTENANCE TRUCK 28	374.46
11/20	11/09/2020	28334	62573	MANAGED MOBILE INC	MAINTENANCE TRUCK 29	315.16
11/20	11/09/2020	28334	62573	MANAGED MOBILE INC	MAINTENANCE TRUCK 39	315.16
11/20	11/09/2020	28334	62573	MANAGED MOBILE INC	MAINTENANCE ZEIMAN TRAILER	204.16
Total 28334:						1,208.94
<b>28335</b>						
11/20	11/09/2020	28335	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	13.80
11/20	11/09/2020	28335	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	44.65
11/20	11/09/2020	28335	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES	38.87
Total 28335:						97.32
<b>28336</b>						
11/20	11/09/2020	28336	62434	MUFG UNION BANK N A	CUSTODY FEES	1,463.00
Total 28336:						1,463.00
<b>28337</b>						
11/20	11/09/2020	28337	5000	PUENTE BASIN WATER AGENCY	REEB-JUNE 2020	1,666.67
11/20	11/09/2020	28337	5000	PUENTE BASIN WATER AGENCY	AUTO & GENERAL LIABILITY 20/21	1,069.50
Total 28337:						2,736.17
<b>28338</b>						
11/20	11/09/2020	28338	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	1,111.20
11/20	11/09/2020	28338	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	213.20
Total 28338:						1,324.40
<b>28339</b>						
11/20	11/09/2020	28339	5800	SO CALIFORNIA EDISON	PUMPING POWER	62,027.62
Total 28339:						62,027.62
<b>28340</b>						
11/20	11/09/2020	28340	5900	SOCALGAS	GAS UTILITY BILL	40.43
Total 28340:						40.43
<b>28341</b>						
11/20	11/09/2020	28341	62778	SYSTEMS SOURCE INC	OFFICE FURNTIURE	5,148.05
Total 28341:						5,148.05

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>28342</b>						
11/20	11/09/2020	28342	6600	THREE VALLEYS MUN WATER DIST	2020 UWMP-STETSON PROFESSIONAL SERVICES	1,274.96
Total 28342:						1,274.96
<b>28343</b>						
11/20	11/09/2020	28343	62353	VERIZON	CONFERENCE CALLS	158.61
Total 28343:						158.61
<b>28344</b>						
11/20	11/09/2020	28344	62665	VERIZON	SCADA ALARM MODEM	21.39
Total 28344:						21.39
<b>28350</b>						
11/20	11/12/2020	28350	62531	KEN GRODY FORD	2020 FORD F350 4X4 CREW CAB PICKUP	57,010.49
Total 28350:						57,010.49
<b>28352</b>						
11/20	11/16/2020	28352	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	35,232.62
11/20	11/16/2020	28352	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	483.30
11/20	11/16/2020	28352	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	43.69
11/20	11/16/2020	28352	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	2,250.94
11/20	11/16/2020	28352	1000	ACWA JPIA	RETIREE'S HEALTH BENEFITS	18,456.43
11/20	11/16/2020	28352	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,594.87
Total 28352:						67,061.85
<b>28353</b>						
11/20	11/16/2020	28353	4600	AIRGAS USA LLC	TANK RENTAL	100.06
Total 28353:						100.06
<b>28354</b>						
11/20	11/16/2020	28354	322	AMERICAN WATER WORKS ASSN	2021 MEMBERSHIP FEE	4,394.00
Total 28354:						4,394.00
<b>28355</b>						
11/20	11/16/2020	28355	62554	APPLIED TECHNOLOGY GROUP	AFTER HOURS REPAIR-POOR COMMUNICATION A	1,480.41
Total 28355:						1,480.41
<b>28356</b>						
11/20	11/16/2020	28356	62576	ARCADIA RECLAMATION INC	HAULING DIRT	285.00
Total 28356:						285.00
<b>28357</b>						
11/20	11/16/2020	28357	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	395.35
Total 28357:						395.35
<b>28358</b>						
11/20	11/16/2020	28358	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,979.50



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Total 28358:						1,979.50
<b>28359</b>						
11/20	11/16/2020	28359	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,884.00
Total 28359:						1,884.00
<b>28360</b>						
11/20	11/16/2020	28360	6966	CINTAS	UNIFORM RENTAL	3,538.96
Total 28360:						3,538.96
<b>28361</b>						
11/20	11/16/2020	28361	1900	CLINICAL LAB OF S B	WATER SAMPLES	2,691.25
Total 28361:						2,691.25
<b>28362</b>						
11/20	11/16/2020	28362	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	100.00
Total 28362:						100.00
<b>28363</b>						
11/20	11/16/2020	28363	285	CSDA	MEMBERSHIP DUES	7,805.00
Total 28363:						7,805.00
<b>28364</b>						
11/20	11/16/2020	28364	62505	D & H WATER SYSTEMS	SUPPLIES FOR RES	1,136.81
Total 28364:						1,136.81
<b>28365</b>						
11/20	11/16/2020	28365	33	DUSTIN T MOISIO	TOTAL EXPENSES-GAS	287.74
Total 28365:						287.74
<b>28366</b>						
11/20	11/16/2020	28366	62351	ELITE EQUIPMENT INC.	REPAIR APT CHIPPING HAMMER	184.72
11/20	11/16/2020	28366	62351	ELITE EQUIPMENT INC.	REPAIR APT CHIPPING HAMMER	167.60
11/20	11/16/2020	28366	62351	ELITE EQUIPMENT INC.	CHIPPING HAMMER WITH BALL RETAINER MODEL	875.95
Total 28366:						1,228.27
<b>28367</b>						
11/20	11/16/2020	28367	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	99.22
Total 28367:						99.22
<b>28368</b>						
11/20	11/16/2020	28368	62039	FAST EDDIE'S TRUCKING	TRUCK HAULING & DUMP	940.00
Total 28368:						940.00
<b>28369</b>						
11/20	11/16/2020	28369	2550	FRONTIER	INTERNET ACCESS	803.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 28369:						803.00
<b>28370</b>						
11/20	11/16/2020	28370	62736	GE DIGITAL LLC	GE Quote number BMIQ-10022020-390833 and its as	9,987.20
Total 28370:						9,987.20
<b>28371</b>						
11/20	11/16/2020	28371	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	1,480.56
Total 28371:						1,480.56
<b>28372</b>						
11/20	11/16/2020	28372	2690	HARPER & ASSOCIATES ENG.	Engineering and inspection services for Res 10	10,065.00
Total 28372:						10,065.00
<b>28373</b>						
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	149.33
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	401.60
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	463.94
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	115.99
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	166.73
11/20	11/16/2020	28373	62624	HASA INC	CHEMICALS FOR RCS	195.73
Total 28373:						1,493.32
<b>28374</b>						
11/20	11/16/2020	28374	379	HIGHROAD INFORMATION TECHNOL	PRINTER CABLE	62.25
11/20	11/16/2020	28374	379	HIGHROAD INFORMATION TECHNOL	STANDARD SSL ANNUAL RENEWAL 1 YR FOR CIP.	215.00
Total 28374:						277.25
<b>28375</b>						
11/20	11/16/2020	28375	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR PBWA	1,502.33
11/20	11/16/2020	28375	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	771.91
Total 28375:						2,274.24
<b>28376</b>						
11/20	11/16/2020	28376	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	660.00
Total 28376:						660.00
<b>28377</b>						
11/20	11/16/2020	28377	62748	JOEL DOUGLASS	TOTAL EXPENSES-BOOT ALLOWANCE	250.76
Total 28377:						250.76
<b>28378</b>						
11/20	11/16/2020	28378	62691	LYONS CONSTRUCTION	WHITTIER STATION EXTERIOR LIGHT REPLACEME	2,350.00
Total 28378:						2,350.00
<b>28379</b>						
11/20	11/16/2020	28379	62664	M & J TREE SERVICE	TREE SERVICE-DISTRICT OFFICE	1,200.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/20	11/16/2020	28379	62664	M & J TREE SERVICE	TREE SERVICE-DISTRICT OFFICE	2,250.00
Total 28379:						3,450.00
<b>28380</b>						
11/20	11/16/2020	28380	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR COVID 19	227.10
11/20	11/16/2020	28380	257	MCMASTER-CARR SUPPLY CO	TOOLS & SUPPLIES	143.62
Total 28380:						370.72
<b>28381</b>						
11/20	11/16/2020	28381	62434	MUFG UNION BANK N A	CUSTODY FEES	679.00
Total 28381:						679.00
<b>28382</b>						
11/20	11/16/2020	28382	62181	ONE TOUCH OFFICE TECHNOLOGY	CONTRACT-RIOCH/MPC6003	924.68
Total 28382:						924.68
<b>28383</b>						
11/20	11/16/2020	28383	62649	OPARC	PAINTING FIRE HYDRANTS	3,102.83
Total 28383:						3,102.83
<b>28384</b>						
11/20	11/16/2020	28384	62630	PEP BOYS	AUTO SUPPLIES	45.84
11/20	11/16/2020	28384	62630	PEP BOYS	AUTO SUPPLIES	2.18
Total 28384:						48.02
<b>28385</b>						
11/20	11/16/2020	28385	62771	PUBLIC WATER AGENCIES GROUP	PWAG ASSESSMENT	1,312.10
Total 28385:						1,312.10
<b>28386</b>						
11/20	11/16/2020	28386	62460	RYAN WHITE	TOTAL EXPENSES-D5 RENEWAL	105.00
Total 28386:						105.00
<b>28387</b>						
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	VARIOUS MATERIALS	53,849.69
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SALES TAX	4,173.35
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	DFW486C METER LIDS (4 1/2)	4,371.00
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	FREIGHT	445.99
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SALES TAX	415.25
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	933.16
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	1,066.00
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	499.32
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	601.15
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	724.93
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	262.14
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	32.85
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	1,542.55
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	172.46
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	1,390.65

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	124.83
11/20	11/16/2020	28387	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	660.48
Total 28387:						71,265.80
<b>28388</b>						
11/20	11/16/2020	28388	62534	SHRED IT USA	SHREDDING SERVICE	169.59
Total 28388:						169.59
<b>28389</b>						
11/20	11/16/2020	28389	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	18,019.33
11/20	11/16/2020	28389	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	2,002.15
Total 28389:						20,021.48
<b>28390</b>						
11/20	11/16/2020	28390	62743	SOCAL SCADA SOLUTIONS LLC	SCADA ON CALL SERVICES	4,095.00
Total 28390:						4,095.00
<b>28391</b>						
11/20	11/16/2020	28391	3550	SOUTHERN COUNTIES FUELS	REG UL CARB ETHANOL	2,469.75
Total 28391:						2,469.75
<b>28392</b>						
11/20	11/16/2020	28392	62481	STAPLES BUSINESS CREDIT	OFFICE SUPPLIES	368.87
Total 28392:						368.87
<b>28393</b>						
11/20	11/16/2020	28393	337	STATER BROS. MARKETS	HOLIDAY GIFT CARDS	3,504.00
Total 28393:						3,504.00
<b>28394</b>						
11/20	11/16/2020	28394	1165	TERMINIX PROCESSING CENTER	PEST CONTROL SERVICE-1 YEAR	1,352.76
Total 28394:						1,352.76
<b>28395</b>						
11/20	11/16/2020	28395	62476	VERIZON CONNECT NWF INC	MONTHLY SERVICE	420.95
Total 28395:						420.95
<b>28396</b>						
11/20	11/16/2020	28396	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	686.82
Total 28396:						686.82
<b>28397</b>						
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	482,428.09
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	185,848.85
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	5,004.63
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,137.50
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,616.16

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	PWR Depreciation Charge	1,389.00
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	PWR Replacement Charge	1,910.00
11/20	11/16/2020	28397	4750	PWR JT WATER LINE COMMISSION	BUDGET ASSESSMENT	8,316.67
Total 28397:						687,650.90
<b>28398</b>						
11/20	11/24/2020	28398	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	1,114.97
Total 28398:						1,114.97
<b>28399</b>						
11/20	11/24/2020	28399	62576	ARCADIA RECLAMATION INC	HAULING DIRT	285.00
Total 28399:						285.00
<b>28400</b>						
11/20	11/24/2020	28400	400	AT&T MOBILITY	MOBILE PHONES, IPADS	2,038.28
Total 28400:						2,038.28
<b>28401</b>						
11/20	11/24/2020	28401	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	1,511.33
Total 28401:						1,511.33
<b>28402</b>						
11/20	11/24/2020	28402	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	22,366.00
Total 28402:						22,366.00
<b>28403</b>						
11/20	11/24/2020	28403	62764	CLARIS STRATEGY INC	PROFESSIONAL SERVICES	12,342.73
Total 28403:						12,342.73
<b>28404</b>						
11/20	11/24/2020	28404	62647	COMMLINE, INC.	NEW DIGITAL EQUIPMENT/INSTALLATION TRUCK 4	1,001.48
Total 28404:						1,001.48
<b>28405</b>						
11/20	11/24/2020	28405	62705	COMP	QUICK TEST	43.00
Total 28405:						43.00
<b>28406</b>						
11/20	11/24/2020	28406	62505	D & H WATER SYSTEMS	SUPPLIES FOR RES	1,223.81
11/20	11/24/2020	28406	62505	D & H WATER SYSTEMS	SUPPLIES FOR RES	1,400.20
Total 28406:						2,624.01
<b>28407</b>						
11/20	11/24/2020	28407	62729	DIG SAFE BOARD	CA STATE FEE	100.15
Total 28407:						100.15

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>28408</b>						
11/20	11/24/2020	28408	2253	DUKE'S LANDSCAPING INC	GARDENING SERVICE	2,415.00
Total 28408:						2,415.00
<b>28409</b>						
11/20	11/24/2020	28409	62788	FASTENAL COMPANY	SUPPLIES FOR COVID 19	498.90
Total 28409:						498.90
<b>28410</b>						
11/20	11/24/2020	28410	2300	FEDERAL EXPRESS	POSTAGE	131.25
Total 28410:						131.25
<b>28411</b>						
11/20	11/24/2020	28411	2550	FRONTIER	PHONE SERVICE	256.26
Total 28411:						256.26
<b>28412</b>						
11/20	11/24/2020	28412	2600	HACH COMPANY	WBS-CL2 ANALYZERS	416.77
11/20	11/24/2020	28412	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	126.31
Total 28412:						543.08
<b>28413</b>						
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR WBS	1,159.86
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	1,333.83
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	159.48
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	188.48
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	333.46
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	152.23
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	43.49
11/20	11/24/2020	28413	62624	HASA INC	CHEMICALS FOR RCS	188.48
Total 28413:						3,559.31
<b>28414</b>						
11/20	11/24/2020	28414	379	HIGHROAD INFORMATION TECHNOL	MANANGED SERVICES	4,416.67
11/20	11/24/2020	28414	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
11/20	11/24/2020	28414	379	HIGHROAD INFORMATION TECHNOL	MICROSOFT OFFICE365	1,200.00
Total 28414:						8,173.67
<b>28415</b>						
11/20	11/24/2020	28415	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,677.90
11/20	11/24/2020	28415	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,143.60
Total 28415:						2,821.50
<b>28416</b>						
11/20	11/24/2020	28416	62435	INDUSTRY PUBLIC UTILITY COMMISSI	PUMPING POWER-PUMPSTATION 2A	4,504.88
Total 28416:						4,504.88



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<b>28417</b>						
11/20	11/24/2020	28417	244	INFOSEND INC	BILLING SERVICE	2,122.73
Total 28417:						2,122.73
<b>28418</b>						
11/20	11/24/2020	28418	3080	J COLON COATINGS INC	RES RECOATING	190,152.00
Total 28418:						190,152.00
<b>28419</b>						
11/20	11/24/2020	28419	62777	J DE SIGIO CONSTRUCTION INC	FUTURE 3 SYSTEM	369,972.75
Total 28419:						369,972.75
<b>28420</b>						
11/20	11/24/2020	28420	62713	JCL TRAFFIC SERVICES	TEMPORARY NO PARKING SIGNS	19.70
Total 28420:						19.70
<b>28421</b>						
11/20	11/24/2020	28421	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	63.74
11/20	11/24/2020	28421	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR WBS SURGE TANK	214.16
11/20	11/24/2020	28421	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR RES	35.30
Total 28421:						313.20
<b>28422</b>						
11/20	11/24/2020	28422	62735	MUTUAL OF OMAHA	LIFE INSURANCE	484.03
11/20	11/24/2020	28422	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,215.46
11/20	11/24/2020	28422	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	72.20
Total 28422:						1,771.69
<b>28423</b>						
11/20	11/24/2020	28423	189	NOBEL SYSTEMS	METER ROUTES MODULE PROJECT SETUP COST	5,000.00
11/20	11/24/2020	28423	189	NOBEL SYSTEMS	GIS DATA ALIGNMENT PROJECT	12,000.00
Total 28423:						17,000.00
<b>28424</b>						
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	BANK OF AMERICA-JULY-SEP 2020	395.36
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	DOTY LABOR-OCT 2020	37,742.91
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	WVWD ADMIN COSTS-SEPT 2020	564.93
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	LASER-OCT 2020	1,150.00
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	CIVILTEC WELL MGMT-JULY 2020	110.00
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	CIVILTEC WELL MGMT-OCT 2020	294.00
11/20	11/24/2020	28424	5000	PUENTE BASIN WATER AGENCY	BADGER-METERS	5,133.18
Total 28424:						45,390.38
<b>28425</b>						
11/20	11/24/2020	28425	62660	PUENTE HILLS FORD	MAINTENANCE TRUCK 7	152.12
Total 28425:						152.12

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
<b>28426</b>						
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVE REPLACEMENTS	18,745.60
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	446.76
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	1,175.72
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	1,813.55
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	213.52
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	861.87
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	112.92
11/20	11/24/2020	28426	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	1,407.82
Total 28426:						24,777.76
<b>28427</b>						
11/20	11/24/2020	28427	62249	SECURE SITE SOLUTIONS INC	INSTALLATION AND PROGRAMMING OF CELLUAR	990.63
Total 28427:						990.63
<b>28428</b>						
11/20	11/24/2020	28428	6075	STAPLES CREDIT PLAN	OFFICE SUPPLIES	160.97
Total 28428:						160.97
<b>28429</b>						
11/20	11/24/2020	28429	62778	SYSTEMS SOURCE INC	OFFICE FURNITURE-BALANCE DUE	116,222.64
Total 28429:						116,222.64
<b>28430</b>						
11/20	11/24/2020	28430	6500	THERMALAIR INC	QUARTERLY PREVENTATIVE MAINTENANCE	475.00
11/20	11/24/2020	28430	6500	THERMALAIR INC	SEMI ANNUAL PREVENTATIVE MAINTENANCE INS	295.00
Total 28430:						770.00
<b>28431</b>						
11/20	11/24/2020	28431	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	318.55
Total 28431:						318.55
<b>28432</b>						
11/20	11/24/2020	28432	62476	VERIZON CONNECT NWF INC	INSTALL UNIT TRUCK 44	130.00
Total 28432:						130.00
<b>28433</b>						
11/20	11/24/2020	28433	2900	VULCAN MATERIAL COMPANY	COLD MIX	1,851.39
Total 28433:						1,851.39
<b>28434</b>						
11/20	11/24/2020	28434	321	WIENHOFF DRUG TESTING INC	ANNUAL CONSORTIUM MEMBERSHIP	320.00
Total 28434:						320.00
<b>28435</b>						
11/20	11/24/2020	28435	62562	WOODARD & CURRAN	AS NEEDED POTABLE WATER SUPPORT SERVICE	1,383.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 28435:						1,383.50
<b>11132020</b>						
11/20	11/13/2020	111320	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	297,331.20
11/20	11/13/2020	111320	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,410.13
11/20	11/13/2020	111320	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,810.26
11/20	11/13/2020	111320	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,905.12
11/20	11/13/2020	111320	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	8,563.78
Total 11132020:						311,020.49
<b>11162020</b>						
11/20	11/16/2020	111620	62493	CADWAY INC (CAL DOMESTIC WATER	RTC CHARGE	619.66
Total 11162020:						619.66
Grand Totals:						2,251,361.03

## Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11185-0	57,010.49	.00	57,010.49
11505-0	795,406.80	.00	795,406.80
11507-0	42,876.09	.00	42,876.09
222100	9,987.20	2,261,348.23-	2,251,361.03-
51310-0	965,608.14	.00	965,608.14
51410-1	3,521.28	.00	3,521.28
51410-2	2,547.63	.00	2,547.63
51410-3	1,810.26	.00	1,810.26
51410-5	13,568.41	.00	13,568.41
51510-0	23,052.82	.00	23,052.82
51610-0	619.66	.00	619.66
51810-0	11,615.67	.00	11,615.67
51910-0	5,250.46	.00	5,250.46
52310-0	84,551.83	.00	84,551.83
54210-0	5,829.19	.00	5,829.19
54211-0	2,961.32	.00	2,961.32
54212-0	4,036.16	.00	4,036.16
54213-0	3,851.61	.00	3,851.61
54214-0	806.05	.00	806.05
54215-0	6,053.20	.00	6,053.20
54216-0	15,562.61	9,987.20-	5,575.41
54217-0	11,061.76	.00	11,061.76
54219-0	2,980.93	.00	2,980.93
56210-0	5,298.05	.00	5,298.05
56211-0	3,653.33	.00	3,653.33
56214-0	529.84	.00	529.84
56215-0	12,519.00	.00	12,519.00
56216-0	423.18	.00	423.18
56218-2	1,312.10	.00	1,312.10
56219-0	5,715.47	.00	5,715.47
56220-0	7,250.92	.00	7,250.92
56221-0	13,577.50	.00	13,577.50

GL Account	Debit	Credit	Proof
56226-0	1,200.00	.00	1,200.00
56312-0	17,085.93	.00	17,085.93
56411-0	35,232.62	.00	35,232.62
56413-0	2,250.94	.00	2,250.94
56415-0	483.30	.00	483.30
56416-0	484.03	.00	484.03
56417-0	19,571.40	.00	19,571.40
56418-0	1,215.46	.00	1,215.46
56419-0	43.69	.00	43.69
56421-0	10,667.07	.00	10,667.07
56510-0	100.15	.00	100.15
56710-0	452.38	.00	452.38
56812-0	6,133.48	.00	6,133.48
57310-0	32,001.19	.00	32,001.19
57312-0	3,864.33	.00	3,864.33
57314-0	15,254.38	.00	15,254.38
57315-0	2,691.25	.00	2,691.25
57320-0	105.00	.00	105.00
57321-0	1,649.87	.00	1,649.87
Grand Totals:	2,271,335.43	2,271,335.43-	.00

Report Criteria:

Report type: GL detail

Report Criteria:  
Detail Report

Check Number	Check Issue Date	Payee				
27144	11/03/2020	YONG XIN				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	848848-61	Void - DEPOSIT REFUND	22810-0	39.59-	39.59-	
27150	11/03/2020	YI ZHANG				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	129477-54	Void - CREDIT REFUND-18438 NOTTINGHAM LN	15210-0	69.42-	69.42-	
27160	11/03/2020	YONGJIE BAO				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	209362-64	Void - CREDIT REFUND-17820 PAQUITA DR	15210-0	69.88-	69.88-	
28345	11/09/2020	CLAIRE HAYDU				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	675413-64	DEPOSIT REFUND	22810-0	362.72	362.72	
28346	11/09/2020	ZHIMIN ZHANG				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	684503-52	DEPOSIT REFUND	22810-0	41.33	41.33	
28347	11/09/2020	BINBIN GU				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	372070-78	DEPOSIT REFUND	22810-0	57.98	57.98	
28348	11/09/2020	LA FITNESS INTERNATIONAL				
Sequence	Source	Description	GL Account	Amount	Check Amount	
1	370844-92	DEPOSIT REFUND	22810-0	241.68		
2	408695-12	DEPOSIT REFUND	22810-0	136.01	377.69	
28348	11/09/2020	LA FITNESS INTERNATIONAL				



Sequence	Source	Description	GL Account	Amount	Check Amount
1	370844-92	Void - DEPOSIT REFUND	22810-0	241.68-	
2	408695-12	Void - DEPOSIT REFUND	22810-0	136.01-	377.69-
28349 11/09/2020 LA FITNESS INTERNATIONAL					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	370844-92	DEPOSIT REFUND	22810-0	241.68	
2	408695-12	DEPOSIT REFUND	22810-0	136.01	377.69
28351 11/13/2020 BRIAN E JENSEN					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	PAYROLL	11/1/2020-11/15/2020	22210-0	852.11	852.11
28436 11/25/2020 MIN MAW INTL INC					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	1389-81	CREDIT REFUND	15210-0	556.58	556.58
28437 11/25/2020 MELISSA MCGREGOR					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	551552-93	CREDIT REFUND	15210-0	85.16	85.16
28438 11/25/2020 SEAFOOD VILLAGE INC					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	259217-11	CREDIT REFUND	15210-0	3,934.28	3,934.28
28439 11/25/2020 ZONGMIN WU					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	906148-35	CREDIT REFUND	15210-0	86.69	86.69
28440 11/25/2020 GRACE CHOI					
Sequence	Source	Description	GL Account	Amount	Check Amount
1	741599-72	CREDIT REFUND	15210-0	35.77	35.77
28441 11/25/2020 LA FITNESS INTERNATIONAL					

Sequence	Source	Description	GL Account	Amount	Check Amount
1	370844-92	CREDIT REFUND	15210-0	430.89	
2	408695-12	CREDIT REFUND	15210-0	650.75	1,081.64
28442	11/25/2020	THOMAS FLAUGHERS			
Sequence	Source	Description	GL Account	Amount	Check Amount
1	113969-51	CREDIT REFUND	15210-0	76.46	76.46
Grand Totals:					7,369.52

Report Criteria:  
Detail Report

# Tab

# 1.3



# ROWLAND WATER DISTRICT

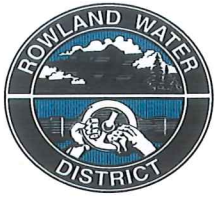
## CASH INVESTMENTS

### As of November 30, 2020

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
<b>Cash</b>								
Citizens Business Bank							\$ 2,648,979	
Comerica Bank MMIA							\$ 10,877	
<b>Total Cash</b>							<b>\$ 2,659,856</b>	
Comerica Securities CD Placement	Various					1.53%	\$ 984,967	5.44%
Local Agency Investment Fund (LAIF)	N/A					0.58%	\$ 6,804,156	37.61%
<b>Citizens Trust Investments (Union Bank Custodian)</b>								
US Treasury Note - 8P87	5 Year	250,000	99.6331	100.2400	2/28/2021	1.12%	\$ 250,600	1.39%
US Treasury Note - 8S76	5 Year	250,000	100.1839	100.6950	7/31/2021	1.12%	\$ 251,738	1.39%
US Treasury Note - 82F6	5 Year	250,000	99.0589	100.7660	8/31/2021	1.12%	\$ 251,915	1.39%
US Treasury Note - 82P4	5 Year	250,000	100.3750	102.8710	7/31/2022	1.82%	\$ 257,178	1.42%
Fed'l Home Loan Bank - D4X7	2 Year	250,000	99.7862	100.0520	12/11/2020	2.00%	\$ 250,130	1.38%
Fed'l Home Loan Mtg. Corp. - AEC9	3 Year	255,000	96.0775	100.6990	8/12/2021	1.12%	\$ 256,782	1.42%
Fed'l National Mtg. Assn. - 0Q89	4 Year	250,000	100.1410	101.0730	10/7/2021	1.36%	\$ 252,683	1.40%
Fed'l Home Loan Bank - ABG2	4 Year	750,000	99.4438	101.7400	11/29/2021	1.84%	\$ 763,050	4.22%
Fed'l National Mtg. Assn. - 0S38	5 Year	300,000	102.9350	102.0570	1/5/2022	1.96%	\$ 306,171	1.69%
Fed'l Home Loan Bank - 8WG2	4 Year	100,000	99.5286	102.9960	3/11/2022	2.43%	\$ 102,996	0.57%
Fed'l National Mtg. Assn. - 0T45	5 Year	625,000	101.2114	102.3270	4/5/2022	1.83%	\$ 639,544	3.54%
Fed'l Home Loan Bank - 7R49	5 Year	200,000	99.3337	101.7020	4/13/2022	1.46%	\$ 203,404	1.12%
Fed'l Home Loan Bank - 0GJ0	5 Year	250,000	102.0745	103.2060	9/9/2022	1.94%	\$ 258,015	1.43%
Fed'l National Mtg. Assn. - 1BR5	5 Year	125,000	101.0674	103.4600	12/9/2022	1.81%	\$ 129,325	0.71%
Fed'l Home Loan Bank - 0T94	5 Year	505,000	99.2492	104.6250	1/19/2023	2.27%	\$ 528,356	2.92%
Fed'l National Mtg. Assn. - DRG9	5 Year	250,000	100.8232	105.7910	3/10/2023	2.60%	\$ 264,478	1.46%
Fed'l Farm CR Banks - LUJ1	3 Year	300,000	100.0000	100.1920	3/24/2023	1.00%	\$ 300,576	1.66%
Fed'l National Mtg. Assn. - 0U43	5 Year	250,000	99.6518	107.3660	9/12/2023	2.68%	\$ 268,415	1.48%
Fed'l Home Loan Mtg. Corp. - WA48	3 Year	100,000	100.0000	99.9380	12/1/2023	0.40%	\$ 99,938	0.55%
Fed'l Home Loan Mtg. Corp. - WVJ2	4 Year	300,000	100.0000	99.9160	9/30/2024	0.40%	\$ 299,748	1.66%
Fed'l Farm Cr Bks - MFP2	4 Year	500,000	99.9490	99.8850	11/4/2024	0.44%	\$ 499,425	2.76%
Fed'l National Mtg. Assn. - 4XZ1	5 Year	200,000	100.0000	99.7630	6/30/2025	0.74%	\$ 199,526	1.10%
Fed'l Home Loan Mtg. Corp. - 4C27	5 Year	350,000	100.0000	100.0130	7/29/2025	0.70%	\$ 350,046	1.93%
Fed'l Home Loan Mtg. Corp. - W3B0	5 Year	200,000	100.0000	100.0010	9/2/2025	0.70%	\$ 200,002	1.11%
United Parcel Service - 2BC9	4 Year	100,000	97.0770	102.6000	5/16/2022	2.29%	\$ 102,600	0.57%
Bank of New York Mellon Corp. - RAE7	5 Year	250,000	99.8060	105.3880	1/29/2023	2.80%	\$ 263,470	1.46%
Paccar Financial Corp. - RP59	3 Year	170,000	105.0550	108.0550	8/9/2023	3.15%	\$ 183,694	1.02%
US Bancorp Mtns. - HHV5	5 Year	200,000	102.1370	108.4370	2/5/2024	3.11%	\$ 216,874	1.20%
Apple Inc. - 3CG3	5 Year	400,000	104.3970	107.5380	2/9/2024	2.79%	\$ 430,152	2.38%
Apple Inc. - 3CU2	5 Year	150,000	103.6730	107.5100	5/11/2024	2.65%	\$ 161,265	0.89%
Paccar Financial Corp. - RQ66	5 Year	400,000	104.7060	104.9990	2/6/2025	1.71%	\$ 419,996	2.32%
Floria Pwr & Lt Co - 1FZ5	5 Year	500,000	109.4742	108.8490	4/1/2025	2.62%	\$ 544,245	3.01%
Apple Inc. - 3DT4	5 Year	200,000	102.4560	102.1730	5/11/2025	1.10%	\$ 204,346	1.13%
Air Prods & Chems Inc. - 8BB1	5 Year	255,000	104.1940	103.8590	10/15/2025	1.45%	\$ 264,840	1.46%
Cash Reserve Account						0.01%	\$ 326,200.78	1.80%
<b>Total Citizens Trust Investments</b>							<b>\$ 10,301,722</b>	<b>56.94%</b>
<b>Total Investments</b>							<b>\$ 18,090,845</b>	<b>100.00%</b>
<b>Total Cash &amp; Investments</b>							<b>\$ 20,750,701</b>	

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

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



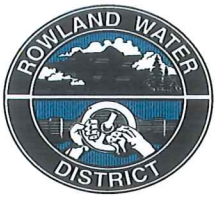
# ROWLAND WATER DISTRICT

## PROFIT & LOSS

### November 2020

	Nov-20	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD
<b>1 OPERATING REVENUE</b>						
2 Water Sales	\$ 1,617,784	\$ 7,291,684	\$ 15,420,800	\$ 8,129,116	47%	\$ 6,945,695
3 Meter Charges	1,110,093	4,957,260	11,681,400	6,724,140	42%	4,725,395
4 Customer Fees	4,663	28,738	235,900	207,162	12%	135,808
5 Contract Income	13,910	66,245	181,300	115,055	37%	90,632
6 Construction Invoices	14,757	90,153	170,000	79,847	53%	31,260
7 Capacity Fees	1,700	3,330	44,200	40,870	8%	44,217
8 Flow Tests	1,400	7,700	22,100	14,400	35%	9,450
9 Return Check Fees	210	1,410	7,000	5,590	20%	2,640
10 Uncollectable	-	-	(674,000)	(674,000)	0%	-
<b>11 TOTAL OPERATING REVENUE</b>	<b>2,764,517</b>	<b>12,446,520</b>	<b>27,088,700</b>	<b>14,642,180</b>	<b>46%</b>	<b>11,985,098</b>
<b>12 NON-OPERATING REVENUE</b>						
13 Property Taxes	6,721	14,520	427,800	413,280	3%	63,666
14 Shared Services	5,652	14,771	26,100	11,329	57%	12,422
15 Interest Income	21,816	103,057	205,200	102,143	50%	194,005
16 Miscellaneous Income	8,364	34,500	25,000	(9,500)	138%	26,745
<b>17 TOTAL NON-OPERATING REVENUE</b>	<b>42,553</b>	<b>166,849</b>	<b>684,100</b>	<b>517,252</b>	<b>24%</b>	<b>296,838</b>
<b>18 TOTAL REVENUES</b>	<b>2,807,070</b>	<b>12,613,369</b>	<b>27,772,800</b>	<b>15,159,431</b>	<b>45%</b>	<b>12,281,936</b>
<b>19 OPERATING EXPENSES</b>						
20 Source of Supply						
21 Water Purchases	782,065	4,828,901	11,124,000	6,295,099	43%	4,722,747
22 Pumping Power	26,177	195,638	298,900	103,262	65%	179,641
23 Fixed Charges	21,757	108,787	297,300	188,513	37%	104,556
24 Chemicals	12,334	34,285	69,100	34,815	50%	31,152
25 Total Source of Supply	842,334	5,167,611	11,789,300	6,621,689	44%	5,038,095
26 Maintenance of Water System	36,942	271,749	742,600	470,851	37%	227,334
27 Service Contracts	23,567	112,162	286,800	174,638	39%	133,281
28 Assessments	6,357	162,203	280,000	117,797	58%	59,350
29 Vehicle Expense	6,372	35,698	112,600	76,902	32%	31,473
30 Tools & Supplies	5,484	26,668	30,600	3,932	87%	8,512
31 Equipment Expense	97	4,986	68,200	63,214	7%	8,301
32 Maintenance & Operations	13,952	42,701	72,300	29,599	59%	9,008
33 Engineering	37,569	137,324	200,000	62,676	69%	39,698
34 Water Tests	1,450	9,150	20,400	11,250	45%	7,532
35 Conservation	-	2,133	50,000	47,867	4%	11,845
36 Community Outreach	12,446	74,391	231,800	157,409	32%	95,012
<b>37 TOTAL OPERATING EXPENSES</b>	<b>986,569</b>	<b>6,046,775</b>	<b>13,884,600</b>	<b>7,837,825</b>	<b>44%</b>	<b>5,669,441</b>
<b>38 ADMINISTRATIVE EXPENSES</b>						
39 Liability Insurance	-	122,290	104,000	(18,290)	118%	132,475
40 IT Support Services	12,085	58,482	130,000	71,518	45%	94,703
41 IT Licensing	6,200	27,430	140,000	112,570	20%	9,650
42 Director Expense	13,997	64,435	196,800	132,365	33%	67,576





# ROWLAND WATER DISTRICT

## PROFIT & LOSS

### November 2020

	Nov-20	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD
43 Bank / Management Fees	11,495	61,002	152,900	91,898	40%	63,905
44 Legal Fees	14,209	39,524	118,400	78,876	33%	51,044
45 Compliance	8,270	42,737	135,700	92,963	31%	57,802
46 Auditing & Accounting	3,124	26,974	85,000	58,026	32%	47,813
47 Utility Services	8,529	45,466	105,600	60,134	43%	45,623
48 Dues & Memberships	320	37,613	60,000	22,387	63%	36,111
49 Conference & Meetings	-	-	30,000	30,000	0%	18,734
50 Office Expenses	(212)	14,194	30,000	15,806	47%	7,437
51 Seminars/Training	2,329	4,748	35,000	30,252	14%	26,867
52 Miscellaneous Expense	9,380	31,557	150,000	118,443	21%	62,760
<b>53 TOTAL ADMINISTRATIVE EXPENSES</b>	<b>89,726</b>	<b>576,453</b>	<b>1,473,400</b>	<b>896,947</b>	<b>39%</b>	<b>722,501</b>
<b>54 PERSONNEL EXPENSES</b>						
55 Wages						
56 Operations	55,795	337,157	958,800	621,643	35%	320,832
57 Distribution	73,509	418,996	1,139,100	720,104	37%	352,583
58 Administration	108,803	651,043	1,441,000	789,957	45%	573,005
59 Total Wages	238,107	1,407,196	3,538,900	2,131,704	40%	1,246,421
60 Payroll Taxes	13,648	90,687	246,900	156,213	37%	82,644
61 Workers Compensation	-	32,713	67,900	35,187	48%	13,787
62 Unemployment	-	965	8,800	7,835	11%	8,062
63 CalPERS	36,630	532,021	874,300	342,279	61%	478,609
64 EE & Retiree Health Insurance	58,982	320,969	842,500	521,531	38%	272,906
<b>65 TOTAL PERSONNEL EXPENSES</b>	<b>382,366</b>	<b>2,559,551</b>	<b>6,999,300</b>	<b>4,439,749</b>	<b>37%</b>	<b>2,277,429</b>
<b>66 TOTAL EXPENSES</b>	<b>1,458,661</b>	<b>9,182,779</b>	<b>22,357,300</b>	<b>13,174,521</b>	<b>41%</b>	<b>8,669,371</b>
<b>67 NET INCOME / (LOSS) - BEFORE DEBT SERVICE &amp; CAPITAL EXPENDITURES</b>	<b>1,348,409</b>	<b>3,430,590</b>	<b>5,415,500</b>	<b>1,984,910</b>	<b>63%</b>	<b>3,612,565</b>
68 Less: Total Debt Service	-	(5,597)	(2,461,600)	(2,456,003)	0%	(6,104)
69 Less: Capital Expenses (Current Year)	(689,873)	(1,015,372)	(4,008,300)	(2,992,928)	25%	-
<b>70 CASH INCREASE / (DECREASE)</b>	<b>\$ 658,536</b>	<b>\$ 2,409,620</b>	<b>\$ (1,054,400)</b>	<b>\$ (3,464,020)</b>		<b>\$ 3,606,461</b>

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



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2020

#### 1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is high at 47% due to water sales during summer months.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 42%.
4. Customer Fees – various fees conditionally charged to customers such as penalties, new service connections, reconnections, backflow administration, cross connections, connections and recycled water checks/inspections. These types of fees are unpredictable in nature and can often trend over/under expected budget. The District is currently not charging penalty fees due to COVID-19 circumstances. YTD is at 12%.
5. Contract Income – contains revenues from tower lease contracts, Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees and City of Industry contracts. YTD is currently at 37%.
6. Construction Invoices – water sold on construction invoices and Rowland Water District (RWD) labor sales and reimbursements. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is at 53% due to labor reimbursements on the Alameda East Corridor project.
7. Capacity Fees – fees imposed on any property or person requesting a new, additional or larger connection to the District's potable water system (fees vary by meter size). These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is at 8%.
8. Flow Tests – fire flow tests performed by District personnel to measure the volume of water available at a specific hydrant (\$350 per test). YTD is at 35%.
9. Return Check Fees – customers are charged a fee when the District is paid with insufficient funds checks and checks are returned by the bank. YTD is currently at 20%.
10. Uncollectable – the District analyzes customer receivables at the end of each year and recognizes an expense equal to the estimated amount of cash that may not be collected. Uncollectable expense will be zero until assessed at year-end. The current year is budgeted conservatively for increased uncollectable accounts due to the COVID-19 pandemic.

