



AGENDA

Regular Meeting of the Board of Directors
3021 Fullerton Road
Rowland Heights, CA 91748
February 13, 2024 -- 6:00 PM

Agenda materials are available for public review at <https://www.rwd.org/agendas-minutes/>. Materials related to an item on this Agenda submitted after distribution of the Agenda packet are available for public review at the District office located at 3021 Fullerton Road, Rowland Heights, CA 91748.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

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 Palomares, Executive Services Manager, at (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: “Draft” Multijurisdictional Hazardous Mitigation Plan

Recommendation: That the Board of Directors open a public hearing to receive public comment on the “Draft” Multi-jurisdictional Hazardous Mitigation Plan (“Plan”). Members of the public may access and download the Plan and/or provide comments by visiting: <https://pwagroup.org/news/>.

- 1.1 Open Public Hearing
- 1.2 Report by Staff
- 1.3 Receive Public Comment
- 1.4 Close Public Hearing

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 [Approval of the Minutes of Regular Board Meeting held on January 9, 2024](#)

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

2.2 [Approval of the Minutes of Special Board Meeting held on January 23, 2024](#)

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

2.3 [Demands on General Fund Account for December 2023](#)

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

2.4 [Investment Report for December 2023](#)

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

2.5 [Water Purchases for December 2023](#) - For information only.

2.6 [California Reservoir Conditions](#) – For information only.

Special Board Meeting: February 27, 2024

Regular Board Meeting: March 12, 2024

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 January 2024](#)

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

3.2 [Consider Adoption of Resolution No. 2-2024, Recognizing Erik Hitchman for his Distinguished Service to the Water Community and Walnut Valley Water District and Congratulating Him on His Retirement](#)

Recommendation: The Board of Directors adopt Resolution No. 2-2024 as presented.

3.3 [Review and Approve “Final” Rowland Water District Financial Audit Report for Fiscal Year 2022-2023, Prepared by Nigro & Nigro, PC](#)

Recommendation: The Board of Directors approve the District’s “Final” Financial Audit as included in the Board packet.

3.4 Adopt RWD Resolution No. 2.1-2024, Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agencies Retirement Services (PARS)

Recommendation: The Board of Directors adopt Resolution No. 2.1-2024, authorizing the General Manager to execute the Agreement for Administrative Services with PARS.

3.5 Adopt Resolution No. 2.2-2024, Amending the Policies, Rules, and Regulations Applicable to District Employees

Recommendation: The Board of Directors adopt Resolution No. 2.2-2024 amending the policies, rules, and regulations applicable to District employees.

3.6 Adopt Resolution No. 2.3-2024, Approving the Agreement for the Exchange of Real Property and Joint Escrow Instructions, and Finding that the Agreement is Not subject to the California Environmental Quality Act, or Alternatively, is Exempt

Recommendation: That the Board of Directors adopt Resolution No. 2.3-2024:

- 1) Finding that the proposed action is not a CEQA "project" or, alternatively, is exempt from CEQA or the reasons set forth in the staff report and based on the entire record before the District;*
- 2) Approving the Agreement; and*
- 3) Directing staff to file a CEQA Notice of Exemption within five (5) working days of approval.*

3.7 Adopt RWD Resolution No. 2.4-2024, Opposing the Taxpayer Protection and Government Accountability Act

Recommendation: The Board of Directors adopt Resolution No. 2.4-2024 as presented.

3.8 Approve Emergency Management Coordinator Reimbursement and Fee Agreement between Rowland Water District and the Public Water Agencies Group

Recommendation: The Board of Directors approve the Emergency Management Coordinator Reimbursement and Fee Agreement as included in the Board packet.

3.9 San Gabriel Valley Chapter of California Special Districts Association

Recommendation: For Board discussion and direction.

4. PUBLIC RELATIONS

4.1 Communications Outreach

CV Strategies

4.2 Education Update

Mrs. Gildea

5. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS

(Including items that may have arisen after posting of the agenda)

5.1 Urban Water Institute Spring Water Conference – February 21-23, 2024

6. LEGISLATIVE INFORMATION

7. REVIEW OF CORRESPONDENCE

7.1 Rowland Unified School District - Letter of Appreciation dated January 19, 2024

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

8.1 Joint Powers Insurance Authority

Directors Lu-Yang/Hsu

8.2 Three Valleys Municipal Water District

Directors Lima/Bellah

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 Bellah/Lewis |
| 8.7 | P-W-R Joint Water Line Commission | Directors Lima/Bellah |
| 8.8 | Rowland Heights Community Coordinating Council | Directors Lu-Yang/Bellah |
| 8.9 | Local Agency Formation Commission | Director Lewis |

9. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

- | | | |
|------------|---------------------------------------|--------------|
| 9.1 | <u>Finance Report</u> | Mrs. Malner |
| 9.2 | Operations Report | Mr. Davidson |
| 9.3 | Project Updates | Mr. Moisio |
| 9.4 | Personnel Report | Mr. Coleman |

10. ATTORNEY'S REPORT

Mr. Byrne

11. CLOSED SESSION

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – [§54956.8]**
 Property: Portion of Property Located at Anaheim & Puente Road
 City of Industry, CA
 District Negotiator: Tom Coleman, General Manager
 Negotiating Parties: City of Industry
 Under Negotiation: Price and Terms
- b. CONFERENCE WITH LABOR NEGOTIATORS – [§54957.6]**
 District Designated Representatives: General Manager
 Unrepresented Employee: Director of Finance

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 Szu Pei Lu-Yang, Presiding



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
January 9, 2024 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

None

OTHERS PRESENT:

Joseph Byrne, Legal Counsel, Best, Best & Krieger
Mike Ti, TVMWD
Kirk Howie, TVMWD
Erin LaCombe, CV Strategies
Tara Bravo-Mullaly, CV Strategies
Paul Kaymark, Nigro & Nigro, PC

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Dusty Moisio, Assistant General Manager
Allen Davidson, Director of Operations
Myra Malner, Director of Finance
Gabby Sanchez, Executive Services Manager

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS - None.

