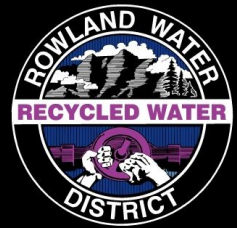
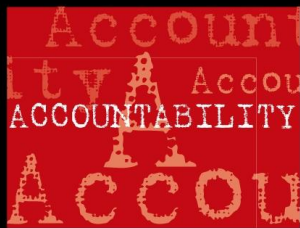
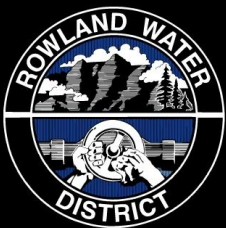


ROWLAND WATER DISTRICT

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

RWD BOARD VISION



Our Mission:

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

Board of Directors Regular Meeting
February 8, 2022
5:00 p.m.



AGENDA

Regular Meeting of the Board of Directors
February 8, 2022 -- 5:00 PM

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Assembly Bill 361, and in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Rowland Water District will hold its Board meeting virtually. The public's physical attendance at the District is not allowed. Any Director and member of the public who desires to participate in the open session items of this meeting may do so remotely without otherwise complying with the Brown Act's teleconference requirements by accessing the following options: **Zoom:** <https://us02web.zoom.us/j/8759899861> -- Meeting ID: 875 989 9861; **Dial-In:** (669) 900-6833 -- Passcode: 8759899861#

Materials related to items on this Agenda are available for public review at <https://www.rowlandwater.com/agendas-minutes/>.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

Anthony J. Lima, President

Szu Pei Lu-Yang, Vice President

Robert W. Lewis

John Bellah

Vanessa Hsu

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 Gabriela Sanchez, Executive Assistant at (562) 562-383-2323, 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.

1. PUBLIC HEARING: ADJUSTING BOUNDARIES OF DIRECTOR ELECTORAL DIVISIONS

Recommendation: The Board of Directors open a public hearing to receive public comment regarding the Rowland Water District's Redistricting of Agency Division Boundaries as Required by Election Code §2200 Et. Seq.

- A. Open Public Hearing
- B. [Presentation by Redistricting Consultant Best Best & Krieger](#)
- C. Public Comment
The public may address the Board of Directors regarding the Rowland Water District's proposed agency division boundaries at this time. Public comments are limited to three (3) minutes or less.
- D. Close Public Hearing
- E. [Consider Adoption of Rowland Water District Resolution No. 2-2022, Adjusting Boundaries of Director Electoral Divisions](#)

2. 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.

2.1 [Reconsider COVID-19 Emergency and Reaffirm Findings in Resolution No. 10-2021 to Continue Virtual Board and Committee Meetings Pursuant to AB 361 for an Additional 30 Days](#)

Recommendation: The Board of Directors authorize virtual meetings pursuant to AB 361 for an additional 30 days and find that (1) it has reconsidered the circumstances of the state of emergency for COVID-19 and (2) reaffirms the findings in Resolution No. 10-2021

2.2 [Approval of the Minutes of Regular Board Meeting held on January 18, 2022](#)

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

2.3 [Approval of the Minutes of Special Board Meeting held on January 25, 2022](#)

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

2.4 [Demands on General Fund Account for December 2021](#)

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

2.5 [Investment Report for December 2021](#)

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

2.6 [Water Purchases for December 2021](#) - *For information only.*

Next Special Board Meeting: February 22, 2022, 5:00 p.m.

Next Regular Board Meeting: March 8, 2022, 5:00 p.m.

3. ACTION ITEMS

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

3.1 [Review and Approve Directors' Meeting Reimbursement for January 2022](#)

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

3.2 [Consider Adoption of Rowland Water District Ordinance No. 0-2-2022, Establishing Water Conservation and Water Supply Shortage Restrictions \(Supersedes Ordinance No. 0-7-2018\)](#)

Recommendation: The Board of Directors adopt Ordinance No. 0-2-2022 as presented.

3.3 [Receive and File “Final” RWD Financial Audit Report for Fiscal Year 2020-2021 Prepared by Nigro & Nigro, PC, Professional Accountancy Corporation](#)

Recommendation: The Board of Directors receive and file the Financial Audit report as presented.

4. PUBLIC RELATIONS

4.1 [Communications Outreach](#)

CV Strategies

4.2 [Education Update](#)

Brittnie Van De Car

5. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS

(Including Items that May Have Arisen after the Posting of the Agenda)

6. LEGISLATIVE INFORMATION

6.1 Updates on Legislative Issues - *For information only*

7. REVIEW OF CORRESPONDENCE

7.1 [ACWA/JPIA Call for Nominations for California Water Insurance Fund Board Member](#)

7.2 [CSDA Call for Nominations for Southern California Representative - Seat B](#)

8. COMMITTEE & ORGANIZATION REPORTS *(verbal reports)*

8.1 Joint Powers Insurance Authority

Directors Hsu/Lewis

8.2 Three Valleys Municipal Water District

Directors Lu-Yang/Lima

8.3 Association of California Water Agencies

Directors Lewis/Bellah

8.4 Puente Basin Water Agency

Directors Lima/Lewis

8.5 Project Ad-Hoc Committee

Directors Lima/Lu-Yang

8.6 Regional Chamber of Commerce-Government Affairs Committee

Directors Lewis/Bellah

8.7 P-W-R Joint Water Line Commission

Directors Lima/Bellah

8.8 Sheriff's Community Advisory Council

Directors Lu-Yang

8.9 Rowland Heights Community Coordinating Council

Directors Lu-Yang/Bellah

9. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

9.1 [Finance Report](#)

Mrs. Malner

9.2 [Operations Report](#)

Mr. Moisio

9.3 Personnel Report

Mr. Coleman

10. ATTORNEY’S REPORT

Mr. Byrne

11. CLOSED SESSION

a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – [§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

12. RECONVENE/REPORT ON CLOSED SESSION

General Manager’s and Directors’ Comments

Future Agenda Items

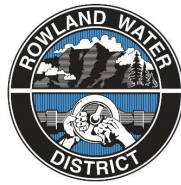
Late Business

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 ANTHONY J. LIMA, Presiding

February 8, 2022



ITEM NO. 1

ROWLAND WATER DISTRICT

TO: Honorable President and Members of the Board

SUBMITTED BY: Tom Coleman, General Manager

SUBJECT: *Public Hearing - Redistricting of Agency Division Boundaries as Required by Election Code Section 2200 Et Seq.*

PURPOSE:

The Board of Directors:

- (1) Conduct a public hearing to receive public testimony regarding the redistricting of Agency Division Boundaries as required by Election Code Section 2200 Et. Seq., and contingent upon testimony received,
- (2) Select a preferred map and consider adoption of RWD Resolution No. 2-2022, Adjusting Boundaries of Director Electoral Divisions.

BACKGROUND:

Every ten years, agencies with by-district election systems, which includes the Rowland Water District, must use new census data to review and, if needed, redraw electoral division lines to reflect how local populations have changed. This process, called redistricting, ensures all divisions comply with both the California and federal Voting Rights Acts.

Requirements for redistricting include:

- A. Revised electoral districts must be “substantially equal in population as required by U.S. Constitution.”
 - Balance must comply with US and Calif. Constitutions and Federal Voting Rights Act (FVRA) Section 10301 of Title 52 of the United States Code, as amended.
 - Population equality is based on total population of District residents (not customers) per U.S. Census
 - Incarcerated persons only counted if last known residence may be assigned to a City census block
 - In adjusting the boundaries of the divisions, the board may give consideration to the following factors:
 - Topography

- Geography
- Cohesiveness, contiguity, integrity, and compactness of territory, and
- Community of interests of the division.
- *This section does not apply to divisions in which only landowners vote for directors or whose directors are all elected at large or appointed.*

B. Boundaries shall not be drawn to favor or discriminate against a political party.

C. Change of boundaries shall not affect the unexpired term of office of any elected Board member.

Analysis of the district's current division boundaries, adjusted for the 2020 Census data, shows the divisions are no longer population-balanced. The District's population is 54,660. The ideal division population is 1/5 of that number, or 10,932.

A detailed demographic analysis of the District's current division boundaries may be found in the table below.

District	Total_Population	Raw Deviation	% Deviation	CVAP19 Total	CVAP19 NL White	CVAP19 NL Black	CVAP19 Hispanic	CVAP19 Not Hispanic	CVAP19 NL AIAN*	CVAP19 NL ASIAN	CVAP19 NL Hawaiian	CVAP19 NL Other
1	10483	-449	-4.11%	5861	214	96	4457	1392	0	1046	16	3
2	11174	242	2.21%	7814	1100	208	1662	6137	0	4761	0	35
3	10529	-403	-3.69%	5745	461	78	2312	3432	0	2821	0	1
4	11577	645	5.90%	7865	862	77	1939	5873	12	4792	0	25
5	10897	-35	-0.32%	6085	583	194	1551	4552	6	3664	0	11

*American Indian Alaskan Native (AIAN)

Determining population balance is done by measuring the spread (deviation) between the least populated division and the greatest populated division. Deviations of 10% or less are generally considered acceptable under U.S. Supreme Court rulings on the equal population standard under the U.S. Constitution.

Note that the current population of Division 1 is below the ideal at -4.11%, while Division 3 is above the ideal at 5.90%. Combined, those deviations bring the District's current total deviation to 10.01%, just above the figure deemed presumptively valid under federal Supreme Court rulings. As such, the division boundaries should be adjusted to achieve a population balance with less than a 10% deviation.

Another consideration is the distribution of minority voters throughout the agency, and whether there is a possibility of creating a majority/minority voting district as addressed in the federal Voting Rights Act. This analysis involves reviewing the ethnicity demographics from the census data, specifically Citizens of Voting Age (CVAP) populations. Upon review of the District's CVAP data, creation of majority/minority voting districts (a division in which an identified minority comprises the majority of voting age population) is possible. Currently, Division 1 is a majority/minority Hispanic voting districting while Divisions 2-5 are majority/minority Asian voting districts.

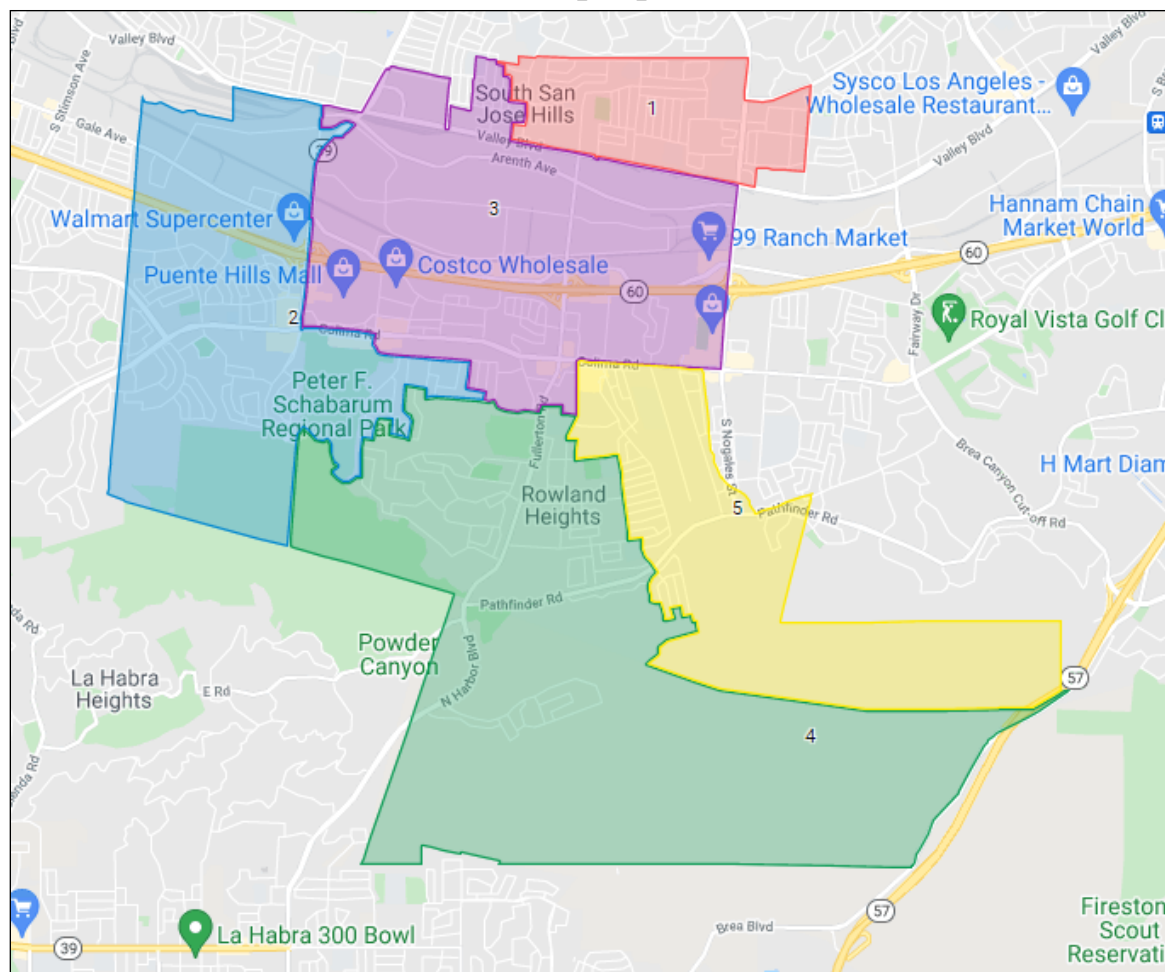
The District conducted a public hearing on December 14, 2021, and provided direction regarding preparation of draft division boundaries to the District's redistricting consultant, Best Best & Krieger. A second Board meeting was held on January 18, 2022 where two maps reflecting that direction were presented for the Board's consideration. At the meeting on January 18th, public comment and Board input was received, and revisions to Map 2 were requested. The Board did not wish to move forward with Map Option 1.

The original Map Option 2 and the requested revisions, displayed as Map Option 3, are presented for the Board's consideration.

Map Option 2

Option 2 is compact, contiguous, recognizes the core of the existing boundaries, and keeps communities of interest intact. It exhibits a total deviation of 2.95%. Divisions 2-5 are majority/minority Asian voting districts while Division 1 is majority/minority Hispanic.

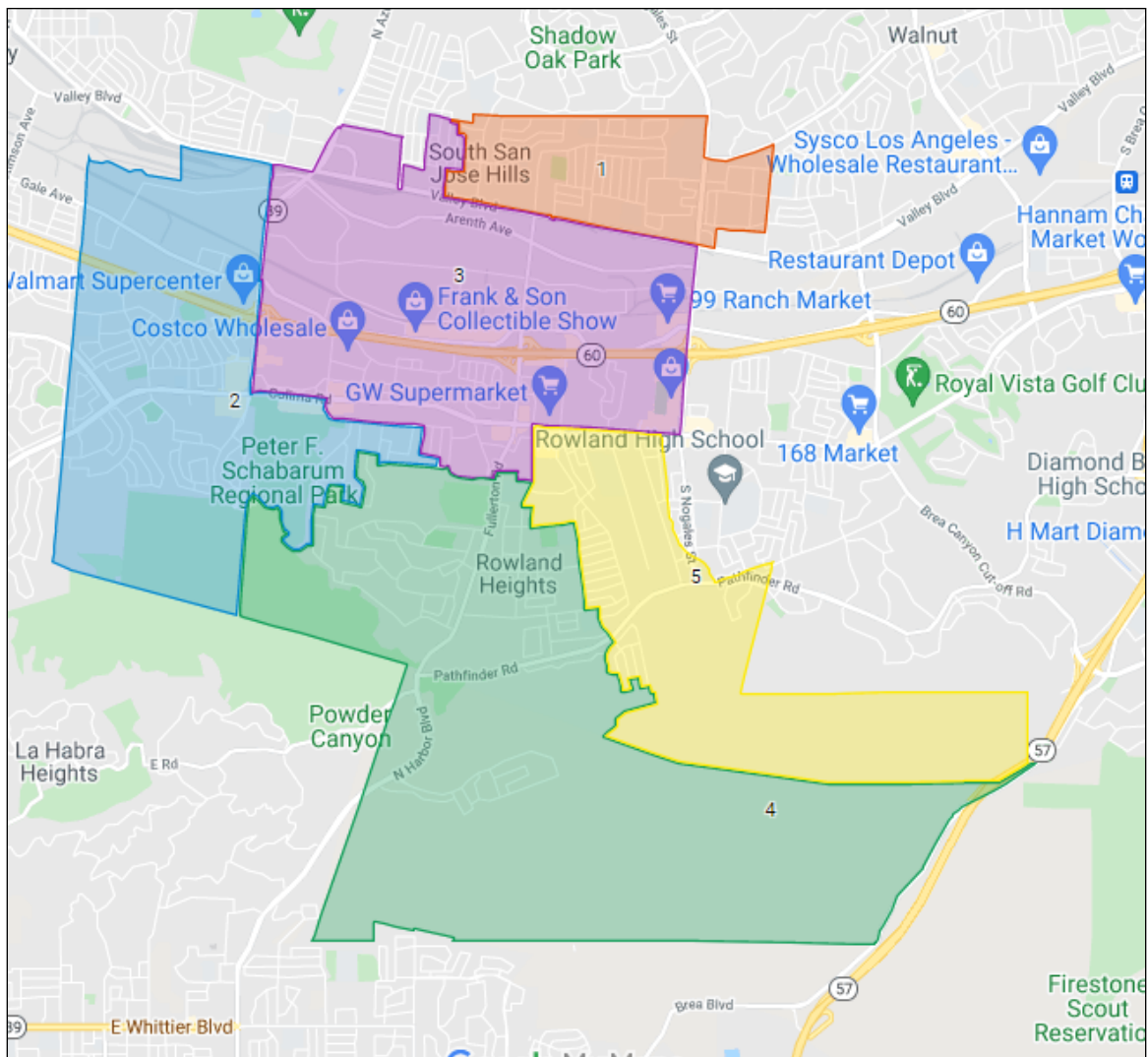
Map Option 2



Map Option 3

Option 3 is a minor revision to Option 2, specifically straightening the border between Divisions 2 and 3, as well as moving a portion of population in the southern portion of Division 2 to Division 3 east of Richford Avenue, north of Hurley Boulevard. It exhibits a deviation of 1.08%. Like Option 2, Division 1 is preserved as a majority/minority Hispanic voting district and Divisions 2-5 are majority/minority Asian voting districts.

Map Option 3



At this hearing, the Board is requested to select a preferred map and adopt the Resolution finalizing the redistricting process. Should the Board request additional revisions to either Map 2 or Map 3, staff will return at a subsequent public hearing to present the revisions and select the final map.

The current redistricting process for Rowland Water District must be completed by April 17, 2022.

Recommendation: (1) Conduct a Public Hearing to receive testimony and comments regarding Agency Division Boundaries; (2) Select a preferred map option, and (3) adopt a Resolution entitled A Resolution of the Board of Directors of the Rowland Water District Adjusting Boundaries of Director Electoral Divisions.



**RESOLUTION NO. 2-2022
ROWLAND WATER DISTRICT**

**RESOLUTION OF THE BOARD OF DIRECTORS
ADJUSTING BOUNDARIES OF DIRECTOR ELECTORAL DIVISIONS**

BE IT RESOLVED:

SECTION 1: The Board of Directors (Board) finds and determines:

- a. The U.S. Census Bureau (Bureau) is required by Article I, Section 2, of the U.S. Constitution to conduct an accurate count of the population every ten years;
- b. California Elections Code Section 22000 et seq. requires that "after each federal decennial census, and using that census as a basis, adjust the boundaries of any divisions so that the divisions are, as far as practicable, equal in population and in compliance with Section 10301 of Title 52 of the United States Code, as amended, to the extent those provisions apply;"
- c. The Elections Code requires that the Board adopt a resolution amending director divisions no later than April 17, 2022;
- d. The Board held public hearings on December 14, 2021 and February 8, 2022, and a Regular Board meeting on January 18, 2022, to receive public testimony relating to redistricting criteria and communities of interest, and directed staff and the District's demographic consultant to prepare draft division plans for consideration;
- e. At the Regular Board meeting on January 18, 2022, the Board received a presentation on two draft maps prepared by the District's demographic consultant for compliance with applicable laws and standards;
- f. At its January 18, 2022 Regular Board meeting the Board expressed preference for draft Map 2 and directed the map be revised to address two areas of concern;
- g. The District's demographic consultant revised Map 2 and developed Map Option 3, which was presented to the Board at the public hearing on February 8, 2022. At the hearing on February 8, 2022, the Board selected Map Option 3 (now "the Preferred Map"), for adoption;
- h. At each of the public hearings on redistricting, the Board heard staff's presentation relating to "communities of interest," which led the Board to reach the following determinations about communities of interest on the Preferred Map relevant to Rowland Municipal Water District voting divisions as required under federal and state law:

- (1) *The divisions are geographically contiguous.* The divisions are arrayed in a simple and logical form without any islands and minimal intrusions from the area of one division into another;
 - (2) *To the extent practicable, the Preferred Map respects the geographic integrity of local neighborhoods and local communities of interest.* The map redraws division lines to better align with communities of interest and most other County municipalities.
 - (3) *The Preferred map respects the geographic integrity of cities and census designated places, with divisions in those cities and places minimized.* The Preferred Map also respects in large part the jurisdictional boundaries of the County's other cities and special districts.
 - (4) *The divisions are easily identifiable and understandable by residents.* The divisions in the Preferred Map form a relatively simple pattern.
 - (5) *To the extent practicable, the divisions are geographically compact.* Their configurations for the most part are compact, simple shapes, with nearby populations included in the same divisions.
 - (6) *The divisions are balanced in terms of total population and voting age population.* The divisions are well within the one-person/one-vote deviations permitted under federal and state voting rights laws.
 - (7) *The divisions conform to concentration of minority voters.* Division 1 is drawn to create a majority-minority Hispanic voting division (a division in which voters of a particular racial minority comprise a majority of voters in that division) and Divisions 2-5 are drawn to create a majority-minority Asian voting division.
- k. All information in the staff reports, maps, presentations, Board debate and public testimony referenced above is hereby incorporated into this decision and serves as evidentiary basis for these findings and legislative decision.

SECTION 2: Pursuant to the provisions of the Fair Maps Act of 2019 as amended in 2020, codified at California Elections Code section 21500 to 21509, after giving consideration to those provisions and applicable decisions of the courts, the Board hereby adjusts, changes, and establishes the boundaries of the director divisions as set forth in Exhibit A, which was considered by the Board at its public hearing on February 8, 2022., and they shall constitute and are hereby established as the boundaries of the director divisions of the Rowland Municipal Water District for subsequent elections until further readjustment is required by law.

SECTION 3: Notwithstanding any other provision of this chapter, and pursuant to California Elections Code section 22000, subdivision (e) (1) and (2), each of the directors in office at the time this Resolution takes effect shall continue in office until the expiration of the full term to which he or she was elected and until his or her successor is qualified, and any vacancy in a term currently underway shall be filled based on the divisions in effect at the time the current directors were elected.

SECTION 4: All resolutions, or parts thereof in conflict with this resolution are hereby repealed.

SECTION 5: The General Manager is directed to take all necessary steps to give effect to this Resolution. If necessary to facilitate the implementation of this Resolution, the General Manager or his or her designee is authorized to make technical adjustments to the division boundaries that

do not substantively affect the populations in the divisions, the eligibility of candidates, or the residence of elected officials within any division. The General Manager shall consult with District General Counsel concerning any technical adjustments deemed necessary and shall advise the Board of any such adjustments required in the implementation of the divisions.

SECTION 6: This Resolution is adopted following two noticed public hearings as required by Elections Code section 22001 and shall take effect and be in full force immediately upon adoption.

NOW, THEREFORE, be it resolved by the Board of Directors that the resolution is hereby approved and adopted by the Board of Directors.