#### 11. TOTAL OPERATING REVENUE

#### 12. NON-OPERATING REVENUE



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2020

13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 3% since the bulk of receipts happen between December and May each year and can cause YTD % to trend over/under expected budget %.
14. Shared Services – RWD is paid for extending Executive Director services to Bellflower-Somerset Mutual Water Company (provided by the General Manager of RWD) and accounting services to CalMutuals Joint Powers Risk and Insurance Management Authority (provided by the Director of Finance of RWD). YTD is at 57%.
15. Interest Income – includes interest and dividends received on District investments. YTD is at 50% due to conservative budgeting.
16. Miscellaneous Income – includes income from various sources such as recycling, refunds and unrealized gains or losses on investments. YTD is 138% due to recycled water usage reimbursement from City of Industry.
17. **TOTAL NON-OPERATING REVENUE**
18. **TOTAL REVENUES**
19. **OPERATING EXPENSES**
20. **SOURCE OF SUPPLY**
21. Water Purchases – Includes variable costs of potable water from Three Valleys Municipal Water District (TVMWD) and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). There were no water purchases from California Domestic Water Company (CalDomestic). YTD is at 43%.
22. Pumping Power – the cost of electricity used for pumping water. YTD is high at 65% due to late billing by Southern California Edison.
23. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 37%.
24. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is at 50%.
25. **TOTAL SOURCE OF SUPPLY**
26. Maintenance of Water System – the costs of repairs and maintenance on elements of the District water system such as main lines, services, meters, reservoirs, valves, hydrants, and telemetry system. YTD is at 37%.
27. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, Caselle maintenance and support, and other services. YTD is at 39%.





## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2020

28. Assessments – operating costs billed to RWD for their share of the PWR JWLC, which is billed quarterly, and the Puente Basin Water Agency (PBWA), which is billed monthly. YTD can trend over/under budget due to the timing of billing. YTD is currently at 58% due to PBWA lease payments from July through December and Main San Gabriel Basin Watermaster assessments for water purchased by PBWA from CalDomestic.
29. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is currently at 32%.
30. Tools & Supplies – small tools and supplies used in the field. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 87% due to purchase of tools for four new F150 4x2 Supercrew trucks.
31. Equipment Expense – various costs incurred related to District equipment. YTD is at 7%.
32. Maintenance & Operations – various costs incurred for District maintenance and operations not directly related to the water system. YTD can trend over/under budget due to the timing of maintenance and operations. YTD is currently at 59%.
33. Engineering – general engineering costs related to District operations. YTD is high at 69% due to Nobel projects for meter routes module and GIS data alignment.
34. Water Tests – laboratory testing and sampling of District water. YTD is at 45%.
35. Conservation – water conservation programs and efforts. YTD is at 4%.
36. Community Outreach – costs related to public relations and community outreach. YTD is at 32%.
37. **TOTAL OPERATING EXPENSES**
38. **ADMINISTRATIVE EXPENSES**
39. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is at 118% due to timing of insurance bill and budgeting method used.
40. IT Support Services – information technology support services. YTD is at 45% due to IT security maintenance costs.
41. IT Licensing – includes costs for various software licenses. YTD is at 20%.
42. Director Expense – costs for director compensation and benefits. YTD is at 33% of budget.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2020

43. Bank/Management Fees – includes various banking fees, Paymentus fees (for processing customer payments) and investment administrative fees. YTD is currently at 40%.
44. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is at 33%.
45. Compliance – includes costs for State Water Resources Control Board (SWRCB) compliance, LA County property taxes, various employee certifications, District permits, and maintenance costs for equipment compliance. YTD is at 31%.
46. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is at 32%.
47. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 43%.
48. Dues & Memberships – costs for district memberships, dues and subscriptions to various agencies such as the Water Education Foundation, Association of California Water Agencies, Urban Water Institute, California Special Districts Association and American Water Works Association. YTD is at 63% due the timing of these billings.
49. Conference & Meetings – conference attendance and meeting expenses. There are no conference and meeting costs as District personnel are unable to be attend conferences due to COVID-19 travel circumstances.
50. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is at 47%.
51. Seminars/Training – employee seminars and training. YTD is at 14% due to decreased employee attendance to seminars and training during the COVID-19 pandemic.
52. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses.
53. **TOTAL ADMINISTRATIVE EXPENSES**
54. **PERSONNEL EXPENSES**
55. **WAGES**
56. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 35%.
57. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 37%
58. Administration – wages expense (regular) attributable to Administration. YTD is at 45% due to vacation cash outs paid in July.



## Rowland Water District

### Profit & Loss Analysis and Variance Report

November 2020

#### 59. TOTAL WAGES

- 60. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 37%.
- 61. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 48%.
- 62. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 11%.
- 63. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made on a monthly basis and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. YTD is at 61% due to payment timing of the unfunded payment (\$338.6K paid in July 2020).
- 64. EE & Retiree Health Insurance – includes the cost of health, dental, vision, life and disability insurance for current employees as well as health insurance for retired employees. YTD is at 38%.

#### 65. TOTAL PERSONNEL EXPENSES

#### 66. TOTAL EXPENSES

- 67. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through November 2020.
- 68. Less: Total Debt Service – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June) and principal payments occur annually in December.
- 69. Less: Capital Expenses (Current-Year) – includes expenses related to current-year district projects and capital assets, excluding projects funded by bond proceeds (debt). YTD is at 25%.
- 70. **CASH INCREASE / (DECREASE)**

# Tab

## 1.4

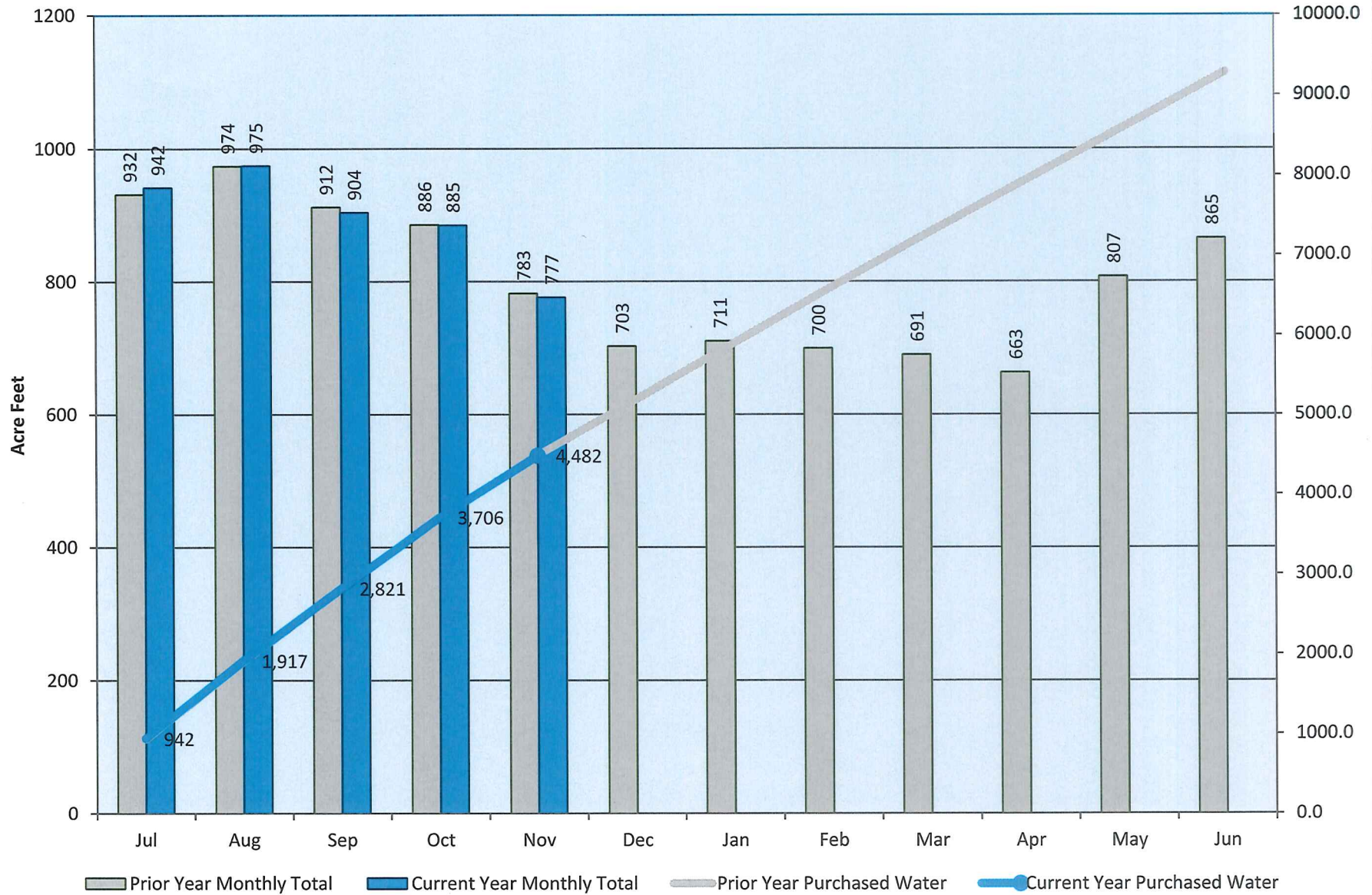






# Potable Water Purchases For FY 2020-2021

(Acre-feet)



# Tab

## 2.1



## DECEMBER 2020-DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
<b>Anthony J. Lima</b>					
	12/2/2020	Three Valleys Board Meeting	\$185.00		
	12/8/2020	RWD Board Meeting	\$185.00		
	12/10/2020	PBWA Meeting	\$185.00		
	12/16/2020	Three Valleys Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$740.00</b>		
<b>John Bellah</b>					
	12/8/2020	RWD Board Meeting		X	
		<b>TOTAL PAYMENT</b>	<b>\$0.00</b>		
<b>Robert W. Lewis</b>					
	12/2/20-12/3/20	ACWA Fall Conference	\$370.00		
	12/8/2020	RWD Board Meeting	\$185.00		
	12/10/2020	PBWA Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$740.00</b>		
<b>Szu Pei Lu-Yang</b>					
	12/2/2020	Three Valleys Board Meeting	\$185.00		
	12/8/2020	RWD Board Meeting	\$185.00		
	12/14/2020	RHCCC Meeting	\$185.00		
	12/16/2020	Three Valleys Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$740.00</b>		
<b>Teresa Rios</b>					
	12/8/2020	RWD Board Meeting	\$185.00		
		<b>TOTAL PAYMENT</b>	<b>\$185.00</b>		

APPROVED FOR PAYMENT:

\_\_\_\_\_  
Tom Coleman

# Tab

## 2.2





# IRS issues standard mileage rates for 2021

IR-2020-279, December 22, 2020

WASHINGTON — The Internal Revenue Service today issued the 2021 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2021, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56 cents per mile driven for business use, down 1.5 cents from the rate for 2020,
- 16 cents per mile driven for medical, or moving purposes for qualified active duty members of the Armed Forces, down 1 cent from the rate for 2020, and
- 14 cents per mile driven in service of charitable organizations, the rate is set by statute and remains unchanged from 2020.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

It is important to note that under the [Tax Cuts and Jobs Act](#), taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details see [Moving Expenses for Members of the Armed Forces](#).

Taxpayers always have the option of calculating the [actual costs](#) of using their vehicle rather than using the standard mileage rates.

Taxpayers can use the standard mileage rate but must opt to use it in the first year the car is available for [business use](#). Then, in later years, they can choose either the standard mileage rate or actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals) if the standard mileage rate is chosen.

[Notice 2021-02](#) [PDF](#), contains the optional 2021 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan. In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in calendar year 2021 for which employers may use the fleet-average valuation rule in or the vehicle cents-per-mile valuation rule.

*Page Last Reviewed or Updated: 22-Dec-2020*

# Tab

## 2.3



**Puente Basin Water Agency**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2020**

## **Our Focus**

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

### **Puente Basin Water Agency**

#### **Board of Commissioners as of June 30, 2020**

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

\* Members are elected based on member agency decisions.

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





**Puente Basin Water Agency**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2020**

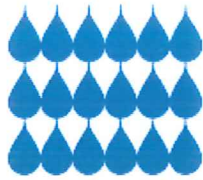
**Puente Basin Water Agency  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

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## **Financial Section**





Charles Z. Fedak, CPA, MBA  
Christopher J. Brown, CPA, CGMA  
Andy Beck, CPA

## Fedak & Brown LLP

Certified Public Accountants

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1945 Chicago Avenue, Suite C-1  
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(951) 783-9149

### Independent Auditor's Report

Board of Commissioners  
Puente Basin Water Agency  
Rowland Heights, California

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), which comprises the statement of net position as of June 30, 2020, and the related statement of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Puente Basin Water Agency as of June 30, 2020, and the respective changes in net position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. This report can be found on pages 30 and 31.

*Fedak & Brown LLP*

**Fedak & Brown LLP**

Cypress, California

December 10, 2020

**Puente Basin Water Agency**  
***Management's Discussion and Analysis***  
**For the Fiscal Year Ended June 30, 2020**  
***With comparative amounts for June 30, 2019***

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Puente Basin Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

**Financial Highlights**

Fiscal Year 2020

- The Agency's net position as of June 30, 2020 were \$33,961,250, an increase of \$676,101, or 20.3% over the prior year.
- Operating revenues totaled \$17,332,577 for the year, an increase of \$840,804 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2020, the total of these pass-through costs was \$16,223,060 and is reflected in both the revenues and expenses of the Agency.
- Operating expenses for the year totaled \$18,186,609 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs, in the amount of \$4,883, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic Project water reliability project produced 1,112 acre-feet of water. The costs related to the production of this water totaled \$1,348,636 for the year. These costs included the use of stored water in the amount of \$585,840, that was purchased and paid for in prior years.
- The Agency recorded an additional \$284,947 and \$1,221,576 in construction costs related to the Pathfinder Project and Pomona Basin Project respectively, which is currently being constructed and is reflected in the Agency's construction-in-process account.
- The Agency entered a 20-year lease with the City of La Verne in 2018 for land and an old well site, which was recorded as a capital lease. The value of the lease is recorded at the value of the future minimum lease payments in the amount of \$1,747,797.

Fiscal Year 2019

- The Agency's position as of June 30, 2019 were \$33,285,149, an increase of \$4,505,285, or 15.7% over the prior year.
- Revenues totaled \$16,491,773 for the year, an increase of \$389,169 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from TVMWD was invoiced through the Agency. For fiscal year 2019, the total of these pass-through costs was \$15,173,416 and is reflected in both the revenues and expenses of the Agency.

**Puente Basin Water Agency**  
*Management's Discussion and Analysis, continued*  
**For the Fiscal Year Ended June 30, 2020**  
*With comparative amounts for June 30, 2019*

**Financial Highlights, continued**

Fiscal Year 2019, continued

- Operating expenses for the year totaled \$17,474,328 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs, in the amount of \$17,859, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic Project water reliability project produced 1,481 acre-feet of water. The costs related to the production of this water totaled \$1,692,541 for the year. These costs included the use of stored water in the amount of \$780,508 that was purchased and paid for in prior years.
- The Agency recorded an additional \$1,703,708 and \$1,990,438 in construction costs related to the Pathfinder Project and Pomona Basin Project respectively, which is currently being constructed and is reflected in the Agency's construction-in-process account.
- The Agency entered into a 20-year lease with the City of La Verne in 2018 for land and an old well site, which was recorded as a capital lease. The value of the lease is recorded at the value of the future minimum lease payments in the amount of \$1,779,919.

**Required Financial Statements**

The financial statements report information about the Agency using accounting methods similar to those used by private sector companies. The financial statements, comprised of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, offer short-term and long-term financial information about the Agency's activities. Each financial statement is identified and defined in this section and analyzed in subsequent sections of MD&A.

Statement of Net Position

The Statement of Net Position presents the Agency's financial position (assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as of June 30, 2020 and 2019. The Statement of Net Position includes all the Agency's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2020 and 2019, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,961,250 and \$33,285,149, respectively.

Statement of Revenues, Expenses & Changes in Net Position

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Agency's operations and can be used to determine whether the Agency has successfully recovered all of its costs through member assessments and other revenues. Revenues are recognized (recorded) when services are provided, and expenses are recognized when incurred. Operating revenues and expenses are related to the Agency's core activities. The change in net position for the years ending June 30, 2020 and 2019, was \$676,101 and \$4,505,285, respectively.



**Puente Basin Water Agency**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Year Ended June 30, 2020**  
***With comparative amounts for June 30, 2019***

**Required Financial Statements, continued**

Statement of Cash Flows

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Agency's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the year. As of June 30, 2020, cash and cash equivalents totaled \$2,516,036 an increase of \$882,924 from the previous fiscal year.

**Financial Analysis of the Agency**

One of the most important questions to ask about the Agency's finances is, "Whether the Agency, as a whole, is better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Agency's finances in a way that will help answer that question. Measuring the change in the Agency's *net position*, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is one way to measure financial health or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 29.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2020**  
**With comparative amounts for June 30, 2019**

**Statements of Net Position**

**Condensed Statements of Net Position**

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2018</u>	<u>Change</u>
<b>Assets:</b>					
Cash & investments	\$ 2,516,036	1,633,112	882,924	1,008,025	625,087
Interest receivable	145,688	154,637	(8,949)	156,980	(2,343)
Accounts receivable	4,170,761	3,837,490	333,271	3,102,215	735,275
Grant receivable	836,965	1,876,000	(1,039,035)	27,518	1,848,482
Prepaid expenses	6,000	-	6,000	-	-
Prepaid water/stored water	5,949,147	6,080,786	(131,639)	6,861,294	(780,508)
Installment purchase receivable	31,335,000	32,285,000	(950,000)	33,195,000	(910,000)
Capital assets, net	<u>27,188,627</u>	<u>26,059,054</u>	<u>1,129,573</u>	<u>22,741,862</u>	<u>3,317,192</u>
<b>Total assets</b>	<u>72,148,224</u>	<u>71,926,079</u>	<u>222,145</u>	<u>67,092,894</u>	<u>4,833,185</u>
<b>Liabilities:</b>					
Accounts payable	4,952,489	4,425,982	526,507	3,156,515	1,269,467
Unearned revenue	6,000	-	6,000	-	-
Interest payable	145,688	150,029	(4,341)	153,635	(3,606)
Long-term debt	<u>33,082,797</u>	<u>34,064,919</u>	<u>(982,122)</u>	<u>35,002,880</u>	<u>(937,961)</u>
<b>Total liabilities</b>	<u>38,186,974</u>	<u>38,640,930</u>	<u>(453,956)</u>	<u>38,313,030</u>	<u>327,900</u>
<b>Net position:</b>					
Net investment in capital assets	25,440,830	24,279,135	1,161,695	20,933,982	3,345,153
Unrestricted	<u>8,520,420</u>	<u>9,006,014</u>	<u>(485,594)</u>	<u>7,845,882</u>	<u>1,160,132</u>
<b>Total net position</b>	<u>\$ 33,961,250</u>	<u>33,285,149</u>	<u>676,101</u>	<u>28,779,864</u>	<u>4,505,285</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As seen from the table above, the Agency's net position exceeded liabilities by \$33,961,250 and \$33,285,149 for the fiscal years ending June 30, 2020 and 2019, respectively.

By far, the largest component of net position is the Agency's net investment in capital assets, which increased \$1,129,573 from the prior year. This increase was due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2020, the balance of construction-in-process was \$5,060,845.

In 2019, the Agency's net investment in capital assets increased \$3,317,192 from the prior year. This increase was due primarily to the recognition of capital costs, attributable to the water supply reliability projects, which totaled \$3,694,146 for the year. As of June 30, 2019, the balance of the construction-in-process account was \$5,835,394.