1. CONSENT CALENDAR

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

- 1.1 Approval of Minutes of Regular Board Meeting Held on December 12, 2023
- 1.2 Approval of Minutes of Special Board Meeting held on December 19, 2023
- 1.3 Demands on General Fund Account for October 2023
- 1.4 Investment Report for October 2023
- 1.5 Water Purchases for October 2023
- 1.6 California Reservoir Conditions
(Motion pass 5-0)

Next Special Board Meeting: January 23, 2024, 6:00 p.m.
Next Regular Board Meeting: February 13, 2024, 6:00 p.m.

2. ACTION ITEMS

2.1 Review and Approve “Draft” Rowland Water District Financial Audit Report for Fiscal Year 2022-2023, Prepared by Nigro & Nigro, PC

The Board received a presentation via Zoom by Mr. Paul Kaymark, CPA, of Nigro & Nigro, PC, a Professional Accountancy Corporation, highlighting elements of the “draft” 2022-2023 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, 2023, 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. Board action was not taken on this matter as they were informed that the final audit report will be presented for Board approval at the February 13, 2024, Board meeting.

2.2 Review and Approve Directors’ Meeting Reimbursements for December 2023

Upon motion by Director Lima, seconded by Director Lewis, the Board unanimously approved the Directors’ Meeting Reimbursement Report as presented. (Motion pass 5-0)

2.3 Consider Approval of Agreement to Purchase Property Located at 804 South Azusa Avenue, City of Industry, California from the City of Industry

General Manager Tom Coleman referred to the Purchase and Sale Agreement included in the Board packet as he summarized the terms and conditions and escrow instructions entailed in the purchase of 804 South Azusa Avenue, City of Industry, CA.

Following discussion, upon motion by Director Lewis, seconded by Director Lima, the Board unanimously approved the Purchase and Sale Agreement for the purchase of 804 South Azusa Avenue, City of Industry, CA, from the City of Industry. (Motion pass 5-0)

2.4 Restated Memorandum of Understanding (MOU) Regarding Public Water Agencies Group (PWAG) Emergency Preparedness Coordinator Position

General Manager Tom Coleman reported on the Restated MOU included in the Board packet. He noted that the Public Water Agencies Group (PWAG) changed the employing entity of its Emergency Preparedness Coordinator Position, and as a result, a Restated MOU was drafted to reflect the new employing entity, Rowland Water District. Mr. Coleman further detailed obligations with respect to the engagement and compensation of the Coordinator as outlined in the Restated MOU.

Upon motion by Director Bellah, seconded by Director Hsu, the Board unanimously authorized the General Manager to execute the Restated Memorandum of Understanding Regarding Public Water Agencies Group Emergency Preparedness Coordinator Position. (Motion pass 5-0)

2.5 Receive and File the Puente Basin Water Agency Financial Statements for FY 2022-2023 Prepared by Fedak & Brown LLP

Upon motion by Director Lewis, seconded by Director Lima, the Board of Directors received and filed the Puente Basin Water Agency Audit Report for Fiscal Year 2022-2023 as prepared by Fedak & Brown LLP. Motion pass (5-0)

2.6 Receive and File the Pomona-Walnut-Rowland Joint Water Line Commission Financial Statements for FY 2022-2023 Prepared by Fedak & Brown LLP

Upon motion by Director Lima, seconded by Director Bellah, the Board of Directors received and filed the P-W-R Joint Water Line Audit Report for Fiscal Year 2022-2023 as prepared by Fedak & Brown LLP. Motion pass (5-0)

2.7 Request Additional Funds for Reservoir 8 Projects

Board members were asked to approve additional funding for the rehabilitation of Reservoir 8 in the amount of \$343,500. A detailed presentation on the scope of work, existing funding, BID results, and unforeseen increase in construction costs was presented by Assistant General Manager Dusty Moisio. Board Members engaged in a discussion regarding the need for additional funds. Questions were raised and clarified by Mr. Moisio.

Upon motion by Director Lewis, seconded by Director Hsu, the Board unanimously approved the appropriation of \$343,500 for the rehabilitation project of Reservoir 8.

2.8 Approve Changes in IRS Mileage Rate From 65.5 to 67 cents effective January 1, 2024

Upon motion by Director Hsu, seconded by Director Lima, the Board unanimously approved changes in the IRS mileage rate from 65.5 to 67 cents effective January 1, 2024. Motion pass (5-0)

3. PUBLIC RELATIONS

3.1 Communications Outreach (CV Strategies)

Erin LaCombe discussed the strategies for the outreach and communication on the new campaign the District will launch on the Colorado River water supply. The objective of this campaign is to raise awareness about the importance of the Colorado River to the community. Tara Bravo-Mullaly then took a moment to speak on earned media recognition.

3.2 Education Update

Executive Services Manager Gabby Palomares advised that 2,030 reusable water bottles will be distributed to the student body and staff of Nogales and Santana High Schools. The water bottle giveaways are an extension of the Water Bottle Filling Station project in which the respective high schools were participants of. Additionally, she noted that a series of residential landscape classes have been scheduled for Fall of 2024.

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

4.1 Discussion was held regarding the SGV Chapter CSDA Exploratory Luncheon scheduled for January 31, 2024.

Upon motion by Director Hsu, seconded by Director Lima, the Board unanimously authorized payment of per diem compensation and expenses for Board of Director attendance to the SGV Chapter CSDA Exploratory Luncheon on January 31, 2024.

- Board members were apprised of Three Valleys Municipal Water District's February 29, 2023, Leadership Breakfast and were instructed to advise staff of their interest in attending.

5. LEGISLATIVE INFORMATION – General Manager Coleman spoke on a following legislative matters of interest to the District:

- SB 366 (Caballero) California Water for All – As RWD and neighboring water agencies collaborate in educating policymakers on the purpose and direction of SB 366, a group of agencies, including RWD, will soon meet with the Chair of the Committee on Water, Parks, and Wildlife, Diane Papan, to tour local infrastructure and discuss how SB 366 can address long term water management needs.
- SB 606 (Hertzberg) and AB 1668 (Friedman) Urban Water Use Efficiency Requirements - In this matter, the Legislative Analyst Office (LAO) provided an assessment (published January 4, 2024) of the requirements established in SB 606 and AB 1668 and made recommendations on how the Legislature can facilitate implementation of this urban water conservation legislation.