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT HELD FEBRUARY 8, 2022, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ANTHONY J. LIMA, President

ATTEST:

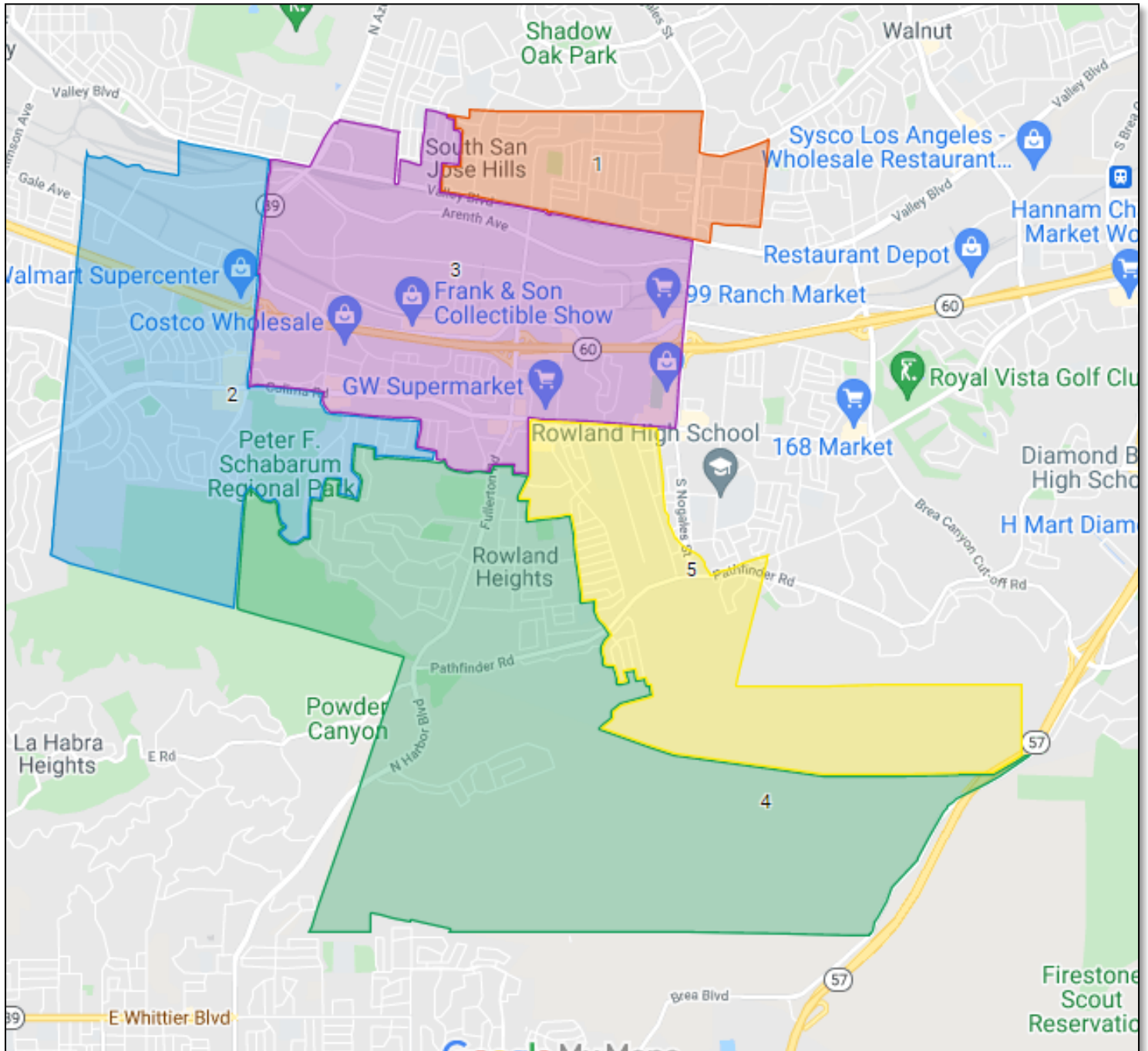
TOM COLEMAN
Board Secretary

I certify that the forgoing Resolution is a true and correct copy of the Resolution of the Board of Directors of the Rowland Water District adopted on February 8, 2022.

TOM COLEMAN
General Manager/Board Secretary

EXHIBIT A

MAP OF ADOPTED DIVISION LINES SUBJECT TO FINAL RECOMMENDED ACTION TAKEN AT RWD BOARD MEETING ON FEBRUARY 8, 2022





**RESOLUTION NO. 10-2021
ROWLAND WATER DISTRICT**

**RESOLUTION OF THE BOARD OF DIRECTORS
AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS
PURSUANT TO AB 361**

WHEREAS, the Rowland Water District ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Agency's meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor's executive orders, the District has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, District staff and Directors; and

WHEREAS, the Governor's executive order related to the suspension of certain provisions of the Brown Act expires on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, a state of emergency has been proclaimed related to COVID-19, state and local officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees.

NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE ROWLAND WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including Committee meetings, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT HELD OCTOBER 12, 2021, by the following roll call vote:

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



ANTHONY J. LIMA, President

I certify that the forgoing Resolution is a true and correct copy of the Resolution of the Board of Directors of the Rowland Water District adopted on October 12, 2021.



TOM COLEMAN
General Manager/Board Secretary



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
January 18, 2022 – 5:00 p.m.
Meeting Conducted Via Zoom at: <https://us02web.zoom.us/j/8759899861>

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Anthony J. Lima
Vice President Szu Pei Lu-Yang
Director John Bellah
Director Robert W. Lewis
Director Vanessa Hsu

ABSENT:

None.

OTHERS PRESENT:

Joseph Byrne, Legal Counsel, Best & Krieger
Todd Leishman, Legal Counsel, Best & Krieger
Erin Kaiman, CV Strategies
Paul J. Kaymark, CPA, Nigro & Nigro PC
Kirk Howie, Chief Administrative Officer, TVMWD
Mike Ti, Director, TVMWD

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Myra Malner, Director of Finance
John Poehler, Project Manager
Gabby Sanchez, Executive Assistant
Brittnie Van De Car, Education and Community Outreach Coordinator
Dusty Moisio, Assistant General Manager (Meeting Host)

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEM

None.

1. CONSENT CALENDAR

Upon motion by Director Lu-Yang, seconded by Director Bellah, the Consent Calendar was unanimously approved (5-0) by the following roll call vote:

Ayes: Directors Lima, Lu-Yang, Bellah, Lewis and Hsu
Noes: None

Abstain: None

Absent: None

Motion pass (5-0)

The approval of the Consent Calendar included:

- 1.1** Reaffirm Resolution No. 10-2021 Authorizing Virtual Board and Committee Meetings Pursuant to AB 361
- 1.2** Approval of the Minutes of Regular Board Meeting Held on December 14, 2021
- 1.3** Approval of the Minutes of Special Board Meeting Held on December 15, 2021
- 1.4** Demands on General Fund Account for November 2021
- 1.5** Investment Report for November 2021
- 1.6** Water Purchases for November 2021

Next Special Board Meeting: January 25, 2022, 5:00 p.m.

Next Regular Board Meeting: February 8, 2022, 5:00 p.m.

2. ACTION ITEMS

2.1 Review and Approve Directors' Meeting Reimbursements for December 2021

Upon motion by Director Lu-Yang, seconded by Director Bellah, the Directors unanimously approved (5-0) the Directors' Meeting Reimbursement Report as presented, by the following roll call vote:

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

Noes: None

Abstain: None

Absent: None

Motion pass (5-0)

2.2 Receive and Approve "Draft" Rowland Water District Financial Audit Report for Fiscal-Year 2020-2021 Prepared by Nigro & Nigro, PC, a Professional Accountancy Corporation

The Board received a presentation by Mr. Paul Kaymark, CPA, of Nigro & Nigro, PC, a Professional Accountancy Corporation, highlighting elements of the "draft" 2020-2021 RWD Audited Financial Statements. Mr. Kaymark advised that in the firm's opinion, the financial statements presented fairly, in all material respects, the financial position of the District as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. As a result, an unmodified opinion was provided.

Upon motion by Director Lewis, seconded by Director Hsu, the Directors unanimously approved (5-0) the "draft" RWD Financial Statements and Independent Auditor's Report for Fiscal Year ended June 30, 2021, by the following roll call vote:

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

Noes: None

Abstain: None

Absent: None

Motion pass (5-0)

2.3 Redistricting of Agency Division Boundaries – Presentation of Draft Division Maps Prepared by Best & Krieger

Mr. Todd Leishman of Best & Krieger (BB&K) provided an overview of the District's redistricting process and presented, for Board input, two (2) draft division boundary maps developed in accordance with Election Code Section 220 et seq. Following review of the proposed maps and respective demographic analysis, Board members provided input to Mr. Leishman on preferences and recommended additional boundary adjustments. Mr. Leishman noted that a public hearing has been scheduled for February 8, 2022, to receive testimony and comments regarding the District's division boundaries. Contingent upon testimony received, the Board will also consider adoption of a resolution approving division boundaries at that meeting. As this was an informational item only, no Board action was taken.

2.4 Receive and File the Puente Basin Water Agency Audit Report for Fiscal Year 2020-2021 Prepared by Fedak & Brown LLP

After Discussion, upon motion by Director Lewis, seconded by Director Lu-Yang, the Board unanimously received and filed the Puente Basin Water Agency Audit Report for Fiscal Year 2020-2021. The motion was approved as follows:

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

Motion pass (5-0)

2.5 Approve Changes in IRS Mileage Rate from 56 to 58.5 cents effective January 1, 2022

A motion was made by Director Lu-Yang, seconded by Director Hsu, and unanimously carried to approve changes in the IRS mileage rate from 56 to 58.5 cents effective January 1, 2022. The motion was approved by the following roll call vote:

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

Motion pass (5-0)

2.6 Consider Additional Funds for Seminar and Training Expenses

Upon discussion regarding anticipated employee and Board member seminar and training expenses, a motion made by Director Lu-Yang, seconded by Director Lewis, to authorize the allocation of an additional \$80,000 for seminar and training expenses proposed for the remainder of fiscal year 2021-2022. The motion was approved by the following roll call vote:

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

Motion pass (5-0)

2.7 Local Agency Formation Commission (LAFCO) Nomination of Independent Special District Voting Member

The Board received and discussed the LAFCO information included in the Board packet concerning upcoming elections for Independent Special District voting members. However, no Board action was taken to nominate a member of its own.

3. PUBLIC RELATIONS

3.1 Communications Outreach (CV Strategies)

Erin Kaiman reported on communication and outreach activities included in the outreach report. She then touched on the District's invitation to speak at the upcoming 2022 WaterReuse Symposium to highlight the Future 3 Recycled Water Project, a presentation to be facilitated by Mr. Moio.

3.2 Education Update

Brittnie Van De Car, Water Education Coordinator, provided the following report to the Board:

- K-3rd graders activity books, created in conjunction with CV Strategies, have been printed and will be delivered to schools soon.
- The installation of water bottle filling stations at Jellick and Northam Elementary Schools is complete. She further entertained discussion regarding previous installations projects.
- Advised that RWD fully awarded four EduBucks submission applications totaling \$3,900.
- Lastly, Ms. Van De Car highlighted a Jellick Elementary School student's artwork that was selected to be featured in the 2022 MWD 'Water is Life' calendar.

4. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS (INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE AGENDA)

None.

5. LEGISLATIVE INFORMATION

5.1 Updates on Legislative Issues

General Manager, Tom Coleman, advised that the Public Water Agencies Group (PWAG), on behalf of its member agencies, has reached out to ACWA, CSDA, and other associations requesting they advocate at the state level for funding to assist community water systems with the reimbursement of COVID-19-related customer arrearages for the period of June 16, 2021 – December 31, 2021. He will continue to apprise the Board as details progress.

Provided for information purposes only.

6. REVIEW OF CORRESPONDENCE

6.1 The Board received a "President's Special Recognition Award" certificate from the ACWA/JPIA for demonstrating Loss Ratio of 20% or less in the Liability Program for the period of 10/01/2017-9/30/2020.

Provided for information purposes only.

7. COMMITTEE REPORTS

7.1 Joint Powers Insurance Authority

No update was provided.

7.2 Three Valleys Municipal Water District

Director Lu-Yang and Lima reported on the December 1 and 15, 2021, TVMWD Board meeting activities.

7.3 Association of California Water Agencies

Mr. Lewis noted that an ACWA Region 8 meeting has been scheduled for February 11, 2022.

7.4 Puente Basin Water Agency

Mr. Lima spoke on business matters discussed during the January 6, 2022, PBWA Special meeting.

7.5 Project Ad-Hoc Committee

Nothing to report.

7.6 Regional Chamber of Commerce

Mr. Lewis reported on his attendance, on behalf of the Government Affairs Committee (GAC), at a groundbreaking ceremony for Century Plaza.

7.7 PWR Joint Waterline Commission

The next PWR Joint Water Line Commission meeting is scheduled for February 10, 2022.

7.8 Sheriff's Community Advisory Council

Nothing to report.

7.9 Rowland Heights Community Coordinating Council (RHCCC)

Ms. Lu-Yang reported on meeting activities.

8. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

8.1 Finance Report

Director of Finance, Myra Malner, presented a year-to-date Financial Dashboard containing comparative graphs of Revenue and Expense by Category and Consumption by Class through December 31, 2021.

8.2 Operations Report

Assistant General Manager, Dusty Moasio, provided the Board with the following updates:

- AMI update: 13,807 meters have been converted to AMI, with a reception accuracy of 99.5%. The District is now 99.9% AMI meters.
- Field Operations Completed Tasks- Provided the Board with the following tasks completed for the month of December:
 - Water Samples – 158
 - Site Inspections - 78
 - Service Orders Completed - 210

- Meters Replaced - 64
- Modules Replaced - 3
- Dig Alerts – 263
- Service Lines Repaired- 4
- System Valves Replaced- 0
- Air Releases Inspections - 76
- Recycled Water Inspections - 22
- Included in the presentation as well were the totals of tasks completed for the 2021 calendar year.

8.3 Personnel Report

Mr. Coleman spoke on the success rate of the District's internship program and advised that an intern was recently hired by a local water agency. As a result, the District will commence recruitment for another intern.

9. ATTORNEY'S REPORT

Legal counsel, Joseph Byrne, had nothing to report.

10. CLOSED SESSION

A closed session was not held in connection with the item listed below:

a. 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 Item(s)

- None.

Late Business

None.

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

ANTHONY J. LIMA
Board President

Attest: _____
TOM COLEMAN
Board Secretary



Minutes of the Special Meeting
of the Board of Directors of the Rowland Water District
January 25, 2022 – 5:07 p.m.
Meeting Conducted Via Zoom at: <https://us02web.zoom.us/j/8759899861>

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Anthony J. Lima
Vice President Szu Pei Lu-Yang
Director John Bellah
Director Robert W. Lewis
Director Vanessa Hsu

ABSENT:

None.

OTHERS PRESENT:

Erin Kaiman, CV Strategies
Tara Bravo, CV Strategies

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Myra Malner, Director of Finance
Gabby Sanchez, Executive Assistant
Brittanie Van De Car, Education and Community Outreach Coordinator
Dusty Moisio, Assistant General Manager (Meeting Host)

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEM

None.

1. CONSENT CALENDAR

Upon motion by Director Lewis, seconded by Director Lu-Yang, the Consent Calendar was unanimously approved (5-0) by the following roll call vote:

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

Motion pass (5-0)

Next Regular Board Meeting: February 8, 2022, 5:00 p.m.
Next Special Board Meeting: February 22, 2022, 5:00 p.m.

2. ACTION ITEMS

2.1 Strategic Planning Workshop – Presentation by CV Strategies

Ms. Erin Kaiman of CV Strategies provided a PowerPoint presentation focusing on initiatives and strategies guiding the development of the 2022 strategic plan update. She highlighted accomplishments from the 2018 plan adoption and directed roundtable dialogue amongst Board members and staff to identify strategic planning initiatives and strategies in the categories of communication, value, organizational development, water supply diversity, system reliability and upgrades. As this was an informational presentation only, no formal Board action was taken.

3. ATTORNEY’S REPORT

Legal counsel, Joseph Byrne, had nothing to report.

4. CLOSED SESSION

A closed session was not held in connection with the item listed below:

a. **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

Director Lu-Yang requested that the District showcase it’s educational and community engagement activities in the form of a short film.

Future Agenda Item(s)

- None.

Late Business

None.

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

ANTHONY J. LIMA
Board President

Attest: _____
TOM COLEMAN
Board Secretary

Report Criteria:

Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
29631						
12/21	12/10/2021	29631	62729	CA UNDERGROUND FACILITIES SAFE	CA STATE FEE	110.53-
Total 29631:						110.53-
29667						
12/21	12/10/2021	29667	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	455.50-
Total 29667:						455.50-
29922						
12/21	12/06/2021	29922	62704	ALEXANDRO ZARAGOZA	TOTAL EXPENSES-BOOT ALLOWANCE	231.65
Total 29922:						231.65
29923						
12/21	12/06/2021	29923	62093	ASTRA INDUSTRIAL SERVICES INC	SUPPLIES FOR METER	274.66
Total 29923:						274.66
29924						
12/21	12/06/2021	29924	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	395.35
Total 29924:						395.35
29925						
12/21	12/06/2021	29925	62810	BREAKING THE CHAIN CONSULTING	MANAGEMENT AND STAFF COACHING	6,000.00
12/21	12/06/2021	29925	62810	BREAKING THE CHAIN CONSULTING	STRENGTHS FINDERS ASSESSMENTS (5)	249.95
Total 29925:						6,249.95
29926						
12/21	12/06/2021	29926	62548	CORPORATE BUSINESS INTERIORS	HEIGHT ADJUSTABLE BASES & DBL MONITOR AR	1,958.65
Total 29926:						1,958.65
29927						
12/21	12/06/2021	29927	62823	ELISABETH MENDEZ	TOTAL EXPENSES-BOOT ALLOWANCE	130.91
Total 29927:						130.91
29928						
12/21	12/06/2021	29928	62351	ELITE EQUIPMENT INC.	TOOLS & SUPPLIES	371.60
Total 29928:						371.60
29929						
12/21	12/06/2021	29929	62822	GABRIELA SANCHEZ	TOTAL EXPENSES-SECRETARY OF STATE NOTAR	40.00
Total 29929:						40.00
29930						
12/21	12/06/2021	29930	62624	HASA INC	CHEMICALS FOR RCS	237.59
12/21	12/06/2021	29930	62624	HASA INC	CHEMICALS FOR RCS	137.07

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29930:						374.66
29931						
12/21	12/06/2021	29931	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	549.91
12/21	12/06/2021	29931	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR WBS	1,226.63
Total 29931:						1,776.54
29932						
12/21	12/06/2021	29932	3000	INDUSTRY BUSINESS COUNCIL	RESERVATION-(6)	300.00
Total 29932:						300.00
29933						
12/21	12/06/2021	29933	244	INFOSEND INC	BILLING SERVICE	3,306.67
12/21	12/06/2021	29933	244	INFOSEND INC	BILLING SERVICE	1,629.68
12/21	12/06/2021	29933	244	INFOSEND INC	BILLING SERVICE	2,240.21
12/21	12/06/2021	29933	244	INFOSEND INC	BILLING SERVICE	3,114.28
12/21	12/06/2021	29933	244	INFOSEND INC	BILLING SERVICE	1,715.48
Total 29933:						12,006.32
29934						
12/21	12/06/2021	29934	62777	J DE SIGIO CONSTRUCTION INC	JOB 1456 FULLERTON RD	7,000.00
Total 29934:						7,000.00
29935						
12/21	12/06/2021	29935	62078	MCKINNEY CONSTRUCTION CO INC	ROWLAND TOWN CENTER & HOTELS-PROGRESS	184,482.02
12/21	12/06/2021	29935	62078	MCKINNEY CONSTRUCTION CO INC	TRAFFIC CONTROL PLAN-ROWLAND TOWN CENT	2,340.00
Total 29935:						186,822.02
29936						
12/21	12/06/2021	29936	257	MCMaster-CARR SUPPLY CO	MISC EXPENSE	119.50
12/21	12/06/2021	29936	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR RES 8 RCS & ELECTRICAL UPGRA	92.02
Total 29936:						211.52
29937						
12/21	12/06/2021	29937	62448	PARS	GASBY 45 MANAGEMENT FEE	1,542.75
Total 29937:						1,542.75
29938						
12/21	12/06/2021	29938	62771	PUBLIC WATER AGENCIES GROUP	ASSESSMENT-WATER CONSERVATION AND EDUC	2,500.00
Total 29938:						2,500.00
29939						
12/21	12/06/2021	29939	5000	PUENTE BASIN WATER AGENCY	REEB-DEC 2021	1,666.67
Total 29939:						1,666.67
29940						
12/21	12/06/2021	29940	5100	PUENTE READY MIX INC	CRUSHER BASE & WASH CON SAND	1,746.09

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29940:						1,746.09
29941						
12/21	12/06/2021	29941	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RC	262.28
Total 29941:						262.28
29942						
12/21	12/06/2021	29942	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	375.00
Total 29942:						375.00
29943						
12/21	12/06/2021	29943	62565	UNIVAR USA INC.	SOD HYPO LIQUICHLOR-WBS	1,668.00
Total 29943:						1,668.00
29944						
12/21	12/06/2021	29944	62353	VERIZON	CONFERENCE CALLS	25.59
Total 29944:						25.59
29945						
12/21	12/06/2021	29945	2900	VULCAN MATERIAL COMPANY	COLD MIX	1,792.03
Total 29945:						1,792.03
29946						
12/21	12/06/2021	29946	382	W A RASIC CONSTRUCTION CO INC	JOB 21SC38-PHASE 4 VALVE REPLACEMENTS	130,575.00
Total 29946:						130,575.00
29947						
12/21	12/06/2021	29947	321	WIENHOFF DRUG TESTING INC	ANNUAL CONSORTIUM MEMBERSHIP	320.00
Total 29947:						320.00
29948						
12/21	12/14/2021	29948	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	47,203.31
12/21	12/14/2021	29948	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	590.70
12/21	12/14/2021	29948	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	54.74
12/21	12/14/2021	29948	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	2,859.74
12/21	12/14/2021	29948	1000	ACWA JPIA	RETIREES HEALTH BENEFITS	17,926.64
12/21	12/14/2021	29948	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	9,319.21
Total 29948:						77,954.34
29949						
12/21	12/14/2021	29949	62554	APPLIED TECHNOLOGY GROUP	KNT S-CA #C1210507	54.19
Total 29949:						54.19
29950						
12/21	12/14/2021	29950	3850	ATHENS SERVICES (MODERN SVC)	TRASH SERVICE	401.28

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29950:						401.28
29951						
12/21	12/14/2021	29951	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	11,924.00
12/21	12/14/2021	29951	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-ENVIRONMENTAL LAW	202.80
12/21	12/14/2021	29951	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-WATER RATES	2,261.40
Total 29951:						14,388.20
29952						
12/21	12/14/2021	29952	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,495.83
12/21	12/14/2021	29952	1476	BUSINESS CARD (VISA)	SEMINAR AND TRAINING EXPENSE	437.00
12/21	12/14/2021	29952	1476	BUSINESS CARD (VISA)	VEHICLE EXPENSE	638.39
12/21	12/14/2021	29952	1476	BUSINESS CARD (VISA)	MEMBERSHIP EXPENSE	100.83
Total 29952:						2,672.05
29953						
12/21	12/14/2021	29953	1079	CA-NV SECTION AWWA	WATER USE EFFICIENCY PRACTITIONER RENEWA	100.00
Total 29953:						100.00
29954						
12/21	12/14/2021	29954	403	CASELLE INC	CONTRACT SUPPORT CHARGES	1,884.00
Total 29954:						1,884.00
29955						
12/21	12/14/2021	29955	6966	CINTAS	UNIFORM RENTAL	3,494.23
Total 29955:						3,494.23
29956						
12/21	12/14/2021	29956	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	1,775.20
Total 29956:						1,775.20
29957						
12/21	12/14/2021	29957	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,595.00
Total 29957:						1,595.00
29958						
12/21	12/14/2021	29958	33	DUSTIN T MOISIO	TOTAL EXPENSES-GAS	294.39
Total 29958:						294.39
29959						
12/21	12/14/2021	29959	62445	EXCEL DOOR & GATE COMPANY	PERFORM SEMI ANNUAL PM-DISTRICT OFFICE	676.00
12/21	12/14/2021	29959	62445	EXCEL DOOR & GATE COMPANY	PERFORM SEMI ANNUAL PM-WBS	389.00
Total 29959:						1,065.00
29960						
12/21	12/14/2021	29960	2550	FRONTIER	INTERNET ACCESS	799.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29960:						799.00
29961						
12/21	12/14/2021	29961	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	2,072.00
12/21	12/14/2021	29961	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	991.52
Total 29961:						3,063.52
29962						
12/21	12/14/2021	29962	62526	HARRINGTON INDUSTRIAL PLASTICS	SUPPLIES FOR RES 8 RCS & ELECTRICAL UPGRA	1,785.09
12/21	12/14/2021	29962	62526	HARRINGTON INDUSTRIAL PLASTICS	SUPPLIES FOR RES 8 RCS & ELECTRICAL UPGRA	64.70
Total 29962:						1,849.79
29963						
12/21	12/14/2021	29963	62624	HASA INC	CHEMICALS FOR RCS	200.93
Total 29963:						200.93
29964						
12/21	12/14/2021	29964	2724	HOME DEPOT CREDIT SERVICES	TOOLS & SUPPLIES	88.29
12/21	12/14/2021	29964	2724	HOME DEPOT CREDIT SERVICES	SUPPLIES FOR RES	22.86
12/21	12/14/2021	29964	2724	HOME DEPOT CREDIT SERVICES	MAINTENANCE & OPERATION	246.86
Total 29964:						358.01
29965						
12/21	12/14/2021	29965	62233	JOHN BELLAH	MILEAGE REIMBURSEMENT	67.42
12/21	12/14/2021	29965	62233	JOHN BELLAH	TOTAL EXPENSES-ACWA CONFERENCE	30.00
Total 29965:						97.42
29966						
12/21	12/14/2021	29966	62078	MCKINNEY CONSTRUCTION CO INC	WORK ON BACKBONE	556.63
Total 29966:						556.63
29967						
12/21	12/14/2021	29967	257	MCMaster-CARR SUPPLY CO	CREDIT	23.64
12/21	12/14/2021	29967	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR RES	121.78
12/21	12/14/2021	29967	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR PUMPS	256.74
12/21	12/14/2021	29967	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR RC	189.86
12/21	12/14/2021	29967	257	MCMaster-CARR SUPPLY CO	SUPPLIES FOR RC	55.42
Total 29967:						600.16
29968						
12/21	12/14/2021	29968	46201	PITNEY BOWES GLOBAL FINANCIAL S	POSTAGE METER-LEASING CHARGE	252.14
Total 29968:						252.14
29969						
12/21	12/14/2021	29969	5100	PUENTE READY MIX INC	CRUSHER BASE	852.05
12/21	12/14/2021	29969	5100	PUENTE READY MIX INC	WASH CONCRETE SAND	899.10