In 2013, the Agency issued \$19,385,000 of 2012 Series A Water Revenue Bonds related to capital facilities of RWD. In addition, the Agency issued \$17,300,000 related to capital facilities of WWD. In accordance with the separate installment purchase agreements, each District is obligated to pay the interest and principal payments related to the bonds. To account for the debt and installment purchase agreement, a liability and corresponding asset has been recorded. As of June 30, 2020, the balance of the installment purchase receivable and related liability was \$31,335,000.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2020**  
**With comparative amounts for June 30, 2019**

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

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

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2018</u>	<u>Change</u>
<b>Operating revenues:</b>					
Sale of water (TVMWD)	\$ 16,233,060	15,173,416	1,059,644	14,742,678	430,738
Sale of water (Project)	890,300	1,010,002	(119,702)	1,093,524	(83,522)
Member assessments	179,884	210,891	(31,007)	186,402	24,489
Other revenue	29,333	97,464	(68,131)	80,000	17,464
<b>Total operating revenues</b>	<u>17,332,577</u>	<u>16,491,773</u>	<u>840,804</u>	<u>16,102,604</u>	<u>389,169</u>
<b>Non-operating revenues:</b>					
Interest income	1,467,411	1,491,971	(24,560)	1,515,962	(23,991)
<b>Total non-operating revenues</b>	<u>1,467,411</u>	<u>1,491,971</u>	<u>(24,560)</u>	<u>1,515,962</u>	<u>(23,991)</u>
<b>Total revenues</b>	<u>18,799,988</u>	<u>17,983,744</u>	<u>816,244</u>	<u>17,618,566</u>	<u>365,178</u>
<b>Operating expenses:</b>					
Water supply (TVMWD)	16,231,000	15,171,357	1,059,643	14,742,678	428,679
Water supply (Project)	1,353,519	1,710,400	(356,881)	1,731,353	(20,953)
Engineering	1,396	1,543	(147)	21,955	(20,412)
Professional services	117,848	57,516	60,332	79,511	(21,995)
Legal	56,798	104,745	(47,947)	36,709	68,036
Administrative	40,008	42,774	(2,766)	40,433	2,341
Accounting	9,090	9,040	50	7,802	1,238
Depreciation	376,950	376,953	(3)	318,030	58,923
<b>Total operating expenses</b>	<u>18,186,609</u>	<u>17,474,328</u>	<u>712,281</u>	<u>16,978,471</u>	<u>495,857</u>
<b>Non-operating expenses:</b>					
Interest expense	1,505,936	1,546,758	(40,822)	1,507,692	39,066
<b>Total non-operating expenses</b>	<u>1,505,936</u>	<u>1,546,758</u>	<u>(40,822)</u>	<u>1,507,692</u>	<u>39,066</u>
<b>Total expenses</b>	<u>19,692,545</u>	<u>19,021,086</u>	<u>671,459</u>	<u>18,486,163</u>	<u>534,923</u>
<b>Net loss before capital contributions</b>	<u>(892,557)</u>	<u>(1,037,342)</u>	<u>144,785</u>	<u>(867,597)</u>	<u>(169,745)</u>
<b>Capital contributions</b>	<u>1,568,658</u>	<u>5,542,627</u>	<u>(3,973,969)</u>	<u>515,480</u>	<u>5,027,147</u>
<b>Changes in net position</b>	<u>676,101</u>	<u>4,505,285</u>	<u>(3,829,184)</u>	<u>(352,117)</u>	<u>4,857,402</u>
<b>Net position, beginning of year</b>	<u>33,285,149</u>	<u>28,779,864</u>	<u>4,505,285</u>	<u>29,131,981</u>	<u>(352,117)</u>
<b>Net position, end of year</b>	<u>\$ 33,961,250</u>	<u>33,285,149</u>	<u>676,101</u>	<u>28,779,864</u>	<u>4,505,285</u>

**Puente Basin Water Agency**  
*Management's Discussion and Analysis, continued*  
**For the Fiscal Year Ended June 30, 2020**  
*With comparative amounts for June 30, 2019*

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

Fiscal Year 2020 – Revenues and Expenses

For fiscal year 2020, the Agency had total operating revenues of \$17,332,577, an increase of \$840,804 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$16,233,060, an increase of \$1,059,644 from the prior year. In addition, the Cal Domestic project produced 1,112 acre-feet of water during the year. A total of \$890,300 was collected from the Districts to cover the costs related to the production of this water, a decrease of \$119,702 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$179,884, a decrease of \$31,007 over the prior year. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,467,411.

For fiscal year 2020, the Agency had total operating expenses of \$18,186,609, an increase of \$712,281 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$17,584,519 for the year, an increase of \$727,519 from the prior year.

Capital contributions for the year totaled \$1,568,658. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Fiscal Year 2019 – Revenues and Expenses

For fiscal year 2019, the Agency had total operating revenues of \$16,491,773, an increase of \$389,169 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$15,173,416, an increase of \$430,738 from the prior year. In addition, the Cal Domestic project produced 1,481 acre-feet of water during the year. A total of \$1,010,002 was collected from the Districts to cover the costs related to the production of this water, a decrease of \$83,522 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$210,891, an increase of \$24,489 over the prior year. During the year, the Agency leased water to three agencies amounting to \$67,500 in revenue. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,491,971.

For fiscal year 2019, the Agency had total operating expenses of \$17,474,328, an increase of \$495,857 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$16,856,600 for the year, an increase of \$415,880 from the prior year.

Capital contributions for the year totaled \$5,542,628. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

**Puente Basin Water Agency**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended June 30, 2020**  
**With comparative amounts for June 30, 2019**

**Capital Asset Administration**

As of June 30, 2020, the Agency had invested \$27,188,627 in capital assets, an increase of \$1,129,572 from the prior fiscal year. These assets were comprised of construction-in-process capital assets related to several alternative water supply projects.

**Debt Administration**

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2018</u>	<u>Change</u>
Long-term debt:					
2012 Series A Water Revenue Bonds (RWD Project)	\$ 16,935,000	17,395,000	(460,000)	17,840,000	(445,000)
2013 Series A Water Revenue Bonds (WVWD Project)	14,400,000	14,890,000	(490,000)	15,355,000	(465,000)
Capital lease payable	<u>1,747,797</u>	<u>1,779,919</u>	<u>(32,122)</u>	<u>1,807,880</u>	<u>(27,961)</u>
Total	\$ <u>33,082,797</u>	<u>34,064,919</u>	<u>(982,122)</u>	<u>35,002,880</u>	<u>(937,961)</u>

**Economic Factors and Next Year's Budget**

	<u>Budget 2021</u>	<u>Actual 2020</u>	<u>Change</u>
<b>Revenues:</b>			
Sale of water (TVMWD)	\$ 13,712,790	16,233,060	(2,520,270)
Sale of water (Project)	1,202,620	890,300	312,320
Member assessments	251,375	179,884	71,491
Other	<u>42,000</u>	<u>50,399</u>	<u>(8,399)</u>
<b>Total operating revenues</b>	<u>15,208,785</u>	<u>17,353,643</u>	<u>(2,144,858)</u>
Use of stored water	<u>822,470</u>	<u>585,840</u>	<u>236,630</u>
<b>Total revenues</b>	<u>16,031,255</u>	<u>17,939,483</u>	<u>(1,908,228)</u>
<b>Expenses:</b>			
Water supply (TVMWD)	13,712,790	16,233,060	(2,520,270)
Water supply (Project)	2,017,590	1,456,719	560,871
Engineering	5,000	1,396	3,604
Professional services	125,000	117,848	7,152
Legal	100,000	56,798	43,202
Administrative	45,000	37,948	7,052
Accounting	<u>8,375</u>	<u>9,090</u>	<u>(715)</u>
<b>Total operating expenses</b>	<u>16,013,755</u>	<u>17,912,859</u>	<u>(1,899,104)</u>
<b>Net income</b>	\$ <u>17,500</u>	<u>26,624</u>	<u>(9,124)</u>

**Conditions Affecting Current Financial Position**

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Agency and the duration cannot be estimated at this time.

**Puente Basin Water Agency**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Year Ended June 30, 2020**  
***With comparative amounts for June 30, 2019***

**Conditions Affecting Current Financial Position, continued**

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

**Requests for Information**

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Treasurer, Brian Teuber, 271 S. Brea Canyon Road, Walnut, California, 91789 or (909) 595-1268.

# **Basic Financial Statements**

**Puente Basin Water Agency**  
**Statement of Net Position**  
**June 30, 2020**

	<u><b>2020</b></u>
<b>Current assets:</b>	
Cash and cash equivalents (note 2)	\$ 2,516,036
Accrued interest receivable	145,688
Accounts receivable	5,007,726
Prepaid expenses	6,000
Water-in-storage inventory	5,949,147
Long-term assets – due in one year:	
Installment purchase receivable (note 3)	<u>985,000</u>
<b>Total current assets</b>	<u><b>14,609,597</b></u>
<b>Non-current assets:</b>	
Long-term assets – due after one year:	
Installment purchase receivable (note 3)	30,350,000
Capital assets – not being depreciated (note 4)	15,463,799
Capital assets – being depreciated, net (note 4)	<u>11,724,828</u>
<b>Total non-current assets</b>	<u><b>57,538,627</b></u>
<b>Total assets</b>	<u><b>72,148,224</b></u>
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	4,952,489
Unearned revenue	6,000
Accrued interest payable	145,688
Long-term liabilities – due in one year:	
Bond payable (note 5)	985,000
Capital lease payable (note 5)	<u>36,540</u>
<b>Total current liabilities</b>	<u><b>6,125,717</b></u>
<b>Non-current liabilities:</b>	
Long-term liabilities – due in more than one year:	
Bond payable (note 5)	30,350,000
Capital lease payable (note 5)	<u>1,711,257</u>
<b>Total non-current liabilities</b>	<u><b>32,061,257</b></u>
<b>Total liabilities</b>	<u><b>38,186,974</b></u>
<b>Net position (note 6):</b>	
Net investment in capital assets	25,440,830
Unrestricted	<u>8,520,420</u>
<b>Total net position</b>	<u><b>\$ 33,961,250</b></u>

See accompanying notes to the basic financial statements



**Puente Basin Water Agency**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2020**

	<u><b>2020</b></u>
<b>Operating revenues:</b>	
Sale of water to member agencies	\$ 17,117,801
Member assessments	<u>214,776</u>
<b>Total operating revenues</b>	<u>17,332,577</u>
<b>Operating expenses:</b>	
Water supply	17,560,037
Engineering	1,396
Professional services	117,848
Legal	56,798
Administrative	40,008
Accounting	9,090
Other	<u>24,482</u>
<b>Total operating expenses</b>	<u>17,809,659</u>
<b>Operating loss before depreciation expense</b>	(477,082)
Depreciation expense	<u>(376,950)</u>
<b>Operating loss</b>	<u>(854,032)</u>
<b>Non-operating revenue(expense):</b>	
Investment income	1,467,411
Interest expense – long-term debt	<u>(1,505,936)</u>
<b>Total non-operating revenue(expense), net</b>	<u>(38,525)</u>
<b>Net loss before capital contributions</b>	<u>(892,557)</u>
<b>Capital contributions:</b>	
Capital contributions – state	650,954
Capital contributions – member agency assessments	463,504
Contributions – stored water purchases from member agencies	<u>454,200</u>
<b>Total capital contributions</b>	<u>1,568,658</u>
<b>Changes in net position</b>	676,101
<b>Net position, beginning of the year</b>	<u>33,285,149</u>
<b>Net position, end of year</b>	<u><u>\$ 33,961,250</u></u>

See accompanying notes to the basic financial statements

**Puente Basin Water Agency  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2020**

	<u>2020</u>
<b>Cash flows from operating activities:</b>	
Cash received for water sales and assessments	\$ 18,048,949
Cash paid to vendors and suppliers for materials and services	<u>(17,157,513)</u>
<b>Net cash provided by operating activities</b>	<u>891,436</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(1,506,523)
Capital contributions	917,704
Payments received for loans receivable	950,000
Proceeds from capital grants	650,954
Principal paid on long-term debt	(982,122)
Interest paid on debt	<u>(1,510,277)</u>
<b>Net cash used in capital and related financing activities</b>	<u>(1,480,264)</u>
<b>Cash flows from investing activities:</b>	
Interest and investment earnings	<u>1,471,752</u>
<b>Net cash provided by investing activities</b>	<u>1,471,752</u>
<b>Net increase in cash and cash equivalents</b>	882,924
<b>Cash and cash equivalents, beginning of year</b>	<u>1,633,112</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,516,036</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ <u>(854,032)</u>
<b>Adjustments to reconcile operating loss to net cash provided by operating activities:</b>	
Depreciation expense	376,950
(Increase)Decrease in assets:	
Accounts receivable	710,372
Prepaid expenses and other deposits	(6,000)
Inventory – water	131,639
Increase in liabilities:	
Accounts payable and accrued expenses	526,507
Unearned revenue	<u>6,000</u>
<b>Total adjustments</b>	<u>1,745,468</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 891,436</u></u>

See accompanying notes to the basic financial statements

**Puente Basin Water Agency**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**A. Organization and Operations of the Reporting Entity**

The Puente Basin Water Agency (the Agency) was created April 1, 1971 by the execution of a Joint Powers Agreement between Rowland Water District (RWD) and Walnut Valley Water District (WVWD). The Agreement was made pursuant to Article 1, Chapter 5, Division 7, Title 1 of the government code of the State of California. The Agency's purpose is to achieve a sustainable and reliable local water supply through innovative planning and the development of regionally-beneficial projects. The Agency was organized for the purpose of protection and utilization of the local, imported, and reclaimed water supply within the Puente Basin. The Agency is governed by an appointed Board of Commissioners consisting of four members.

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

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

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

**C. Financial Reporting**

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

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

In May 2020, the GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

**1. Use of Estimates**

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

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**2. Uncertainty**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on Agency and the duration cannot be estimated at this time.

**3. Cash and Cash Equivalents**

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

**4. Investments and Investment Policy**

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

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

**5. Fair Value Measurements**

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

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

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2020, there is no allowance for uncollectible accounts as management believes all accounts will be collected.

**7. Water-In-Storage Inventory**

Water-in-storage inventory consists primarily of water purchased, contributed, and held in storage with the Main San Gabriel Basin Watermaster, the Agency's water wholesaler. In 2020, the Agency received 600 acre-feet of water through Three Valleys Municipal Water District. The water was purchased by Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2020, the Agency had a total of 10,166 acre-feet of water-in-storage valued using an average cost of \$585 per acre-foot.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**8. Prepaid Expenses**

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

**9. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

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

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

**10. Unearned Revenue**

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

**11. Net Position**

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

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

**12. Water Sales and Services**

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

**13. Capital Contributions**

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

**14. Budgetary Policies**

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

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**15. Reclassification**

The Agency has reclassified certain prior year information to conform to current year presentations.

**(2) Cash and Cash Equivalents**

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

	<u><b>2020</b></u>
Cash and investments	
Deposits with financial institutions	\$ 166,496
Deposits in Local Agency	
Investment Fund (LAIF)	<u>2,349,540</u>
Total cash and investments	<u><u>\$ 2,516,036</u></u>

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

	<u><b>2020</b></u>
Deposits in Local Agency	
Investment Fund (LAIF)	<u><u>191 days</u></u>

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

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the	
Commercial Paper - Non-Pooled Funds	270 days	District's money	10%
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Investment in State Investment Pool***

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

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

***Custodial Credit Risk***

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

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

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

***Interest Rate Risk***

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

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Agency's deposit portfolio with governmental agencies, LAIF, is 93% as of June 30, 2020 of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Agency's total investments.

**(3) Installment Purchase Receivable**

The Agency entered into an Installment Purchase Contracts with Rowland Water District (RWD) and Walnut Valley Water District (WVWD) related to the issuing of Bonds. RWD and WVWD received the proceeds of the Bonds and are required to make semi-annual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semi-annual basis by the Agency to the holders of the Bonds. The current portions to be paid by RWD and WVWD as of June 30, 2020, are \$475,000 and \$510,000, respectively, while the total amounts required to be paid by RWD and WVWD as of June 30, 2020, are \$16,935,000 and \$14,400,000, respectively. Please also see note 5 for further detail.

**(4) Capital Assets**

Changes in capital assets for the year ended June 30, 2020, are as follows:

	<u>Balance 2019</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-process	<u>5,835,394</u>	<u>1,506,523</u>	<u>(2,281,072)</u>	<u>5,060,845</u>
Total non-depreciable assets	<u>16,238,348</u>	<u>1,506,523</u>	<u>(2,281,072)</u>	<u>15,463,799</u>
Depreciable assets:				
Old Baldy well	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>8,873,325</u>	<u>2,281,072</u>	-	<u>11,154,397</u>
Total depreciable assets	<u>10,714,538</u>	<u>2,281,072</u>	-	<u>12,995,610</u>
Accumulated depreciation:				
Old Baldy well	(117,837)	(88,378)	-	(206,215)
Pumping plant and equipment	<u>(775,995)</u>	<u>(288,572)</u>	-	<u>(1,064,567)</u>
Total accumulated depreciation	<u>(893,832)</u>	<u>(376,950)</u>	-	<u>(1,270,782)</u>
Total depreciable assets, net	<u>9,820,706</u>	<u>1,904,122</u>	-	<u>11,724,828</u>
Total capital assets, net	<u>\$ 26,059,054</u>	<u>3,410,645</u>	<u>(2,281,072)</u>	<u>27,188,627</u>

For the fiscal year ending June 30, 2020, the Agency transferred \$2,281,072 of construction-in-process to pumping plant and equipment.



**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

**(4) Capital Assets, continued**

***Construction-in-Process***

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30, 2020, are as follows:

	<u><b>2020</b></u>
20" Water Transmission Main Project	\$ 36,736
Six Basins Groundwater Project	<u>5,024,109</u>
Construction-in-process	<u><u>\$ 5,060,845</u></u>

**(5) Long-Term Debt**

Changes in long-term debt for the year ended June 30, 2020, are as follows:

	<u><b>Balance 2019</b></u>	<u><b>Additions</b></u>	<u><b>Payments/ Retirements</b></u>	<u><b>Balance 2020</b></u>	<u><b>Current Portion</b></u>	<u><b>Long-term Portion</b></u>
Bonds payable:						
2012 Series A Water Revenue Bonds:						
Rowland Water District	\$ 17,395,000	-	(460,000)	16,935,000	475,000	16,460,000
2013 Series A Water Revenue Bonds:						
Walnut Valley Water District	<u>14,890,000</u>	<u>-</u>	<u>(490,000)</u>	<u>14,400,000</u>	<u>510,000</u>	<u>13,890,000</u>
Total bonds payable	32,285,000	-	(950,000)	31,335,000	985,000	30,350,000
Capital lease payable	<u>1,779,919</u>	<u>-</u>	<u>(32,122)</u>	<u>1,747,797</u>	<u>36,540</u>	<u>1,711,257</u>
Total	<u><u>\$ 34,064,919</u></u>	<u><u>-</u></u>	<u><u>(982,122)</u></u>	<u><u>33,082,797</u></u>	<u><u>1,021,540</u></u>	<u><u>32,061,257</u></u>

***2012 Series A Water Revenue Bonds – Rowland Water District***

On November 1, 2012, the Agency issued \$19,835,000 of 2012 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of RWD, a member agency. RWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$1,570,182, which is being recorded and amortized over the life of the debt service by RWD, since RWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning June 1, 2013, with interest rates ranging from 1% to 5%. The Bonds are scheduled to mature on December 1, 2042. The rate covenants of the Bonds require that net revenues of RWD for each fiscal year be equal to at least 110% of the annual debt service payments required for that fiscal year.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***2012 Series A Water Revenue Bonds – Rowland Water District, continued***

Future annual debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 475,000	685,500	1,160,500
2022	495,000	666,500	1,161,500
2023	515,000	646,700	1,161,700
2024	540,000	626,100	1,166,100
2025	560,000	604,500	1,164,500
2026-2030	3,105,000	2,706,850	5,811,850
2031-2035	3,630,000	2,197,025	5,827,025
2036-2040	4,400,000	1,472,000	5,872,000
2041-2043	<u>3,215,000</u>	<u>326,750</u>	<u>3,541,750</u>
Total	16,935,000	<u>9,931,925</u>	<u>26,866,925</u>
Current	<u>(475,000)</u>		
Non-current	\$ <u>16,460,000</u>		

***2013 Series A Water Revenue Bonds – Walnut Valley Water District***

On March 1, 2013, the Agency issued \$17,300,000 of 2013 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of WVWD, a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$2,695,738, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest is payable on June 1st and December 1st of each year beginning December 1, 2013, with interest rates ranging from 1% to 5%. Principal is due December 1st each year beginning December 1, 2013. The Bonds are scheduled to mature on December 1, 2038. The rate covenants of the Bonds require that net revenues of WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***2013 Series A Water Revenue Bonds – Walnut Valley Water District, continued***

Future annual debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 510,000	720,000	1,230,000
2022	535,000	694,500	1,229,500
2023	565,000	667,750	1,232,750
2024	595,000	639,500	1,234,500
2025	620,000	609,750	1,229,750
2026-2030	3,610,000	2,550,250	6,160,250
2031-2035	4,610,000	1,552,750	6,162,750
2036-2040	<u>3,355,000</u>	<u>341,000</u>	<u>3,696,000</u>
Total	14,400,000	<u>7,775,500</u>	<u>22,175,500</u>
Current	<u>(510,000)</u>		
Non-current	\$ <u>13,890,000</u>		

***Capital Lease***

On January 24, 2018, the Agency entered into a lease agreement for the use of a well. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the value of the future minimum lease payments as of the inception date in the amount of \$1,841,213. The lease is payable in semi-annual payments of \$50,000, adjusted every July 1 for the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area published by the Bureau of Labor Statistics for the preceding year, through July 31, 2039 at an annual interest rate of 4%.