6. REVIEW OF CORRESPONDENCE – None.

7. COMMITTEE REPORTS

7.1 Joint Powers Insurance Authority

- Board President Lu-Yang referred to the ACWA/JPIA Annual Loss Review and Risk Assessment letter included in the Board packet and reported that the District received a positive evaluation from the JPIA Senior Risk Control Advisor due to staff's prudence in implementing opportunities to reduce the potential for losses.
- President Lu-Yang then took a moment to showcase the "President's Special Recognition Award" received by the ACWA/JPIA.
- President Lu-Yang reported on ACWA/JPIA Personnel Committee matters.

7.2 Three Valleys Municipal Water District – Board members Bellah and Lima reported on TVMWD business meeting matters from the December 20, 2023, meeting.

7.3 Association of California Water Agencies – None.

7.4 Puente Basin Water Agency (PBWA) – The next PBWA meeting is scheduled for February 1, 2024, 7:00 a.m., at RWD.

7.5 Project Ad-Hoc Committee – None.

7.6 Regional Chamber of Commerce – None.

7.7 P-W-R Joint Waterline Commission – The next P-W-R JWL meeting is scheduled for February 8, 2024, 4:00 p.m., at WVWD.

7.8 Sheriff's Community Advisory Council – None.

7.9 Rowland Heights Community Coordinating Council (RHCCC) – Director Bellah spoke on matters from the January 8, 2024, RHCCC meeting.

7.10 Local Agency Formation Commission – None.

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 November 2023. Following her report, she answered questions posed by Board members.

8.2 Operations Report

The Board was provided with the field operations tasks completed during December 2023 (as listed below):

- Water Samples - 212
- Site Inspections - 67
- Service Orders Completed - 254
- Meters Replaced - 5
- Modules Replaced - 4
- Dig Alerts - 355
- Service Lines Replaced - 13
- System Valves Replaced - 4
- Air Releases Inspections - 29
- Recycled Water Inspections – 15

Director of Operations Allen Davidson continued his presentation on field operations by providing a listing of all tasks completed for the calendar year 2023, collectively. He then spoke on the District's Air/Vac Valve Inspection Program as he showcased a picture of an air/vac valve located on Palacios Drive and Fullerton Road. He explained that air/vac valves are designed to release trapped air and ensure air intake during the draining of watermain to maintain positive pressure.

8.3 Projects Update – Assistant General Manager Dusty Moisio entertained questions from Board members as he exhibited pictures of the District's security fencing upgrades and fencing and access road improvements to Reservoirs 4 & 9.

8.4 Personnel Report – Assistant General Manager Moisio reported on the status of the Customer Service Representative recruitment.

9. ATTORNEY'S REPORT – Legal Counsel provided an update on various State water issues, including the Delta Conveyance Project, Contract Extension litigation, and the Sites Reservoir Project.

10. ADJOURN TO CLOSED SESSION

A Closed Session was not held in connection with the items listed below:

a. Conference with Real Property Negotiator - [§54956.8]

Property: Portion of Property Located at
Anaheim & Puente Road
City of Industry
District Negotiator: Tom Coleman, General Manager
Negotiating Parties: City of Industry
Under Negotiation: Price and Terms

b. Conference with Real Property Negotiator – [§54956.8]

Property: Assessor Parcel Numbers 8266-002-900, 8266-002-901 and
8269-003-903
District Negotiator: Tom Coleman, General Manager
Negotiating Parties: Puente Hills Habitat Authority
Under Negotiation: Price and Terms of Payment

General Manager's and Directors' Comments – None.

Future Agenda Item(s) – None.

Late Business – None.

A motion was made by Director Hsu to adjourn the meeting. The meeting was adjourned at 8:16 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
TOM COLEMAN
Board Secretary



Minutes of the Special Meeting
of the Board of Directors of the Rowland Water District
January 23, 2024 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

Director Vanessa Hsu

OTHERS PRESENT:

Shauna Amon, Legal Counsel, Best, Best & Krieger (Joined via Zoom)
Tara Bravo-Mullaly, CV Strategies

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Dusty Moisio, Assistant General Manager
Allen Davidson, Director of Operations
Myra Malner, Director of Finance
Gabby Sanchez, Executive Services Manager
Crystal Rodriguez, Accounting/Human Resources Manager
Elisabeth Mendez, Compliance & Safety Manager

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS - None.

1. INFORMATION ITEMS

1.1 Presentation of Draft RWD Personnel Rules and Regulations

Shauna Amon, Legal Counsel, Best Best & Krieger, spoke on the District's Personnel Rules and Regulations. She indicated that the Rules and Regulations were updated to reflect newly adopted state and federal regulations and other District policies approved since the last adoption of the Rules and Regulations on September 15, 2015. Board members reviewed the "draft" redline version and asked questions that were addressed by General Manager Tom Coleman and

Ms. Amon.

Following discussion, it was the consensus of the Board to present the “final” draft of the RWD Personnel Rules and Regulations for approval at the February 13, 2024, Board meeting. No formal action was taken on this matter as this was an informational presentation.

General Manager’s and Directors’ Comments – General Manager Tom Coleman informed the Board of additional matters that will be scheduled for their consideration at the February 13, 2024, Board meeting.

Future Agenda Item(s) – None.

Late Business – None.

Adjournment - The meeting was adjourned at 7:22 p.m.