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29969:						1,751.15
29970						
12/21	12/14/2021	29970	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	183.96
12/21	12/14/2021	29970	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	865.71
Total 29970:						1,049.67
29971						
12/21	12/14/2021	29971	62691	SJ LYONS CONSTRUCTION INC	RES 8 RCS AND ELECTRICAL	10,419.60
Total 29971:						10,419.60
29972						
12/21	12/14/2021	29972	62481	STAPLES BUSINESS CREDIT	OFFICE SUPPLIES	721.33
Total 29972:						721.33
29973						
12/21	12/14/2021	29973	62695	TRAVIS NOELTE	TOTAL EXPENSES-BOOT ALLOWANCE	188.55
Total 29973:						188.55
29974						
12/21	12/14/2021	29974	62665	VERIZON	SCADA ALARM MODEM	21.39
Total 29974:						21.39
29975						
12/21	12/14/2021	29975	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	219.24
12/21	12/14/2021	29975	382	W A RASIC CONSTRUCTION CO INC	JOB 19SX30-FULLERTON ROAD GRAD SEP	136.80
12/21	12/14/2021	29975	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	68.21
12/21	12/14/2021	29975	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	68.21
12/21	12/14/2021	29975	382	W A RASIC CONSTRUCTION CO INC	JOB 17SX85-FULLERTON RD GRADE SEP	68.21
Total 29975:						560.67
29976						
12/21	12/14/2021	29976	62714	WEST COAST PIPE	FULLERTON ROAD GRADE SEP	89,492.17
Total 29976:						89,492.17
29977						
12/21	12/14/2021	29977	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	325,111.98
12/21	12/14/2021	29977	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	195,143.71
12/21	12/14/2021	29977	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	6,084.83
12/21	12/14/2021	29977	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,230.05
12/21	12/14/2021	29977	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,646.26
Total 29977:						529,216.83
29980						
12/21	12/20/2021	29980	62024	ACTION TROPHY	MOUNT BRASS FIRE HYDRANT	75.78
Total 29980:						75.78

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
29981						
12/21	12/20/2021	29981	4600	AIRGAS USA LLC	TANK RENTAL	112.26
Total 29981:						112.26
29982						
12/21	12/20/2021	29982	62622	AKM CONSULTING ENGINEERS	POTABLE WATER AND RECYCLED WATER HYDRA	27,038.50
12/21	12/20/2021	29982	62622	AKM CONSULTING ENGINEERS	CUATRO BOOSTER STATION DESIGN	4,381.00
12/21	12/20/2021	29982	62622	AKM CONSULTING ENGINEERS	TRACT 51153 POTABLE WATER SYSTEM	11,776.00
Total 29982:						43,195.50
29983						
12/21	12/20/2021	29983	62554	APPLIED TECHNOLOGY GROUP	REPLACED DAMAGED P21 MOTHERBOARD AT RE	993.09
Total 29983:						993.09
29984						
12/21	12/20/2021	29984	400	AT&T MOBILITY	MOBILE PHONES, IPADS	1,398.55
Total 29984:						1,398.55
29985						
12/21	12/20/2021	29985	62729	CA UNDERGROUND FACILITIES SAFE	CA STATE FEE	110.53
Total 29985:						110.53
29986						
12/21	12/20/2021	29986	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	14,256.00
Total 29986:						14,256.00
29987						
12/21	12/20/2021	29987	383	CLA-VAL	MODEL 60-13 MAIN VALVE & PILOTS RUBBER REB	3,975.10
12/21	12/20/2021	29987	383	CLA-VAL	MODEL 60-11 MAIN VALVE & PILOTS RUBBER REB	1,209.00
12/21	12/20/2021	29987	383	CLA-VAL	CONVERT TO STAINLESS STEEL PILOT	2,715.00
12/21	12/20/2021	29987	383	CLA-VAL	TAX	508.96
12/21	12/20/2021	29987	383	CLA-VAL	MODEL 60-19 MAIN VALVE & PILOTS RUBBER REB	1,743.00
12/21	12/20/2021	29987	383	CLA-VAL	102C-3H PILOT/STAINLESS STEEL	5,741.40
12/21	12/20/2021	29987	383	CLA-VAL	TAX	619.82
12/21	12/20/2021	29987	383	CLA-VAL	TRAVEL FOR 2 MEN FOR 2 DAYS	4,634.50
12/21	12/20/2021	29987	383	CLA-VAL	MODEL 60-13 MAIN VALVE & PILOTS RUBBER REB	5,169.70
12/21	12/20/2021	29987	383	CLA-VAL	TAX	783.86
12/21	12/20/2021	29987	383	CLA-VAL	LABOR FOR 2 MEN AT PREVAILING WAGE	7,774.00
12/21	12/20/2021	29987	383	CLA-VAL	TRAVEL FOR 2 MEN FOR 3 DAYS	1,440.00
Total 29987:						36,314.34
29988						
12/21	12/20/2021	29988	62645	CORE & MAIN LP	2" POTABLE MASTER METERS W/ ALLEGRO	12,245.40
12/21	12/20/2021	29988	62645	CORE & MAIN LP	TAX	1,163.31
Total 29988:						13,408.71
29989						
12/21	12/20/2021	29989	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	125.75

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29989:						125.75
29990						
12/21	12/20/2021	29990	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	25,232.50
12/21	12/20/2021	29990	62439	CVSTRATEGIES	COMMUNICATION SERVICES-EZ UP	2,751.10
12/21	12/20/2021	29990	62439	CVSTRATEGIES	COMMUNICATION SERVICES-NEWSLETTER	2,720.00
12/21	12/20/2021	29990	62439	CVSTRATEGIES	COMMUNICATION SERVICES-UNDERSTANDING Y	1,688.75
12/21	12/20/2021	29990	62439	CVSTRATEGIES	COMMUNICATION SERVICES-GENERAL	5,353.75
Total 29990:						37,746.10
29991						
12/21	12/20/2021	29991	62351	ELITE EQUIPMENT INC.	TRENCH DIGGER	1,133.05
Total 29991:						1,133.05
29992						
12/21	12/20/2021	29992	62039	FAST EDDIE'S TRUCKING	TRUCK HAULING & DUMP	4,640.00
Total 29992:						4,640.00
29993						
12/21	12/20/2021	29993	5600	G M SAGER CONSTRUCTION	ASPHALT & CONCRETE	4,921.15
Total 29993:						4,921.15
29994						
12/21	12/20/2021	29994	62812	GROWING ROOTS LLC	MONTHLY PLANT CARE	320.00
Total 29994:						320.00
29995						
12/21	12/20/2021	29995	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	2,183.58
12/21	12/20/2021	29995	2600	HACH COMPANY	WATER QUALITY TESTING SUPPLIES	47.51
Total 29995:						2,231.09
29996						
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	328.97
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	219.31
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	639.66
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	182.76
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	164.48
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	237.59
12/21	12/20/2021	29996	62624	HASA INC	CHEMICALS FOR RCS	493.45
Total 29996:						2,266.22
29997						
12/21	12/20/2021	29997	379	HIGHROAD INFORMATION TECHNOL	MANAGED SERVICES	4,416.87
12/21	12/20/2021	29997	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	2,557.00
12/21	12/20/2021	29997	379	HIGHROAD INFORMATION TECHNOL	MICROSOFT OFFICE 365	1,200.00
12/21	12/20/2021	29997	379	HIGHROAD INFORMATION TECHNOL	MONTHLY SUBSCRIPTION FEE-AZURE	9,980.00
12/21	12/20/2021	29997	379	HIGHROAD INFORMATION TECHNOL	SONICWALL ADVANCED SECURITY SUITE (1 YR)	2,500.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 29997:						20,653.67
29998						
12/21	12/20/2021	29998	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	783.60
12/21	12/20/2021	29998	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR WBS	1,140.70
Total 29998:						1,924.30
29999						
12/21	12/20/2021	29999	3000	INDUSTRY BUSINESS COUNCIL	MEMBERSHIP DUES	275.00
Total 29999:						275.00
30000						
12/21	12/22/2021	30000	1625	ANTHEM BLUE CROSS	RETIREE HEALTH BENEFITS	1,193.02
Total 30000:						1,193.02
30001						
12/21	12/22/2021	30001	1900	CLINICAL LAB OF S B	WATER SAMPLES	1,885.00
Total 30001:						1,885.00
30002						
12/21	12/22/2021	30002	2550	FRONTIER	PHONE SERVICE	269.92
Total 30002:						269.92
30003						
12/21	12/22/2021	30003	330	FUEL PRO INC	SERVICE REQUEST FOR VR READING LOW FUEL	748.28
12/21	12/22/2021	30003	330	FUEL PRO INC	D/O INSPECTION	170.00
Total 30003:						918.28
30004						
12/21	12/22/2021	30004	62435	INDUSTRY PUBLIC UTILITY COMMISSI	PUMPING POWER-PUMPSTATION 2A	2,538.30
Total 30004:						2,538.30
30005						
12/21	12/22/2021	30005	244	INFOSEND INC	BILLING SERVICE	45.42
12/21	12/22/2021	30005	244	INFOSEND INC	BILLING SERVICE	56.04
Total 30005:						101.46
30006						
12/21	12/22/2021	30006	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES-NO SERVICE 12/	513.34
Total 30006:						513.34
30007						
12/21	12/22/2021	30007	62713	JCL TRAFFIC SERVICES	TOOLS & SUPPLIES	276.57
Total 30007:						276.57

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
30008						
12/21	12/22/2021	30008	62128	LEWIS ENGRAVING INC	NAME PLATE & BADGE	118.90
Total 30008:						118.90
30009						
12/21	12/22/2021	30009	62664	M & J TREE SERVICE	MAINTENANCE FOR NOVEMBER-WBS	600.00
12/21	12/22/2021	30009	62664	M & J TREE SERVICE	MAINTENANCE SERVICE (6 SITES)	5,800.00
Total 30009:						6,400.00
30010						
12/21	12/22/2021	30010	62078	MCKINNEY CONSTRUCTION CO INC	HOT TAPPED 1-1" WELD COUPLINGS-IND HILLS	515.00
12/21	12/22/2021	30010	62078	MCKINNEY CONSTRUCTION CO INC	HOT TAPPED 1-1" WELD COUPLINGS-RC	515.00
Total 30010:						1,030.00
30011						
12/21	12/22/2021	30011	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES	45.12
12/21	12/22/2021	30011	257	MCMASTER-CARR SUPPLY CO	SUPPLIES FOR RES 8 RCS & ELECTRICAL UPGRA	242.95
Total 30011:						288.07
30012						
12/21	12/22/2021	30012	62525	MORROW-MEADOWS CORPORATION	MOTOR PROTECTION RELAY FOR PUMP STATION	1,673.34
Total 30012:						1,673.34
30013						
12/21	12/22/2021	30013	62735	MUTUAL OF OMAHA	LIFE INSURANCE	551.00
12/21	12/22/2021	30013	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,340.10
12/21	12/22/2021	30013	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	69.35
Total 30013:						1,960.45
30014						
12/21	12/22/2021	30014	5775	NATIONAL THEATRE FOR CHILDREN	FINAL INVOICE-2021 SCHOOL YEAR-DIGITAL WATE	4,650.00
Total 30014:						4,650.00
30015						
12/21	12/22/2021	30015	62786	NIGRO & NIGRO PC	FINAL BILLING-6/30/21 AUDIT	10,500.00
Total 30015:						10,500.00
30016						
12/21	12/22/2021	30016	189	NOBEL SYSTEMS	GEOVIEWER ANNUAL SUBSCRIPTION	5,000.00
12/21	12/22/2021	30016	189	NOBEL SYSTEMS	GEOVIEWER QUARTERLY SUBSCRIPTION	5,000.00
Total 30016:						10,000.00
30017						
12/21	12/22/2021	30017	62649	OPARC	PAINTING FIRE HYDRANTS	1,919.16
Total 30017:						1,919.16

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
30018						
12/21	12/22/2021	30018	62448	PARS	GASBY 45 MANAGEMENT FEE	1,582.66
Total 30018:						1,582.66
30019						
12/21	12/22/2021	30019	62728	PAX WATER TECHNOLOGIES INC	SERVICE KIT, VFD, 20 HZ, AC DRIVE	300.00
Total 30019:						300.00
30020						
12/21	12/22/2021	30020	62771	PUBLIC WATER AGENCIES GROUP	ASSESSMENT FOR EMERGENCY PREPAREDNESS	1,541.92
Total 30020:						1,541.92
30021						
12/21	12/22/2021	30021	62660	PUENTE HILLS FORD	MAINTENANCE TRUCKS 6,7,29,31,43	2,021.28
Total 30021:						2,021.28
30022						
12/21	12/22/2021	30022	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	67.42
12/21	12/22/2021	30022	3360	ROBERT LEWIS	TOTAL EXPENSES-ACWA CONFERENCE	30.00
Total 30022:						97.42
30023						
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	CREDIT MEMO	355.87-
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	BRASS FIRE HYDRANT	805.95
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR FULLERTON ROAD GRADE SEP	17,466.60
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR PUMPS	296.31
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	661.05
12/21	12/22/2021	30023	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	556.97
Total 30023:						19,431.01
30024						
12/21	12/22/2021	30024	6500	THERMALAIR INC	WORK PERFORMED-BALANCE AIR	325.00
Total 30024:						325.00
30025						
12/21	12/22/2021	30025	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	375.00
Total 30025:						375.00
30026						
12/21	12/22/2021	30026	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	328.45
Total 30026:						328.45
30027						
12/21	12/22/2021	30027	2360	USC FCCCHR	MEMBERSHIP RENEWAL	562.25
Total 30027:						562.25

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
30028						
12/21	12/22/2021	30028	62795	VEGA AMERICAS INC	VEGASWING 63	776.64
Total 30028:						776.64
30029						
12/21	12/22/2021	30029	7700	WALNUT VALLEY WATER DISTRICT	RECYCLED WATER	804.45
Total 30029:						804.45
30030						
12/21	12/22/2021	30030	205	WARREN GRAPHICS	REG AND WINDOW ENVELOPES	632.91
12/21	12/22/2021	30030	205	WARREN GRAPHICS	BUSINESS CARDS	309.89
Total 30030:						942.80
30031						
12/21	12/22/2021	30031	62432	WASTE MANAGEMENT COMPANY	CLEAN ASHALT	311.70
Total 30031:						311.70
30032						
12/21	12/22/2021	30032	62502	S & J SUPPLY COMPANY, INC	1" AIR RELEASE	2,447.40
12/21	12/22/2021	30032	62502	S & J SUPPLY COMPANY, INC	6" GASKETS	112.50
12/21	12/22/2021	30032	62502	S & J SUPPLY COMPANY, INC	TAX	243.19
Total 30032:						2,803.09
30033						
12/21	12/28/2021	30033	2052	LOS ANGELES COUNTY CLERK	NOTARY BOND AND OATH OF OFFICE FILING FEE	43.00
Total 30033:						43.00
122121						
12/21	12/21/2021	122121	5900	SOCALGAS	GAS UTILITY BILL	267.72
Total 122121:						267.72
12022021						
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	629.69
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	DIRECTV	88.99
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	CENTRAL COMMUNICATIONS	312.06
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	FREEDOM VOICE	1,548.81
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	NEXTIVA	73.67
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	IT SUPPORT	99.00
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	MISC EXPENSES	7,136.72
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	CONFERENCE EXPENSE	378.56
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	716.03
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	CONSERVATION EXPENSE	1,246.07
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	TELEMETRY EXPENSE	580.23
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	SERVICE CUTS	574.00
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	SERVICE CUTS	2,296.00
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	SERVICE CUTS	2,870.00
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	POSTAGE	132.60
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	SEMINAR AND TRAINING EXPENSES	199.95
12/21	12/02/2021	120220	1070	AMERICAN EXPRESS	OFFICE SUPPLIES	930.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 12022021:						19,813.30
12142021						
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	327,094.20
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,524.86
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	1,957.31
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,954.15
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	10,412.19
12/21	12/14/2021	121420	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	9,289.08
Total 12142021:						352,231.79
12152021						
12/21	12/15/2021	121520	62493	CADWAY INC (CAL DOMESTIC WATER	RTS	675.43
12/21	12/15/2021	121520	62493	CADWAY INC (CAL DOMESTIC WATER	WATER CHARGE	71,891.98
Total 12152021:						72,567.41
12212021						
12/21	12/21/2021	122120	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	30,738.09
12/21	12/21/2021	122120	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	3,415.34
Total 12212021:						34,153.43
Grand Totals:						1,850,545.27

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	483,262.33	.00	483,262.33
222100	945.54	1,851,490.81-	1,850,545.27-
51110-0	71,891.98	.00	71,891.98
51310-0	856,638.97	.00	856,638.97
51410-1	3,600.41	.00	3,600.41
51410-2	2,754.91	.00	2,754.91
51410-3	1,957.31	.00	1,957.31
51410-5	16,497.02	.00	16,497.02
51510-0	15,060.45	.00	15,060.45
51610-0	675.43	.00	675.43
51910-0	1,666.67	.00	1,666.67
52210-0	553.05	.00	553.05
52310-0	33,276.39	.00	33,276.39
54209-0	15,434.62	.00	15,434.62
54210-0	7,231.97	.00	7,231.97
54211-0	9,440.05	.00	9,440.05
54212-0	1,140.37	.00	1,140.37
54213-0	489.76	.00	489.76
54214-0	556.97	.00	556.97
54215-0	2,725.11	355.87-	2,369.24
54216-0	2,349.96	.00	2,349.96
54217-0	4,175.32	.00	4,175.32
54218-0	24,647.25	.00	24,647.25
54219-0	5,024.33	.00	5,024.33

GL Account	Debit	Credit	Proof
56210-0	4,332.03	.00	4,332.03
56211-0	4,900.61	.00	4,900.61
56214-0	1,652.25	.00	1,652.25
56215-0	1,258.08	.00	1,258.08
56216-0	1,194.30	.00	1,194.30
56217-0	134.84	.00	134.84
56218-0	14,388.20	.00	14,388.20
56218-2	4,041.92	.00	4,041.92
56219-0	9,017.67	.00	9,017.67
56220-0	10,322.67	.00	10,322.67
56221-0	42,396.10	.00	42,396.10
56223-0	438.56	.00	438.56
56226-0	21,180.00	.00	21,180.00
56312-0	24,825.69	455.50-	24,370.19
56320-0	7,226.90	.00	7,226.90
56411-0	47,203.31	.00	47,203.31
56413-0	2,859.74	.00	2,859.74
56415-0	590.70	.00	590.70
56416-0	551.00	.00	551.00
56417-0	19,119.66	.00	19,119.66
56418-0	1,340.10	.00	1,340.10
56419-0	54.74	.00	54.74
56421-0	9,388.56	.00	9,388.56
56510-0	153.53	110.53-	43.00
56710-0	1,245.31	.00	1,245.31
56811-0	10,500.00	.00	10,500.00
56812-0	9,378.94	.00	9,378.94
57310-0	27,038.50	.00	27,038.50
57312-0	2,113.54	23.64-	2,089.90
57314-0	1,247.86	.00	1,247.86
57315-0	3,480.00	.00	3,480.00
57319-0	1,246.07	.00	1,246.07
57320-0	100.00	.00	100.00
57321-0	2,401.09	.00	2,401.09
57323-0	3,117.71	.00	3,117.71
Grand Totals:	<u>1,852,436.35</u>	<u>1,852,436.35-</u>	<u>.00</u>

Report Criteria:

Report type: GL detail

Report Criteria:
Detail Report

Check Number Check Issue Date Payee

29978 12/14/2021 JELICK OUTDOOR SCHOOL

Sequence	Source	Description	GL Account	Amount	Check Amount
1		EDUBUCKS PROGRAM-TEACHER GRANT	57319-0	1,200.00	1,200.00

29979 12/14/2021 JELICK ELEMENTARY

Sequence	Source	Description	GL Account	Amount	Check Amount
1		EDUBUCKS PROGRAM-TEACHER GRANT	57319-0	1,200.00	1,200.00

Grand Totals:

2,400.00



ROWLAND WATER DISTRICT

CASH INVESTMENTS

As of December 31, 2021

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
Cash								
Citizens Business Bank							\$ 6,560,897	
Comerica Bank MMIA							\$ 8,920	
Total Cash							\$ 6,569,816	
Comerica Securities CD Placement	Various					2.11%	\$ 359,790	2.46%
Local Agency Investment Fund (LAIF)	N/A					0.20%	\$ 2,121,256	14.50%
Citizens Trust Investments (US Bank Custodian)								
Fed'l Home Loan Mtg. Corp. - WVJ2	4 Year	300,000	100.0000	98.5050	9/30/2024	0.41%	\$ 295,515	2.02%
Fed'l National Mtg. Assn. - 06M0	4 Year	200,000	100.0000	98.8220	12/16/2024	0.51%	\$ 197,644	1.35%
Fed'l Home Loan Mtg. Corp. - 4C27	5 Year	350,000	100.0000	98.4150	7/29/2025	0.71%	\$ 344,453	2.35%
Fed'l National Mtg. Assn. - 4XZ1	5 Year	200,000	100.0000	98.5770	6/30/2025	0.75%	\$ 197,154	1.35%
Fed'l National Mtg. Assn. - 0T45	5 Year	625,000	101.2114	100.4040	4/5/2022	1.87%	\$ 627,525	4.29%
Fed'l National Mtg. Assn. - 0S38	5 Year	300,000	102.9350	100.0110	1/5/2022	2.00%	\$ 300,033	2.05%
Fed'l National Mtg. Assn. - 0U43	5 Year	250,000	105.7000	103.6880	9/12/2023	2.77%	\$ 259,220	1.77%
Fed'l Home Loan Bank - 0T94	5 Year	505,000	99.2492	102.0480	1/19/2023	2.33%	\$ 515,342	3.52%
Fed'l Home Loan Bank - MSE3	5 Year	500,000	99.9250	99.6970	3/1/2023	0.11%	\$ 498,485	3.41%
Fed'l Farm Cr Bks - MLT7	3 Year	200,000	99.9040	98.9490	12/28/2023	0.21%	\$ 197,898	1.35%
Fed'l Farm Cr Bks - MLT7	3 Year	25,000	99.7000	98.9490	12/28/2023	0.21%	\$ 24,737	0.17%
Fed'l Farm Cr Bks - MLV2	3 Year	150,000	99.6670	98.6530	4/5/2024	0.27%	\$ 147,980	1.01%
Fed'l Farm Cr Bks - MFP2	4 Year	500,000	99.9490	98.4130	11/4/2024	0.45%	\$ 492,065	3.36%
Fed'l Farm Cr Bks - L5S9	3 Year	350,000	99.9200	99.3800	9/3/2024	0.48%	\$ 347,830	2.38%
Fed'l Home Loan Banks - KMF0	4 Year	200,000	99.9540	98.1300	10/28/2024	0.31%	\$ 196,260	1.34%
Fed'l Home Loan Banks - JP45	3 Year	200,000	100.0000	98.9000	3/11/2024	0.51%	\$ 197,800	1.35%
Fed'l Home Loan Banks - L7D0	5 Year	200,000	99.7900	97.5470	8/26/2025	0.51%	\$ 195,094	1.33%
Fed'l Home Loan Banks - N6N5	4 Year	200,000	100.0000	98.4310	4/29/2025	0.71%	\$ 196,862	1.35%
Fed'l Home Loan Banks - LGR9	5 Year	500,000	100.0000	98.7380	2/26/2026	0.86%	\$ 493,690	3.37%
Fed'l Home Loan Banks - LLD4	5 Year	250,000	99.9250	98.7310	3/17/2026	0.89%	\$ 246,828	1.69%
Fed'l Home Loan Banks - MUX8	5 Year	200,000	99.9300	98.6130	3/30/2026	0.89%	\$ 197,226	1.35%
Fed'l Home Loan Banks - PUY9	4 Year	200,000	100.0000	99.7150	2/28/2025	1.00%	\$ 199,430	1.36%
Fed'l Home Loan Banks - P6M2	5 Year	200,000	100.0000	98.7110	9/30/2026	1.03%	\$ 197,422	1.35%
Fed'l Home Loan Bank - 7R49	5 Year	200,000	99.3337	100.3520	4/13/2022	1.47%	\$ 200,704	1.37%
Fed'l National Mtg. Assn. - 1BR5	5 Year	125,000	101.0674	101.3590	12/9/2022	1.85%	\$ 126,699	0.87%
Fed'l Home Loan Bank - 0GJ0	5 Year	250,000	102.0745	101.2010	9/9/2022	1.98%	\$ 253,003	1.73%
Fed'l Home Loan Bank - 8WG2	4 Year	100,000	99.5286	100.4530	3/11/2022	2.49%	\$ 100,453	0.69%
Fed'l National Mtg. Assn. - DRG9	5 Year	250,000	100.8232	102.6350	3/10/2023	2.68%	\$ 256,588	1.75%
US Treasury Note - 82P4	5 Year	250,000	100.3750	100.9380	7/31/2022	1.86%	\$ 252,345	1.72%
Air Prods & Chems Inc. - 8BB1	5 Year	255,000	104.1940	100.3170	10/15/2025	1.49%	\$ 255,808	1.75%
Apple Inc. - 3DT4	5 Year	200,000	102.4560	99.6860	5/11/2025	1.13%	\$ 199,372	1.36%
Apple Inc. - 3CU2	5 Year	150,000	103.6730	104.1530	5/11/2024	2.74%	\$ 156,230	1.07%
Apple Inc. - 3CG3	5 Year	400,000	104.3970	104.1820	2/9/2024	2.88%	\$ 416,728	2.85%
Bank of New York Mellon Corp. - RAE7	5 Year	250,000	99.8060	102.2070	1/29/2023	2.89%	\$ 255,518	1.75%
Floria Pwr & Lt Co - 1FZ5	5 Year	800,000	108.9188	104.4230	4/1/2025	2.73%	\$ 835,384	5.71%
Paccar Financial Corp. - RQ66	5 Year	500,000	104.7908	101.4370	2/6/2025	1.77%	\$ 507,185	3.47%
Paccar Financial Corp. - RP59	3 Year	170,000	105.0550	104.0150	8/9/2023	3.27%	\$ 176,826	1.21%
United Parcel Service - 2BC9	4 Year	100,000	97.0770	100.5860	5/16/2022	2.34%	\$ 100,586	0.69%
US Bancorp Mtns. - HHV5	5 Year	200,000	102.1370	104.8260	2/5/2024	3.22%	\$ 209,652	1.43%
Inter American Development Bank - OCC0	3 Year	200,000	104.5920	103.9780	10/24/2023	2.88%	\$ 207,956	1.42%
Intl Bank for Recon & Dev - 8JB0	5 Year	400,000	98.7800	98.3240	4/22/2025	0.64%	\$ 393,296	2.69%
Cash Reserve Account						0.02%	\$ 677,010	4.63%
Total Citizens Trust Investments							\$ 12,147,832	83.04%
Total Investments							\$ 14,628,878	100.00%
Total Cash & Investments							\$ 21,198,695	

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.