Future annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 36,540	69,550	106,090
2022	41,231	68,042	109,273
2023	46,207	66,344	112,551
2024	51,484	64,443	115,927
2025	57,076	62,329	119,405
2026-2030	381,466	271,491	652,957
2031-2035	578,613	178,343	756,956
2036-2039	<u>555,180</u>	<u>46,004</u>	<u>601,184</u>
Total	1,747,797	<u>826,546</u>	<u>2,574,343</u>
Current	<u>(36,540)</u>		
Non-current	\$ <u>1,711,257</u>		

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

**(6) Net Position**

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

	<u>2020</u>
<b>Net investment in capital assets:</b>	
Capital assets, net	\$ 27,188,627
Capital lease, current	(36,540)
Capital lease, non-current	<u>(1,711,257)</u>
<b>Total investment in capital assets</b>	<u>25,440,830</u>
<b>Unrestricted net position</b>	<u>8,520,420</u>
<b>Total net position</b>	<u><u>\$ 33,961,250</u></u>

**(7) Risk Management**

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

On June 30, 2020, the Agency participated in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

- General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

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

- Crime coverage up to \$1,000,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer, and funds transfer fraud coverages. subject to \$1,000 deductible per loss.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to a \$2,500 deductible per loss. Mobile equipment and vehicles, on file, are paid on actual cost value basis at time of loss and subject to \$1,000 deductible per loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Workers' compensation coverage up to California statutory limits for all work-related injuries/illnesses covered by California law; a pooled self-insured limit of \$2,000,000. The ACWA/JPIA purchased additional excess coverage layer: \$2,000,000 employer's liability.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the fiscal years ended June 30, 2020, 2019 and 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2020, 2019 and 2018.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2020, that have effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed due to the COVID-19 pandemic.

***Governmental Accounting Standards Board Statement No. 84***

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 87***

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 89***

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Governmental Accounting Standards Board Statement No. 89, continued***

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

***Governmental Accounting Standards Board Statement No. 90***

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.



**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Governmental Accounting Standards Board Statement No. 91***

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 92***

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Governmental Accounting Standards Board Statement No. 93***

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR.

This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 94***

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

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

***Governmental Accounting Standards Board Statement No. 96***

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 97***

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

**Puente Basin Water Agency**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Year Ended June 30, 2020**

**(9) Commitments and Contingencies**

***Grant Awards***

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

***Construction Contracts***

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

***Litigation***

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

***COVID-19 Pandemic***

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Agency could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The Agency has not included any contingencies in the financial statements specific to this issue.

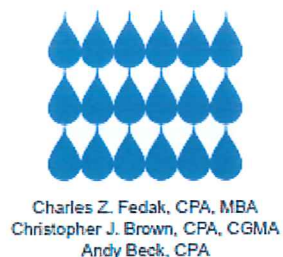
**(10) Subsequent Events**

Events occurring after June 30, 2020, have been evaluated for possible adjustment to the financial statements or disclosure as of December 10, 2020, which is the date the financial statements were available to be issued.

# **Report on Internal Controls and Compliance**







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Certified Public Accountants

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

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Puente Basin Water Agency (Agency) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 10, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

**Purpose of this Report**

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

*Fedak & Brown LLP*

**Fedak & Brown LLP**  
Cypress, California  
December 10, 2020

# Tab

## 2.4



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516

[nbsgov.com](http://nbsgov.com)

December 22, 2020

Tom Coleman  
General Manager  
Rowland Water District  
3021 Fullerton Road  
Rowland Heights, CA 91748

**RE: Proposal for Water Rate Study Update**

Dear Mr. Coleman,

We are pleased to submit NBS' proposal to Rowland Water District (District) for the Water Rate Study Update. We are excited about the possibility of working with you and your team on this study, and see three key objectives that need to be addressed:

- **Sustainable Financial Plan** – The Financial Plan developed in the 2016 Water Rate Study will be updated to reflect costs in the current operating and maintenance budget, and capital improvement planning efforts.
- **Update Rate Schedule** – Since the current rate structure is working for the District, we plan to maintain the structure in this upcoming rate setting process. Our focus will be on developing an updated rate schedule that reflects the current and planned costs. We will also review the percentage of revenue collected from fixed and variable charges and evaluate options for potentially adjusting the current allocation.
- **Support with the New Rate Adoption Process** – We will assist the District in communicating the outcomes and recommendations of the study in workshops with the Board of Directors. Our goal is that any given Director, if approached by a member of the public, will feel comfortable explaining the whys and hows of any new rate plan that is developed in this study.

The team that we will dedicate to this effort has the precise expertise and knowledge to accomplish the tasks required. Given our project manager's experience completing the 2016 Water Rate Study, our team is well-suited to address the District's specific needs for the project. We will work cooperatively with you and your team to update rates and charges to reflect current costs. Throughout every step of the process, we will strive to provide clear reasoning and simple answers to your questions and concerns.

Our proposal lays out our approach to the District's water rate study and provides background information on my team's experience. Please contact me at 800.676.7516 or via email at [kboehler@nbsgov.com](mailto:kboehler@nbsgov.com) if you have any questions or concerns. We would genuinely like to work on this project and help the District move forward successfully.

Sincerely,

A handwritten signature in blue ink that reads "Kim Boehler".

Kim Boehler  
Director



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*"I just wanted to take the opportunity to thank you and Greg for the exceptional work on our Sewer Rate Study. It was always reassuring to know that the numbers provided would stand up to any challenges due to the fact that the financial analyses you provided were thorough, defensible, and based on logical and generally accepted practices within the industry.*

*We certainly appreciated your diligence, patience, professionalism, and ability to keep a sense of humor, and look forward to working with you and your team in the future."*



**DOUG MATHEWS**  
director of public  
works & water

# 1 | PROJECT UNDERSTANDING

---

Rowland Water District is embarking on a review and update of the water rates most recently established in 2016<sup>1</sup>. NBS plans to work cooperatively with District staff to develop an updated financial plan and rate schedule that incorporates current and planned operating, maintenance and capital improvement costs. NBS will provide the leadership necessary to guide you through the various options, key concerns, and explain the issues involved in updating the District's Rates and Charges.

The following are key components that will be critical for the success of this effort:

- **Ensuring Financial Stability** – The first important task in this study will be updating the financial plan established in 2016. This will ensure the continued long-term financial health of Rowland Water District, while also balancing the affordability of water rates. The financial plan update will incorporate all of the District's financial obligations, including operations, maintenance, capital improvement costs and contributions to reserve funds.
- **Update Water Rate Schedule** – Once the financial plan is updated, NBS will then update the water rate schedule for the next five years. This update will include the District's rates and charges for potable and recycled water service, construction rates, zonal elevation charges, and drought rates. Along with this analysis, we will review customer bill impacts of any proposed rate alternatives and evaluate the cost of providing water service among other retailers in the region. The key objective of this update is to provide sufficient funding for the Utility and determine the impact of potential rate adjustments on ratepayers.
- **Fostering Transparency and Communication** – NBS always strives for transparency in communicating the study methodology, assumptions, and results. Since "complexity is the enemy of understanding," we strive to provide concise, simple, and clear explanations at every part of the study. We plan to work alongside District staff in public meetings and workshops with the Board of Directors to provide the education needed to support the new rate adoption process.
- **Quality Project Delivery** – Our team offers our personal commitment to a successful completion of this study, and we have many client references to back up this commitment. We believe having a consultant with sound judgment and trustworthy quality control is essential for the success of any rate study. NBS has a proven track-record of tailoring each rate study to the District's needs rather than using a boiler-plate approach.

*Lastly, due to our history working with Rowland Water District, we are committed to and have a genuine interest in successfully completing any project we undertake for the District.*

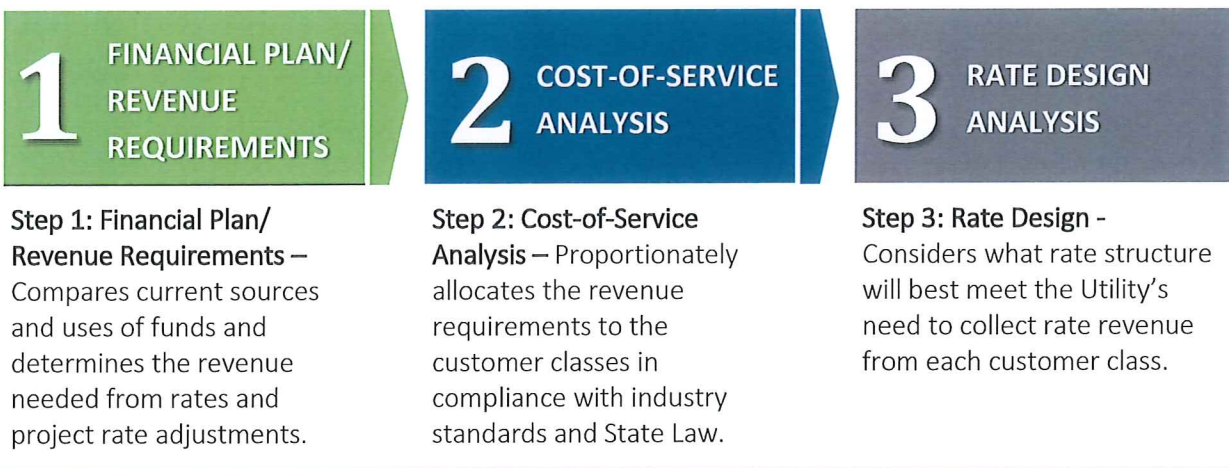
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<sup>1</sup> Rowland Water District, Water Rate Study, December 2016. Referred to throughout this proposal as the "2016 Rate Study."

## 2 | SCOPE OF WORK

NBS follows the basic industry standards shown in Figure 1, which are intended to reflect the fundamental principles of cost-of-service ratemaking embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges<sup>2</sup>, also referred to as Manual M1. We will also address requirements under Prop 218 that rates not exceed the cost of providing the service and that they are proportionate to the cost of providing service for all customers. In terms of the chronology of the study, these three steps represent the order in which they will be performed in this Study.

**Figure 1. Primary Components of a Rate Study**



NBS will work cooperatively with District staff, management and stakeholders, to develop a financial plan and rate recommendations that are well suited to the District's needs, are practical and implementable. The scope of services NBS offers for completing the study is presented in this section. We will also be prepared to make adjustments during the course of the study to reflect the direction of District staff and stakeholders as the study progresses. NBS will provide the leadership necessary to guide you through the various options, key concerns, and explaining the issues involved. These tasks serve as the basis for the proposed budget for this study.

### **TASK 1. KICKOFF MEETING AND DATA COLLECTION**

NBS will hold a kick-off meeting with Rowland Water District staff at the beginning of the study. The kick-off meeting will be used to review and discuss the data from the billing/accounting system and data requirements in general and review study objectives, tasks, and schedule. A preliminary plan for public presentations will be discussed with the District during this meeting. The data that Rowland Water District will need to provide includes customer account information including:

- Customer billing information that includes: meter sizes, customer class and monthly (or bi-monthly) water consumption, for each customer.
- Financial data typically reported in financial statements.
- Capital Improvement and/or Master Plans.

<sup>2</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, sixth edition, 2012.*



## TASK 2. FINANCIAL PLAN

NBS will prepare a detailed financial plan for the District that details revenue, expenditures, reserves, capital improvement costs, repair and replacement costs and net revenue requirements. Task deliverables will include:

- 20-year financial projection model that will serve as a financial “roadmap” for the District .
- Summary of current and projected net revenue requirements.
- Update reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service and capital projects.
- Projected year-end reserve fund levels.

This financial plan will lay the groundwork for the cost-of-service and rate calculations addressed in Tasks 3 and 4. The following subtasks are anticipated:

1. **Projected Revenues and Expenditures** – Using a cash-basis reflecting Rowland Water District’s system of accounts, NBS will prepare a 20-year projection of revenues, expenses, and increases in rate revenue needed to meet all obligations. This will provide the District with a financial planning tool to plan for rate adjustments to address operating and maintenance costs, infrastructure improvements, asset replacement and maintaining appropriate reserve fund levels. The District’s projected customer growth rates from capital improvement plan documents and planned cost inflation factors will be incorporated in this analysis.
2. **Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues such as meeting debt service coverage ratios and other rate covenants. We will provide recommendations for reserve fund targets that are tailored to Rowland Water District’s specific needs such as operating, capital rehabilitation/replacement, rate stabilization and catastrophes, etc. We will develop a phased-in approach to funding reserves to minimize the impact to ratepayers.
3. **Review Capital Improvement Program Funding** – NBS will incorporate the District’s plans for new facilities, infrastructure improvements, and asset replacement plans into the financial plan. We will evaluate the timing, costs, and available reserves used to fund various projects. We will work with District staff to develop a well-conceived approach to funding these capital needs.

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

Figure 2. Summary of 5-Year Revenue Requirements and Rate Increases

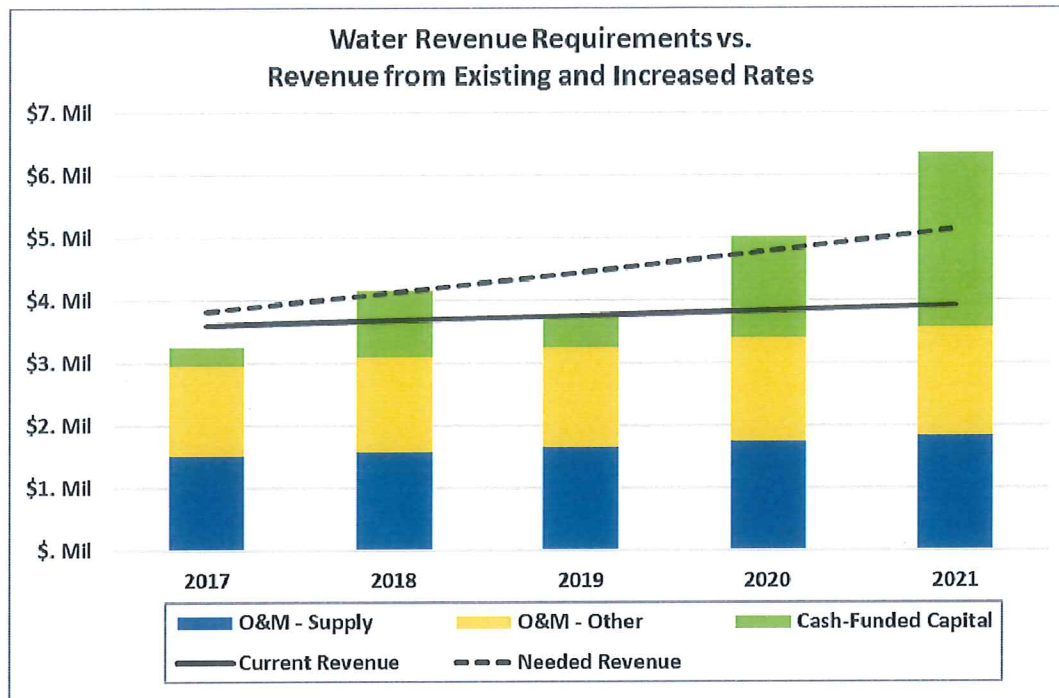
Financial Plan Summary	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<i>Sources of Water Funds</i>					
Rate Revenue Under Prevailing Rates	\$3,500,000	\$3,570,000	\$3,641,400	\$3,714,228	\$3,788,513
Non-Rate Revenues	75,000	82,500	90,750	99,825	109,808
Interest Earnings	24,823	24,527	21,877	16,497	15,605
<b>Total Sources of Funds</b>	<b>\$3,599,823</b>	<b>\$3,677,027</b>	<b>\$3,754,027</b>	<b>\$3,830,550</b>	<b>\$3,913,925</b>
<i>Uses of Water Funds</i>					
Operating Expenses:					
Water Supply	\$1,500,000	\$1,575,000	\$1,653,750	\$1,736,438	\$1,823,259
Transmission and Distribution	1,000,000	1,050,000	1,102,500	1,157,625	1,215,506
Administration	105,000	109,200	113,568	118,111	122,835
Utility Billing	173,000	179,920	187,117	194,601	202,386
Engineering	175,000	182,000	189,280	196,851	204,725
<b>Subtotal: Operating Expenses</b>	<b>\$2,953,000</b>	<b>\$3,096,120</b>	<b>\$3,246,215</b>	<b>\$3,403,626</b>	<b>\$3,568,712</b>
Rate-Funded Capital Expenses	250,000	350,000	500,000	600,000	650,000
<b>Total Use of Funds</b>	<b>\$3,203,000</b>	<b>\$3,446,120</b>	<b>\$3,746,215</b>	<b>\$4,003,626</b>	<b>\$4,218,712</b>
Additional Revenue from Rate Increases	210,000	436,800	681,492	945,235	1,229,260
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$606,823</b>	<b>\$667,707</b>	<b>\$689,304</b>	<b>\$772,159</b>	<b>\$924,473</b>
<i>Projected Annual Rate Revenue Increase</i>	<i>6.00%</i>	<i>6.00%</i>	<i>6.00%</i>	<i>6.00%</i>	<i>6.00%</i>

Figure 3. Summary of 5-Year Reserve Fund Balances

Reserve Fund Balances and Recommended Reserve Targets	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<i>Operating Reserve</i>					
Ending Balance	\$1,982,000	\$1,850,000	\$1,775,000	\$1,740,000	\$1,700,000
<i>Recommended Minimum Target</i>	<i>1,477,000</i>	<i>1,548,000</i>	<i>1,623,000</i>	<i>1,702,000</i>	<i>1,784,000</i>
<i>Capital Rehabilitation &amp; Replacement Reserve</i>					
Ending Balance	\$7,397,161	\$7,397,161	\$6,397,874	\$4,266,338	\$3,934,789
<i>Recommended Minimum Target</i>	<i>2,000,000</i>	<i>2,250,000</i>	<i>2,500,000</i>	<i>2,750,000</i>	<i>3,000,000</i>
<i>Debt Reserve</i>					
Ending Balance	\$550,000	\$563,750	\$577,844	\$592,290	\$607,097
<i>Recommended Minimum Target</i>	<i>555,000</i>	<i>555,000</i>	<i>555,000</i>	<i>555,000</i>	<i>555,000</i>
<b>Total Ending Balance</b>	<b>\$9,929,161</b>	<b>\$9,810,911</b>	<b>\$8,750,718</b>	<b>\$6,598,628</b>	<b>\$6,241,886</b>
<i>Total Recommended Minimum Target</i>	<i>\$4,032,000</i>	<i>\$4,353,000</i>	<i>\$4,678,000</i>	<i>\$5,007,000</i>	<i>\$5,339,000</i>



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



### TASK 3. COST OF SERVICE ANALYSIS

NBS will update the cost-of-service analysis developed in the 2016 Rate Study. In this analysis, the revenue requirements will be equitably allocated to individual customer classes based on industry standard methodologies. We will review existing customer classes and analyze the historical characteristics of each customer class, but assume there will be no major changes to the customer classifications from the 2016 Rate Study. The main components of the cost-of-service analysis are as follows:

- 1. Functionalization/Classification of Expenses** – Functionalizing the expenses means arranging costs into basic categories, such as source of supply, treatment, transmission, and distribution, as well as administrative and overhead costs. Once the costs have been functionalized, they are then classified to their various cost components, such as: fixed capacity, variable (commodity), or customer-related costs.
- 2. Allocation of Costs to Customer Classes** – These costs are then allocated to individual customer classes based on allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used for the actual rate calculations.