SZU PEI LU-YANG
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
32785						
12/23	12/05/2023	32785	62117	BRENNTAG PACIFIC INC	CHEMICALS-WBS	1,612.79
Total 32785:						1,612.79
32786						
12/23	12/05/2023	32786	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	15,697.50
Total 32786:						15,697.50
32787						
12/23	12/05/2023	32787	62705	COMP	PHYSICAL EXAM	115.00
Total 32787:						115.00
32788						
12/23	12/05/2023	32788	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	9,171.25
12/23	12/05/2023	32788	62439	CVSTRATEGIES	COMMUNICATION SERVICES-LOBBY ARTWORK	1,581.25
12/23	12/05/2023	32788	62439	CVSTRATEGIES	COMMUNICATION SERVICES-CUSTOMER LETTER	1,357.50
12/23	12/05/2023	32788	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PWAG	2,330.00
Total 32788:						14,440.00
32789						
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	416.41
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	363.67
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	555.21
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	416.41
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	277.61
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	694.02
12/23	12/05/2023	32789	62624	HASA INC	CHEMICALS FOR RCS	249.85
Total 32789:						2,973.18
32790						
12/23	12/05/2023	32790	62849	HAYES AUTOMATION INC.	WATER QUALITY TESTING SUPPLIES	2,949.33
Total 32790:						2,949.33
32791						
12/23	12/05/2023	32791	244	INFOSEND INC	BILLING SERVICE	3,567.99
12/23	12/05/2023	32791	244	INFOSEND INC	BILLING SERVICE	3,383.09
Total 32791:						6,951.08
32792						
12/23	12/05/2023	32792	62777	J DE SIGIO CONSTRUCTION INC	1" WATER SERVICE-18343 FARJARDO	8,100.00
Total 32792:						8,100.00
32793						
12/23	12/05/2023	32793	62748	JOEL DOUGLASS	REIMBURSEMENT-BACKFLOW TESTER CLASS	1,000.00
12/23	12/05/2023	32793	62748	JOEL DOUGLASS	REIMBURSEMENT-BACKFLOW TESTER EXAM	285.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 32793:						1,285.00
32794						
12/23	12/05/2023	32794	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	72.68
Total 32794:						72.68
32795						
12/23	12/05/2023	32795	62858	NORTHSTAR CHEMICAL	CHEMICAL-WBS	2,032.26
Total 32795:						2,032.26
32796						
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	2,243.65
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RC	1,559.28
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	304.83
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	2,459.09
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	COMMERCIAL FIRE HYDRANT	10,980.00
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	TAX	1,043.10
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	2,327.75
12/23	12/05/2023	32796	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	302.94
Total 32796:						21,220.64
32797						
12/23	12/05/2023	32797	62691	SJ LYONS CONSTRUCTION INC	MAIN OFFICE DRYWALL REPLACEMENT-TWO OFFI	4,500.00
Total 32797:						4,500.00
32798						
12/23	12/05/2023	32798	58002	SO CALIFORNIA EDISON	VIBRATION, INFRARED, PANEL & EFFICIENCY PUM	4,250.00
12/23	12/05/2023	32798	58002	SO CALIFORNIA EDISON	PUMP TEST SERVICES-WBS	2,500.00
Total 32798:						6,750.00
32799						
12/23	12/05/2023	32799	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	47,493.36
12/23	12/05/2023	32799	5800	SO CALIFORNIA EDISON	OFFICE & PUMPING POWER	5,277.03
Total 32799:						52,770.39
32800						
12/23	12/05/2023	32800	2180	SWRCB-DWOCP	D5 RENEWAL-ROBERT LEAMY	105.00
Total 32800:						105.00
32801						
12/23	12/05/2023	32801	6500	THERMALAIR INC	REPLACE EXHAUST FAN	1,280.72
Total 32801:						1,280.72
32802						
12/23	12/05/2023	32802	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	375.00
Total 32802:						375.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
32803						
12/23	12/05/2023	32803	7950	WESTERN WATER WORKS SUPPLY	CIP VALVE MATERIAL	16,692.60
12/23	12/05/2023	32803	7950	WESTERN WATER WORKS SUPPLY	TAX	1,585.79
Total 32803:						18,278.39
32804						
12/23	12/05/2023	32804	62562	WOODARD & CURRAN	AS NEEDED RECYCLED WATER SUPPORT SERVICE	420.00
12/23	12/05/2023	32804	62562	WOODARD & CURRAN	AS NEEDED POTABLE WATER SUPPORT SERVICE	3,835.00
Total 32804:						4,255.00
32805						
12/23	12/05/2023	32805	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	4,459.00
Total 32805:						4,459.00
32807						
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	340,575.30
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	1,783.14
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	2,283.83
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,451.16
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	5,470.07
12/23	12/12/2023	32807	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	132,990.00
Total 32807:						484,553.50
32808						
12/23	12/12/2023	32808	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	222,210.72
12/23	12/12/2023	32808	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	275,076.07
12/23	12/12/2023	32808	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	6,660.00
12/23	12/12/2023	32808	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,438.40
12/23	12/12/2023	32808	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	1,977.36
Total 32808:						507,362.55
32809						
12/23	12/12/2023	32809	62888	LIZBETH MUNOZ	PAYROLL 12/01/23-12/11/23	227.51
Total 32809:						227.51
32813						
12/23	12/13/2023	32813	3375	ANTHONY J. LIMA	MILEAGE REIMBURSEMENT	31.44
Total 32813:						31.44
32814						
12/23	12/13/2023	32814	62854	ARIGATO RENTAL SERVICES	STAFF CHRISTMAS LUNCHEON	2,370.50
Total 32814:						2,370.50
32815						
12/23	12/13/2023	32815	62093	ASTRA BACKFLOW INC	SUPPLIES FOR RC	410.83
Total 32815:						410.83