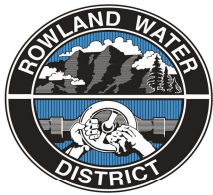


ROWLAND WATER DISTRICT

PROFIT & LOSS

December 2021

	Dec-21	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD
1 OPERATING REVENUE						
2 Water Sales	\$ 1,060,995	\$ 8,503,752	\$ 15,537,800	\$ 7,034,048	55%	\$ 8,261,512
3 Meter Charges	813,209	5,768,602	11,643,400	5,874,798	50%	5,768,650
4 Customer Fees	7,051	81,675	253,500	171,825	32%	38,683
5 Contract Income	15,288	71,646	167,100	95,454	43%	81,157
6 RWD Labor Sales/Reimbursements	11,792	51,721	101,200	49,479	51%	106,118
7 Capacity Fees	652	89,257	175,000	85,743	51%	4,379
8 Flow Tests	1,400	9,800	20,000	10,200	49%	8,750
9 Return Check Fees	480	2,160	3,600	1,440	60%	1,770
10 Uncollectable	-	-	(68,000)	(68,000)	0%	-
11 TOTAL OPERATING REVENUE	1,910,867	14,578,613	27,833,600	13,254,987	52%	14,271,018
12 NON-OPERATING REVENUE						
13 Property Taxes	144,219	145,530	387,600	242,070	38%	155,382
14 Shared Services	3,411	23,093	39,000	15,907	59%	15,571
15 Interest Income	3,944	98,990	247,200	148,210	40%	121,257
16 Miscellaneous Income	(18,931)	(128,476)	25,000	153,476	-514%	15,921
17 TOTAL NON-OPERATING REVENUE	132,642	139,137	698,800	559,663	20%	308,131
18 TOTAL REVENUES	2,043,509	14,717,749	28,532,400	13,814,651	52%	14,579,149
19 OPERATING EXPENSES						
20 Source of Supply						
21 Water Purchases	666,670	5,458,676	11,136,700	5,678,024	49%	5,652,095
22 Pumping Power	33,480	192,344	334,300	141,957	58%	222,857
23 Fixed Charges	25,147	150,884	327,000	176,116	46%	130,544
24 Chemicals	4,887	32,511	100,000	67,489	33%	40,210
25 Total Source of Supply	730,184	5,834,415	11,898,000	6,063,585	49%	6,045,707
26 Maintenance of Water System	35,640	301,180	721,700	420,520	42%	334,103
27 Service Contracts	24,861	219,799	400,800	181,001	55%	154,324
28 Assessments	22,797	85,280	280,000	194,720	30%	201,512
29 Vehicle Expense	12,600	59,840	87,600	27,760	68%	43,589
30 Tools & Supplies	4,768	21,740	55,900	34,160	39%	28,959
31 Equipment Expense	505	17,270	34,700	17,430	50%	5,844
32 Maintenance & Operations	8,580	38,204	98,200	59,996	39%	49,687
33 Engineering	7,915	98,929	400,000	301,071	25%	143,063
34 Water Tests	2,603	12,944	24,000	11,056	54%	11,250
35 Conservation	11,461	13,483	50,000	36,517	27%	3,347
36 Community Outreach	9,185	177,284	235,400	58,116	75%	76,055
37 TOTAL OPERATING EXPENSES	871,099	6,880,367	14,286,300	7,405,933	48%	7,097,440
38 ADMINISTRATIVE EXPENSES						
39 Liability Insurance	-	124,603	134,500	9,897	93%	122,290
40 IT Support Services	3,032	68,165	135,300	67,135	50%	74,865
41 IT Licensing	-	104,386	235,400	131,014	44%	28,630
42 Director Expense	13,089	77,121	201,200	124,079	38%	77,531



ROWLAND WATER DISTRICT

PROFIT & LOSS

December 2021

	Dec-21	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD
43 Bank / Management Fees	13,497	81,100	161,800	80,700	50%	73,153
44 Legal Fees	4,216	55,264	116,700	61,436	47%	45,575
45 Compliance	54,377	90,545	114,000	23,455	79%	45,812
46 Auditing & Accounting	-	24,857	35,000	10,143	71%	26,974
47 Utility Services	9,851	61,320	123,100	61,780	50%	57,633
48 Dues & Memberships	1,163	38,006	41,600	3,594	91%	38,785
49 Conference & Meetings	60	14,970	35,000	20,030	43%	375
50 Office Expenses	774	17,678	34,100	16,422	52%	15,438
51 Seminars/Training	4,797	44,274	115,000	70,726	38%	4,872
52 Miscellaneous Expense	6,599	44,247	156,000	111,753	28%	39,284
53 TOTAL ADMINISTRATIVE EXPENSES	111,454	846,537	1,638,700	792,163	52%	651,218
54 PERSONNEL EXPENSES						
55 Wages						
56 Operations	82,505	425,389	1,094,100	668,711	39%	399,090
57 Distribution	93,969	528,367	1,133,100	604,733	47%	499,433
58 Administration	189,560	799,770	1,587,400	787,630	50%	787,416
59 Total Wages	366,034	1,753,527	3,814,600	2,061,073	46%	1,685,939
60 Payroll Taxes	16,495	103,882	258,900	155,018	40%	104,898
61 Workers Compensation	15,203	30,632	90,300	59,668	34%	48,538
62 Unemployment	478	850	7,000	6,150	12%	1,464
63 CalPERS	76,843	2,457,424	3,338,700	881,276	74%	568,337
64 OPEB Contributions	-	-	-	-	0%	460,000
65 EE & Retiree Health Insurance	71,353	404,797	984,600	579,803	41%	385,604
66 TOTAL PERSONNEL EXPENSES	546,407	4,751,111	8,494,100	3,742,989	56%	3,254,779
67 TOTAL EXPENSES	1,528,960	12,478,015	24,419,100	11,941,085	51%	11,003,437
68 NET INCOME / (LOSS) - BEFORE DEBT SERVICE & CAPITAL EXPENDITURES	514,549	2,239,734	4,113,300	1,873,566	54%	3,575,711
69 Less: Total Debt Service	(167,102)	(181,673)	(523,200)	(341,527)	35%	(721,864)
70 Less: Capital Expenses (Current Year)	(235,156)	(986,522)	(3,382,200)	(2,395,678)	29%	(31,174)
71 CASH INCREASE / (DECREASE)	\$ 112,291	\$ 1,071,539	\$ 207,900	\$ (863,639)		\$ 2,822,673

**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

December 2021

1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is trending high at 55% due to customer demand during warm summer months.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 50%.
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 low at 32%.
5. Contract Income – contains revenues from tower lease contracts. YTD is currently at 43%.
6. RWD Labor Sales/Reimbursements – water sold on construction invoices, City of Industry labor sales and Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is at 51%.
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 51% due to capacity fees from the Hacienda La Puente Unified School District.
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 49%.
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. These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is currently at 60%.
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.

11. TOTAL OPERATING REVENUE

12. NON-OPERATING REVENUE



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2021

13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 38% 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 and treasurer services to CalMutuals Joint Powers Risk and Insurance Management Authority (provided by the Director of Finance of RWD). YTD is at 59%.
15. Interest Income – includes interest and dividends received on District investments. YTD is at 40%.
16. Miscellaneous Income – includes income from various sources such as recycling, refunds and unrealized gains or losses on investments. YTD is at -514% due to unrealized losses on investments.
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 California Domestic Water Company (CalDomestic), and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). YTD is at 49%.
22. Pumping Power – the cost of electricity used for pumping water. YTD is trending high at 58% due to high electricity utilized during warm summer months.
23. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 46%.
24. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is at 33%.
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 42% due to the unpredictable nature of repairs and maintenance costs.
27. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, security system monitoring and maintenance, Caselle maintenance and support, Harmony renewal, water rate



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2021

study and other services. YTD is high at 55% due to consulting fees for the water rate study and annual maintenance for the Allegro base station, repeaters and Harmony support.

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 30%.
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 high at 68%.
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 39%.
31. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 50%.
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 low at 39%.
33. Engineering – general engineering costs related to District operations. YTD is currently low at 25% due to timing of engineering costs.
34. Water Tests – laboratory testing and sampling of District water. YTD is at 54%.
35. Conservation – water conservation programs and efforts. YTD is low at 27% due to the timing of conservation costs.
36. Community Outreach – costs related to public relations and community outreach. YTD is high at 75% due to public relations consulting fees paid for RWD video series and Prop 218.
37. **TOTAL OPERATING EXPENSES**
38. **ADMINISTRATIVE EXPENSES**
39. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 93% due to timing of insurance bill and budgeting method used.
40. IT Support Services – information technology support services. YTD is at 50% due to timing of IT support services.
41. IT Licensing – includes costs for various software licenses. YTD is at 44%.
42. Director Expense – costs for director compensation and benefits. YTD is at 38% of budget due to less meetings during the COVID-19 pandemic.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2021

43. Bank/Management Fees – includes various banking fees, Paymentus fees (for processing customer payments) and investment administrative fees. YTD is currently at 50%.
44. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is currently at 47%.
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 high at 79% due to timing of SWRCB billing.
46. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is high at 71% due to the timing of audit billing.
47. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 50%.
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 high at 91% due the timing of these billings.
49. Conference & Meetings – conference attendance and meeting expenses. YTD is at high at 43% of budget due to timing of conference and meeting costs for District personnel.
50. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is high at 52% due to Prop 218 mailing to customers.
51. Seminars/Training – employee seminars and training. YTD is low at 38% due to timing of seminars/training billing.
52. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 28% due to the timing of these expenses.
53. **TOTAL ADMINISTRATIVE EXPENSES**
54. **PERSONNEL EXPENSES**
55. **WAGES**
56. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 39%.
57. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 47%.
58. Administration – wages expense (regular) attributable to Administration. YTD is at 50%.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2021

59. TOTAL WAGES

60. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 40%.
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 currently at 34% due to timing of workers compensation billing.
62. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is currently low at 12% due to timing differences.
63. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made monthly and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. Bond refunding savings of \$1.942 M will be repurposed to pay down the unfunded accrued liability. YTD is high at 74% due to payment timing of the unfunded accrued liability scheduled for November 2021.
64. OPEB Contributions – includes retirement costs for other post-employment benefits that provides medical, dental and vision coverage. There will be no OPEB contributions for the current fiscal year as the Public Agency Retirement Services (PARS) trust is fully funded.
65. 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 41%.

66. TOTAL PERSONNEL EXPENSES

67. TOTAL EXPENSES

68. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through December 2021.
69. Less: Total Debt Service – includes interest payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).
70. 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 29%.
- 71. CASH INCREASE / (DECREASE)**

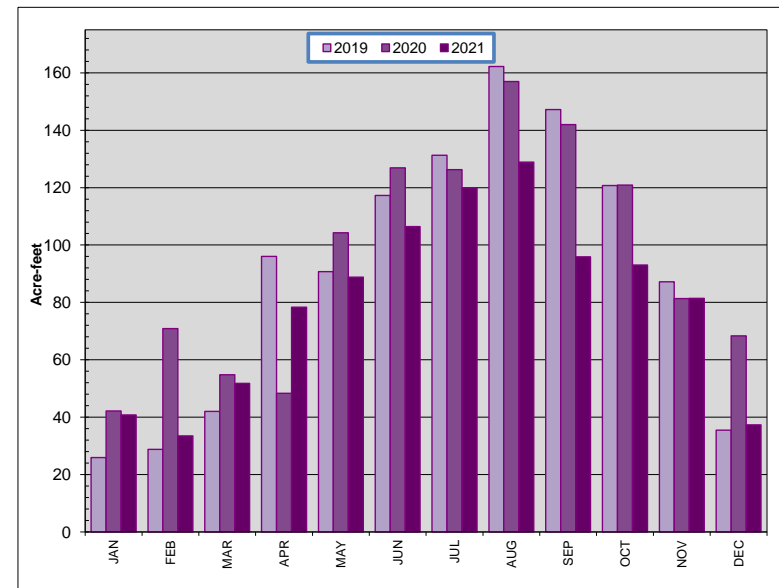
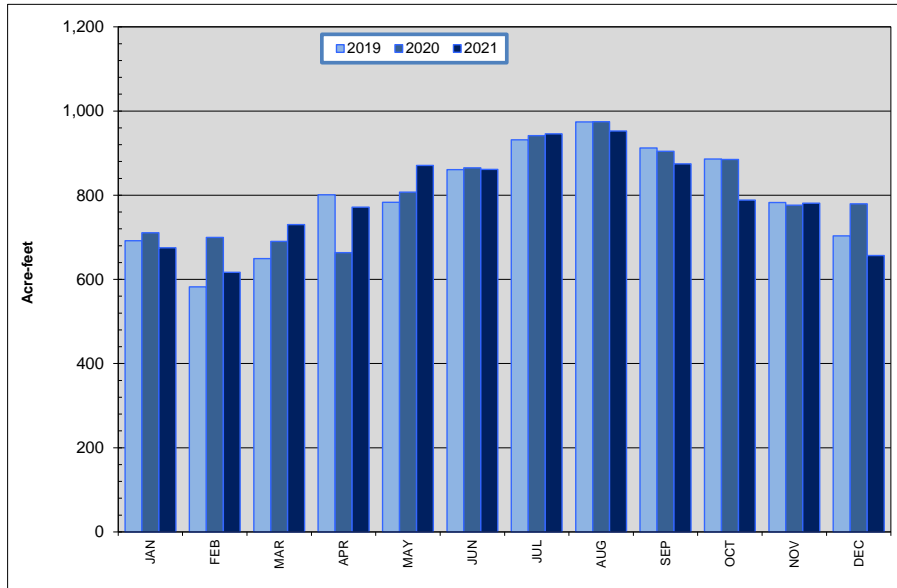


Water Purchases for CY 2021 (Acre-feet)



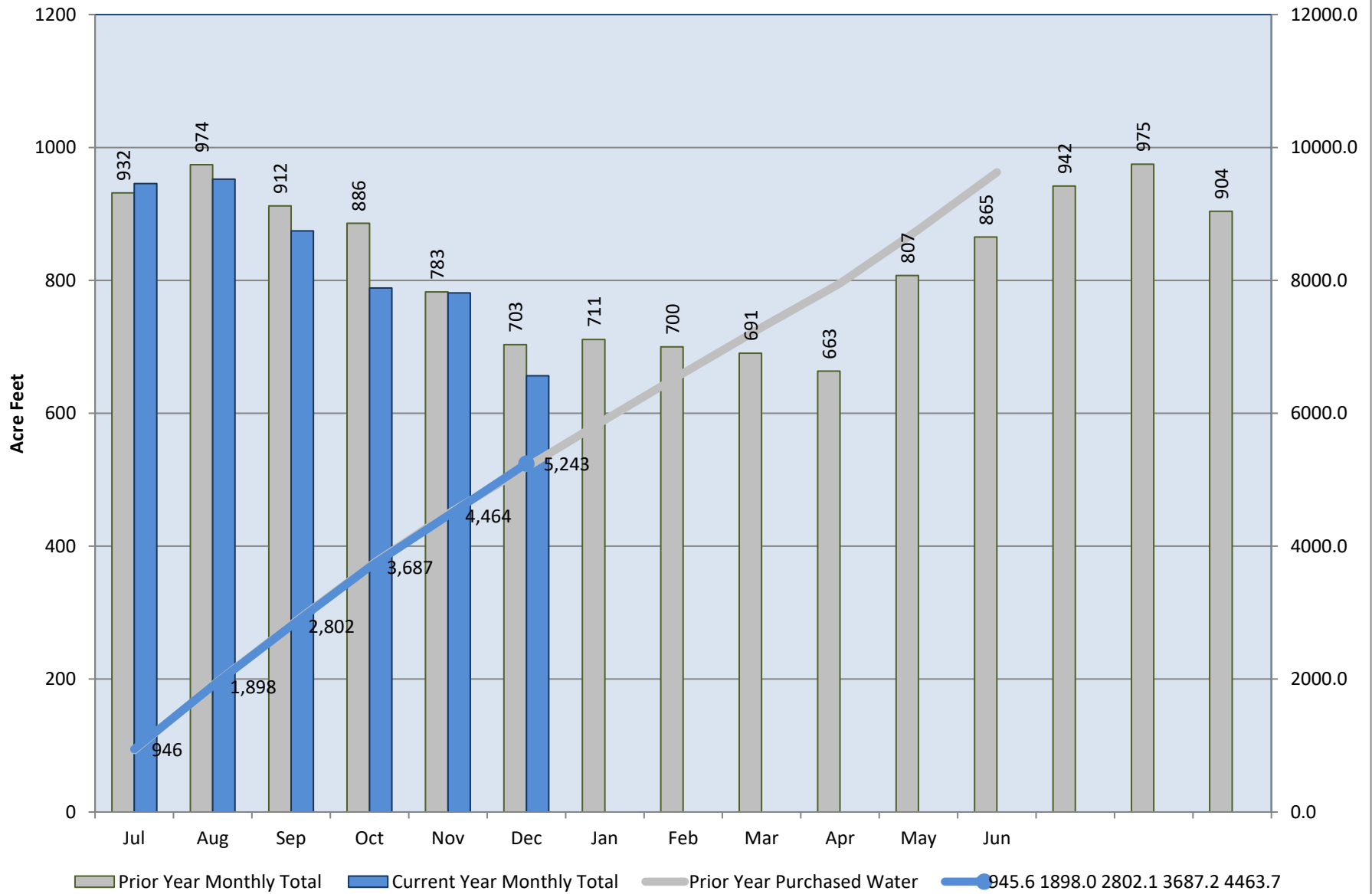
	POTABLE SYSTEM						TOTAL
	WBS	LHH	PM-9	PM-22	JWL		
					PM-15	Miramar	
JAN	164.1	0.0	0.0	235.9	180.3	94.8	675.1
FEB	157.9	0.0	0.0	194.1	76.6	188.4	617.0
MAR	182.9	0.0	0.0	246.5	74.4	226.2	730.0
APR	160.6	0.0	0.0	228.7	83.6	298.5	771.4
MAY	153.2	0.0	0.0	280.2	174.8	262.4	870.6
JUN	0.0	0.0	0.0	326.3	346.2	188.7	861.2
JUL	0.0	0.0	0.0	333.6	431.0	181.0	945.6
AUG	0.0	0.0	0.0	346.0	447.2	159.2	952.4
SEP	0.0	0.0	0.0	323.4	432.7	118.5	874.6
OCT	16.9	0.0	0.0	297.9	296.1	177.7	788.6
NOV	183.0	0.0	0.0	172.6	206.0	219.6	781.2
DEC	163.9	0.0	0.0	211.2	146.5	134.9	656.5
TOTAL	1,182.5	0.0	0.0	3,196.4	2,895.4	2,249.9	9,524.2

RECYCLED SYSTEM					
Well 1	Wet Well	WVWD	Industry	Potable Make-up	TOTAL
18.8	11.5	0.0	10.5	0.0	40.8
22.5	5.1	1.0	4.9	0.0	33.5
19.8	11.0	0.0	21.0	0.0	51.8
25.7	11.8	1.0	39.8	0.0	78.3
31.8	12.4	2.0	42.6	0.0	88.8
34.0	12.3	3.0	57.1	0.0	106.4
35.1	13.3	3.0	68.5	0.0	119.9
31.8	14.8	3.0	79.3	0.0	128.9
29.0	6.6	2.0	58.3	0.0	95.9
24.6	6.8	1.0	60.6	0.0	93.0
26.2	5.2	2.0	48.0	0.0	81.4
21.4	6.5	0.0	9.4	0.0	37.3
320.7	117.3	18.0	500.0	0.0	956.0



Potable Water Purchases For FY 2021-2022

(Acre-feet)





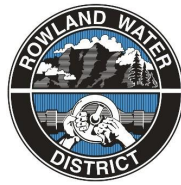
JANUARY 2022-DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
Anthony J. Lima					
	1/5/2022	Three Valleys Board Meeting	\$185.00		
	1/6/2022	PBWA Special Commission Meeting	\$185.00		
	1/12/2022	RWD Meeting on Redistricting	\$185.00		
	1/18/2022	RWD Board Meeting	\$185.00		
	1/19/2022	Three Valleys Board Meeting	\$185.00		
	1/25/2022	RWD Special Board Meeting	\$185.00		
		TOTAL PAYMENT	\$1,110.00		
John Bellah					
	1/10/2022	SGV Regional Chamber GAC	\$185.00		
	1/12/2022	RWD Meeting on Redistricting	-----	X	
	1/18/2022	RWD Board Meeting	\$185.00		
	1/25/2022	RWD Special Board Meeting	\$185.00		
		TOTAL PAYMENT	\$555.00		
Robert W. Lewis					
	1/6/2022	PBWA Special Commission Meeting	\$185.00		
	1/10/2022	SGV Regional Chamber GAC	-----	X	
	1/12/2022	RWD Meeting on Redistricting	\$185.00		
	1/17/2022	Grand Century Plaza Groundbreaking Event	-----	X	
	1/18/2022	RWD Board Meeting	\$185.00		
	1/25/2022	RWD Special Board Meeting	\$185.00		
		TOTAL PAYMENT	\$740.00		
Szu Pei Lu-Yang					
	1/5/2022	TVMWD Board Meeting	\$185.00		
	1/10/2022	RHCCC	\$185.00		
	1/12/2022	RWD Meeting on Redistricting	\$185.00		
	1/15/2022	RHCCC	\$185.00		
	1/18/2022	RWD Board Meeting	\$185.00		
	1/19/2022	TVMWD Board Meeting	\$185.00		
	1/25/2022	RWD Special Board Meeting	\$185.00		
		TOTAL PAYMENT	\$1,295.00		
Vanessa Hsu					
	1/12/2022	RWD Meeting on Redistricting	\$185.00		
	1/18/2022	RWD Board Meeting	\$185.00		
	1/25/2022	RWD Special Board Meeting	\$185.00		
		TOTAL PAYMENT	\$555.00		

APPROVED FOR PAYMENT:

Tom Coleman

February 8, 2022



ITEM NO. 3.2

ROWLAND WATER DISTRICT

TO: Honorable President and Members of the Board

SUBMITTED BY: Tom Coleman, General Manager

PREPARED BY: Dusty Moisio, Assistant General Manager

SUBJECT: **Water Conservation and Water Supply Shortage Restrictions**

PURPOSE:

To request that the Board of Directors review and consider adoption of RWD Ordinance No. 0-2-2022 Establishing Water Conservation and Water Supply Shortage Restrictions.

BACKGROUND:

The District has implemented water conservation measures and developed a recycled water system to offset use of potable water, which has helped to increase the reliability of the District's water supplies for its customers. However, conditions are such that there is still a need for additional conservation, especially during a drought. Therefore, the District finds and determines that it is in the best interest of the customers within the District that measures are implemented to ensure that adequate supplies of water are available.

In 2021, Rowland Water District (the District) adopted an Urban Water Management Plan (UWMP), which includes a Water Shortage Contingency Plan (WSCP). The Board has adopted previous Water Shortage Contingency Plans as part of the Urban Water Management Plans requested by the State of California; however, the District's 2020 WSCP components required significant changes to align with new legislative requirements. These changes also required the District to revise its Water Conservation and Water Supply Shortage Ordinance to match the adopted 2020 WSCP. While the WSCP lays out the process for review as well as the District's response to shortages, the ordinance provides the legal mandate to make these actions enforceable.

The District's adopted 2020 Water Shortage Contingency Plan includes six levels of water shortage responses that are required by recent changes. The proposed Ordinance includes these escalating stages of water shortage regulations and is consistent with the new requirements in the Water Code Section 10632 (a)(3)(a) for UWMPs:

Shortage Level	Shortage Level
1	<10%
2	Up to 20%
3	Up to 30%
4	Up to 40%
5	Up to 50%
6	>50%

Depending upon the extent of conservation necessary to ensure that the District has adequate water supplies, the Board may declare a Water Supply Shortage Level 1 through 6, under which each customer will be required to reduce water use by the percentage specified in the resolution declaring the level of Water Supply Shortage. Upon the declaration of a Water Supply Shortage level, certain mandatory restrictions on the use of water will apply and will increase as the water supply shortage levels increase. Examples of level restrictions include prohibiting watering of landscape, runoff, washing of paved surfaces, serving water in restaurants unless requested, and among others, prohibiting new water service connections during serious emergencies.