### TASK 4. DEVELOP UPDATED RATES AND CHARGES

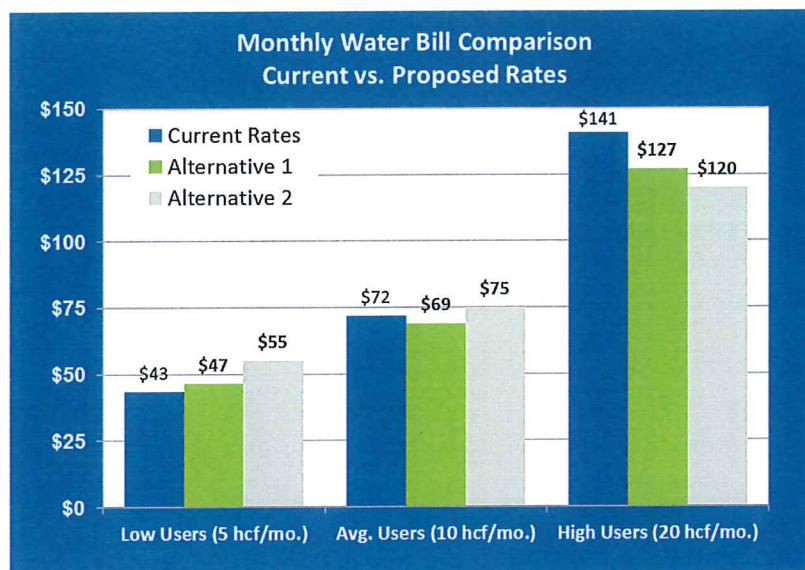
NBS will work with District staff to review the current rate structure and develop new alternatives, to ensure that new rates will meet the District's broader rate design goals and objectives. We understand the District plans to maintain the existing rate structure that consists of fixed charges based on water meter size, a tiered volume rate for single-family residential customers and a uniform volume rate for all other customers. The following subtasks are anticipated for this analysis:

1. **Calculate Updated Fixed and Volumetric Charges** – Ideally, fixed charges should be used to cover fixed costs; however, due to the emphasis on using pricing signals to encourage conservation, this is rarely the case. As a result, many agencies have struggled with revenue stability during times of uncertain demands. Fixed charges will reflect the number of accounts, equivalent meters, and size of meters. In contrast, volumetric rates should cover variable costs and should be allocated in proportion to consumption. Determining the best combination of fixed and variable charges is also influenced by other factors, such as revenue stability, conservation, ease of understanding, and ease of administration. NBS will work with District staff to develop an appropriate balance between fixed and variable charges in the new water rates. The following rates and charges will be updated in this process:

- Potable Water Rates
- Recycled Water Rates
- Zonal Elevation Charges
- Construction Rates
- Drought Rates

2. **Comparison of Monthly Bills** – In order to compare rate alternatives, we will prepare rate tables and bill comparisons for various customer classes to illustrate how the rate adjustments will affect customer bills, as illustrated in Figure 5. These tables and charts will be used in the report, and in workshops and presentations.

**Figure 5. Sample Bill Comparison**



3. **Develop Five-Year Rate Schedule** – An updated five-year rate schedule will be developed for each alternative considered in the study.

## **TASK 5. REGIONAL RATE COMPARISON**

NBS will compare current and proposed water rates to ten neighboring communities to see how Rowland Water District's rates compare to other nearby water retailers. Given the District has received concerns from customers on its fixed charges in comparison to other nearby water providers, we will highlight the difference in the District's fixed and variable charges among the comparison agencies. The results of this

comparison will be presented in the rate study report and in public presentations. The comparisons will provide District staff and the Board with a basis to compare the cost of delivering water service to customers in the region.

## **TASK 6. PREPARE RATE STUDY REPORT**

NBS will prepare a rate study report that includes proposed rates for the next five years. An executive summary and introduction will present the purpose of the report and results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise and understandable report that will provide the District with a thorough administrative record that addresses:

- Findings and recommendations.
- Overall study methodology, with reference to AWWA M1 Manual and industry standards as needed.
- Five-year financial plan, including a revenue and expense projection.
- Description of the capital improvement program, as provided by Rowland Water District.
- Supporting justification in the form of calculation tables that are easy to understand.
- Appropriate figures and tables summarizing key aspects and results of the study.
- Proposed potable and recycled water rates for a five-year period.
- Customer bill comparisons.
- Regional rate comparison.

We will provide an electronic file in Microsoft Word format of the draft report for the District's review and comment. Once we have received the District's comments<sup>3</sup>, we will incorporate those comments into a final report.

## **TASK 7. MEETINGS AND PRESENTATIONS**

NBS plans to provide support to Rowland Water District in public meetings to support the new rate adoption process. We will also plan to meet with District staff to review study results and recommendations throughout the project. The following meetings and presentations are anticipated for this study:

- 1. Meetings with District Staff** – We will hold meetings with District staff to review and discuss work products and gain insight from Staff on the direction of the study. Work-in progress meetings will be held via conference call or video conferencing format. We also expect to have regular phone conversations with District staff to review data, discuss the study's progress, solicit input from staff, and review the study's initial results.
- 2. Public Workshops/Presentations** – NBS will provide three (3) public workshops<sup>4</sup> with the Board of Directors. In these presentations, NBS will educate the Board on the rate study process, present study results, recommendations, receive input and guidance on the direction of the study and answer questions. We will prepare a PowerPoint presentation for these meetings, which will include visual aids, graphics, charts and additional worksheets or handouts.

Please note, we have the tools to accomplish all aspects of the project's work plan remotely from NBS offices. We utilize video conferencing, email, and telephone to coordinate on the project and review

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<sup>3</sup> We assume District's comments will be in an electronic Microsoft Word file using track-changes mode.

<sup>4</sup> The number of meetings/presentations that NBS provides can be adjusted as necessary by District staff. We plan to discuss the number of meetings and plans for presentation at the kick-off meeting and adjust throughout the process as needed.

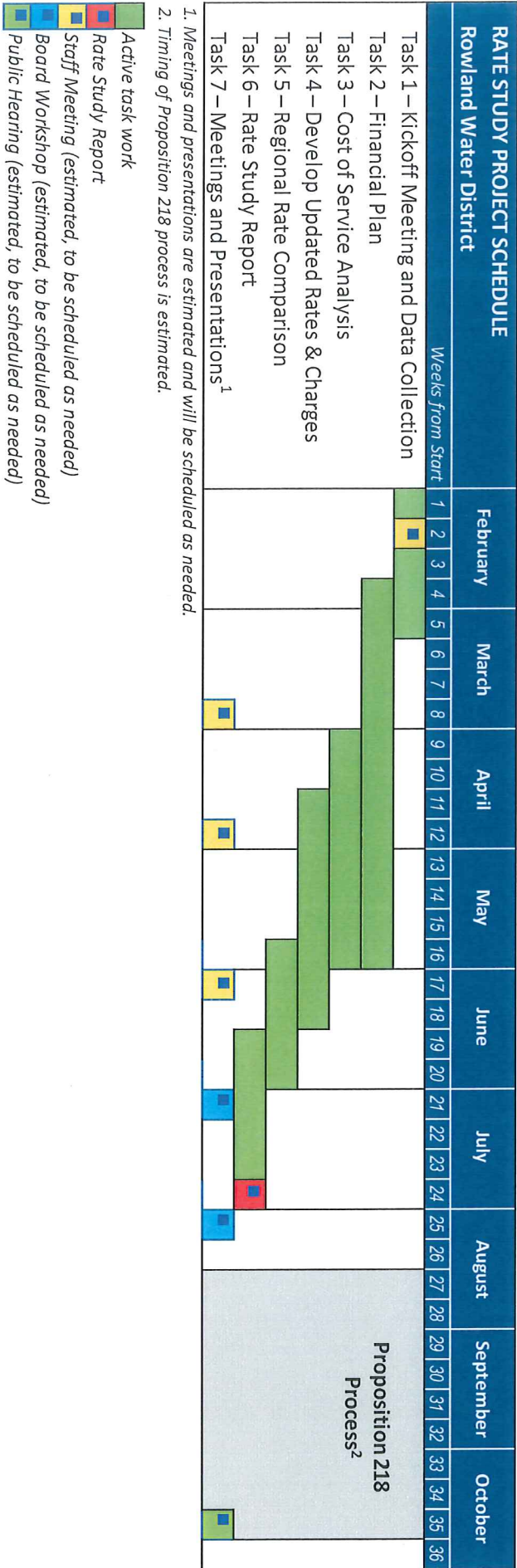


deliverables in an effective manner. For purposes of developing a project budget, we have assumed all work review meetings with District staff will be conducted remotely. Given the planned timing of the public workshops/presentations, we have assumed those meetings will take place on-site at District offices. However, we will remain flexible throughout the project to provide meetings and presentations either on-site or remotely considering public health circumstances.

### 3 | PROJECT TIMELINE

The following is an overview of our proposed project schedule. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks.

#### PROJECT SCHEDULE FOR ROWLAND WATER DISTRICT



## 4 | BUDGET

Our professional fees are based on our understanding of the District's needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis at the hourly labor rates shown in the budget table below, with a not to exceed fee of \$52,760. **Additional services requested**, such as additional public meetings or additional rate alternatives, can be provided based on the hourly labor rates shown in the table below. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

PROJECT BUDGET - Rowland Water District: Water Rate Study					
Rate Study Tasks	Consultant Labor (Hours)			Grand Totals	
	Project Manager (Boehler)	Technical Advisor (Clumpner)	Consultants (Bou, Taylor)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rates</i>	<i>\$215</i>	<i>\$255</i>	<i>\$170</i>		
Task 1 – Kickoff Meeting and Data Collection	6.0	-	10.0	16.0	\$2,990
Task 2 – Financial Plan	16.0	-	28.0	44.0	\$8,200
Task 3 – Cost of Service Analysis	10.0	2.0	24.0	36.0	\$6,740
Task 4 – Develop Updated Rates & Charges	20.0	4.0	56.0	80.0	\$14,840
Task 5 – Regional Rate Comparison	4.0	-	14.0	18.0	\$3,240
Task 6 – Rate Study Report	8.0	2.0	16.0	26.0	\$4,950
Task 7 – Meetings and Presentations					
7.1 - Meetings with District Staff	8.0	-	8.0	16.0	\$3,080
7.2 - Public Workshops/Presentations <sup>1</sup>	24.0	-	18.0	42.0	\$8,220
<b>Subtotal</b>	<b>96.0</b>	<b>8.0</b>	<b>174.0</b>	<b>278.0</b>	<b>\$52,260</b>
Reimbursable Expenses <sup>2</sup>					\$500
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>96.0</b>	<b>8.0</b>	<b>174.0</b>	<b>278.0</b>	<b>\$52,760</b>

1. We assume three public presentations will be provided (two workshops and one public hearing).

2. Estimated travel expenses for on-site meetings/presentations.

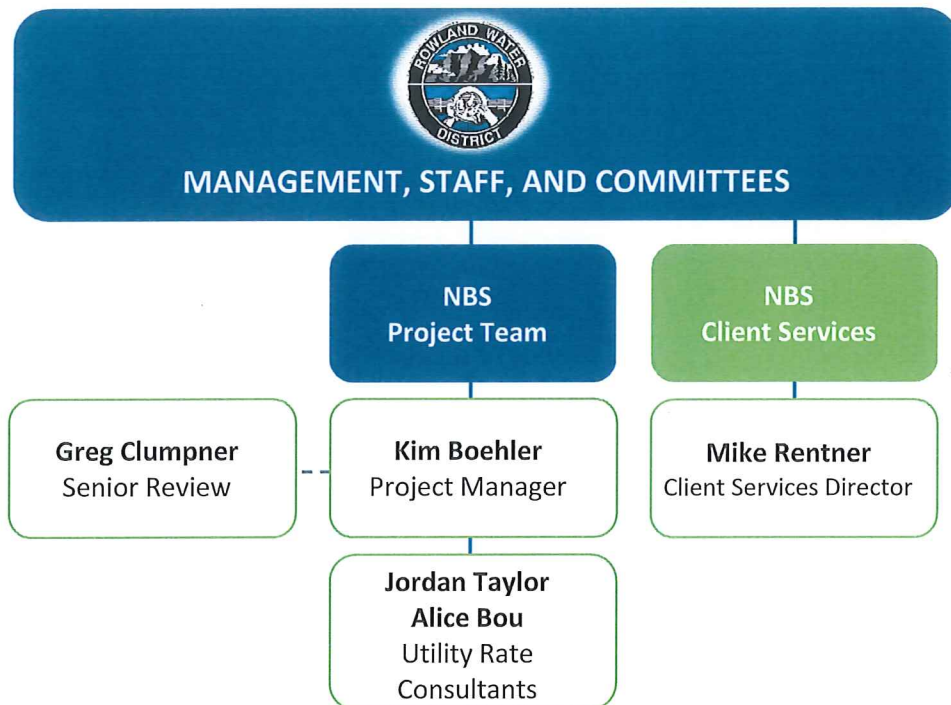


## 5 | PROJECT TEAM

### Key Personnel

NBS' staff include 48 professionals with extensive experience in the fields of finance, management, engineering, and local governance. The staff selected for Rowland Water District's Water Rate Study Update are those most qualified based on their experience and backgrounds. The following is a brief overview of NBS' proposed consulting team. Our team members work together seamlessly allowing your staff to focus on other priorities.

### NBS Project Team Organization



### KIM BOEHLER, PROJECT MANAGER

**Role and Responsibilities:** Kim Boehler will direct the work efforts of the project team and will work closely with the District's project manager to discuss and review the overall approach, development of rate alternatives, and creative solutions to consider. She will design and direct analytical efforts of the project team, provide senior-level technical analysis and review, and monitor the schedule and delivery of work products to the District's satisfaction. Kim will be fully conversant in all findings and will be present for progress meetings with District staff and all public presentations for this project.

**Work Experience:** Kim Boehler is a project manager who brings more than 14 years of experience at NBS, in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in utility financial management, special financing district administration, overhead cost allocation analysis, and user fee studies. For the past ten years, Kim's work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California. She leads project teams on water and wastewater rate and capacity charge studies for

our public agency clients. Kim has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences and educational seminars on related issues.

### **GREG CLUMPNER, SENIOR REVIEW**

**Role and Responsibilities:** Greg Clumpner will provide technical review, including the evaluation of study alternatives and results, as needed throughout the project. He will assist the project team in developing the best solutions that will fit the District's unique characteristics and issues.

**Work Experience:** As a director in NBS' Utility Rate Study Practice, Greg Clumpner's 35-year professional career has focused on cost-of-service rate studies for municipal water, sewer, recycled water and solid waste agencies. He regularly makes technical presentations at industry conferences and client workshops. Greg's practice includes management-consulting assignments related to utility operations, system valuations, and feasibility studies. He also created and managed Foresight Consulting where, for six years, his practice focused on water and sewer rate analyses. He has completed 400+ similar studies during his career.

Additionally, since Greg works with Prop 218 legal counsel on an on-going basis, he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements.

### **JORDAN TAYLOR, UTILITY RATE CONSULTANT**

**Role and Responsibilities:** Jordan Taylor will support the project team in performing large-scale data analysis and validation, data input and will also help develop the financial plan(s).

**Work Experience:** Jordan Taylor has a Bachelor of Science degree in Chemistry and a Master's Degree in Business Administration with an emphasis in Finance. She offers more than 10 years of accounting experience along with extensive knowledge of financial analysis and budget planning.

### **ALICE BOU, UTILITY RATE CONSULTANT**

**Role and Responsibilities:** Alice Bou will support the project team in performing large scale data analysis and validation, data input, and will also help develop the financial plan. As needed, she will facilitate data collection and reminders for District staff in order to move projects forward on the agreed-upon timeline for completion.

**Work Experience:** Alice Bou has a Bachelor of Arts degree and offers more than two decades of experience working in accounting and financial management performing data analysis, variance analysis, budgeting and forecasting, financial modeling and managerial reporting.

### **MICHAEL RENTNER, CLIENT SERVICES DIRECTOR**

**Role and Responsibilities:** As Client Services Director, Mike Rentner will ensure that the District's fundamental objectives are being met at all times and that the project is proceeding on a timely basis. He is included on the team as an active representative of our company's commitment to the highest level of service.

**Work Experience:** Serving as President and CEO, Mike Rentner possesses 26 years of experience in a wide range of public and private management and finance activities. As a founding member of NBS, he is responsible for the ongoing operations of the company including marketing strategy, strategic planning,

acquisitions and mergers, new product development and the development and implementation of a delinquency management system for special districts. Mike is a registered Municipal Advisor and authorized to negotiate/sign on behalf of NBS.

*Full resumes are included in the Appendix.*



## 6 | REFERENCES

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Below is a sampling of projects and references similar in scope and magnitude to the District's study.

### CITY OF SANTA MONICA

#### WATER AND WASTEWATER RATE AND CAPITAL FACILITY FEE STUDIES

*Project Dates: September 2018 to May 2020*



##### Contact Information

Sunny Wang  
Water Resources Manager  
1212 5<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Santa Monica, CA 90401  
P: 310.458.8230  
E: Sunny.Wang@SMGOV.NET

**NBS Project Team:** Kim Boehler  
and Jordan Taylor

In 2020, NBS completed a comprehensive Water and Wastewater Rate and Capacity Fee Study for the City of Santa Monica. Key objectives addressed in the study included developing long-term financial plans that ensure the City's operating and capital needs are met, along with maintaining adequate reserve funds. The City has adopted Water Self Sufficiency goals, and key capital projects that are needed to meet these goals. We worked with City staff throughout the study to identify funding and develop options to fund the Sustainable Water Infrastructure project that is estimated to cost over \$200 million. The project will be funded with a combination of outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases.

The City also had several rate structure objectives that were addressed in the study such as providing greater revenue stability for the utilities by collecting a greater percentage of revenue from fixed water meter charges and incorporating a modest fixed charge in the wastewater rate structure. Additionally, the tiered volumetric water rates were updated to apply to all customer classes and were designed to reflect the City's various sources of water supply. NBS also conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods (and estimated wastewater flow).

All study recommendations were reviewed in several meetings with the Task Force on the Environment, which was made up of 10-12 residents of the City. In these meetings, we presented study data, outcomes, and recommendations and worked with the Task Force to develop final recommendations to City Council that were agreeable for all parties. Other services provided in the study included preparing the Proposition 218 Notice that was mailed to all property owners and utility customers as notification of potential rate adjustments and updating the City's capital facility fees to reflect infrastructure costs needed to serve new development.

## CITY OF VICTORVILLE, CA

### WATER RATE STUDY, SEWER RATE & CAPACITY FEE STUDY, SOLID WASTE RATE STUDY AND STORM DRAINAGE FEE FEASIBILITY STUDY

Project Dates: January 2015 – Current



#### Contact Information

Doug Mathews  
Director of Public Works  
and Water  
14343 Civic Center Drive  
Victorville, CA 92393  
P: 760.243.6332  
E: dmathews@ci.victorville.ca.us

**NBS Project Team:** Kim Boehler,  
Greg Clumpner and Alice Bou

In 2016, NBS completed a Water Rate Study, and subsequently completed Sewer and Solid Waste Rate Studies for the City of Victorville in 2018. The main concerns addressed in the sewer rate study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and Industrial Pretreatment Program Fees for four significant industrial users that utilize the City's Industrial Wastewater Treatment Plant (IWWTP) and collection system, and rates for all residential and commercial customers that utilize a combination of City-owned and operated collection system, the IWWTP and a regional wastewater treatment provider.

In the 2018 Solid Waste Rate Study, the main issues addressed included increasing rates to fund cost increases and new regulatory requirements. Since 2008, the City experienced increases in administrative and hauler costs, pavement impact fees, and regulatory requirements related to recycling goals and implementing a commercial organics program. The City utilized reserve funds over the prior ten years to absorb the cost increases, rather than pass them on to rate payers, and increases in rates were necessary at the time to ensure the Solid Waste enterprise fund remained in a positive financial position.