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32816						
12/23	12/13/2023	32816	6966	CINTAS	UNIFORM RENTAL	7,036.92
Total 32816:						7,036.92
32817						
12/23	12/13/2023	32817	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	1,764.67
Total 32817:						1,764.67
32818						
12/23	12/13/2023	32818	2550	FRONTIER	INTERNET ACCESS	890.00
Total 32818:						890.00
32819						
12/23	12/13/2023	32819	2600	HACH COMPANY	BENCH SERVICE SL	2,376.00
Total 32819:						2,376.00
32820						
12/23	12/13/2023	32820	62526	HARRINGTON INDUSTRIAL PLASTICS	SUPPLIES FOR RES	45.05
Total 32820:						45.05
32821						
12/23	12/13/2023	32821	62624	HASA INC	CHEMICALS FOR RCS	943.86
12/23	12/13/2023	32821	62624	HASA INC	CHEMICALS FOR RCS	305.37
12/23	12/13/2023	32821	62624	HASA INC	CHEMICALS FOR RCS	416.41
12/23	12/13/2023	32821	62624	HASA INC	CHEMICALS FOR RCS	499.69
Total 32821:						2,165.33
32822						
12/23	12/13/2023	32822	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	664.28
12/23	12/13/2023	32822	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	911.09
Total 32822:						1,575.37
32823						
12/23	12/13/2023	32823	244	INFOSEND INC	BILLING SERVICE	37.62
12/23	12/13/2023	32823	244	INFOSEND INC	BILLING SERVICE	2,305.59
Total 32823:						2,343.21
32824						
12/23	12/13/2023	32824	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	660.00
Total 32824:						660.00
32825						
12/23	12/13/2023	32825	62835	LOWE'S	TOOLS & SUPPLIES	1,344.40
Total 32825:						1,344.40
32826						
12/23	12/13/2023	32826	62525	MORROW-MEADOWS CORPORATION	INSTALLED CAM LOCKS-RES 4 & 9	1,523.50

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Total 32826:						1,523.50
32827						
12/23	12/13/2023	32827	5775	NATIONAL THEATRE FOR CHILDREN	WATER CONSERVATION PROGRAM-2023 SCHOOL	5,872.00
Total 32827:						5,872.00
32828						
12/23	12/13/2023	32828	46201	PITNEY BOWES BANK INC PURCHAS	POSTAGE METER-LEASING CHARGE	244.84
Total 32828:						244.84
32829						
12/23	12/13/2023	32829	62660	PUENTE HILLS FORD	MAINTENANCE TRUCKS 30, 31 37, 45	2,089.51
Total 32829:						2,089.51
32830						
12/23	12/13/2023	32830	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	144.30
Total 32830:						144.30
32831						
12/23	12/13/2023	32831	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR SERVICES	641.01
12/23	12/13/2023	32831	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR MAINS	3,832.50
12/23	12/13/2023	32831	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR RC	1,292.77
12/23	12/13/2023	32831	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	1,097.20
12/23	12/13/2023	32831	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR SERVICE LINE REPLACEMENTS	2,190.88
Total 32831:						9,054.36
32832						
12/23	12/13/2023	32832	62883	SALINAS TIRES & WHEELS	TIRES TRUCK 1	330.13
Total 32832:						330.13
32833						
12/23	12/13/2023	32833	62691	SJ LYONS CONSTRUCTION INC	DRYWALL REPAIR THROUGHOUT THE OFFICE	3,525.00
Total 32833:						3,525.00
32834						
12/23	12/13/2023	32834	5900	SOCALGAS	GAS UTILITY BILL	378.99
Total 32834:						378.99
32835						
12/23	12/13/2023	32835	3550	SOUTHERN COUNTIES FUELS	UNLEADED FUEL	4,926.40
12/23	12/13/2023	32835	3550	SOUTHERN COUNTIES FUELS	DIESEL	8,618.93
12/23	12/13/2023	32835	3550	SOUTHERN COUNTIES FUELS	FUEL SURCHARGE	9.92
12/23	12/13/2023	32835	3550	SOUTHERN COUNTIES FUELS	REGULATORY COMPLIANCE	12.95
12/23	12/13/2023	32835	3550	SOUTHERN COUNTIES FUELS	TAX	1,405.03
Total 32835:						14,973.23

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32836						
12/23	12/13/2023	32836	62595	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE	3,576.00
Total 32836:						3,576.00
32837						
12/23	12/13/2023	32837	1165	TERMINIX PROCESSING CENTER	PEST CONTROL SERVICE-3021 FULLERTON RD 1	1,352.76
Total 32837:						1,352.76
32838						
12/23	12/13/2023	32838	62831	VANESSA HSU	TOTAL EXPENSES-ACWA FALL CONFERENCE	73.44
Total 32838:						73.44
32839						
12/23	12/13/2023	32839	321	WIENHOFF DRUG TESTING INC	ANNUAL CONSORTIUM MEMBERSHIP	765.00
Total 32839:						765.00
32843						
12/23	12/20/2023	32843	117	ACE PELIZON PLUMBING INC	SINK DRAIN & LEAKING TOILET	327.00
Total 32843:						327.00
32844						
12/23	12/20/2023	32844	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	58,351.12
12/23	12/20/2023	32844	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	724.95
12/23	12/20/2023	32844	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	66.96
12/23	12/20/2023	32844	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	4,297.68
12/23	12/20/2023	32844	1000	ACWA JPIA	RETIREES HEALTH BENEFITS	13,906.46
12/23	12/20/2023	32844	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	9,197.67
Total 32844:						86,544.84
32845						
12/23	12/20/2023	32845	4600	AIRGAS USA LLC	TANK RENTAL	123.24
Total 32845:						123.24
32846						
12/23	12/20/2023	32846	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	7,299.29
12/23	12/20/2023	32846	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-LABOR AND EMPLOYMENT	280.00
Total 32846:						7,579.29
32847						
12/23	12/20/2023	32847	62810	BREAKING THE CHAIN CONSULTING	2 DAYS OF COACHING/CONSULTING	6,000.00
Total 32847:						6,000.00
32848						
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,141.10
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	TOOLS & SUPPLIES	1,317.04
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	MEMBERSHIP	282.65
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	VEHICLE EXPENSE	136.69
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	SEMINAR AND TRAINING	5.00