Violations of the mandatory restrictions may result in fines, and repeated violations may result in the installation of a flow restrictor or termination of water service. Customers who do not meet the mandatory water use reduction requirements will be assessed a penalty rate in addition to charges for water use. The imposition of administrative penalties may be appealed to the Board of Directors, and continued violations of the ordinance would be subject to prosecution as a misdemeanor.

The proposed ordinance also provides a procedure by which a customer may request an adjustment to the Mandatory Conservation Level, which may be granted if the customer meets certain requirements, including showing that substantial conservation measures were implemented prior to the base period, or necessity for public health or safety. Decisions of the General Manager on these cases may be appealed to the Board of Directors.

If adopted, the Ordinance shall go into effective immediately and Ordinance No. 0-7-2018 shall be repealed and rescinded.

Recommendation: It is recommended that the Board of Directors review and adopt Ordinance No. 0-2-2022 Establishing Water Conservation and Water Supply Shortage Restrictions.



**ORDINANCE NO. 0-2-2022
ROWLAND WATER DISTRICT**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE ROWLAND WATER DISTRICT ESTABLISHING WATER CONSERVATION
AND WATER SUPPLY SHORTAGE
RESTRICTIONS**

(Supersedes Ordinance No. 0-7-2018)

WHEREAS, Rowland Water District (the District) receives the majority of its potable water supplies from the Metropolitan Water District of Southern California (MWD) and through MWD's member agency, Three Valleys Municipal Water District (Three Valleys); and

WHEREAS, in recent years, the reliability of imported water supplies has been substantially reduced due to more frequent drought and regulatory limitations; and

WHEREAS, due to reductions in supplies and depletion of water storage reserves in the past, MWD has put measures in place to allocate available water supplies among their members depending upon the level of shortage; which, included severe financial penalties on the retail agencies for taking water in excess of the allocated supply; and

WHEREAS, the District has implemented water conservation measures and developed a recycled water system to offset use of potable water, which has helped to increase the reliability of the District's water supplies for its customers. However, conditions are such that there is still a need for additional conservation, especially during a drought; and

WHEREAS, the District finds and determines that it is in the best interest of the residents and businesses within the District that measures are implemented to ensure that adequate supplies of water are available for domestic use, fire suppression and sanitation, and that the District, so far as possible, limits its demand for imported water to avoid penalties for excessive use and to ensure a reliable and sustainable minimum supply of water for public health, safety and welfare for all; and

WHEREAS, in 2021 the District adopted an Urban Water Management Plan (UWMP), which includes a Water Shortage Contingency Plan with six levels of water shortage responses that are required by recent changes to the Water Code; and

WHEREAS, the proposed Ordinance includes six escalating stages of water shortage regulations and is consistent with the new requirements in the Water Code for UWMPs; and

WHEREAS, Article X, Section 2 of the California Constitution declares the general welfare requires that water resources be put to beneficial use, waste or unreasonable method of use of water be prevented, and conservation of water be fully exercised with the view to the reasonable and beneficial use thereof; and

WHEREAS, pursuant to Water Code Sections 31026 et seq., Water Code Sections 350-375, the District is authorized to adopt and empowered to enact and enforce restrictions on water use and water conservation programs to conserve its water supplies and prevent wastage; and

WHEREAS, given the persistent and unpredictable water conditions in the State and additional statutory requirements for water planning, the District hereby finds and determines that it is necessary and appropriate to update its water conservation ordinance to include additional levels of water shortage restrictions, including emergency levels, to preserve water supplies, prevent the waste or unreasonable use or unreasonable method of use of water, and ensure that there is sufficient water for human consumption, sanitation, and fire protection; and

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

Section 1: Shortage Stages

The District hereby establishes six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40 and 50 percent shortages, and greater than 50 percent shortage, as set forth below. The District's water shortage levels and response actions are aligned with the State water shortage levels and defined in the District's 2020 Water Shortage Contingency Plan (WSCP), and therefore comply with the Water Code Section 10632 as identified above. If there is a conflict between the mandatory restrictions in certain levels in this Ordinance, the more the restrictive measures apply.

Section 2: Compliance Responsibility

The customer of the District whose name is on the account shall be responsible for compliance with the provisions of this Ordinance.

Section 3: Water Conservation Best Management Practices

The District encourages its customers to use water efficiently, even during times of adequate supplies, and the following water conservation practices are recommended at all times.

- a. **Limits on Watering Hours:** No watering or irrigation of lawn, landscape or other vegetated area with potable water between the hours 8:00 a.m. and 5:00 p.m.

- b. **Excessive Water Flow or Runoff:** Eliminate watering or irrigating of any lawn, landscape or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter or ditch.
- c. **Washing Down of Hard or Paved Surfaces:** Washing down of hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, should only be done when using a bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device, a low volume, high-pressure cleaning machine, or a low-volume high-pressure water broom.
- d. **Leaks and Breaks:** Repair all plumbing and irrigation leaks and/or breaks as soon as reasonably possible.
- e. **Serving of Water at Establishments:** Eating or drinking establishments, including but not limited to restaurants, hotels, cafes, bars or other public places where food or drinks are sold or served should provide drinking water to patrons only upon request.
- f. **Lodging Establishments Linen Service:** Hotels, motels and other commercial lodging establishments should offer customers the option of not having towels and linens laundered daily. Commercial lodging establishments should prominently

Section 4: Level 1 Water Supply Shortage

A Level 1 Water Supply Shortage may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to drought, state regulations, imposition of a water supply allocation by MWD or Three Valleys, limited imported supplies, or other water supply conditions, a reduction in water use is necessary to make the most efficient use of water and appropriately respond to existing water and regulatory conditions. The water use reduction goal during a Level 1 Water Supply Shortage is up to 10%.

Upon the declaration of a Level 1 Water Supply Shortage condition, the water conservation practices recommended in Section 3(a), (b), (c), (e) and (f) above will be mandatory, and the District will implement the additional conservation requirements identified in this section.

Additional Water Conservation Measures:

In addition to the water conservation requirements identified above, the following water conservation restrictions in this section apply during a declared Level 1 Water Supply Shortage:

- a. **Limits on Watering Days:** Watering or irrigation of lawn, landscape or other vegetated area with potable water is limited to three days per week (**Monday, Wednesday & Friday**). Irrigation by hand-held hose equipped with a positive self-closing shut-off nozzle, drip irrigation type irrigation systems when no emitter produces more than two (2) gallons per hour, or hand-held bucket or similar container is permitted.

- b. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks and malfunctions in the customer's plumbing must be repaired within seventy-two (72) hours of discovery. Failure to repair a leak or break within 72 hours of notification by the District will constitute a violation.
- c. **Construction/Temporary Water:** Potable water used on a temporary basis for construction and dust control shall be limited to that quantity identified in the plan submitted by the user which describes water use requirements. The plan must be submitted and approved by the District. Upon availability, non-potable recycled water will be made available for these uses.
- d. **Fire Hydrant Use:** Use of water from fire hydrants shall be limited to fire fighting and related activities, or for activities necessary to maintain the public health, safety and welfare.
- e. **Metered Reduction:** Water consumption as measured through the customer's meter shall be reduced by the customer by the percentage specified in the Resolution declaring the Level 1 Water Supply Shortage. The required reduction will be calculated based on the amount of water used by the same customer during the same billing period in the last calendar year during which no potable water shortage was declared. For those customers who do not have historical data upon which to base the reduction, an average consumption for the area will be used as a baseline for reduction. Metered water use in excess of the amount set forth in the Resolution will be billed at a penalty rate which shall be calculated as the per unit (hundred cubic foot) cost of the penalty imposed on deliveries of potable water from Three Valleys Municipal Water District exceeding Rowland Water District's allocation. This penalty will be charged in addition to the water usage rate. At such time as the penalties imposed by Three Valleys Municipal Water District for excess use are changed, the penalty rate imposed under this Water Shortage Ordinance will be adjusted to reflect the actual per unit cost of the penalty. Notice of the amount of any adjustment to the penalty rate will be given in the next billing statement after the adjustment is made.

Section 5: Level 2 Water Supply Shortage

A Level 2 Water Supply Shortage may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to drought, state regulations, imposition of a water supply allocation by MWD or Three Valleys, limited imported supplies, or other water supply conditions, a reduction in water use is necessary to make the most efficient use of water and appropriately respond to existing water and regulatory conditions. The water use reduction goal during a Level 2 Water Supply Shortage is up to 20%. Upon the declaration of a Level 2 Water Supply Shortage condition, the District will implement the additional conservation requirements identified in this section.

Additional Water Conservation Measures:

In addition to the water conservation requirements for a Water Supply Shortage Level 1, the following water conservation requirements in this section apply during a declared Level 2 Water Supply Shortage:

- a. **Limits on Watering Days:** Watering or irrigation of lawn, landscape or other vegetated area with potable water by use of a sprinkler or soaker hose is limited to two days per week (Monday & Friday). Irrigation by hand-held hose equipped with a positive self-closing shut-off nozzle, drip irrigation type irrigation systems when no emitter produces more than two (2) gallons per hour or hand-held bucket or similar container is permitted at other times.
- b. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks and malfunctions in the customer's plumbing must be repaired within Forty-eight (48) hours of discovery. Failure to repair a leak or break within 48 hours of notification by the District will constitute a violation.
- c. **Limits on Filling Ornamental Lakes or Ponds:** Filling or re-filling of ornamental lakes or ponds is prohibited, except to the extent needed to sustain existing aquatic life.
- d. **Limits on Washing of Vehicles:** Using water to wash motor vehicles, trailers, boats and other types of mobile equipment is prohibited except by use with a bucket or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device.
- e. **Limits on Filling Residential Swimming Pools & Spas:** Emptying or refilling swimming pools, spas and ponds for cleaning purposes is prohibited. Water levels may be maintained.
- f. **Metered Reduction:** Water consumption as measured through the customer's meter shall be reduced by the customer by the percentage specified in the Resolution declaring the Level 2 Water Supply Shortage. The required reduction will be calculated based on the amount of water used by the same customer during the same billing period in the last calendar year during which no potable water shortage was declared. For those customers who do not have historical data upon which to base the reduction, an average consumption for the area will be used as a baseline for reduction. Metered water use in excess of the amount set forth in the Resolution will be billed at a penalty rate which shall be calculated as the per unit (hundred cubic foot) cost of the penalty imposed on deliveries of potable water from Three Valleys Municipal Water District exceeding Rowland Water District's allocation. This penalty will be charged in addition to the water usage rate. At such time as the penalties imposed by Three Valleys Municipal Water District for excess use are changed, the penalty rate imposed under this Water Shortage Ordinance will be adjusted to reflect the actual per unit cost of the penalty. Notice of the amount of any adjustment to the penalty rate will be given in the next billing statement after the adjustment is made.

Section 6: Level 3 Water Supply Shortage

A Level 3 Water Supply Shortage may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to drought, state regulations, imposition of a water supply allocation by MWD or Three Valleys, limited imported supplies, or other water supply conditions, a reduction in water use is necessary to make the most efficient use of water and appropriately respond to existing water and regulatory conditions. The water use reduction goal during a Level 3 Water Supply Shortage is up to 30%. Upon the declaration of a Level 3 Water Supply Shortage condition, the District will implement the additional conservation requirements identified in this section.

Additional Water Conservation Measures:

In addition to the water conservation requirements for a Water Supply Shortage Level 1, and Water Supply Shortage Level 2, the following water conservation requirements in this section apply during a declared Level 3 Water Shortage:

Shortage Level:

- a. **Limits on Watering Days:** Watering or irrigation of lawn, landscape or other vegetated area with potable water is limited to one day per week (**Wednesday**). Irrigation by handheld hose equipped with a positive self-closing shut-off nozzle, drip irrigation type irrigation systems when no emitter produces more than two (2) gallons per hour or bucket or similar container is permitted at other times. The restriction does not apply to the following categories.
 - i. Minimum water necessary for maintenance of existing landscape necessary for fire protection and for properties adjacent to wildlands provided that such irrigation does not exceed two (2) days per week according to the Water Supply Shortage Level 2 (a) and time restrictions in the Water Conservation Best Management Practices (a);
 - ii. Minimum water necessary for maintenance of existing landscape for soil erosion control on slopes provided that such irrigation does not exceed two (2) days per week according to the Water Supply Shortage Level 2 (a) and time restrictions in the Water Conservation Best Management Practices (a);
 - iii. Maintenance of landscape within active public parks and playing fields, day care centers, golf course tee boxes and greens, and school grounds, provided that such irrigation does not exceed two (2) days per week according to the Water Supply Shortage Level 2 (a) and time restrictions in Water Conservation Best Management Practices (a);
- b. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks and malfunctions in the customer's plumbing must be repaired within twenty-four (24) hours of discovery.

Failure to repair a leak or break within 24 hours after notification by the District will constitute a violation.

- c. **No New Potable Water Service:** Upon declaration of a Level 3 Water Supply Shortage condition, no new potable water services will be provided, no new temporary meters or permanent meters will be provided, and no statements of immediate ability to serve or provide water service (such as willserve letters, certificates, or letters of availability) will be issued, except under the following circumstances:
 - i. A valid unexpired building permit has been issued for the project; or
 - ii. The project is necessary to protect the public health, safety, and welfare; or
 - iii. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of District.
- d. **Metered Reduction:** Water consumption as measured through the customer's meter shall be reduced by the customer by the percentage specified in the Resolution declaring the Level 3 Water Supply Shortage. The required reduction will be calculated based on the amount of water used by the same customer during the same billing period in the last calendar year during which no potable water shortage was declared. For those customers who do not have historical data upon which to base the reduction, an average consumption for the area will be used as a baseline for reduction. Metered water use in excess of the amount set forth in the Resolution will be billed at a penalty rate which shall be calculated as the per unit (hundred cubic foot) cost of the penalty imposed on deliveries of potable water from Three Valleys Municipal Water District exceeding Rowland Water District's allocation. This penalty will be charged in addition to the water usage rate. At such time as the penalties imposed by Three Valleys Municipal Water District for excess use are changed, the penalty rate imposed under this Water Shortage Ordinance will be adjusted to reflect the actual per unit cost of the penalty. Notice of the amount of any adjustment to the penalty rate will be given in the next billing statement after the adjustment is made.

Section 7: Level 4 Water Supply Shortage

A Level 4 Water Supply Shortage may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to drought, state regulations, imposition of a water supply allocation by MWD or Three Valleys, limited imported supplies, or other water supply conditions, a reduction in water use is necessary to make the most efficient use of water and appropriately respond to existing water and regulatory conditions. The water use reduction goal during a Level 4 Water Supply Shortage is up to 40%. Upon the declaration of a Level 4 Water Supply Shortage condition, the District will implement the additional conservation requirements identified in this section.

Additional Water Conservation Measures:

In addition to the water conservation requirements for a Supply Shortage Level 1 through 3, the following water conservation requirements in this section apply during a declared Level 4 Water Shortage:

- a. **Metered Reduction:** Water consumption as measured through the customer's meter shall be reduced by the customer by the percentage specified in the Resolution declaring the Level 4 Water Supply Shortage. The required reduction will be calculated based on the amount of water used by the same customer during the same billing period in the last calendar year during which no potable water shortage was declared. For those customers who do not have historical data upon which to base the reduction, an average consumption for the area will be used as a baseline for reduction. Metered water use in excess of the amount set forth in the Resolution will be billed at a penalty rate which shall be calculated as the per unit (hundred cubic foot) cost of the penalty imposed on deliveries of potable water from Three Valleys Municipal Water District exceeding Rowland Water District's allocation. This penalty will be charged in addition to the water usage rate. At such time as the penalties imposed by Three Valleys Municipal Water District for excess use are changed, the penalty rate imposed under this Water Shortage Ordinance will be adjusted to reflect the actual per unit cost of the penalty. Notice of the amount of any adjustment to the penalty rate will be given in the next billing statement after the adjustment is made.

Section 8: Level 5 Water Supply Shortage - Emergency

A Level 5 Water Supply Shortage Emergency may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to drought, state regulations, imposition of a water supply allocation by MWD or Three Valleys, limited imported supplies, or other water supply conditions, a reduction in water use is necessary to make the most efficient use of water and appropriately respond to existing water and regulatory conditions. The water use reduction goal during a Level 5 Water Supply Shortage Emergency is up to 50%. Upon the declaration of a Level 5 Water Supply Shortage Emergency condition, the District will implement the additional conservation requirements identified in this section.

Additional Water Conservation Measures:

In addition to the water conservation requirements for Water Supply Shortage Level 1 through 4 the following water conservation requirements in this section apply during a declared Level 5 Water Shortage Emergency:

- a. **No Irrigation Watering:** Water or irrigating of outdoor lawns, landscape, or other vegetated area with potable water is prohibited.
- b. **Metered Reduction:** Water consumption as measured through the customer's meter shall be reduced by the customer by the percentage specified in the Resolution declaring the Level 5 Water Supply Shortage. The required reduction will be calculated based on the

amount of water used by the same customer during the same billing period in the last calendar year during which no potable water shortage was declared. For those customers who do not have historical data upon which to base the reduction, an average consumption for the area will be used as a baseline for reduction. Metered water use in excess of the amount set forth in the Resolution will be billed at a penalty rate which shall be calculated as the per unit (hundred cubic foot) cost of the penalty imposed on deliveries of potable water from Three Valleys Municipal Water District exceeding Rowland Water District's allocation. This penalty will be charged in addition to the water usage rate. At such time as the penalties imposed by Three Valleys Municipal Water District for excess use are changed, the penalty rate imposed under this Water Shortage Ordinance will be adjusted to reflect the actual per unit cost of the penalty. Notice of the amount of any adjustment to the penalty rate will be given in the next billing statement after the adjustment is made.

Section 9: Level 6 Water Supply Shortage - Immediate Emergency

A Level 6 Water Supply Shortage may be declared by the Board of Directors by resolution when it determines in its sole discretion that due to an immediate water shortage emergency, which may include but is not limited to the breakage or failure of a dam, pump, pipeline, or conduit causing such emergency, or severe drought, severe interruption of imported supplies, or other water supply emergency, a reduction in water use of more than 50% is necessary. At the time of a declaration of a Level 6 Water Supply Shortage Immediate Emergency condition, the General Manager shall make any recommendations for emergency conditions and/or restrictions that should be imposed during such immediate emergency. The General Manager may also take certain actions they determine to be necessary to respond to the immediate emergency pursuant to and consistent with Board authorization in Resolution 3-2002.

Section 10: Compliance and Enforcement

In addition to the penalty rate imposed for excess water use above, customers violating the mandatory prohibitions in this ordinance will be subject to the procedures and/or penalties as outlined in this section.

- a. First Violation: A written notice will be provided to the customer by mail or personal delivery informing them of the violation and the timeframe for compliance.
- b. Second Violation: For a second violation within twelve (12) calendar months of the first violation, a final written notice on non-compliance will be provided to the customer by mail or personal delivery informing them of the violation and the timeframe for compliance. In addition, for second violations that occur during a Level 3, 4, or 5 Water Supply Shortage, a \$50 fine will be imposed. For second violations that occur during a Level 6 Water Supply Shortage, a \$150 fine will be imposed.
- c. Third Violation: For a third violation within twelve (12) calendar months of the first violation, a written notice of non-compliance will be provided to the customer by mail or personal delivery informing them of the violation and the timeframe for compliance. In

addition, for third violations that occur during a Level 1 and 2 Water Supply Shortage, a \$50 fine will be imposed. For third violations that occur during a Level 3, 4, or 5 Water Supply Shortage, a \$150 fine will be imposed. For third violations that occur during a Level 6 Water Supply Shortage, a \$200 fine will be imposed and a flow restrictor may be installed.

- d. Fourth Violation: For a fourth violation within twelve (12) calendar months of the first violation, a written notice of non-compliance will be provided to the customer by mail or personal delivery informing them of the violation and the timeframe for compliance. In addition, for fourth violations that occur during a Level 1 Water Supply Shortage, a \$100 fine will be imposed. For fourth violations that occur during a Level 2 Water Supply Shortage, a \$150 fine will be imposed. For fourth violations that occur during a Level 3, 4, or 5 Water Supply Shortage, a \$200 fine will be imposed and a flow restrictor may be installed. For fourth violations that occur during a Level 6 Water Supply Shortage, water service may be disconnected
- e. Fifth Violation: For a fifth violation within twelve (12) calendar months of the first violation, a written notice of non-compliance will be provided to the customer by mail or personal delivery informing them of the violation and the timeframe for compliance. In addition, for fifth violations that occur during a Level 1 or 2 Water Supply Shortage, a \$150 fine will be imposed and a flow restrictor may be installed. For fifth violations that occur during a Level 3, 4, 5, or 6 Water Supply Shortage, water service may be disconnected.
- f. Flow Restrictor: If the District installs a flow restrictor as authorized above, it is the customer's responsibility to pay for the installation and removal of any such flow restrictor and the District may collect such costs from the customer. In such instances, the District is under no obligation to provide sufficient fire flow to the customer.
- g. Service Disconnection: In addition to the penalties in this Section, after notice to the customer, the District may shut off a customer's water service for willful violations of mandatory restrictions in this Ordinance. The customer is responsible for the cost of reconnecting service consistent with District Rules and Regulations.
- h. Leak Shut Off – Irrigation Meters: In instances where a leak is observed on the customer's side of a dedicated irrigation system or water meter, the District may immediately shut off such system and/or meter and may issue a notice of violation as provided for in this Ordinance. Water service will not be reinstated until such leak is repaired.
- i. Notices of Violation:
 - i. Notices of violation shall contain a description of the violation, the penalties associated with the violation, and a statement informing the customer of the right to request an appeal or waiver due to hardship or special circumstances, as described in more detail below.

- ii. Notice of violation will be issued by mail, personal delivery, or by email to an email on record, to the customer at the address currently on file. If the notice is sent via mail, it will be done in such a manner to be able to track delivery and signature of the person for which delivery is made. If personal delivery is made, the name of the person for which delivery is made will be documented including time and date. If the customer or person of suitable age is unavailable at the time of delivery, a copy of the notice may be affixed in a conspicuous location at the premises and an image of such notice shall be taken and placed in the file if practicable. Additionally, a copy will be mailed to the customer's address on file.
- iii. Pending receipt of a written Notice of Violation by the customer or pending a hearing pursuant to an appeal, the District may take appropriate action to prevent the unauthorized use of water as appropriate to the nature of the violation, including termination of service for multiple violations based on the current Water Shortage Level in effect at the time.
- j. **Separate Violations:** Each violation of this Ordinance is a separate offense. However, for the limited purpose of calculating the number of violations to determine the escalating penalties in this Section, multiple violations on the same day will only count as one violation.

The following chart outlines the penalties for each violation of each declared water supply shortage levels described in this Section:

Water Supply Shortage Level	First Violation	Second Violation w/in 12 Months of First Violation	Third Violation w/in 12 Months of First Violation	Fourth Violation w/in 12 Months of First Violation	Fifth Violation w/in 12 Months of First Violation
Level 1	Written Notice	Final Written Notice	\$50 Fine	\$100 Fine	\$150 Fine Flow Restrictor
Level 2	Written Notice	Final Written Notice	\$50 Fine	\$150 Fine	\$150 Fine Flow Restrictor
Level 3, 4, 5	Written Notice	\$50 Fine	\$150 Fine	\$200 Fine Flow Restrictor	Service Disconnection
Level 6	Written Notice	\$150 Fine	\$200 Fine Flow Restrictor	Service Disconnection	Service Disconnection

Section 11: Request for Adjustment

- a. Any customer may request an adjustment, either in whole or part, to their mandatory water use reduction amount or to the mandatory restrictions imposed under this Ordinance by making a written request for relief to the District. Requests for adjustment will be reviewed by the General Manager. The General Manager shall determine whether the customer qualifies for adjustment, and make recommendations for the resolution of such written requests in accordance with the procedures and criteria set forth in this section.
- b. An adjustment of a customer's mandatory water use reduction level may be granted for the following reasons:
 - i. The customer or a member of the customer's household has a medical condition that requires the use of an amount of water in excess of normal demand. A request for adjustment on the basis of a medical condition must be supported by the certificate of a physician which specifies the nature of the use and quantity of water required.
 - ii. The customer demonstrates that he or she installed conservation devices or implemented measures to substantially reduce water use at the customer's property prior to the base year on which the water use reduction level was calculated, and that those conservation measures have resulted in a reduction in the customer's water consumption of at least one unit (one hundred cubic feet) per billing period. Where such conservation has been established, the customer's base year on which the mandatory water use reduction amount is calculated shall be increased by the estimated quantity of water conserved per billing period.
 - iii. The customer establishes that the imposition of the mandatory water use reduction on the customer would threaten the public health or safety. Examples of threats to public health and safety include the use of water to abate an unsanitary condition, or for fire suppression.
 - iv. The customer demonstrates that due to unique circumstances, a specific water use restriction in this Ordinance would result in undue hardship to the customer or to property upon which water is used, that is disproportionate to the impacts to the water users generally or to similar property or classes of water users.
- c. In order to be considered, a request for adjustment must be filed in writing with the District and shall include the name and address of the party submitting the request for adjustment, as well as a brief explanation of the basis for the requested adjustment.
- d. If the documentation provided with the application is not adequate to establish that the customer is eligible for an adjustment or the amount of the adjustment which is justified, the General Manager shall contact the applicant to request further documentation. General Manager shall notify the customer within fifteen (15) days after complete

documentation is received whether the requested adjustment is partially or fully granted and or not. If the General Manager determines, based upon the documentation provided by the customer that the customer does not qualify for an adjustment or qualifies for an adjustment less than that requested, the customer may request in writing a hearing before the General Manager, which shall be scheduled within five (5) business days of receipt of the request. No formal rules of evidence apply. All evidence customarily relied upon by reasonable persons in the conduct of serious business affairs will be allowed, and the customer may present any such evidence which would support the grant of relief, and evidence that the customer has not engaged in wasteful water use.