In the Water Rate Study, key issues addressed included developing a capital funding plan that would fund over \$55 million in rehabilitation and replacement projects and updating the water rate structure to one based on industry standard methodologies, and developing drought surcharges that can be implemented in increased drought stages. A key part of all three rate studies was working with a challenging City Council in several workshops to develop rate alternatives that all Council members could agree on, and support for the public approval process.

NBS is currently in the process of preparing a Storm Drainage Fee Study and a Sewer Capacity Fee Study for the City, both of which are estimated to be complete in 2020.

## APPENDIX | RESUMES

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This appendix contains full resumes for our proposed project team.



**EDUCATION**

- Bachelor of Science, Business Administration, Finance, California State University, San Bernardino

**AFFILIATIONS**

- Registered Municipal Advisor
- American Water Works Association (AWWA), Member

**SPEAKING / MEDIA  
(LAST 5 YEARS)**

- “Embedded Social Justice: Are Utility Rates Really Fair and Equitable?” – California League of Cities, Municipal Finance Institute, December 2017
- “How Conservation, the Drought and Legal Issues Are Changing the Landscape for Rate Setting in California” – American Water Works Association Water Education Seminar, August 2016
- “Conservation, the Drought and Social Justice” – California Water Environment Association Annual Conference, April 2016
- “Brown Lawns and the Changing Landscape of California Water Rates: Next Steps?” – AWWA CA-NV Section Spring Conference, March 2016
- “Water and Sewer Rates: From Defensibility to Tailor Made Rate Design” – CSDA Annual Conference, September 2015
- “Basic Rate Making Principles and Key Issues Affecting Rates in California” – American Water Works Association Water Education Seminar, August 2015

**HIGHLIGHTS**

Kim Boehler is a Director in our Utility Rate Group and brings more than 14 years of experience at NBS in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in special financing district administration, overhead cost allocation analysis, user fee studies, and utility financial management.

For the past ten years, her work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California.

Kim leads project teams on water and wastewater rate and capacity fee studies for our public agency clients.

She has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences, and educational seminars on related issues.

**RELEVANT PROJECT EXPERIENCE**

- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.
- **Victorville – Water Rate Study, Sewer Rate & Capacity Fee Study, Storm Drainage Fee Study:** In 2016 completed a Water Rate Study, and subsequently completed Sewer and Solid Waste Rate Studies for the City of Victorville in 2018. The main concerns addressed in the sewer rate study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and Industrial Pretreatment Program Fees for four significant industrial users that utilize the City’s Industrial Wastewater Treatment Plant (IWWTP) and collection system, and rates for all residential and commercial customers that utilize a combination of City-owned and operated collection system, the IWWTP and a regional wastewater treatment provider. Evaluated the City’s storm drain program revenue requirements, developed a long-term financial plan and recommended funding solutions to replace or supplement the existing storm drain fee.

## RELEVANT PROJECT EXPERIENCE | CONTINUED

- **Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City's increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City's sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **County of San Luis Obispo – Wastewater Capacity Charge Study:** Calculated wastewater system buy-in amounts for a small community in the County's Service Area with a failing package treatment plant which needed to connect to the County's Los Osos treatment plant. Created a unique funding solution enabling the buy-in amount to be financed over time and collected upon the County secured property tax rolls.
- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City's most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City's water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **Indio Water Authority – Long Range Financial Plan Study:** Created a long-range Financial Plan with multiple overlapping capital improvement program funding plans and water treatment options. Restructured reserve funds, recommended reserve targets and prepared cash flow projections to maximize the Authority's cash position, utilize debt financing, and minimize rate increases.

“You hit a grand slam for us. Your expertise, professionalism, insight and thoroughness places you and NBS in the highest regard with the Board of Directors and Management Staff.”

Martin Krieger, Former Finance Director, Desert Water Agency

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### RELEVANT PROJECT EXPERIENCE | CONTINUED

- **Desert Water Agency, Palm Springs – Water, Recycled Water and Sewer Rate Study:** In 2016, completed a Water, Recycled Water and Sewer Rate Study for the Agency, and has been working with the Agency since 2010 on its utility rate program. The main concerns addressed in the 2016 study were providing more revenue stability for the potable water utility (rates were previously over 80% volumetric), ensuring rates are sufficient to support the \$45 million capital improvement program over the next five years, maintaining sufficient reserve funds, and retaining the Agency's uniform volumetric water rate. To address recent conservation requirements, we developed drought rates for the Agency that can be implemented, if more severe drought stages occur. For the Reclaimed Water and Wastewater utilities, the key issues addressed were developing rates that fully fund utility operations, maintenance, capital replacement costs, and establishing reserve targets for these enterprises that are separate from the Agency's main potable water operation.
- **Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **El Cerrito – Citywide Storm Drainage Master Plan Funding Analysis:** Evaluated the City's storm drainage revenue from an existing parcel tax and developed a long-term financial plan to fund all future obligations including operating, maintenance, and capital improvement program (CIP) costs. Modeled various levels CIP funding options depending on the priority of improvements and available revenue. Various revenue mechanisms were evaluated to determine potential costs to various property types, congruent with the applicable statutory authority to levy a tax, assessment, or fee.

## EDUCATION

- Master of Science, Agricultural/Managerial Economics, U.C. Davis
- Bachelor of Science, Environmental Planning, U.C. Davis

## AFFILIATIONS

- Former Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission

## SPEAKING / MEDIA

- “Tiered Water Rates – Understanding Their Equity and Impact on Customer Bills” – Journal of AWWA, September 2019, Volume 111, Number 9
- “Avoiding Billing Debacles Around New Water or Sewer Rates” – Journal of AWWA, March 2019, Vol. 111, No. 3
- “Changing Perspectives on Outside Surcharges: Understanding New Criteria” – Journal of AWWA, January 2019, Vol. 111, No. 1
- “Social Justice and Water Rates: Impacts of Rate Design on Low-Income Customers” – Journal of AWWA, July 2018, Vol. 110, No 7
- “Rates, Fees and Charges in the Post-Proposition 13, 218 and 26 ERA in California” – NBS Publication, Contributing Author, 2014
- “Setting the Stage for Water Rates: Policy Direction Should Be A Priority”, CSMFO Magazine, November 2016
- “Fiscal Health vs. Pricing for Conservation” – ACWA Fall Conf., Indian Wells, CA, December 2015

## HIGHLIGHTS

Greg Clumpner has 35 years of experience in financial, economic, and cost-of-service rate analyses for municipal water, sewer and solid waste agencies, including broader management consulting:

- **Utility Cost-of-Service Rate Studies:** 400+ cost-of-service analyses and rate design studies; conservation-oriented water rates, capital improvement funding strategies for water, sewer and solid waste utilities
- **Management Consulting and Strategic Planning:** Feasibility analyses of municipal vs. private system operations, system valuations and acquisitions, and bond feasibility studies.

## RELEVANT PROJECT EXPERIENCE

- **City of Redding – Water, Sewer, and Solid Waste Rate and Impact Fee Studies:** Cost-of-service study of water, sewer, and solid waste rate and system capacity charges. Addressed everything from policies objectives to structure alternatives. Worked with a City Council-appointed Citizens Advisory Group that reviewed rate alternatives and provided recommendations to the Council.
- **Mountain House CSD, Tracy, CA – Water and Sewer Cost-of-Service Rate Study:** Study redesigning rates from 1990s-era rate structures that subsidized utilities from the general fund. New rates were phased in over five years and restructured rates, evaluated customer bill impacts, provided public workshops and Prop 218 notices.
- **El Dorado Irrigation District, Placerville, CA – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study:** Worked with the district board and a dedicated committee to review/recommend policy changes; alternative rate designs; and recommended water, sewer, and recycled water rates.
- **Los Angeles Department of Water & Power (LADWP) – Specialized Studies:** As a part of the 2018-19 interim rate review for LADWP under contract with Navigant Consultants (now Guidehouse), prepared evaluations of: (1) Analysis of how demand forecasting methodologies are used for financial planning and rate-setting purposes; (2) Review of temperature zones and water rate impacts to determine whether climate-change adjustments to temperature zone boundaries would change customer water budgets, and; (3) stormwater benefit cost analysis reviewed the feasibility of specific projects.
- **City of Lincoln – Sewer and Solid Waste Rate Studies:** Prepared full cost-of-service rate studies that evaluated rate design alternatives, capital project funding strategies, and changing customer characteristics. The sewer rates provided the basis for issuing new revenue bonds to fund capital improvements.

### RELEVANT PROJECT EXPERIENCE | CONTINUED

“Greg’s knowledge and expertise helped the process immensely. He met with the committees and presented his findings in clear, understandable graphs and tables. He worked with staff to fine tune the information for presentation to the Board and community.”

Brian Lee, General Manager,  
San Lorenzo Valley  
Water District

- **City of Sacramento – Water, Sewer and Stormwater Impact Fees:** Updated citywide impact fees for each utility, including the City’s downtown area combined storm-sewer system as well as the separated systems.
- **Pajaro Sunny Mesa CSD, Monterey – Water Rate Study:** The CSD has nine separate water systems, each with separate rates. This study developed a uniform and combined rate structure for the CSD that met CSD policy objectives and Prop 218 requirements for fairness and equity.
- **City of Santa Paula – Water and Sewer Rate Study:** This study included meeting future funding requirements, evaluating issues surrounding the City’s purchase of its wastewater treatment plant, drought impacts, and generally improving rate design to be fairer and more equitable. Residential sewer rates were restructured to create volumetric charges based on average winter water use on a customer-by-customer basis.
- **City of Sausalito – Sewer Rate Study:** This study restructured sewer rates from a fixed charge to a combination of fixed and volumetric rates based on average winter water use. At that time, the Marin County Grand Jury was investigating sewer rates countywide and commended the City for the actions it took to restructure these rates and recommended other agencies follow suit.
- **San Francisco PUC – Solid Waste Electric Utility Rate Studies:** As the prime contractor, NBS teamed with Navigant and R3 Consulting to complete rate studies for the PUC that updated solid waste and electric utility rates.
- **San Lorenzo Valley Water District – Water and Sewer Cost of Service and Rate Design Studies:** Two separate studies addressed the cost of service and then rate design issues, including a long-term funding plan for capital projects. Rate design included restructuring tiered rates combined with a set of rate stabilization (drought) rates that would automatically be implemented if rate revenue in any month fell 10 percent or more below projected revenues
- **City of Yuba City – Water and Sewer Rate Study:** Comprehensive update addressing long-term revenue goals, water conservation, and adequate funding for capital improvements. Prepared financial plan alternatives, projected net revenues, developed reserve policies, cost-of-service analyses, and alternative rate designs including water conservation rates.



## EDUCATION

- Master of Business Administration, Finance, University of Redlands
- Bachelor of Science, Chemistry, University of Utah, Salt Lake City

## HIGHLIGHTS

- Extensive experience in large-scale data analysis
- Advanced Excel user with the essential skills for complex data analysis and alternative scenario analysis
- More than ten years of accounting experience for large and small businesses
- Experienced consultant with water, sewer and solid waste rate structures
- Experienced consultant with budget management, financial planning and reserve fund analysis

## BIOGRAPHY

Jordan Taylor is a Consultant at NBS in our Utility Rate group. She brings more than ten years of experience in finance, accounting, budget planning and system auditing. Jordan graduated with high honors in her Master's program and spent most of her studies focusing on large-scale financial analysis and data management.

Jordan provides analysis and support on water and sewer utility rate studies for cities and special districts in California. She performs various financial analyses, data management, and utility customer data analysis for utility rate and capacity fee studies. Jordan's diverse knowledge of managerial accounting is essential to the work performed by NBS.

## RELEVANT PROJECT EXPERIENCE

- **Costa Mesa Sanitary District – Solid Waste Rate Study:** This comprehensive rate study included development of a long-term financial plan that evaluated funding options to reduce the annual operating deficit over a five-year period. An evaluation of the District's solid waste rates, and updated rates were calculated for the three cart sizes that are used by customers in the District and a five-year rate schedule was adopted.
- **Hidden Valley Lakes Community Services District – Water/Sewer Rates & Capacity Fee Study:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.

### RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City's most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of Lincoln – Sewer and Solid Waste Rate Study:** Prepared long-term financial plans for the City's Sewer and Solid Waste utilities, which included evaluating debt financing alternatives for sewer collection system and wastewater treatment plant improvements. Since this was the City's first full cost-of-service analysis for solid waste, Jordan and the project team developed all relevant data necessary to complete the study, including allocating collection, disposal, organics collection, and general and administrative costs.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City's water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **City of Sacramento – Development Impact Fee Study:** Conducted an extensive update of water, sewer, and storm drainage system capacity charges. This study addressed City policies and overall objectives in developing connection fee alternatives for the City to consider. Key tasks included preparing financial/rate setting policies, financial plans, projecting capital revenue requirements, cost-of-service analyses, and alternative fee methodologies.
- **City of Seal Beach – Water and Sewer Rate Study:** Prepared financial plans for the City's water and sewer utilities to ensure sufficient funding was available for operating, maintenance, capital improvement needs and to maintain appropriate reserve funds. Developed cash flow analyses and capital improvement program funding options that balanced the use of rate increases with potential debt financing to minimize the impact to ratepayers.
- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City's water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City's \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City's sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.



## EDUCATION

- Bachelor of Arts, University of California San Diego, La Jolla

## HIGHLIGHTS

- Two decades of financial, accounting and risk management experience
- Extensive experience in financial reporting, risk management analysis, budget management and development of accounting policies and procedures
- In-depth experience as a finance manager, consultant and controller in private industry
- Supports project teams completing public utility rate and fee studies in performing large-scale data analysis, financial modeling and rate analysis

## BIOGRAPHY

Alice Bou is a Consultant in our Utility Rate and Fee group. She is an accomplished finance professional with proven success in the oversight of management accounting and business analysis. Alice has two decades of experience working in accounting and financial management, performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting. She has also developed detailed procedures and systems documentation with a focus on productivity, data integrity and functionality to promote transparency of all finance and accounting functions across all departments of the entire organization. Alice's diverse experience is essential to the work performed by NBS.

As a member of the NBS team, Alice assists in the preparation of financial plans, cost of service, rate, and fee design analysis for our public utility clients. She reviews financial statements, budgets, capital improvement plans, operational data, and customer billing information for use in public utility rate and fee studies. Alice adds value to our team with her exceptional strategic financial planning and analytical skills.

## RELEVANT PROJECT EXPERIENCE

- **City of Sausalito – Sewer Rate Study:**  
Developed a comprehensive financial plan to address the City's increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City's sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **City of Davis – Sewer Rate and System Capacity Fee Study:**  
Established sewer capacity fees for the City that reflect the cost of sewer system infrastructure that is available to serve new development. Many factors were considered in the study, including the allocation of the \$268 million in existing system assets, the cost of planned capital improvements, and adjustments for outstanding debt and cash reserves. The assigned EDU's per residential type of use were calculated based on the City's most recent sewer rate study and average winter water use.

“

*“Working with Alice was nothing short of extraordinary. Her expertise and responsiveness enabled city staff to express with confidence before the Council on the recent utility study.”*

Tai Chau  
 Assistant Public Works Director  
 City of Santa Paula

”

### RELEVANT PROJECT EXPERIENCE | CONTINUED

- City of Redding – Water, Sewer, and Solid Waste Rate Study:** Performed an update of the City's rate studies for its water, sewer, and solid waste utilities, which included updating long-term financial plans to incorporate funding capital improvements estimated at \$97.2 million and reviewing alternative rate structures. Although all three utilities were financially sound, rate increases were necessary to ensure the continued financial health of the City's utilities by generating sufficient revenue needed to meet projected capital funding requirements, providing revenue stability, and providing equity in rates among customer classes. In addition, the cost-of-service analysis for the solid waste utility examined specific allocation factors for each customer class and determined how costs are divided into various types of service (e.g., collection, disposal, and transfer station).
- City of Santa Paula – Water and Sewer Rate Study:** Completed water and sewer rate studies that included development of sustainable financial plans that focused on balancing the capital improvement needs of the utilities against the financial impact on customers. Worked with the City to develop several capital funding alternatives that balanced the use of cash reserves and rate increases to fund all obligations. The financial plans were then incorporated into the cost-of-service and rate design analyses to develop several rate alternatives for the City's consideration.
- Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- City of El Cerrito – Storm Drainage Fee Study:** Worked together with the engineering firm of Schaaf & Wheeler to perform a feasibility analysis for the City. This review addressed the shortfall of the Storm Drain Utility to sufficiently fund increasing operational costs, the establishment and maintenance of reserve funds, and the funding of the City's capital improvement projects. Conducted an extensive analysis of the Contra Costa County secured property data by land use type in order to develop the per parcel cost estimates for the various funding mechanisms presented to the City for consideration based on available revenue sources.
- LADWP – Water Temperature Zone Analysis:** LADWP currently has a four-tiered water-budget based volumetric rate structure that assigns water budgets to each customer based on lot size and temperature zone. As part of LADWP's Interim Rate Review, evaluated the findings of previous temperature zone assignments to determine potential customer bill impacts of modifying the existing temperature zones. Prepared an analysis of temperature zone impacts on water customers, including a thorough review of the temperature data as well as recent trends related to the number of customers, water use, and water bills by zone, tier, and lot size over the last five years. The primary focus of this study was to see if recent changes in temperature data as defined by LADWP's current temperature zones warranted changing the customers assigned to each temperature zone, or the criteria used to define each zone.



### RELEVANT PROJECT EXPERIENCE | CONTINUED

- Rosamond Community Services District – Water and Sewer Capacity Fee Study:** Developed updated water and sewer capacity charges and connection fees for the District to ensure these fees reflect the cost of infrastructure needed to serve new development and meet industry standard methodologies. Updated the District's capacity charges utilizing the replacement-cost-less-depreciation approach to estimate the value of the District's existing assets and incorporating the costs of planned capital improvements from the water and sewer master plans. In addition, updated the connection fees for installing connections to the water and sewer systems by using key data such as staff labor time, cost of equipment, and the cost of infrastructure installed.
- Mill Valley – Sewer Rate Study:** In the process of preparing a long-term financial plan reflecting the City's growing concerns about shortfalls due to increased capital improvement costs and its current sewer rate structure, specifically the equitable assignment of costs to commercial customers (i.e., restaurants). Sewer rates will be evaluated to improve revenue stability in the light of current economic conditions as well as recent drought and continuing water conservation efforts. Water consumption data will be used to update commercial rates to assess how consumption has changed in the last few years and how projected water conservation might impact future consumption.
- Ironhouse Sanitary District – Wastewater Rate and Capacity Fee Study:** Assisted the project team in the analysis of the District's customer data to confirm the proportionality of current sewer rates to the cost of providing service. This process involved an in-depth examination of the water consumption data for customers from multiple water agencies to complete a cost-of-service analysis and determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- Pajaro/Sunny Mesa Community Services District – Water Rate Study:** In the process of completing a comprehensive water rate study for the District. The study will update the critical components of the water rate analysis last updated in 2015, which includes a review of the District's underlying policies and assumptions. The study update will include cost-of-service and rate design analyses as well as the following: (1) Projecting the District's revenues and expenses using a cash-basis method to identify future rate increases and help maintain appropriate reserve fund levels in light of updated budget projections; (2) Evaluating reserve fund sufficiency by reviewing existing reserve funds, target reserves, reserve fund policies, and other related issues such as debt service coverage ratios; (3) Verifying that capital improvement funding aligns with District-provided capital project plans; and, (4) Evaluating the timing, costs, and available reserves used to fund the various improvement projects.

“

*“It has been a pleasure working with you on our rate study. I greatly appreciate your prompt responses and quality work to quickly make requested model changes.”*

*Cammie Morin  
Finance Director  
Suisun-Solano Water Authority*

”



# Tab

# 2.5

January 12, 2021

ITEM NO. 2.5

## ROWLAND WATER DISTRICT

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

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

**SUBJECT:** *Participation in Public Water Agencies Group Hazard Mitigation Grant Program*

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### **Background:**

In 1974, Congress enacted the Robert T. Stafford Disaster Relief and Emergency Act, commonly referred to as the Stafford Act. In 1988, Congress established the *Hazard Mitigation Grant Program* (HMGP) via Section 404 of the Stafford Act. The HMGP was developed to foster planning to mitigate damage that results from disasters.