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12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	QR CODE GENERATOR	191.88
12/23	12/20/2023	32848	1476	BUSINESS CARD (VISA)	OFFICE SUPPLIES	215.14
Total 32848:						3,289.50
32849						
12/23	12/20/2023	32849	62790	C & K TIRE SERVICE	TIRES TRUCK 28	201.03
Total 32849:						201.03
32850						
12/23	12/20/2023	32850	1079	CA-NV SECTION AWWA	CROSS CONNECTION SPECIALIST RENEWAL-RYA	100.00
Total 32850:						100.00
32851						
12/23	12/20/2023	32851	403	CASELLE INC	CONTRACT SUPPORT CHARGES	2,009.00
Total 32851:						2,009.00
32852						
12/23	12/20/2023	32852	62705	COMP	PHYSICAL EXAM	95.00
12/23	12/20/2023	32852	62705	COMP	QUICK TEST	70.00
12/23	12/20/2023	32852	62705	COMP	LIFT TEST	70.00
12/23	12/20/2023	32852	62705	COMP	BAT TEST	50.00
Total 32852:						285.00
32853						
12/23	12/20/2023	32853	1270	CORELOGIC SOLUTIONS LLC	PROPERTY DATA INFO	100.00
Total 32853:						100.00
32854						
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES	4,062.50
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-ON HOLD MESSAGIN	2,798.66
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	3,272.50
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES	578.75
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PODCAST	1,546.25
12/23	12/20/2023	32854	62439	CVSTRATEGIES	COMMUNICATION SERVICES-HANDOUT	2,272.50
Total 32854:						14,531.16
32855						
12/23	12/20/2023	32855	62872	DANGELO COMPANY	SUPPLIES FOR SERVICES	57.79
Total 32855:						57.79
32856						
12/23	12/20/2023	32856	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	865.82
Total 32856:						865.82
32857						
12/23	12/20/2023	32857	62039	FAST EDDIE'S TRUCKING	HAUL DIRT	832.00

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Total 32857:						832.00
32858						
12/23	12/20/2023	32858	2300	FEDERAL EXPRESS	POSTAGE	34.25
Total 32858:						34.25
32859						
12/23	12/20/2023	32859	2550	FRONTIER	PHONE SERVICE	382.59
Total 32859:						382.59
32860						
12/23	12/20/2023	32860	5600	G M SAGER CONSTRUCTION	ASPHALT	5,292.15
12/23	12/20/2023	32860	5600	G M SAGER CONSTRUCTION	ASPHALT	4,992.95
12/23	12/20/2023	32860	5600	G M SAGER CONSTRUCTION	ASPHALT	2,135.35
12/23	12/20/2023	32860	5600	G M SAGER CONSTRUCTION	ASPHALT	5,028.15
Total 32860:						17,448.60
32861						
12/23	12/20/2023	32861	62812	GROWING ROOTS LLC	MONTHLY PLANT CARE	335.00
Total 32861:						335.00
32862						
12/23	12/20/2023	32862	62526	HARRINGTON INDUSTRIAL PLASTICS	SUPPLIES FOR OFFICE	50.96
Total 32862:						50.96
32863						
12/23	12/20/2023	32863	62624	HASA INC	CHEMICALS FOR RCS	555.21
12/23	12/20/2023	32863	62624	HASA INC	CHEMICALS FOR RCS	777.30
Total 32863:						1,332.51
32864						
12/23	12/20/2023	32864	379	HIGHROAD INFORMATION TECHNOL	SERVER & AZURE CLOUD PROGRESS BILLING-SC	182,661.92
12/23	12/20/2023	32864	379	HIGHROAD INFORMATION TECHNOL	DATA CENTER	3,002.00
12/23	12/20/2023	32864	379	HIGHROAD INFORMATION TECHNOL	MAINTENANCE, SUPPORT AND SOFTWARE RENE	12,660.00
12/23	12/20/2023	32864	379	HIGHROAD INFORMATION TECHNOL	MANAGED IT SERVICES	6,990.00
Total 32864:						205,313.92
32865						
12/23	12/20/2023	32865	62863	HIGH-TECH SYSTEMS	CAMERAS FOR BACK OF WAREHOUSE	10,494.40
Total 32865:						10,494.40
32866						
12/23	12/20/2023	32866	3000	INDUSTRY BUSINESS COUNCIL	MEMBERSHIP DUES	275.00
Total 32866:						275.00
32867						
12/23	12/20/2023	32867	62435	INDUSTRY PUBLIC UTILITY COMMISSI	PUMPING POWER-PUMPSTATION 2A	1,400.64

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Total 32867:						1,400.64
32868						
12/23	12/20/2023	32868	244	INFOSEND INC	BILLING SERVICE	95.53
12/23	12/20/2023	32868	244	INFOSEND INC	BILLING SERVICE	3,485.59
12/23	12/20/2023	32868	244	INFOSEND INC	INSERT-SNIPE FOR INVOICE CLOUD	1,357.65
Total 32868:						4,938.77
32869						
12/23	12/20/2023	32869	62066	JANITORIAL SYSTEMS	WINDOW CLEANING	450.00
Total 32869:						450.00
32870						
12/23	12/20/2023	32870	62713	JCL TRAFFIC SERVICES	SAFETY VESTS	161.03
Total 32870:						161.03
32871						
12/23	12/20/2023	32871	203	LA COUNTY PARKS AND RECREATIO	PERMIT FOR PATHFINDER PARK	99.54
Total 32871:						99.54
32872						
12/23	12/20/2023	32872	62664	M & J TREE SERVICE	MAINTENANCE SERVICE 6 SITES	6,600.00
12/23	12/20/2023	32872	62664	M & J TREE SERVICE	MAINTENANCE SERVICE FOR NOVEMBER-WBS	600.00
Total 32872:						7,200.00
32873						
12/23	12/20/2023	32873	62573	MANAGED MOBILE INC	MAINTENANCE TRUCK 28	251.05
Total 32873:						251.05
32874						
12/23	12/20/2023	32874	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	76.33
12/23	12/20/2023	32874	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	161.66
12/23	12/20/2023	32874	257	MCMaster-CARR SUPPLY CO	TOOLS & SUPPLIES	608.60
Total 32874:						846.59
32875						
12/23	12/20/2023	32875	62735	MUTUAL OF OMAHA	LIFE INSURANCE	598.50
12/23	12/20/2023	32875	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,570.48
12/23	12/20/2023	32875	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	66.50
Total 32875:						2,235.48
32876						
12/23	12/20/2023	32876	62786	NIGRO & NIGRO PC	FINAL AUDIT WORK-6/30/23	13,500.00
Total 32876:						13,500.00
32877						
12/23	12/20/2023	32877	189	NOBEL SYSTEMS	DIGITAL TWIN AI & REAL TIME HYDRAULIC MODEL	20,000.00