- e. Filing of a request for adjustment will not prevent discontinuance of service or imposition of any other penalties that may otherwise apply. To avoid penalties or discontinuance of service, water bills must be paid under protest, pending conclusion of the request for adjustment process. The final decision of the General Manager will be given in writing by mail to the customer within fifteen (15) days of the hearing. The decision of the General Manager is final.
- f. **Appendix A** is a list of conservation measures/devices and the estimated quantity of water conserved per measure or device. These are recommended and are intended to help customers comply with this Ordinance and meet conservation reduction requirements if imposed. Whether a customer has implemented or installed some or all of these recommended measures may be considered by the General Manager as a factor in determining whether to grant a request for adjustment.

Section 12. Appeals

Customers may appeal notices of violation and mandatory water use reduction requirements by filing a written appeal with the District within ten (10) days of the date of the Notice of Violation or receipt of bill with a mandatory water use reduction. Any Notice of Violation or mandatory water use reduction not timely appealed will be final. Upon receipt of a timely appeal, a hearing on the appeal will be scheduled, and the District will mail, personally deliver, and/or electronically transmit written notice of the hearing date to the customer at least twenty (20) days before the date of the hearing. The General Manager, or authorized delegate, shall serve as the hearing officer and make any and all decisions regarding any appeals. The District shall send written notification of any decision within fifteen (15) days after the hearing. All decisions are final.

Section 13: Severability

If any section, subsection, sentence, clause or phrase in this Ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Ordinance.

Section 14: Effective

This Ordinance shall be effective immediately upon adoption, and upon adoption of this Ordinance, Ordinance No. 0-7-2018 shall be repealed and rescinded. The Secretary shall cause this Ordinance to be published within fifteen (15) days after its adoption, at least once in a newspaper of general circulation which is distributed within the boundaries of the District.

Said ordinance was adopted, on roll call vote, at the regular meeting of the Board of Directors held February 8, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 0-2-2022, adopted by the Board of Directors of the Rowland Water District at its regular meeting held on February 8, 2022.

ANTHONY J. LIMA
Board President

ATTEST:

TOM COLEMAN
Secretary

Appendix A

CONSERVATION MEASURES/DEVICES					
Device	Non-Conserving		Conserving		Savings/Month Gallons/Hcf
ULFT	5.5 gals x 5.2 flushes/day x 4 people= 114x 30 days=	3432gals	2.5 gals x 5.2 flushes/day x 4 people= 52 x 30 days=	1560	1,872 gallons or 2.51 hcf
HET	2.5 gals x 5.2 flushes/day x 4 people=52 x30 days=	1560gals	1.6 gals x 5.2 flushes/day x 4 people=33 x30 days=	990	570 gallons or .77 hcf
DualFlush	1.6 gals x 5.2 flushes/day x 4 people=33 x30 days=	990gals	1.2 gals x 5.2 flushes/day x 4 people=25 x30 days=	749	241 gallons or .33 hcf
Waterless Urinals	3432 gallons per month x 12 42,000/year				3432 gallons or 4.6 hcf
Low Flow Faucet Aerator	9.2 gals x 4 people= 37 x 30 days	1110 gals	8.0 gals x 4 people= 32 x 30 days	960	150 gallons or .20 hcf
Dishwasher	12 gals per load x 4 Per week x 4 weeks	192	6 gals per load 4/week x 4 weeks	96	96 gallons or .13 hcf
Washing Machine	40.9 gals/load x .36 loads/day= 14.8 gals x 30	444	24.3 gals/load x .38 loads/day= 9.2 gals x 30	277	167 gallons or .23 hcf
ET Weather- Based Controller			41 gallons/day (Based on median lot size of 11,000 sq. ft.)		1230 gallons or 1.65 hcf
Rotary Sprinkler Heads (10)					333 gallons or .45 hcf
Artificial Turf					Reduce outdoor water use by 61%

ROWLAND WATER DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2021

NIGRO
& NIGRO^{PC}



Board of Directors
Rowland Water District
Rowland Heights, California

We are pleased to present this report related to our audit of the financial statements of the Rowland Water District (District) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

NIGRO & NIGRO, PC

Murrieta, California
December 15, 2021

ROWLAND WATER DISTRICT

Table of Contents

For the Fiscal Year Ended June 30, 2021

	<u>Page</u>
Required Communications	3
Summary of Adjusting Journal Entries	7

Required Communications

ROWLANDWATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2021

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

ROWLAND WATER DISTRICT*Required Communications**For the Fiscal Year Ended June 30, 2021*

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures3. Required OPEB Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

ROWLAND WATER DISTRICT*Required Communications**For the Fiscal Year Ended June 30, 2021*

Area	Comments
Supplementary Information	<p>We were engaged to report on the,</p> <p>Supplementary Information:</p> <ol style="list-style-type: none">1. Schedule of Other Operating Expenses2. Schedule of General and Administrative Expenses <p>Which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

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

Summary of Adjusting Journal Entries

ROWLAND WATER DISTRICT
Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2021

See Attached Schedule

Client: **SPDIS-047 - ROWLAND WATER DISTRICT**
Engagement: **2021 - ROWLAND WATER DISTRICT**
Period Ending: **6/30/2021**
Trial Balance: **WTB1 - Blank Trial Balance**
Workpaper: **WTB4-1 - Combined Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To record GASB 68 expense and activity			
23091-0	DEFERRED INFLOWS - ACTUARIAL	167,701.00	
56401-0	PENSION EXPENSE/(INCOME)	275,260.00	
13901-0	DEFERRED OUTFLOWS - CONTRIB.		23,088.00
23090-0	NET PENSION LIABILITY		419,873.00
Total		442,961.00	442,961.00
Adjusting Journal Entries JE # 2			
To record GASB 75 expense and activity			
13902-0	OPEB DEFERRED OUTFLOWS	1,060,647.00	
13902-1	DOR-OPEB Related	147,559.00	
23092-0	NET OPEB LIABILITY	192,896.00	
23093-0	OPEB DEFERRED INFLOWS	198,765.00	
56900-0	ANNUAL OPEB COST	102,004.00	
56900-1	OPEB- Deferred Contributions		1,701,871.00
Total		1,701,871.00	1,701,871.00
Adjusting Journal Entries JE # 3			
To reclass city of industry labor (AJE Provided by client)			
42380-0	CONTRACT INCOME	11,617.89	
41910-0	RWD LABOR SALES/REIMBURSEMENT		11,617.89
Total		11,617.89	11,617.89
Adjusting Journal Entries JE # 4			
Reclass water service installation income (AJE provided by client)			
54211-0	TRANS & DIST-SERVICES	96,161.00	
42313-0	NEW SERVICE CONNECTIONS		96,161.00
Total		96,161.00	96,161.00
Adjusting Journal Entries JE # 5			
To remove loss on disposal			
57110-0	DEPRECIATION-FIELD	3,243.62	
49511-0	GAIN ON SALE OF ASSETS		3,243.62
Total		3,243.62	3,243.62

Adjusting Journal Entries JE # 6

To record depreciation on asset that was not depreciated

57110-0	DEPRECIATION-FIELD	8,845.15	
11400-0	RES FOR DEPREC-UTILITY PLANT		8,845.15
Total		8,845.15	8,845.15

Adjusting Journal Entries JE # 7

To reconcile account to zero balance

14510-0	ACCRUED INTEREST-RECEIVABLE	21.83	
13533-0	ACQUISITIONS FUND - 2012		21.83
Total		21.83	21.83

Adjusting Journal Entries JE # 8

Reclass Gain/Loss in JV

49521-0	GAIN / LOSS IN JOINT VENTURE	46,977.50	
49512-0	GAIN / LOSS UNREALIZED		46,977.50
Total		46,977.50	46,977.50

Total Adjusting Journal Entries

2,311,698.99

2,311,698.99

Total All Journal Entries

2,311,698.99

2,311,698.99

**ROWLAND WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2021
(With Comparative Amounts as of June 30, 2020)**

NIGRO & NIGRO^{PC}

ROWLAND WATER DISTRICT

For the Fiscal Year Ended June 30, 2021

Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Proprietary Fund:	
Balance Sheets	9
Statements of Revenues, Expenses and Changes in Net Position.....	10
Statements of Cash Flows.....	11
Notes to Financial Statements	13

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net Pension Liability	40
Schedule of the District's Contributions to the Defined Benefit Pension Plan.....	41
Schedule of Changes in the District's Net OPEB Liability and Related Ratios.....	42
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan.....	43

SUPPLEMENTARY INFORMATION

Schedule of Other Operating Expenses	44
Schedule of General and Administrative Expenses.....	45

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
---	----

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Rowland Water District
Rowland Heights, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2021, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021, and the respective changes in financial position and cash flows 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, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Contributions to the Defined Benefit Pension Plan, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, and Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Schedule of Other Operating Expenses and Schedule of General and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
December 15, 2021

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

Management's Discussion and Analysis (MD&A) offers readers of Rowland Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2021. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2021, the District's net position increased 6.11%, or \$4,075,800 from the prior year's net position of \$66,715,624 to \$70,791,424, as a result of the year's operations.
- In fiscal year 2021, operating revenues increased by 5.93%, or \$1,561,526 from \$26,351,526 to \$27,913,052, from the prior year, primarily due to increases in residential, business, recycled water sales as well as increases in water service charges.
- In fiscal year 2021, operating expenses before depreciation expense increased by 2.13% or \$413,699 from \$19,395,147 to \$19,808,846, from the prior year, primarily due to increases in costs for source of supply, pumping and power, and transmission and distribution.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 14,601,197	\$ 16,334,341	\$ (1,733,144)
Non-current assets	34,334,908	34,179,027	155,881
Capital assets, net	<u>67,099,882</u>	<u>63,768,564</u>	<u>3,331,318</u>
Total assets	<u>116,035,987</u>	<u>114,281,932</u>	<u>1,754,055</u>
Deferred outflows of resources	<u>5,855,538</u>	<u>4,818,265</u>	<u>1,037,273</u>
Total assets and deferred outflows of resources	<u>\$ 121,891,525</u>	<u>\$ 119,100,197</u>	<u>\$ 2,791,328</u>
Liabilities:			
Current liabilities	\$ 8,020,196	\$ 7,981,067	\$ 39,129
Non-current liabilities	<u>41,704,030</u>	<u>42,661,165</u>	<u>(957,135)</u>
Total liabilities	<u>49,724,226</u>	<u>50,642,232</u>	<u>(918,006)</u>
Deferred inflows of resources	<u>1,375,875</u>	<u>1,742,341</u>	<u>(366,466)</u>
Net position:			
Net investment in capital assets	31,867,906	32,342,768	(474,862)
Unrestricted	<u>38,923,518</u>	<u>34,372,856</u>	<u>4,550,662</u>
Total net position	<u>70,791,424</u>	<u>66,715,624</u>	<u>4,075,800</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 121,891,525</u>	<u>\$ 119,100,197</u>	<u>\$ 2,791,328</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$70,791,424 as of June 30, 2021.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (45% as of June 30, 2021) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2021, the District showed a positive balance in its unrestricted net position of \$38,923,518 which may be utilized in future years.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Operating revenues	\$ 27,913,052	\$ 26,351,526	\$ 1,561,526
Operating expenses	<u>(19,808,846)</u>	<u>(19,395,147)</u>	<u>(413,699)</u>
Operating income before depreciation	8,104,206	6,956,379	1,147,827
Depreciation expense	<u>(3,434,208)</u>	<u>(2,805,219)</u>	<u>(628,989)</u>
Operating income	4,669,998	4,151,160	518,838
Non-operating revenues(expenses), net	<u>(594,198)</u>	<u>(564,866)</u>	<u>(29,332)</u>
Change in net position	4,075,800	3,586,294	489,506
Net position:			
Beginning of year	<u>66,715,624</u>	<u>63,129,330</u>	<u>3,586,294</u>
End of year	<u><u>\$ 70,791,424</u></u>	<u><u>\$ 66,715,624</u></u>	<u><u>\$ 4,075,800</u></u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased 6.81%, or \$4,075,800 from the prior year's net position of \$66,715,624 to \$70,791,424, as a result of the year's operations.

ROWLAND WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2021 and 2020*

FINANCIAL ANALYSIS OF THE DISTRICT (continued)**Total Revenues**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Water sales	\$ 15,597,274	\$ 13,814,524	\$ 1,782,750
Water service charges	11,840,763	11,130,851	709,912
New service connections	156,194	695,965	(539,771)
Reimbursements	128,347	429,198	(300,851)
Other operating revenues	<u>190,474</u>	<u>280,988</u>	<u>(90,514)</u>
Total operating revenues	<u>27,913,052</u>	<u>26,351,526</u>	<u>1,561,526</u>
Non-operating revenues:			
Property taxes	490,250	433,680	56,570
Investment earnings	(325,478)	(214,787)	(110,691)
Rental and contract revenue	132,736	219,021	(86,285)
Grant revenue – Proposition No. 84 funding	408,500	-	408,500
Other non-operating revenues	<u>178,016</u>	<u>116,263</u>	<u>61,753</u>
Total non-operating revenues	<u>884,024</u>	<u>554,177</u>	<u>329,847</u>
Total revenues	<u>\$ 28,797,076</u>	<u>\$ 26,905,703</u>	<u>\$ 1,891,373</u>

In fiscal year 2021, operating revenues increased by 5.93%, or \$1,561,526 from \$26,351,526 to \$27,913,052, from the prior year, primarily due to increases in residential, business, and recycled water sales as well as increases in water service charges. Also, non-operating revenues increased by 5.95%, or \$329,847 from \$554,177 to 884,024 due to the \$408,500 grant revenue reimbursement funding from Proposition No. 84.

ROWLAND WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2021 and 2020***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Source of supply	\$ 10,972,900	\$ 10,491,279	\$ 481,621
Pumping and power	1,175,185	1,134,476	40,709
Transmission and distribution	1,736,405	1,718,002	18,403
Customer services	81,834	85,533	(3,699)
Other operating expenses	473,839	387,859	85,980
General and administrative	<u>5,368,683</u>	<u>5,577,998</u>	<u>(209,315)</u>
Total operating expenses	<u>19,808,846</u>	<u>19,395,147</u>	<u>413,699</u>
Depreciation expense	<u>3,434,208</u>	<u>2,805,219</u>	<u>628,989</u>
Non-operating expenses:			
Interest expense	1,431,244	1,472,536	(41,292)
Transfer of inventory – water-in-storage to jv	3,808,880	-	3,808,880
Change in investment in joint-ventures	<u>(3,761,902)</u>	<u>(353,493)</u>	<u>(3,408,409)</u>
Total non-operating expenses	<u>1,478,222</u>	<u>1,119,043</u>	<u>359,179</u>
Total expenses	<u>\$ 24,721,276</u>	<u>\$ 23,319,409</u>	<u>\$ 1,401,867</u>

In fiscal year 2021, operating expenses before depreciation expense increased by 2.13% or \$413,699 from \$19,395,147 to \$19,808,846, from the prior year, primarily due to increases in costs for source of supply, pumping and power, and transmission and distribution.

Capital Assets

	<u>Balance June 30, 2021</u>	<u>Balance June 30, 2020</u>
Capital assets:		
Non-depreciable assets	\$ 5,697,770	\$ 4,395,141
Depreciable assets	100,671,796	95,672,370
Accumulated depreciation	<u>(39,269,684)</u>	<u>(36,298,947)</u>
Total capital assets, net	<u>\$ 67,099,882</u>	<u>\$ 63,768,564</u>

At the end of year 2021, the District's investment in capital assets amounted to \$67,099,882 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$6,765,526 for various projects and equipment. See Note 5 for further information.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited) *For the Years Ended June 30, 2021 and 2020*

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

The long-term debt of the District is summarized below:

	Balance <u>June 30, 2021</u>	Balance <u>June 30, 2020</u>
Long-term debt:		
Contract and bonds payable	<u>\$ 35,231,976</u>	<u>\$ 36,386,229</u>

Long-term debt decreased by a total of \$1,154,253 for the year ended June 30, 2021. Principal payments were \$1,035,000 and amortization of the debt premiums amounted to \$119,253. See Notes 7 and 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

The District's Board of Directors and management considered many factors when setting the fiscal year 2022, user fees, and charges. A projection is made on the acre feet of water that will be purchased and sold. The District also looks at the increased cost of the Source of Supply. Since the District heavily relies on import water, the costs are directly passed through by Metropolitan Water District and Three Valleys Municipal Water District. Some are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as vehicle expenses and insurance coverages. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected. Questions concerning the information about the economic analysis, revenue and expense assumptions, and other budgetary process parameters utilized in the annual budget preparation can be obtained from the District's Finance Officer.

Water Revenue Refunding Bonds, Series 2021A

On September 8, 2021, the District took advantage of the decline in interest rates to refinance (defease) its Water Revenue Bonds, 2012 Series A and Water Revenue Refunding Bonds, Series 2014A with a new \$36,170,000 Water Revenue Refunding Bonds, Series 2021A debt offering.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District'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 District's Director of Finance, 3021 S. Fullerton Rd., Rowland Heights, CA 91748 - (562) 697-1726.

ROWLAND WATER DISTRICT

Balance Sheets

June 30, 2021 (With Comparative Amounts as of June 30, 2020)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents (Note 2)	\$ 10,296,597	\$ 8,904,707
Accrued interest receivable	59,247	60,352
Accounts receivable, net (Note 3)	3,830,187	2,972,748
Property taxes receivable	-	7,838
Other receivables	32,815	461,572
Inventory – water-in-storage (Note 4)	103,512	3,678,271
Inventory – materials and supplies	192,443	156,695
Prepaid expenses	86,396	92,158
Total current assets	14,601,197	16,334,341
Non-current assets:		
Restricted – investments	-	4,960,433
Investments (Note 2)	12,691,980	11,337,568
Investments in joint-ventures (Note 4)	21,642,928	17,881,026
Capital assets – not being depreciated (Note 5)	5,697,770	4,395,141
Capital assets – being depreciated, net (Note 5)	61,402,112	59,373,423
Total non-current assets	101,434,790	97,947,591
Total assets	116,035,987	114,281,932
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 8)	2,756,243	2,904,088
Deferred amounts related to net OPEB obligation (Note 9)	1,858,397	650,191
Deferred amounts related to net pension liability (Note 10)	1,240,898	1,263,986
Total deferred outflows of resources	5,855,538	4,818,265
Total assets and deferred outflows of resources	\$ 121,891,525	\$ 119,100,197
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,105,739	\$ 4,326,667
Deposits and unearned revenues	3,632,710	2,419,420
Accrued interest payable	109,760	113,040
Long-term liabilities – due within one year:		
Compensated absences (Note 6)	91,987	86,940
Contract payable (Note 7)	495,000	475,000
Bonds payable (Note 8)	585,000	560,000
Total current liabilities	8,020,196	7,981,067
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 6)	275,961	260,820
Contract payable (Note 7)	17,094,520	17,641,859
Bonds payable (Note 8)	17,057,456	17,709,370
Net OPEB obligation (Note 9)	1,905,587	2,098,483
Net pension liability (Note 10)	5,370,506	4,950,633
Total non-current liabilities	41,704,030	42,661,165
Total liabilities	49,724,226	50,642,232
Deferred inflows of resources:		
Deferred amounts related to net OPEB obligation (Note 9)	1,168,468	1,367,233
Deferred amounts related to net pension liability (Note 10)	207,407	375,108
Total deferred inflows of resources	1,375,875	1,742,341
Net position:		
Net investment in capital assets (Note 11)	31,867,906	32,342,768
Unrestricted	38,923,518	34,372,856
Total net position	70,791,424	66,715,624
Total liabilities, deferred inflows of resources and net position	\$ 121,891,525	\$ 119,100,197

ROWLAND WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2021 (With Comparative Amounts as of June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Water sales	\$ 15,597,274	\$ 13,814,524
Water service charges	11,840,763	11,130,851
New service connections	156,194	695,965
Reimbursements	128,347	429,198
Other operating revenues	<u>190,474</u>	<u>280,988</u>
Total operating revenues	<u>27,913,052</u>	<u>26,351,526</u>
Operating expenses:		
Source of supply	10,972,900	10,491,279
Pumping and power	1,175,185	1,134,476
Transmission and distribution	1,736,405	1,718,002
Customer services	81,834	85,533
Other operating	473,839	387,859
General and administrative	<u>5,368,683</u>	<u>5,577,998</u>
Total operating expenses	<u>19,808,846</u>	<u>19,395,147</u>
Operating income before depreciation	8,104,206	6,956,379
Depreciation expense	<u>(3,434,208)</u>	<u>(2,805,219)</u>
Operating income	<u>4,669,998</u>	<u>4,151,160</u>
Non-operating revenues(expenses):		
Property taxes	490,250	433,680
Investment earnings	(325,478)	(214,787)
Rental and contract revenue	132,736	219,021
Grant revenue – Propostion No. 84 funding	408,500	-
Other non-operating revenues	178,016	116,263
Interest expense	(1,431,244)	(1,472,536)
Transfer of inventory – water-in-storage to joint-venture (Note 4)	(3,808,880)	-
Change in investment in joint-ventures (Note 4)	<u>3,761,902</u>	<u>353,493</u>
Total non-operating revenues(expenses), net	<u>(594,198)</u>	<u>(564,866)</u>
Change in net position	4,075,800	3,586,294
Net position:		
Beginning of year	<u>66,715,624</u>	<u>63,129,330</u>
End of year	<u>\$ 70,791,424</u>	<u>\$ 66,715,624</u>

ROWLAND WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2021 (With Comparative Amounts as of June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 29,416,912	\$ 27,632,346
Cash paid to employees for salaries and wages	(2,969,340)	(2,877,318)
Cash paid to vendors and suppliers for materials and services	<u>(19,395,260)</u>	<u>(15,091,796)</u>
Net cash provided by operating activities	<u>7,052,312</u>	<u>9,663,232</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>498,088</u>	<u>425,842</u>
Net cash provided by non-capital financing activities	<u>498,088</u>	<u>425,842</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,765,526)	(5,614,900)
Principal paid on long-term debt	(1,035,000)	(1,000,000)
Interest paid on long-term debt	<u>(1,405,932)</u>	<u>(1,441,202)</u>
Net cash used in capital and related financing activities	<u>(9,206,458)</u>	<u>(8,056,102)</u>
Cash flows from investing activities:		
Change in investments	3,606,021	1,397
Investment earnings	232,887	440,022
Contributions to joint-ventures	<u>(790,960)</u>	<u>(612,232)</u>
Net cash provided by (used in) investing activities	<u>3,047,948</u>	<u>(170,813)</u>
Net increase in cash and cash equivalents	1,391,890	1,862,159
Cash and cash equivalents:		
Beginning of year	<u>8,904,707</u>	<u>7,042,548</u>
End of year	<u><u>\$ 10,296,597</u></u>	<u><u>\$ 8,904,707</u></u>

ROWLAND WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2021 (With Comparative Amounts as of June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,669,998	\$ 4,151,160
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,434,208	2,805,219
Allowance for bad debt	220,587	100,349
Rental and contract revenue	132,736	219,021
Grant revenue – Proposition No. 84 funding	408,500	-
Other non-operating revenues	178,016	116,263
Change in assets – (increase)decrease:		
Accounts receivable, net	(1,078,026)	(13,375)
Other receivables	428,757	(369,608)
Inventory – water-in-storage	(421)	(18,864)
Inventory – materials and supplies	(35,748)	106,794
Prepaid expenses	5,762	(10,395)
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB obligation	(1,208,206)	(34,265)
Deferred amounts related to net pension liability	23,088	(67,996)
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	(1,220,928)	1,449,460
Deposits and unearned revenues	1,213,290	1,228,170
Compensated absences	20,188	6,657
Net OPEB obligation	(192,896)	(835,158)
Net pension liability	419,873	423,413
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to net OPEB obligation	(198,765)	332,177
Deferred amounts related to net pension liability	(167,701)	74,210
Total adjustments	<u>2,382,314</u>	<u>5,512,072</u>
Net cash provided by operating activities	<u>\$ 7,052,312</u>	<u>\$ 9,663,232</u>
Noncash investing, capital and financing transactions:		
Change in fair-value of investments	\$ (557,260)	\$ 191,423
Amortization of bond discount	\$ 119,253	\$ 119,253
Amortization of deferred amounts related to refunding of long-term debt	\$ (147,845)	\$ (147,845)

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

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

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District 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 District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

New Accounting Pronouncement

GASB 84 – In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. 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. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The District adopted this standard in the current fiscal year. Implementation of GASB 84 removed the previously reported OPEB trust that no longer qualifies as a fiduciary fund of the District.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Restricted Assets

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

4. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

5. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Inventories and Water in Storage

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

7. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$10,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Transmission and distribution system	15-75 years
Equipment	5-10 years

8. Deferred Outflows/Inflows of Resources

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

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

9. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave (employee benefits). Liabilities for vacation leave are recorded when benefits are earned. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Also, in accordance with the District's policy, employees may accrue unlimited sick time. Upon attaining 352 hours, the employee may exercise the option to exchange 50% of sick leave hours earned in the previous twelve-months for cash or vacation time. Upon separation, retirement, or death, an employee shall receive, as an additional retirement benefit, an amount equal to 50% of accrued hours for unused sick leave pay for up to 352 hours or 176 hours.