### **Purpose:**

1. Hazard mitigation are activities designed to reduce or eliminate damages from future hazardous events. These activities can occur before, during, and after a disaster and overlap all phases of emergency management. Eligible applicants include state and local agencies, Indian tribes or other tribal organizations, and certain nonprofit organizations.
2. We are joining an effort with the Public Water Agencies Group (PWAG), —of which we are a member— which is preparing a grant application for a multi-jurisdictional Hazard Mitigation Grant Program (Grant) among ten participating PWAG members. Rowland Water District will serve as the lead agency for this effort.
3. This Grant, if awarded, will fund preparation of a plan that will identify risks among the participating PWAG members and demonstrate ways to minimize damage resulting from natural and man-made disasters. That plan will be a comprehensive resource document that serves many purposes, such as: enhancing public awareness, creating a decision tool for management, promoting compliance with State and Federal program requirements, enhancing local policies for hazard mitigation capability, and providing inter-jurisdictional coordination.
4. Further, the federal Disaster Mitigation Act of 2000 requires all local governments to create such a disaster plan in order to qualify for hazard mitigation funding and eventually for emergency relief funding.

**Fiscal Impact:**

1. The grant amount being applied for is \$250,000, of that amount, 25% of which (\$62,500) will be divided up (in a formula yet to be determined) amongst the ten participating PWAG members. Most of contributed cost match will be realized from in-kind participation, meeting attendance, travel costs, etc. However, some cash payment may be necessary. However, the District will receive the benefit of 75% of such hazard mitigation planning costs to be paid by the grant. The application deadline is January 27, 2021.

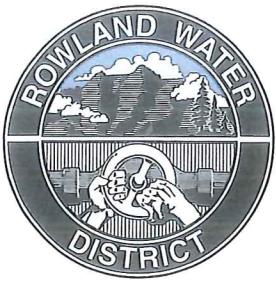
**Recommendation:**

Staff recommends that the Board of Directors approve participation in this HMPG process by authorizing the signing and approval of: 1) Letter of commitment, 2) Local match fund commitment letter, and, 3) authorizing the General Manager to take such official action as may be reasonably necessary to carry out the proposed actions of the grant application and the plan.

**Attachments:**

There are two documents that are required to be a part of this process that are completed:

1. Letter of Commitment, and a
2. Local Match Fund Commitment Letter.



# ROWLAND WATER DISTRICT

## BOARD OF DIRECTORS

Robert W. Lewis  
*President*

John E. Bellah  
*Director*

Anthony J. Lima  
*Director*

Teresa P. Rios  
*Vice President*

Szu Pei Lu-Yang  
*Director*

Thomas L. Coleman  
*General Manager*

David Warren  
*Director of Operations*

Rosemarie Perea  
*Director of Administrative Svcs.*

## LETTER OF COMMITMENT (FOR MULTI-JURISDICTIONAL LOCAL HAZARD MITIGATION PLANS)

January 12, 2021

Rowland Water District  
3021 Fullerton Road  
Rowland Heights, CA 91748

RE: Letter of Commitment as Participating Jurisdiction in Rowland Water District Multi-jurisdictional Hazard Mitigation Planning

Dear State Hazard Mitigation Officer:

As the Federal Emergency Management Agency's (FEMA) Local Mitigation Plan requirements under 44 CFR §201.6 specifically identify criteria that allow for multi-jurisdictional mitigation plans and that many issues are better resolved by evaluating hazards more comprehensively by coordinating at the county, regional, or watershed level, the Rowland Water District is submitting this letter of commitment to confirm that Rowland Water District has agreed to participate in the Rowland Water District Multi-jurisdictional Hazard Mitigation Planning.

Furthermore, as a condition of participation in the mitigation planning, Rowland Water District, agrees to meet the requirements for mitigation plans identified in 44 CFR §201.6 and to provide such cooperation as is necessary and in a timely manner to the Rowland Water District to complete the plan in conformance with FEMA requirements.

Rowland Water District understands that it must engage in the following planning process, as more fully described in [FEMA's Local Mitigation Planning Handbook](#), including, but not limited to:

- Identification of hazards unique to the jurisdiction and not addressed in the master planning document;
- The conduct of a vulnerability analysis and an identification of risks, where they differ from the general planning area;
- The formulation of mitigation goals responsive to public input and development of mitigation actions complementary to those goals. A range of actions must be identified specific for each jurisdiction. ;
- Demonstration that there has been proactively offered an opportunity for participation in the planning process by all community stakeholders (examples of participation include relevant involvement in any planning process, attending meetings, contributing research, data, or other information, commenting on drafts of the plan, etc.); and
- Documentation of an effective process to maintain and implement the plan; and,
- Formal adoption of the Multi-jurisdictional Hazard Mitigation Plan by the jurisdiction's governing body (each jurisdiction must officially adopt the plan).

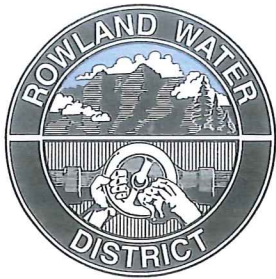
Therefore, with a full understanding of the obligations incurred by participating in the FEMA hazard mitigation planning process as a participant in a multi-jurisdictional plan; I Tom Coleman, commit Rowland Water District to the Rowland Water District Multi-jurisdictional Hazard Mitigation Planning effort.

This document is executed this January 12, 2021

Please contact Tom Coleman at (562) 697-1726 or [tcoleman@rowlandwater.com](mailto:tcoleman@rowlandwater.com) with questions.

Yours truly,

Tom Coleman,  
General Manager



# ROWLAND WATER DISTRICT

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General Manager

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Director of Operations

Rosemarie Perea  
Director of Administrative Svcs.

## LOCAL MATCH FUND COMMITMENT LETTER

January 12, 2021

Rowland Water District  
3021 Fullerton Road  
Rowland Heights, CA 91748

Re: Disaster No. PF-5293 Subapplication Funding Match Commitment Letter

Dear State Hazard Mitigation Officer:

As part of the Hazard Mitigation Grant Program process, a local funding match of at least 25% is required. This letter serves as Rowland Water District commitment to meet the local match fund requirements for the Hazard Mitigation Grant Program.

**SOURCE OF NON-FEDERAL FUNDS:**

LOCAL  
AGENCY  
FUNDING  
☒

OTHER  
AGENCY  
FUNDING  
☐

PRIVATE  
NON-PROFIT  
FUNDING  
☐

STATE  
AGENCY  
FUNDING  
☐

**NAME OF FUNDING  
SOURCE:**

General Reserves

**FUNDS AVAILABILITY  
DATE:**

01/12/2021

PROVIDE EXACT MONTH/DATE/YEAR OF AVAILABILITY OF FUNDS

**FEDERAL SHARE  
AMOUNT REQUESTED:**

\$250,000.00

MUST MATCH \$ AMOUNT PROVIDED IN SUBAPPLICATION

**LOCAL SHARE  
AMOUNT MATCH:**

\$62,500.00

MUST EQUAL A MINIMUM OF THE 25% FEDERAL SHARE REQUESTED

**FUNDING TYPE:**

General Administration Account

EXAMPLES: ADMINISTRATION, CASH, CONSULTING FEES, ENGINEERING FEES, FORCE ACCOUNT LABOR, AGENCY PERSONNEL, PROGRAM INCOME, ETC.



If additional federal funds are requested, an additional local match fund commitment letter will be required.

Please contact Tom Coleman at (562) 697-1726 or [tcoleman@rowlandwater.com](mailto:tcoleman@rowlandwater.com) with questions.

Yours truly,

Tom Coleman  
General Manager

# Tab

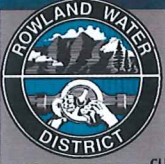
## 2.6

**Rowland Water District  
Board Communications Update  
January 12, 2021**

• **Rate Relief Education and Outreach**

- Press release issued
- Customer direct mail


## ATTENTION! WATER RATE RELIEF



**Rowland Water District understands how challenging this year has been for our community**

Because the COVID-19 pandemic has resulted in job losses and reduced incomes for so many people, we have taken steps to assist customers struggling financially.

Rowland Water District's Board of Directors voted to suspend a previously approved Service Charge increase that was scheduled to take effect on January 1, 2021. As a result, the Service Charge will be frozen at current levels through the end of 2021.



Visit [www.RowlandWater.com](http://www.RowlandWater.com) for more information.

## SEE THE SAVINGS

This chart demonstrates how much money customers could save in 2021 as a result of the Service Charge freeze.

FIXED SERVICE CHARGE				
Meter Size	Current Rate	Previously Approved Rate	Monthly Savings	Annual Savings
5/8 inch	\$42.58	\$44.71	(\$2.13)	(\$25.56)
3/4 inch	\$42.58	\$44.71	(\$2.13)	(\$25.56)
1 inch	\$42.58	\$44.71	(\$2.13)	(\$25.56)
1.5 inch	\$201.67	\$211.75	(\$10.08)	(\$120.96)
2 inch	\$320.99	\$337.03	(\$16.04)	(\$192.48)
3 inch	\$639.16	\$671.12	(\$31.96)	(\$383.52)
4 inch	\$997.12	\$1,046.97	(\$49.85)	(\$598.20)
6 inch	\$1,991.43	\$2,091.00	(\$99.57)	(\$1,194.84)
8 inch	\$8,355.02	\$3,343.83	(\$159.23)	(\$1,910.76)
10 inch	\$3,184.60	\$8,772.77	(\$417.75)	(\$5,013.00)
12 inch	\$10,542.50	\$11,069.62	(\$527.12)	(\$6,325.44)

**CONTACT US**

Customer Service: (562) 697-1726  
 Rowland Water District  
 3012 Fullerton Road, Rowland Heights, CA 91748

Hours: 8 a.m. to 4:30 p.m.  
 Monday – Thursday  
 Closed on alternating Fridays

Visit [www.RowlandWater.com](http://www.RowlandWater.com) for more information.

## • Risk & Resiliency & Capital Improvement Plans

- Press releases on capital projects and compliance with American Water Infrastructure Act

The screenshot shows the ACWA website with a press release titled "ROWLAND WATER DISTRICT IN FULL COMPLIANCE WITH AMERICA'S WATER INFRASTRUCTURE ACT". The article is dated December 30, 2020, and is categorized as "MEMBER SUBMITTED NEWS". The text discusses the district's commitment to the AWIA, its infrastructure improvements, and its resilience efforts.

**ACWA**

HOME / NEWSROOM

### ROWLAND WATER DISTRICT IN FULL COMPLIANCE WITH AMERICA'S WATER INFRASTRUCTURE ACT

BY ROWLAND WATER DISTRICT |  
DEC 30, 2020 |  
MEMBER SUBMITTED NEWS

**ROWLAND HEIGHTS** – During this unprecedented time in our state's history, Rowland Water District is assuring its customers that it is in full compliance with America's Water Infrastructure Act (AWIA). Passed by Congress in 2018, the AWIA requires that all community water systems serving populations greater than 3,300 persons must assess the risks to, and resilience of, its system. Rowland Water currently delivers 10 million gallons of safe drinking water to about 58,000 people every day.

"While we can't predict the future, we can certainly work as a team in planning for the consequences of what it may bring," explains Tom Coleman, Rowland Water District General Manager. "The District has

According to the AWIA, each system must prepare or revise, where necessary, an emergency response plan that incorporates the findings of that agency's assessment. This includes plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a threat to the community water system's ability to deliver safe drinking water. Currently, the District has 17 potable water storage reservoirs with a 47 million gallon capacity serving the District's daily customer demand.

"To whatever extent possible, we will continue to coordinate with local emergency planning committees to develop the most effective strategies to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of our system," adds Coleman. "As part of our strategic plan we are investing in innovative and failsafe technologies to maintain our resiliency and increase response time during emergencies."

Further supporting its commitment to infrastructure improvements, Rowland Water's Board of Directors also recently approved nearly \$600,000 in additional capital project funding for its 2020/2021 operating budget. The funds will be allocated towards a capital improvement plan that includes replacement of several District pipelines, valves, and meters.

"Replacements such as these are evaluated and prioritized based on the age of the materials, internal and external stresses, and performance, as well as

## • AMI Conversion

- Video script drafted and under review
- In production

## • COVID – 19 Communications

- Continue ongoing support on safe tap water communications
- Stress engagement with District via phone, social media, website updates
- Press releases, sliders and social media

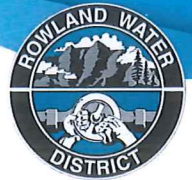
## • Miscellaneous

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

## Press Releases

1/30/20	Filling Station	*****	*****	*****
1/31/20	EduBucks	*****	*****	*****
2/3/20	Conservation Campaign	*****	*****	*****
3/18/20	COVID 19	*****	*****	*****
3/18/20	Shut Offs	*****	*****	*****
3/18/20	Hours	*****	*****	*****
4/15/20	COVID Emergency Response	*****	*****	*****
4/24/20	At Home Education Kit	*****	*****	*****
5/13/20	Audit Report	*****	*****	*****
5/15/20	CAPIO Awards/Finalists	*****	*****	*****
5/19/20	Special Districts Week	*****	*****	*****
6/29/20	FY 20/21 Budget	*****	*****	*****
6/26/20	CCR Availability	*****	*****	*****
7/9/20	New Director of Finance	*****	*****	*****
7/23/20	CAPIO Awards	*****	*****	*****
8/20/20	Buckboard Days	*****	*****	
9/4/20	Smart Drinking Fountains	*****	*****	*****
9/15/20	Virtual Education Program	*****	*****	*****
9/25/20	Board Appointments	*****	*****	*****
10/5/20	Customer Service Week	*****	*****	*****
10/5/20	Water Professionals Week	*****	*****	*****
10/8/20	Virtual Buckboard Days	*****	*****	*****
11/23/20	Capital Improvement	*****	*****	*****
11/23/20	Rate Relief Education	*****	*****	*****
11/23/20	PWR Audit	*****	*****	
12/21/20	Rick & Resiliency Plan	*****	*****	*****
1/5/21	Poster Contest	*****	*****	*****
1/5/21	Career Forum	*****	*****	





## **Community Outreach Update | JANUARY 12, 2021 BOARD MEETING**

**SOCIAL MEDIA:** #DiscoverRWD #RowlandConnections #RWDeducation #WaterFacts

The District regularly posts updates on district information, conservation, education, and water-related tips utilizing the national hashtag holiday calendar. These posts are shared on Twitter, Instagram, Facebook, and YouTube when necessary. See below for our social media engagement.

### **Facebook (December 8, 2020-January 4, 2021)**

Measurement	Total
Posts	15
Page Likes	291
Post Reach	546
Post Engagement	50

### **Twitter (December 8, 2020-January 4, 2021)**

Measurement	Total
Followers	622
New Followers	7
Tweets	18
Tweet Impressions	4745
Profile Visits	191
Mentions	2





### Twitter Top Performing Post:



**Rowland Water District** @RowlandWater

📅 The 2021 "Water is Life" calendar is now available! 📅

If you want a copy of the calendar which features 2 of our area students from @GAWilsonHS email Brittne Van De Car at bvandecar@rowlandwater.com with your mailing address!

#DiscoverRWD #WaterArt  
 @bewaterwiseh2o  
[pic.twitter.com/1PpEN4hlg6](https://pic.twitter.com/1PpEN4hlg6)

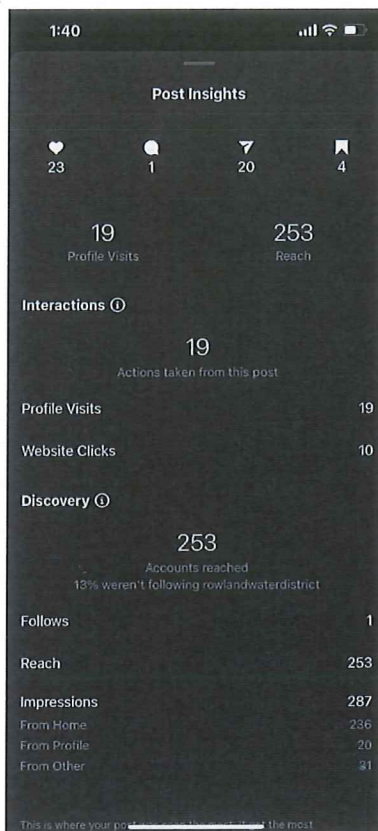
Impressions	302
Total engagements	4
Media engagements	2
Retweets	1
Detail expands	1

### Instagram (December 1, 2020-January 4, 2021)

Measurement	Total
Total Posts	20
Total Followers	910
New Followers	24
Post Engagement	220
Impressions (Total number of times post have been seen)	3,300
Profile Impressions	4,900



### Instagram Top Performing Post:



### WEBSITE (December 1, 2020-January 4, 2021)

Measurement	Total
Users	4,084
New Users	3,319
Returning Visitor	1,390
Pageviews	14,913

### CONSTANT CONTACT-(electronic information sent to customer emails)

**Total Active Contacts-9,617**

**New Contacts- 56**

Landscape Series- Sent out on Decemer 9, 2020

Community Forum- Sent out on December 22, 2020



### **LANDSCAPE CLASSES:**

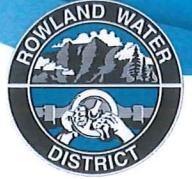
Metropolitan Water District (MWD) in partnership with Green Gardens Group is offering free virtual workshops for residents in our service area on both California Native Landscaping and Turf Removal. These classes have been marketed to our customers via Constant Contact and on social media platforms.

I have created a "Landscape Series" starting in February 2021. The classes will be as follows (all via Zoom). These classes will be offered FREE for our customers on a first-come, first-serve basis and will be hosted by Green Media Creations Inc. We are getting a good amount of sign-ups for all of the classes.

- February 17<sup>th</sup>-Edible Gardening
- March 18<sup>th</sup>- Leak Detection Class (During Fix A Leak Week)
- April 22<sup>nd</sup>- Composting for a Healthy Garden (On Earth Day)
- May 26<sup>th</sup>- Landscaping Tips for Fire Prevention

### **EDUCATION OUTREACH:**

- Mini Science Challenge- Classes have completed 2 of the challenges so far (Filtration Challenge and At-Home Water Audit)
  - 15 Teachers (4<sup>th</sup>-6<sup>th</sup> Grade)
  - 4 Schools (Jellick, Northam, Telesis and Rowland Elementary)
  - **504 TOTAL STUDENTS**
- Water Bottle Filling Station
  - Alvarado Intermediate and Rorimer Elementary were the 2 schools chosen this year and both of the fountains have now been installed on campus
  - Water bottles for the students, teachers and staff will be ordered and delivered to both school sites
- Getting stickers printed for #NationalStickerDay and to distribute to the students who have received a water bottle at the school sites
- EduBucks Program update- All of our teachers that applied for an EduBucks were approved and the congrats letters were sent out in December. The teachers/schools that were awarded are as follows:
  - Lori Wasson-Blandford Elementary School-\$491.77
  - Gilbert Navarro-Jellick Elementary School-\$498.07
  - Ana Dinkins-Blandford Elementary School-\$479.00
- Virtual Treatment Plant Video is completed and has been sent out to the students participating in the Mini Science Challenge.



- Working on the information and flyer for the annual poster contest. Just waiting for final requirements from MWD staff
- Attending bi-weekly MWD education meetings via Zoom
- Attending monthly DWR education meetings via Zoom
- Attended the monthly WEWAC meeting on November 16<sup>th</sup> via Zoom

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## **2.7**

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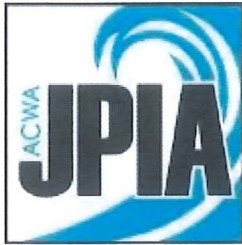
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## 2021 JPIA Executive Committee Election Notice

There will be an Executive Committee election during the JPIA's Board of Directors' meeting to be held in the spring of 2021.

This election will fill four Executive Committee member positions, each for a four-year term. The incumbents are Tom Cuquet, South Sutter WD; David Drake, Rincon Del Diablo MWD; Melody McDonald, San Bernardino Valley WCD; and Randall Reed, Cucamonga Valley WD.

JPIA Directors who are interested in being candidates for the election should follow the nomination procedures.

The deadline to qualify for the election is **Friday, March 19, 2021.**

The nominating procedures and copies of the nominating and concurring in nomination resolutions can be found on the [JPIA's website](#).