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12/23	12/20/2023	32877	189	NOBEL SYSTEMS	UPDATES TO DISTRICT'S GIS	2,940.00
12/23	12/20/2023	32877	189	NOBEL SYSTEMS	METER ROUTES MODULE HOSTING ANNUAL SUB	5,000.00
Total 32877:						27,940.00
32878						
12/23	12/20/2023	32878	62771	PUBLIC WATER AGENCIES GROUP	ASSESSMENT FOR EMERGENCY PREPARDNESS	1,541.92
Total 32878:						1,541.92
32879						
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CIVILTEC-DURWARD WALL	330.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	SERVICE & REG FEE-1905 FAIRPLEX	25.50
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	LEGAL-OCT 2023	35.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CREDIT MEMO	135.60
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	ACWA/JPIA LIABILITY INSURANCE	1,069.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CIVILTEC WELL MGMT 2023	375.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CIVILTEC-DURWARD WALL	2,541.25
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	REEB-DEC 2023	1,750.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	SERVICE & REG FEE-2525 C	25.50
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	PEERLESS PUMP COMPANY	125,589.94
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	LEGAL-NOV 2023	70.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	LASER-NOV 2023	2,400.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CIVILTEC-DURWARD WALL	110.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	REEB-JAN 2024	1,750.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	CA WATER FOR ALL LEGISLATIVE PR SUPPORT	5,000.00
12/23	12/20/2023	32879	5000	PUENTE BASIN WATER AGENCY	TRI COUNTY PUMP COMPANY	16,762.14
Total 32879:						157,697.73
32880						
12/23	12/20/2023	32880	5100	PUENTE READY MIX INC	WASH CONCRETE SAND	1,226.18
12/23	12/20/2023	32880	5100	PUENTE READY MIX INC	CONCRETE SAND & CRUSH BASE	2,372.87
12/23	12/20/2023	32880	5100	PUENTE READY MIX INC	WASH CONCRETE SAND	1,344.06
Total 32880:						4,943.11
32881						
12/23	12/20/2023	32881	62871	RED WAVE COMMUNICATIONS & ELE	INSTALL NEW D&H MIXER PANEL	960.00
12/23	12/20/2023	32881	62871	RED WAVE COMMUNICATIONS & ELE	PUMP TEST	900.00
12/23	12/20/2023	32881	62871	RED WAVE COMMUNICATIONS & ELE	TROUBLESHOOT DH MIXER COMMUNICATIONS	2,025.00
12/23	12/20/2023	32881	62871	RED WAVE COMMUNICATIONS & ELE	PUMP TESTS	300.00
Total 32881:						4,185.00
32882						
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	759.23
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR RES 4 & 9 FENCING	498.22
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	MATERIAL FOR PHASE 5 VALVE REPLACEMENT	3,873.52
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	291.05
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	906.66
12/23	12/20/2023	32882	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR METERS	583.31
Total 32882:						6,911.99
32883						
12/23	12/20/2023	32883	62883	SALINAS TIRES & WHEELS	TIRES TRUCK 1	697.45

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Total 32883:						697.45
32884						
12/23	12/20/2023	32884	62534	SHRED IT C/O STERICYCLE INC	SHREDDING SERVICE	138.50
Total 32884:						138.50
32885						
12/23	12/20/2023	32885	62691	SJ LYONS CONSTRUCTION INC	DRYWALL REPAIRS IN MAIN OFFICES	10,000.00
12/23	12/20/2023	32885	62691	SJ LYONS CONSTRUCTION INC	ARTIGAS TRENCH AND CANOPY	4,750.00
Total 32885:						14,750.00
32886						
12/23	12/20/2023	32886	62707	SOUTH COAST BOBCAT LLC	PUMP-BOBCAT	457.23
Total 32886:						457.23
32887						
12/23	12/20/2023	32887	62813	SOUTHLAND CIVIL ENGINEERING & S	ESTABLISH PROPERTY BOUNDARY FOR 2366 CUA	5,586.21
Total 32887:						5,586.21
32888						
12/23	12/20/2023	32888	2180	SWRCB-DWOCP	D2 RENEWAL-CHRIS REYNOSO	60.00
Total 32888:						60.00
32889						
12/23	12/20/2023	32889	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	361.75
Total 32889:						361.75
32890						
12/23	12/20/2023	32890	62734	UNITED PUMPING SERVICE, INC.	DISPOSE WASTE	551.00
Total 32890:						551.00
32891						
12/23	12/20/2023	32891	62850	VALLEY VISTA SERVICES INC	TRASH SERVICE	259.99
Total 32891:						259.99
32892						
12/23	12/20/2023	32892	62762	VSS COMPRESSOR SERVICE	REPLACE AND REPIPE AIR COMRESSOR-COI	5,184.29
Total 32892:						5,184.29
32893						
12/23	12/20/2023	32893	382	W A RASIC CONSTRUCTION CO INC	JOB 21TX88-FULLERTON RD GRADE SEP	34,278.45
Total 32893:						34,278.45
32894						
12/23	12/20/2023	32894	7950	WESTERN WATER WORKS SUPPLY	CIP VALVE MATERIAL	7,757.10
12/23	12/20/2023	32894	7950	WESTERN WATER WORKS SUPPLY	TAX	736.92