10. Pensions

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

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. Pensions (continued)

The following timeframes are used for pension reporting:

Valuation Date June 30, 2019
Measurement Date June 30, 2020
Measurement Period July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2019
Measurement Date June 30, 2020
Measurement Period July 1, 2019 to June 30, 2020

12. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Property Taxes

The Los Angeles County Assessor's Office assesses all real and personal property within the County each year. The Los Angeles County Tax Collector's Office bills and collects the District's share of property taxes. The Los Angeles County Auditor-Controller's Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes collected by the Los Angeles County Tax Collector's Office, which have not been credited to the District's cash balance as of June 30.

The property tax calendar is as follows:

Lien date March 1
Levy date July 1
Due dates November 1 and March 1
Collection dates December 10 and November 10

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

<u>Description</u>	<u>June 30, 2021</u>
Cash and cash equivalents	\$ 10,296,597
Investments	<u>12,691,980</u>
Total cash and investments	<u>\$ 22,988,577</u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2021</u>
Petty cash	\$ 400
Demand deposits held with financial institutions	8,177,786
Investments	<u>14,810,391</u>
Total cash and investments	<u>\$ 22,988,577</u>

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2021, the carrying amount of the District's demand deposits were \$8,177,786 and the financial institution's balances were \$8,188,712. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, the District's deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

Investments

The District's investments as of June 30, 2021 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. treasury obligations	Level 2	N/A	\$ 755,438	\$ 500,673	\$ 254,765	\$ -
U.S. government sponsored agency securities	Level 2	A to AAA	7,568,898	2,501,993	1,665,411	3,401,494
Medium-term notes	Level 2	A to AAA	3,171,525	101,687	259,888	2,809,950
Negotiable certificates-of-deposit	Level 2	AAA	487,642	487,642	-	-
Local Agency Investment Fund (LAIF)	N/A	N/A	2,118,411	2,118,411	-	-
Money-market mutual funds	N/A	AAA	708,477	708,477	-	-
Total investments			\$ 14,810,391	\$ 6,418,883	\$ 2,180,064	\$ 6,211,444

ROWLAND WATER DISTRICT*Notes to Financial Statements**June 30, 2021*

NOTE 2 – CASH AND INVESTMENTS (continued)**Investments Authorized by the California Government Code and the District's Investment Policy**

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2021.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2021. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

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

Issuer	Amount
U.S. government sponsored agency securities:	
Federal National Mortgage Association	\$ 2,722,572
Federal Farm Credit Banks Funding Corporation	\$ 1,195,108
Federal Home Loan Bank	\$ 3,098,065

Fair Value Measurements

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

Investment in State Investment Pool

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

NOTE 3 – ACCOUNTS RECEIVABLE, NET

The balance at June 30, 2021 consists of the following:

Description	June 30, 2021
Accounts receivable	\$ 4,050,775
Allowance for doubtful accounts	(220,588)
Total accounts receivable, net	\$ 3,830,187

ROWLAND WATER DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 4 – INVESTMENTS IN JOINT-VENTURES**

The balance at June 30, 2021 consists of the following;

Investments in Joint-Ventures	PBWA	PWR-JWLC	Total
Balance – beginning of year	\$ 16,980,625	\$ 900,401	17,881,026
Change in investment in joint-ventures	3,756,465	5,437	3,761,902
Balance – end of year	<u>\$ 20,737,090</u>	<u>\$ 905,838</u>	<u>\$ 21,642,928</u>

Puente Basin Water Agency (PBWA)

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

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

The changes in its investment in Puente Basin Water Agency consist of the following as of June 30, 2021:

Description	June 30, 2021
Balance – beginning of year	\$ 16,980,625
Share of net income	3,756,465
Balance – end of year	<u>\$ 20,737,090</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2021, including the participants' approximate percentage shares:

Description	June 30, 2021	District Share 50%
Total assets	<u>\$ 78,795,024</u>	
Total liabilities	\$ 37,320,844	
Total net position	41,474,180	<u>\$ 20,737,090</u>
Total liabilities and net position	<u>\$ 78,795,024</u>	

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 4 – INVESTMENTS IN JOINT-VENTURES (continued)

Pomona-Walnut-Rowland Joint Water Line Commission (PWR-JWLC)

The District is a member of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission). The Commission was formed under the Joint Powers Agreement (the JPA) of 1956 between the City of Pomona, the Walnut Valley Water District (WVWD), and the Rowland Water District (RWD). The JPA's purpose is to acquire, construct, maintain, repair, manage, and operate a water transmission pipeline for the benefit of the members' water supplies. The Commission is governed by a three-member board composed of one appointee from each member agency. Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission, which is allocated to each agency on a one-third basis. A budget assessment is collected each fiscal year and each agency pays one-third of the amount of the assessment as well as a capital surcharge for the future replacement of the pipeline. For the year ended June 30, 2021, the District remitted assessments totaling \$46,463 for their share of general and administrative costs and future replacement costs. Upon dissolution of the Commission, the net position will be divided in proportion to the contribution each agency made to the maintenance and operation account during the last prior 12-month period. The District, consequently, has an ongoing financial responsibility in the activities of the Commission. However, the JPA does not explicitly require the measurement of the District's equity interest in the Commission. Complete financial statements for the Commission can be obtained by written request at P.O. Box 508, Walnut, California.

The changes in its investment in the Commission consisted of the following as of June 30, 2021:

<u>Description</u>	<u>June 30, 2021</u>
Balance – beginning of year	\$ 900,401
Share of net income	<u>5,437</u>
Balance – end of year	<u>\$ 905,838</u>

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Water Line Commission as of and for the year ended June 30, 2021, including the participants' approximate percentage shares:

<u>Description</u>	<u>June 30, 2021</u>	<u>Member Share</u>		
		<u>City of Pomona</u> <u>25.8%</u>	<u>WVWD</u> <u>45.1%</u>	<u>RWD</u> <u>29.1%</u>
Total assets	<u>\$ 7,184,011</u>			
Total liabilities	\$ 4,071,166			
Total net position	<u>3,112,845</u>	<u>\$ 803,114</u>	<u>\$ 1,403,893</u>	<u>\$ 905,838</u>
Total liabilities and net position	<u>\$ 7,184,011</u>			

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2021, were as follows:

Description	Balance July 1, 2020	Additions	Deletions/ Transfers	Balance June 30, 2021
Non-depreciable assets:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction-in-process	4,128,801	6,541,703	(5,239,074)	5,431,430
Total non-depreciable assets	4,395,141	6,541,703	(5,239,074)	5,697,770
Depreciable assets:				
Sources of supply	2,110,034	-	-	2,110,034
Pumping	10,740,101	-	-	10,740,101
Transmission and distribution system	71,231,098	3,854,839	(222,882)	74,863,055
Intangible assets	1,022,551	-	-	1,022,551
Telemetry equipment	1,219,125	659,032	(72,238)	1,805,919
Office building and equipment	7,187,225	362,649	(2,997)	7,546,877
General plant	1,064,966	339,647	(97,888)	1,306,725
Transportation equipment	1,097,270	246,730	(67,466)	1,276,534
Total depreciable assets	95,672,370	5,462,897	(463,471)	100,671,796
Accumulated depreciation:				
Sources of supply	(1,152,880)	(90,480)	-	(1,243,360)
Pumping	(4,663,612)	(380,385)	-	(5,043,997)
Transmission and distribution system	(25,670,174)	(1,869,110)	222,882	(27,316,402)
Intangible assets	(81,804)	(490,747)	-	(572,551)
Telemetry equipment	(1,089,302)	(35,689)	72,238	(1,052,753)
Office building and equipment	(2,615,989)	(358,887)	2,997	(2,971,879)
General plant	(517,370)	(52,847)	97,888	(472,329)
Transportation equipment	(507,816)	(156,063)	67,466	(596,413)
Total accumulated depreciation	(36,298,947)	(3,434,208)	463,471	(39,269,684)
Total depreciable assets, net	59,373,423	2,028,689	-	61,402,112
Total capital assets, net	\$ 63,768,564	\$ 8,570,392	\$ (5,239,074)	\$ 67,099,882

NOTE 6 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2021, were as follows:

Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in More Than One Year
\$ 347,760	\$ 323,126	\$ (302,938)	\$ 367,948	\$ 91,987	\$ 275,961

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 7 – CONTRACT PAYABLE

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

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

All unspent proceeds from the bonds plus investments earnings on those proceeds were utilized.

The District's obligation to make installment payments is a special obligation of the District payable solely from the net revenues of the District. The following is a summary of the installment purchase contract for the year ended June 30, 2021:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2020			June 30, 2021		
2012 Series A Water Revenue Bonds	\$ 16,935,000	\$ -	\$ (475,000)	\$ 16,460,000	\$ 495,000	\$ 15,965,000
2012 Series A Water Revenue Bonds – Premium	1,181,859	-	(52,339)	1,129,520	-	1,129,520
	<u>\$ 18,116,859</u>	<u>\$ -</u>	<u>\$ (527,339)</u>	<u>\$ 17,589,520</u>	<u>\$ 495,000</u>	<u>\$ 17,094,520</u>

Maturities of the installment purchase contract and interest payments subsequent to June 30, 2021, are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 495,000	\$ 656,600	\$ 1,151,600
2023	515,000	636,400	1,151,400
2024	540,000	615,300	1,155,300
2025	560,000	593,300	1,153,300
2026	580,000	570,500	1,150,500
2027-2031	3,205,000	2,559,825	5,764,825
2032-2036	3,750,000	2,020,626	5,770,626
2037-2041	3,600,000	1,149,500	4,749,500
2041-2043	3,215,000	111,125	3,326,125
Total	16,460,000	<u>\$ 8,913,176</u>	<u>\$ 25,373,176</u>
Current	<u>(495,000)</u>		
Long-term	<u>\$ 15,965,000</u>		

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 8 – BONDS PAYABLE

Water Revenue Refunding Bonds, Series 2014A were issued on September 18, 2014, in the amount of \$20,060,000 to refund \$19,105,000 of outstanding balance on the 2008 Certificates of Participation. The prior obligations were issued to finance certain improvements.

The bonds were issued at a premium of \$1,686,785, which is being amortized over the life of the debt on a straight-line basis.

These bonds mature in various amounts through December 1, 2039. Interest is payable semiannually on December 1 and June 1 at rates ranging from 2.00% to 5.00%. The installment payments on these bonds are secured by a first priority lien on the net revenues of the District. The following is a summary of the changes in Water Revenue Refunding Bonds, Series 2014A for the year ended June 30, 2020:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2020			June 30, 2021		
2014A Series Water Revenue Refunding Bonds	\$ 16,955,000	\$ -	\$ (560,000)	\$ 16,395,000	\$ 585,000	\$ 15,810,000
2014A Series Water Revenue Bonds – Premium	1,314,370	-	(66,914)	1,247,456	-	1,247,456
	<u>\$ 18,269,370</u>	<u>\$ -</u>	<u>\$ (626,914)</u>	<u>\$ 17,642,456</u>	<u>\$ 585,000</u>	<u>\$ 17,057,456</u>

Maturities of the Water Revenue Refunding Bonds, Series 2014A and interest payments subsequent to June 30, 2021, are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 585,000	\$ 707,044	\$ 1,292,044
2023	610,000	683,144	1,293,144
2024	630,000	658,344	1,288,344
2025	660,000	632,544	1,292,544
2026	685,000	605,645	1,290,645
2027-2031	3,815,000	2,673,725	6,488,725
2032-2036	4,700,000	1,788,500	6,488,500
2037-2040	4,710,000	486,000	5,196,000
Total	16,395,000	<u>\$ 8,234,946</u>	<u>\$ 24,629,946</u>
Current	<u>(585,000)</u>		
Long-term	<u>\$ 15,810,000</u>		

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2021</u>
OPEB related deferred outflows	\$ 1,858,397
Net other post-employment benefits obligation	1,905,587
OPEB related deferred inflows	1,168,468

A. General Information about the OPEB Plan

Plan Description

The District has an agent multiple-employer other post-employment benefit plan that provides medical, dental, and vision coverage to 27 active employees, 10 retired employees, and 7 covered dependents of retirees through the ACWA health program as of the measurement date, June 30, 2020. At retirement, the District provides a contribution for the continuation of these coverage's for eligible retirees. Eligibility for a District contribution requires retirement from the District and under CalPERS on or after age 50 with at least 15 years of continuous service. The District provides 100% of the cost of coverage for the retiree and any covered spouse. Employees hired on or after July 1, 2012, are eligible for a District contribution if retiring from the District and under CalPERS on or after age 62 with at least 15 years of continuous District service. The District provides 100% of the cost of coverage for the retiree only and covered spouse.

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

Funding Policy

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

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2020, the measurement period, the District's contributions totaling \$641,224 included \$420,000 placed in its PARS OPEB Trust, \$186,123 in current year premium payments, and an implied subsidy of \$35,101.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan (continued)

Accounting for the Plan

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

Method Used to Value Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

B. Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	6.50%
Inflation	2.26%
Payroll increases	3.25%
Healthcare Trend Rates	Pre-65 - 6.95% trending down annually to 5.0% by 2029 and later Post-65 - 5% trending down annually to 5.0% by 2029 and later
Morbidity	CalPERS 2017 Study
Mortality	CalPERS 2017 Study
Disability	Not valued
Retirement	2017 CalPERS Public Agency Miscellaneous experience study; 2.5% @ 55 and 2% @ 62
Percent Married	80% of future retirees would enroll a spouse

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability (continued)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
PARS moderate investment policy:		
Equity	48.25%	5.65%
Fixed income	45.00%	1.39%
REITs	1.75%	5.06%
Cash	5.00%	0.00%
Total	100.00%	

Discount Rate

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

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan Fiduciary</u>	<u>Net</u>
	<u>OPEB Liability</u>	<u>Net Position</u>	<u>OPEB Liability</u>
Balance at July 1, 2020 (Measurement date July 1, 2019)	\$ 6,388,825	\$ 4,290,342	\$ 2,098,483
Changes for the year:			
Service cost	145,698	-	145,698
Interest	417,667	-	417,667
Differences in experience	51,531	-	51,531
Changes in assumption	-	-	-
Employer contributions	-	641,224	(641,224)
Net investment income	-	166,568	(166,568)
Benefit payments	(221,224)	(221,224)	-
Net changes	393,672	586,568	(192,896)
Balance at June 30, 2021 (Measurement date June 30, 2020)	\$ 6,782,497	\$ 4,876,910	\$ 1,905,587

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions

In fiscal year 2019-20, the census data from the plans participants was updated, which decreased the total OPEB liability by \$0.

Change of Benefit Terms

In fiscal year 2019-20, the measurement period, there were no changes to the actuarial assumptions.

Subsequent Events

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

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

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

	1% Decrease 5.5%	Discount Rate 6.5%	1% Increase 7.5%
Net OPEB Liability	<u>\$ 3,077,738</u>	<u>\$ 1,905,587</u>	<u>\$ 969,604</u>

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

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

	Healthcare Cost		
	7.0% Decreasing to 4.0%	8.0% Decreasing to 5.0%	9.0% Decreasing to 6.0%
Net OPEB Liability	<u>\$ 3,233,048</u>	<u>\$ 1,905,587</u>	<u>\$ 974,875</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$102,004. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made after the measurement date	\$ 1,701,871	\$ -
Changes in assumptions	-	(519,218)
Differences between expected and actual experience	54,432	(619,707)
Differences between projected and actual earnings on OPEB plan investments	102,094	(29,543)
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,858,397</u>	<u>\$ (1,168,468)</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$1,701,871 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Amortization Period	Deferred
Fiscal Year Ended June 30	Outflows/(Inflows)
	of Resources
2021	\$ (169,054)
2022	(149,475)
2023	(150,226)
2024	(146,905)
2025	(172,052)
Thereafter	<u>(224,230)</u>
Total	<u>\$ (1,011,942)</u>

At June 30, 2021, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

NOTE 10 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2021
Pension related deferred outflows	\$ 1,240,898
Net pension liability	5,370,506
Pension related deferred inflows	207,407

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2020	11.432%	6.985%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2020 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	17	8	25
Transferred and terminated members	16	4	20
Retired members and beneficiaries	18	-	18
Total plan members	51	12	63

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

ROWLAND WATER DISTRICT*Notes to Financial Statements**June 30, 2021***NOTE 10 – PENSION PLAN (continued)****A. General Information about the Pension Plan (continued)****Benefits Provided**

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

Contributions

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

Contributions for the year ended June 30, 2021, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 575,957	\$ 66,085	\$ 642,042

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**Proportionate Share of Net Pension Liability and Pension Expense**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2021:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Percentage of Risk Pool Net Pension Liability	0.127321%	0.123627%	0.003694%
Percentage of Plan Net Pension Liability	0.049359%	0.048313%	0.001046%

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The District's proportionate share percentage of the net pension liability for the June 30, 2020, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2019 (Measurement Date)	\$ 19,564,998	\$ 14,614,365	\$ 4,950,633
Balance as of June 30, 2020 (Measurement Date)	\$ 20,719,771	\$ 15,349,265	\$ 5,370,506
Change in Plan Net Pension Liability	<u>\$ 1,154,773</u>	<u>\$ 734,900</u>	<u>\$ 419,873</u>

For the year ended June 30, 2020, the District recognized pension expense of \$917,301. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 642,042	\$ -
Difference between actual and proportionate share of employer contributions		(169,102)
Adjustment due to differences in proportions	162,558	-
Differences between expected and actual experience	276,758	-
Differences between projected and actual earnings on pension plan investments	159,539	-
Changes in assumptions	-	(38,305)
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,240,897</u>	<u>\$ (207,407)</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 3.8 years.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Proportionate Share of Net Pension Liability and Pension Expense (continued)

An amount of \$642,042 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 45,799
2023	149,149
2024	119,983
2025	76,520
Total	\$ 391,451

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2020, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return (continued)

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

Investment Type¹	New Strategic Allocation	Real Return Years 1 - 10²	Real Return Years 11+³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ In the CalPERS's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation rate-of-return of 2.5% is used for years 1-10.

³ An expected inflation rate-of-return of 2.9% is used for years 11+.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	<u>8,127,802</u>	<u>\$ 5,370,506</u>	<u>\$ 3,092,239</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2021

NOTE 10 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2020, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2021.

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

<u>Description</u>	<u>June 30, 2021</u>
Net investment in capital assets:	
Restricted – investments	\$ -
Capital assets – not being depreciated	5,697,770
Capital assets, net – being depreciated	61,402,112
Contract payable – current portion	(495,000)
Bonds payable – current portion	(585,000)
Contract payable – non-current portion	(17,094,520)
Bonds payable – non-current portion	<u>(17,057,456)</u>
Total net investment in capital assets	<u>\$ 31,867,906</u>

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 13 – RISK MANAGEMENT POOL

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

A. Entity	ACWA-JPIA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of September 30, 2020 – 445 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2020
Audit signed	May 14, 2021
Statement of financial position:	Sept 30, 2020
Total assets	<u>\$ 212,099,851</u>
Deferred outflows	<u>553,790</u>
Total liabilities	<u>112,046,920</u>
Deferred inflows	<u>1,672,219</u>
Net position	<u><u>\$ 98,934,502</u></u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 181,825,144
Total expenses	<u>(169,356,246)</u>
Change in net position	12,468,898
Beginning – net position	<u>86,465,604</u>
Ending – net position	<u><u>\$ 98,934,502</u></u>
F. Member agencies share of year-end financial position	Not Calculated

The District participated in the self-insurance programs of the Insurance Authority as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000 (total insurable value of \$48,405,017). The District has a \$2,500 deductible for buildings, personal property and fixed equipment, a \$25,000/\$50,000 deductible for accidental mechanical breakdown, a \$1,000 deductible for mobile equipment, and a \$500 deductible for licensed vehicles.

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 13 – RISK MANAGEMENT POOL (continued)

Cyber Liability - The Insurance Authority has purchased insurance coverage of \$3,000,000 per occurrence/\$5,000,000 aggregate. This program does not have a deductible.

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

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

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

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

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

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 District's insurance coverage during the years ending June 30, 2021, 2020, and 2019. 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 were no IBNR claims payable as of June 30, 2021, 2020, and 2019.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued)

Litigation

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

NOTE 15 – SUBSEQUENT EVENTS

Water Revenue Refunding Bonds, Series 2021A

On September 8, 2021, the District took advantage of the decline in interest rates to refinance (defease) its Water Revenue Bonds, 2012 Series A and Water Revenue Refunding Bonds, Series 2014A with a new \$36,170,000 Water Revenue Refunding Bonds, Series 2021A debt offering. The District achieved a net present value savings from the defeasance of \$3,926,597.

Required Supplementary Information

ROWLAND WATER DISTRICT*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2021***Last Ten Fiscal Years*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.03764%	\$ 2,341,881	\$ 2,046,157	114.45%	83.35%
June 30, 2015	0.04441%	3,309,528	2,161,937	153.08%	78.38%
June 30, 2016	0.04547%	3,934,518	2,099,673	187.39%	75.20%
June 30, 2017	0.04646%	4,607,714	2,167,973	212.54%	74.47%
June 30, 2018	0.04698%	4,527,220	2,279,335	198.62%	75.80%
June 30, 2019	0.04831%	4,950,633	2,353,585	210.34%	74.70%
June 30, 2020	0.04936%	5,370,506	2,587,427	207.56%	74.08%

Notes to Schedule:**Benefit Changes:**

There were no changes in benefits.

Changes in Assumptions:**From fiscal year June 30, 2015 and June 30, 2016:**

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

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown.

ROWLAND WATER DISTRICT*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2021***Last Ten Fiscal Years*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 334,790	\$ (334,790)	\$ -	\$ 2,161,937	15.49%
June 30, 2016	337,455	(337,455)	-	2,099,673	16.07%
June 30, 2017	371,209	(371,209)	-	2,167,973	17.12%
June 30, 2018	414,273	(414,273)	-	2,279,335	18.18%
June 30, 2019	483,791	(483,791)	-	2,353,585	20.56%
June 30, 2020	570,560	(570,560)	-	2,587,427	22.05%
June 30, 2021	642,042	(642,042)	-	2,767,654	23.20%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (2% @ 55 and 2% @ 60), 52 years (2% @ 62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first measurement date year of implementation; therefore, only seven years are shown.

ROWLAND WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2021

	Last Ten Fiscal Years*			
Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:				
Service cost	\$ 145,698	\$ 124,022	\$ 99,230	\$ 121,597
Interest	417,667	427,189	394,763	450,304
Changes of assumptions	-	(262,190)	-	(526,713)
Differences between expected and actual experience	51,531	(253,977)	11,333	(710,721)
Changes of benefit terms	-	-	151,163	-
Benefit payments	(221,224)	(185,776)	(179,152)	(154,372)
Net change in total OPEB liability	393,672	(150,732)	477,337	(819,905)
Total OPEB liability - beginning	6,388,825	6,539,557	6,062,220	6,882,125
Total OPEB liability - ending	6,782,497	6,388,825	6,539,557	6,062,220
Plan fiduciary net position:				
Contributions - employer	641,224	605,776	599,152	574,372
Net investment income	166,568	264,426	203,849	261,561
Administrative expense	-	-	(10,222)	(850)
Benefit payments	(221,224)	(185,776)	(179,152)	(154,372)
Net change in plan fiduciary net position	586,568	684,426	613,627	680,711
Plan fiduciary net position - beginning	4,290,342	3,605,916	2,992,289	2,311,578
Plan fiduciary net position - ending	4,876,910	4,290,342	3,605,916	2,992,289
District's net OPEB liability	\$ 1,905,587	\$ 2,098,483	\$ 2,933,641	\$ 3,069,931
Plan fiduciary net position as a percentage of the total OPEB liability	71.90%	67.15%	55.14%	49.36%
Covered-employee payroll	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510	\$ 2,174,023
District's net OPEB liability as a percentage of covered-employee payroll	66.72%	76.90%	128.36%	141.21%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits

Measurement Date June 30, 2018 – Coverage expanded to spouses for future retirees hired on or after July 1, 2009 if they have 25 years of service, effective fiscal year ending June 30, 2018

Measurement Date June 30, 2020 – There were no changes in benefits

Measurement Date June 30, 2019 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – Average per capita claims cost was updated to reflect actual 2017 premiums, health care cost trend rate was updated to reflect 2018 industry survey data, and mortality table was updated to reflect most recent CalPERS studies.

Measurement Date June 30, 2018 – There were no changes in benefits

Measurement Date June 30, 2019 – Census data from the plans participants was updated, which decreased the total OPEB liability by \$262,190.

Measurement Date June 30, 2020 – There were no changes in benefits

* Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.

ROWLAND WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan For the Year Ended June 30, 2021

Fiscal Year Ended	Last Ten Fiscal Years*			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 308,417	\$ 354,481	\$ 343,260	\$ 343,260
Contributions in relation to the actuarially determined contributions	(641,224)	(605,776)	(599,152)	(599,152)
Contribution deficiency (excess)	\$ (332,807)	\$ (251,295)	\$ (255,892)	\$ (255,892)
Covered payroll	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510	\$ 2,174,023
Contributions as a percentage of covered payroll	22.45%	22.20%	26.22%	27.56%

Notes to Schedule:

Valuation Date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Discount rate	6.50%	6.50%	6.50%	6.50%
Inflation	2.26%	2.26%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%	3.25%
Mortality	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%
Healthcare trend rates	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2014 Study

(3) CalPERS 2013 Study

(4) CalPERS Public Agency Miscellaneous 2.5% @55 and 2% @62

(5) Pre-65 - 8.00% trending down 0.25% annually to 5.00% in 2031 and later
Post-65 - 5.50% trending down 0.25% annually to 5.00% in 2021 and later

* Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.

Supplementary Information

ROWLAND WATER DISTRICT*Schedule of Other Operating Expenses**For the Year Ended June 30, 2021 (With Comparative Amounts as of June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Other Operating Expenses:		
Certification, fees and permits	\$ 92,252	\$ 127,308
Engineering	239,782	88,968
Maintenance and operations	81,472	109,128
Small tools and supplies	36,704	20,627
Water supply planning and development	-	21,615
Water tests	<u>23,629</u>	<u>20,213</u>
Total Other Operating Expenses	<u><u>\$ 473,839</u></u>	<u><u>\$ 387,859</u></u>

ROWLAND WATER DISTRICT*Schedule of General and Administrative Expenses**For the Year Ended June 30, 2021 (With Comparative Amounts as of June 30, 2020)*

	<u>2021</u>	<u>2020</u>
General and Administrative Expenses:		
Salaries and wages	\$ 1,473,595	\$ 1,258,249
Payroll taxes	221,906	209,597
Employee benefits	550,382	523,494
OPEB expenses	47,853	68,877
Pension expenses	1,066,792	1,161,956
Director's fees and expenses	151,899	164,229
Bank service charges	154,201	150,088
Community outreach	196,273	197,022
Conferences, training and travel	23,812	79,472
Conservation rebate program	32,238	33,132
COVID-19 expenses	-	88,346
Information technology	293,671	244,465
Insurance – liability and workers' compensation	192,022	188,236
Membership fees and dues	47,900	45,794
Miscellaneous	98,979	113,675
Office supplies	40,486	28,338
Professional services	140,156	250,123
Repairs and maintenance	17,460	52,568
Service contracts	274,986	277,603
Taxes, permits and fees	14,575	11,270
Uncollectable accounts	122,700	217,455
Utilities	118,062	102,374
Vehicle expenses	88,735	111,635
Total General and Administrative Expenses	<u>\$ 5,368,683</u>	<u>\$ 5,577,998</u>

Other Independent Auditors' Reports



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

Board of Directors
Rowland Water District
Rowland Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2020, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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 District's financial statements are free of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Murrieta, California
December 15, 2021

Rowland Water District – Board Report

February 8, 2022



Customer Communications

- Outreach to HOAs/Property Managers on drought urgency
- Understanding Your Bill – pocket guide
- Low Income Assistance outreach
- When in Drought – op/ed series #4 released 2/1



District Outreach

- Strategic Planning; workshops 1/25 and 3/8; new mission statement in development process
- Recycled Water Presentations - Water Reuse & CSDA (pending)
- HOA Outreach Success – Chino Basin Water Cons. District 3/17
- New Truck Wraps
- Little Library – Wendy and Wally/book theme
- AMI Outreach (prepare for completion)
- Drought Op-Ed Series (customer, region and industry)



Website Enhancements

- Updated videos
- Updated sliders; conservation messaging, water shortage contingency plan
- Drought Microsite – punchlist complete





Press Releases/Earned Media

- Redistricting/Equal Representation – 1/19
- Poster Contest – 1/31
- Final Audit – 2/12
- Dusty Moisio – interview complete, release pending



Industry Press

Los Angeles Television – Walnut Valley Water District

RWD produces customer service messaging to clarify misinformation concerning drought regulations with WVWD's boundaries. A web slider was also produced:



Video Projects

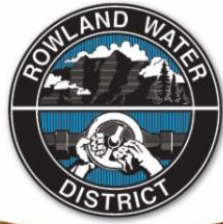
- History Video Update – Finalized



Covid-19 Support

- Safe tap water communications
- District contact information
- Office hours release distributed





ROWLAND WATER DISTRICT **WHEN IN DROUGHT**

Welcome to "When in Drought", the third in a series of commentaries about the state of our water supply and what it means to you. These articles will provide a unique perspective on the ways California, the region and your local water supplier have prepared for our current drought and what water users can do to help.

‘All-Hands-on-Deck’ Response Needed to Combat the Effects of Drought

February 1, 2022 – Drought is a tricky subject. After all, lawns are green, December was wet, and there is always water when you turn on the faucet. With all of that, can we still be in drought?

The answer is yes. Drought isn't about what is happening right now; it's about a dearth of rain and snow over an extended period that results in a water shortage. A drought declaration doesn't mean we don't have any water; it means we need to conserve the water we do have to extend supplies, since we don't know when we might get more rain and snow.

Given two consecutive dry years, the reservoirs holding much of Southern California's water supply have not been replenished by rain and snow. At Rowland Water District, we have plans, projects, and partnerships in place to develop new sources of local water that are more reliable during drought than imported water from Northern California or the Colorado River.

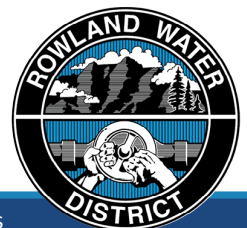
Beyond these local supply sources, our District supports statewide water development projects such as the Sites Reservoir in the Sacramento Valley, which will capture runoff from the mountains and store the water for when it is needed.

We also depend on our customers to adopt water-wise practices that help sustain our drinking water supplies.

Drought response and water-saving measures work in a trickle-down fashion, from the state to the region, to water districts, and ultimately to consumers. We all need to do our part.

At Rowland Water District, one of our most effective tools in combatting drought is customer education. We offer extensive free resources to teachers and parents in our service area as well as programs that teach the value of water.

To spur behavior change, the District developed "What's Your Water Footprint?" a campaign that helps people of all ages learn how much water is consumed on everyday activities such as showering, doing laundry and washing the car. The accompanying website, yourwaterfootprint.org, includes water-saving tips, educational resources, kids' activities, and rebate information.



Our award-winning educational materials are grade-specific and curriculum-based to help instill a water-saving attitude in the younger generation. For example, the District offers a Mini Science Challenge in which fourth through sixth graders compete against students at other schools in the areas of science, technology, engineering, and math. We also offer educational videos, a water awareness poster contest, and grants for teachers to develop their own programs.

Part of promoting conservation includes incentives to prompt changes in behavior.

Rowland Water District teams up with its wholesaler, Metropolitan Water District of Southern California (MWD), to offer rebates for water-saving appliances and tools such as high-efficiency toilets and clothes washers, rain barrels and irrigation controllers that adjust automatically based on the weather. You can also earn up to \$2 per square foot for swapping your grass for waterwise landscaping.

With a statewide drought emergency that has brought varying levels of shortages, some areas are requiring 20 percent cutbacks in water use. While Rowland Water District has not instituted conservation mandates, we are asking customers to continue using water as efficiently as possible, whenever possible. That means taking steps such as adjusting or repairing sprinklers to avoid runoff, not hosing off hard surfaces, and only washing cars at home if your hose has an automatic shutoff nozzle.

You may have adopted many of these water efficiency measures during the last drought from 2011 to 2017 and kept them in place, and for that you deserve kudos. And for those people just getting started on conservation, I'd like to thank you in advance for implementing water-saving practices. Saving now prepares us for the future – drought or no drought.



Tom Coleman is a veteran Southern California water industry leader with more than three decades of experience. He has served as General Manager at Rowland Water District in Rowland Heights, Calif., since 2014, and is the Assistant Administrative Officer for the Puente Basin Water Agency in Walnut, Calif. Coleman previously was Executive Director of Bellflower-Somerset Mutual Water Company in Bellflower, Calif., General Manager of Orchard Dale Water District in Whittier, Calif., and served in various water management positions with the City of Alhambra, Calif. He holds certifications in water treatment and delivery, resource management and leadership. Coleman is the Chair of the Public Water Agency Group, is past president of the California Utility Executive Management Association and has been named an honorary "Doctor of Water" by the Southern California Water Utility Association.





Community Outreach Update | February 8, 2022 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.

Twitter (January 11, 2022-February 1, 2022)

Measurement	Total
Followers	678
New Followers	4
Tweets	4
Tweet Impressions	1,122
Profile Visits	254
Mentions	1

Twitter Top Performing Post:



Check out our new Activity Book!

Rowland Water District @RowlandWater

★ RWD is excited to announce our NEW Activity Book that includes fun hands-on activities like Wendy & Wally paper dolls, word searches, coloring pages and so much more!

Email Brittne at bvandecar@rwd.org with your address to get your copy today!

[#RWDeducation](#) [#DiscoverRWD](#)
pic.twitter.com/G3tGCTPoWN

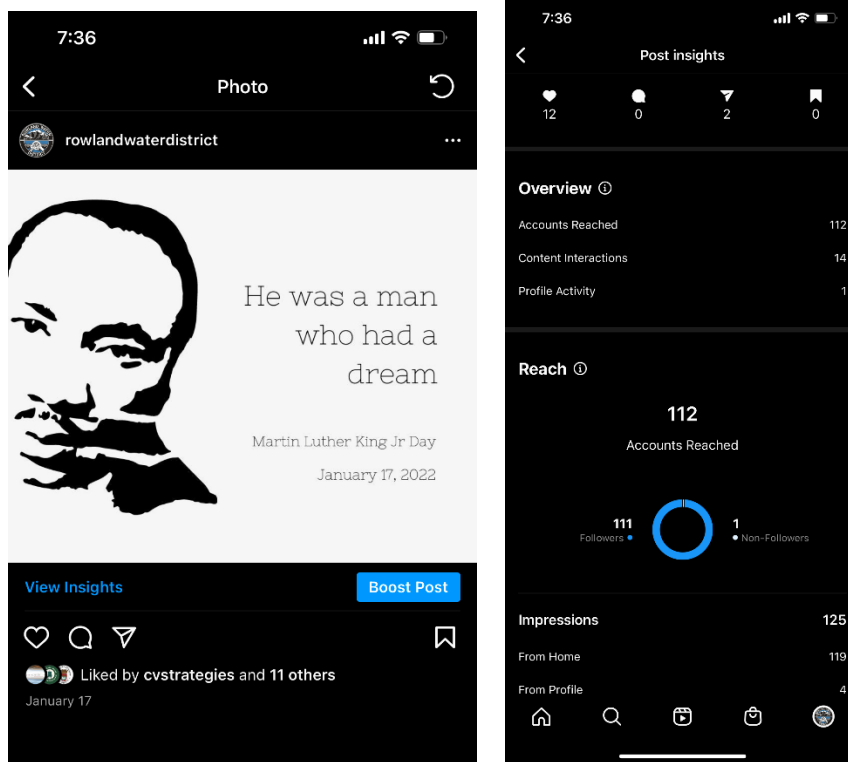
Impressions	107
Total engagements	5
Likes	3
Detail expands	2



Instagram (January 11, 2022-February 1, 2022)

Measurement	Total
Total Posts	4
Total Followers	1,047
Post Engagement	30
Impressions (Total number of times post have been seen)	1,633
Profile Impressions	21,047

Instagram Top Performing Post:



Facebook (January 11, 2022-February 1, 2022)

Measurement	Total
Posts	4
Fans on Page	350
Reactions (Engagement)	6
Post Engagement	9



WEBSITE (January 11, 2022-February 1, 2022)

Measurement	Total
Users	54,094
New Users	3,398
Returning Visitor	1,032
Pageviews	11,037

CONSTANT CONTACT-(electronic information sent to customer emails)

February 2, 2022- When in Drought: OpEd 3: *When in Drought: 'All-Hands-on-Deck' Response Needed to Combat the Effects of Drought*

Total Active Contacts-10,894

EDUCATION OUTREACH:

- The poster contest is now open and accepting submissions and the deadline to apply is March 24th.
- Working to start a new installation at an additional DAC Apartment Complex (Cambridge Garden Apartments in West Covina) to install 116 toilet sensors.
- Mini Science Challenge- 529 students will be participating from 16 classrooms and 5 schools. The Filtration Challenge and at-home water audit have been completed by all classrooms and students are now working on the writing challenges.
- Attending the MWD education meetings.

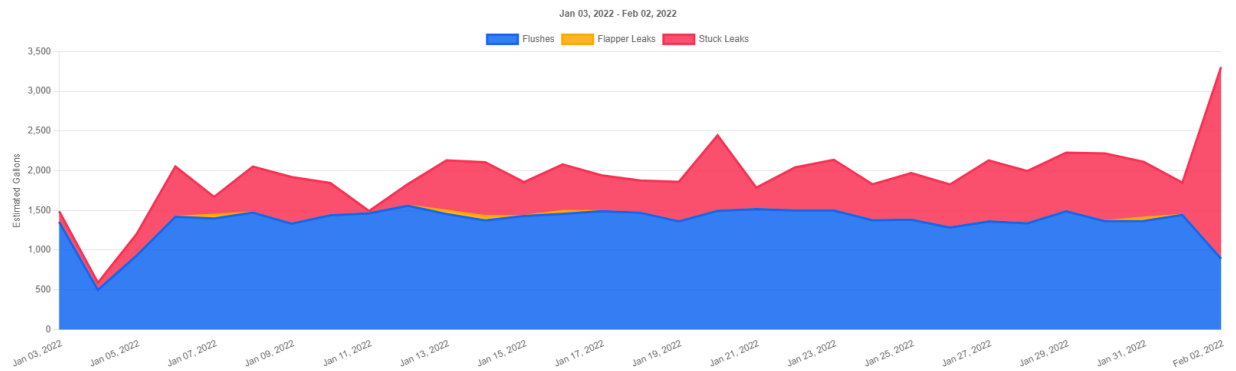


SENSOR INDUSTRIES-MOUNTAIN SHADOW APARTMENTS:

1 leaking toilet

Prioritize largest leaks and record fixes

Mountain Shadows



System Stats



88
Units



103
Sensors

Work Order Stats



2 days
Average Open Period



1,626.8 gallons
Average Waste



33%
Resolved By Staff



100%
Stuck Leaks



0%
Flapper Leaks



0%
Moisture



California Water Insurance Fund Board

A JPIA Captive Insurance Company

Nomination Procedures

Approximately 90 Days before Election (February 1, 2022)

All JPIA Directors and Member Districts are to be notified of:

- A) Date and place of Election;
- B) California Water Insurance Fund Board positions and terms of office to be filled by election; and
- C) Nomination Procedures.

90 to 45 Days before Election (February 1 – March 18, 2022)

- A) A district (that participates in the JPIA Liability Program and at least one of the other programs: Property, Workers' Compensation, or Employee Benefits) may place into nomination its member of the Board of Directors of JPIA with the concurrence of three districts, then members of the JPIA, in addition to the nominating district.
- B) Sample resolutions are available on the JPIA website.
- C) The **district is solely responsible** for timely submission of the nominating resolution and the three additional concurring in nomination resolutions of its candidate for office.

45 Days before Election (March 18, 2022)

- A) Deadline and location for receiving the nominating and concurring in nomination resolutions in the JPIA office:

Friday – March 18, 2022, – 4:30 p.m.

Sylvia Robinson, Publications & Web Editor
JPIA

P. O. Box 619082, Roseville, CA 95661-9082
(srobinson@acwajpia.com)

- B) Candidates' statement of qualifications must be submitted, if desired, with the nominating resolutions. The statement of qualifications must be submitted on one side of an 8½ x 11" sheet of paper suitable for reproduction and distribution to all districts. (MSWord or PDF documents preferred).

14 Days before Election (April 18, 2022)

Final notice of the upcoming Election of Executive Committee members will be included as part of the Board of Directors' meeting packet. Final notice shall include:

- A) Date, Time, and Place of Election;
- B) Name and District of all qualified candidates;
- C) Candidate's statement of qualifications (if received); and
- D) Election Procedures and Rules.



**California Special
Districts Association**
Districts Stronger Together

2022 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

**Return this form, a Board resolution/minute action supporting the candidate, and
Candidate Information Sheet by mail or email to:**

CSDA
Attn: Amber Phelen
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732

amberp@csda.net

DEADLINE FOR RECEIVING NOMINATIONS:

March 31, 2022 at 5:00 p.m.



**California Special
Districts Association**
Districts Stronger Together

2022 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after March 31, 2022 will not be included with the ballot.**



Policy 2.16: Board Commitments & Responsibilities

Overview:

The Board of Directors is responsible for ensuring the Association's long-term financial stability and integrity. Directors ensure the Association fulfills its mission to promote good governance and improved core local services through professional development, advocacy and other services for all types of independent special districts. In order to foster the Association's continued viability and growth, effective member engagement and sufficient revenue are essential. Accordingly, Directors pledge to be active participants and promote the Association and its services.

Core Commitments:

1. Support the approved CSDA mission statement, vision statement, and Board beliefs.
2. Advocate for the Association and its members.
3. Serve as a part of a unified governing body.
4. Govern within Board policies, standards and ethics.
5. Dedicate the time and energy necessary to be effective.
6. Represent and make policy decisions based on the impact to the entire special districts community.
7. Respect the individual views of Directors, then collectively support Board decisions.
8. Communicate as a cohesive Board of Directors with a common vision and voice.
9. Operate with the highest standards of integrity and trust.

Date Approved: 11/8/2013

Date Amended: 03/13/2015, 11/13/15, 09/02/16, 01/20/17, 01/19/18, 1/17/2020



**California Special
Districts Association**

Districts Stronger Together

Duties & Responsibilities:

General Participation

1. Regularly attend Board meetings – a Board member may be dismissed after three unexcused absences.
2. Actively participate in decision-making by being familiar with issues and prepared to address all agenda items.
3. Participate in setting CSDA policy, budget approval and establishing the direction for the Association through the Strategic Plan.
4. Actively participate as a member of at least one and no more than two CSDA committees – Board Officers may participate in more than two committees as required in the CSDA Bylaws and Board Policy Manual.
5. Attend the Association's annual conference and legislative days and participate in other meetings/events.

Governance & Training

1. Complete all four modules of CSDA's Special District Leadership Academy (SDLA) within 2 years of being elected/appointed to the CSDA Board of Directors prior to the expiration of a CSDA Board Member's full-term of office. If not completed by the end of the full-term, the CSDA Board Member shall be ineligible to run for re-election on the CSDA Board of Directors unless they are registered to attend the next available SDLA event.
2. Attend Board member orientation training provided by CSDA.
3. Provide CSDA electronic certificates for posting on the CSDA website indicating current and successful completion of AB1234 (Ethics Training), AB1825 (Harassment Prevention Training), and graduation from the CSDA Special District Leadership Academy (SDLA).

Association Programs

1. Actively understand and encourage participation in CSDA partner programs (SDRMA, CSDA Finance Corporation, SDLF) as well as other CSDA endorsed services within your district, chapter, Network service area and statewide.

Date Approved: 11/8/2013

Date Amended: 03/13/2015, 11/13/15, 09/02/16, 01/20/17, 01/19/18, 1/17/2020



CEO Performance Evaluation

1. Complete and submit the annual Chief Executive Officer (CEO) performance evaluation form by the designated due date. A written request to be excused from submitting the CEO evaluation form may be submitted to the CSDA President for consideration. The CSDA President shall determine if the request is approved or denied using Board Policy: 2.17-Excused Absences as guidance. If the CEO evaluation is not completed by a CSDA Board Member that has not been excused, that individual shall be ineligible to run for re-election on the CSDA Board of Directors upon completion of their term.

Advocacy, Recruitment & Retention

1. Encourage timely responses from your district and service area to CSDA legislative calls to action and other grassroots efforts. Play an active grassroots role within your service area and participate in grassroots campaigns coordinated by CSDA.
2. Advocate for CSDA with an emphasis on building relationships and furthering the understanding/awareness of special districts and the Association within your service area, chapter and statewide.
3. Promote CSDA membership and engagement opportunities in ways appropriate within your service area (i.e. sponsorships, advertisers, exhibitors, speakers, professional development opportunities, services, programs, etc.).

Finance

1. Read and understand CSDA financial statements and otherwise assist the Board in fulfilling its fiduciary responsibility.

Date Approved: 11/8/2013

Date Amended: 03/13/2015, 11/13/15, 09/02/16, 01/20/17, 01/19/18, 1/17/2020

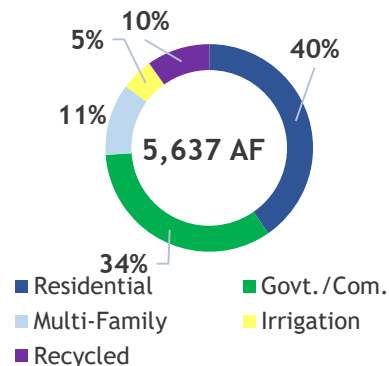


ROWLAND WATER DISTRICT FINANCIAL DASHBOARD

December 31, 2021



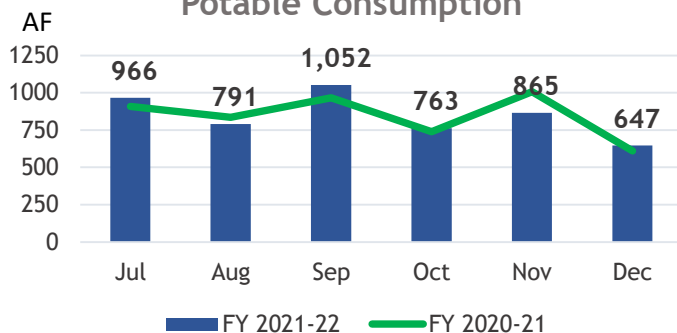
Consumption by Class 1



100% of Prior Year

55% of Budget 2

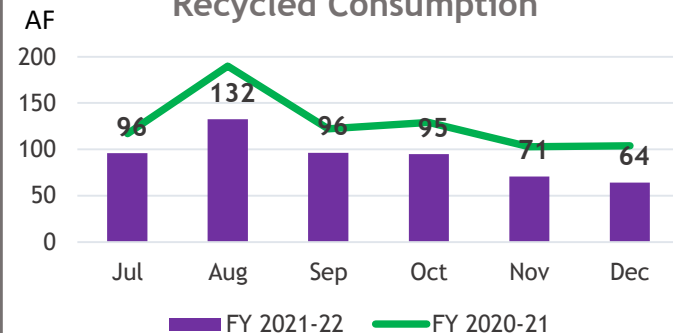
Potable Consumption



72% of Prior Year

49% of Budget 3

Recycled Consumption



YTD Revenue
Annual Budget

\$14,717,749
\$28,532,400

52% 4

YTD Expense
Annual Budget

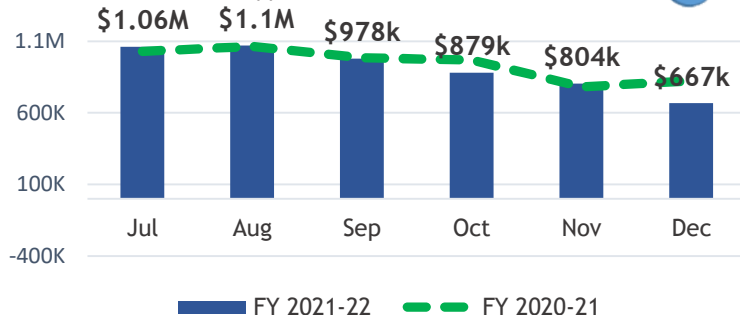
\$12,478,015
\$24,419,100

51% 5

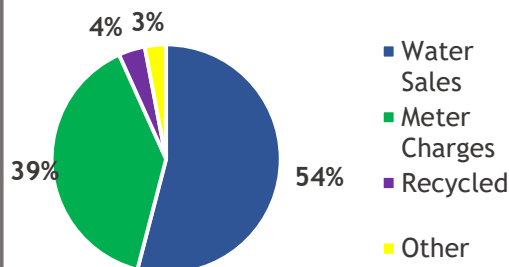
YTD Water Purchases
of \$5.46 M

44% of YTD Expense

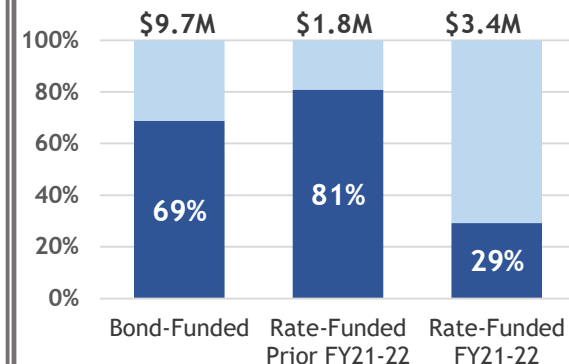
Water Purchases 6



Revenues by Category 7

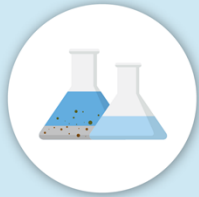


CIP Completion 8



FIELD OPERATIONS

COMPLETED TASKS FOR January 2022



164

WATER SAMPLES



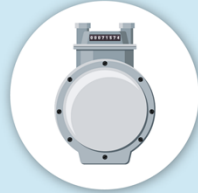
85

SITE INSPECTIONS



220

SERVICE ORDERS
COMPLETED



226

METERS REPLACED



4

MODULES REPLACED



373

DIG ALERTS



13

SERVICE LINES
REPLACED



0

SYSTEM VALVES
REPLACED



0

AIR RELEASE
INSPECTIONS



5

RECYCLED WATER
INSPECTIONS



AMI CONVERSION PROJECT



13,807 [**TOTAL METERS
ON AMI**]

99.9% [**TOTAL %
CONVERTED**]

99.5% [**ACCURACY
(PERCENTAGE)**]



OPERATIONS REPORT PROJECT UPDATE

WAREHOUSE RETAINING WALL



OPERATIONS REPORT PROJECT UPDATE

FULLERTON ROAD GRADE SEPARATION