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 32894:						8,494.02
32895						
12/23	12/20/2023	32895	321	WIENHOFF DRUG TESTING INC	RANDOM DRUG TESTING	85.00
Total 32895:						85.00
12152023						
12/23	12/15/2023	121520	62493	CADWAY INC (CAL DOMESTIC WATER	WATER CHARGE	46,968.09
12/23	12/05/2023	121520	62493	CADWAY INC (CAL DOMESTIC WATER	WATER CHARGE	46,968.09-
12/23	12/15/2023	121520	62493	CADWAY INC (CAL DOMESTIC WATER	WATER CHARGE	42,220.12
Total 12152023:						42,220.12
Grand Totals:						1,935,223.06

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	290,231.01	.00	290,231.01
11507-0	142,462.08	.00	142,462.08
222100	47,103.69	1,982,326.75-	1,935,223.06-
22210-0	227.51	.00	227.51
51110-0	89,188.21	46,968.09-	42,220.12
51310-0	970,852.09	.00	970,852.09
51410-1	3,428.52	.00	3,428.52
51410-2	3,221.54	.00	3,221.54
51410-3	2,283.83	.00	2,283.83
51410-5	12,130.07	.00	12,130.07
51510-0	20,156.50	.00	20,156.50
51910-0	15,371.25	135.60-	15,235.65
52210-0	5,150.00	.00	5,150.00
52310-0	48,894.00	.00	48,894.00
54209-0	8,291.03	.00	8,291.03
54210-0	3,832.50	.00	3,832.50
54211-0	2,834.15	.00	2,834.15
54212-0	3,042.40	.00	3,042.40
54213-0	4,553.55	.00	4,553.55
54215-0	14,633.50	.00	14,633.50
54217-0	8,046.39	.00	8,046.39
54218-0	5,184.29	.00	5,184.29
54219-0	7,045.05	.00	7,045.05
56210-0	18,679.09	.00	18,679.09
56211-0	1,764.67	.00	1,764.67
56214-0	215.14	.00	215.14
56215-0	1,040.00	.00	1,040.00
56216-0	34.25	.00	34.25
56217-0	175.74	.00	175.74
56218-0	7,579.29	.00	7,579.29
56218-2	1,541.92	.00	1,541.92
56219-0	6,298.60	.00	6,298.60
56220-0	11,448.88	.00	11,448.88
56221-0	36,200.81	.00	36,200.81

GL Account	Debit	Credit	Proof
56223-0	73.44	.00	73.44
56226-0	37,660.00	.00	37,660.00
56312-0	32,164.18	.00	32,164.18
56320-0	7,005.00	.00	7,005.00
56411-0	58,351.12	.00	58,351.12
56413-0	4,297.68	.00	4,297.68
56415-0	724.95	.00	724.95
56416-0	598.50	.00	598.50
56417-0	13,906.46	.00	13,906.46
56418-0	1,570.48	.00	1,570.48
56419-0	66.96	.00	66.96
56421-0	9,264.17	.00	9,264.17
56710-0	580.47	.00	580.47
56811-0	13,500.00	.00	13,500.00
56812-0	4,476.96	.00	4,476.96
57310-0	12,781.21	.00	12,781.21
57312-0	9,647.30	.00	9,647.30
57314-0	19,683.68	.00	19,683.68
57320-0	265.00	.00	265.00
57321-0	7,295.33	.00	7,295.33
57323-0	2,376.00	.00	2,376.00
Grand Totals:	2,029,430.44	2,029,430.44-	.00

Report Criteria:
Detail Report

Check Number	Check Issue Date	Payee				
32806	12/05/2023	MICHAEL LEE				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1		PROJECT REFUND	24110-0	875.76	875.76
32810	12/20/2023	FLOR MARTINEZ				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	239841-31	DEPOSIT REFUND	22810-0	54.90	54.90
32811	12/20/2023	LI QIN				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	694472-43	DEPOSIT REFUND	22810-0	107.70	107.70
32812	12/20/2023	SHAUYUIN CUAN				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	977128-81	DEPOSIT REFUND	22810-0	16.69	16.69
32840	12/20/2023	MARIO ROCHA				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	395329-36	CREDIT REFUND	15210-0	65.00	65.00
32841	12/20/2023	JEREMIAH GURNICK				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	14374-81	CREDIT REFUND	15210-0	34.28	34.28
32842	12/20/2023	JLC CONCEPT LLC				
	Sequence	Source	Description	GL Account	Amount	Check Amount
	1	645857-96	CREDIT REFUND	15210-0	214.65	214.65
Grand Totals:						1,368.98



ROWLAND WATER DISTRICT

CASH AND INVESTMENTS

As of December 31, 2023

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
Cash								
Citizens Business Bank							\$ 5,326,795	
Total Cash							\$ 5,326,795	
Local Agency Investment Fund (LAIF)	N/A					3.93%	\$ 8,247,585	40.39%
Citizens Trust Investments (US Bank Custodian)								
Fed'l Home Loan Mtg. Corp. - WVJ2	4 Year	300,000	100.0000	96.6150	9/30/2024	0.41%	\$ 289,845	1.42%
Fed'l National Mtg. Assn. - XP73	3 Year	300,000	100.0000	98.8530	5/28/2025	4.05%	\$ 296,559	1.45%
Fed'l National Mtg. Assn. - YLS9	4 Year	400,000	100.0000	99.8020	3/15/2027	5.39%	\$ 399,208	1.95%
Fed'l National Mtg. Assn. - 06M0	4 Year	200,000	100.0000	95.7990	12/16/2024	0.52%	\$ 191,598	0.94%
Fed'l Home Loan Mtg. Corp. - 4C27	5 Year	350,000	100.0000	94.4010	7/29/2025	0.74%	\$ 330,404	1.62%
Fed'l National Mtg. Assn. - 4XZ1	5 Year	200,000	100.0000	94.7480	6/30/2025	0.78%	\$ 189,496	0.93%
Fed'l Farm Cr Bks - MLV2	3 Year	150,000	99.6670	98.6490	4/5/2024	0.27%	\$ 147,974	0.72%
Fed'l Farm Cr Bks - MFP2	4 Year	500,000	99.9490	96.2940	11/4/2024	0.46%	\$ 481,470	2.36%
Fed'l Farm Cr Bks - L5S9	3 Year	350,000	99.9200	96.9590	9/3/2024	0.49%	\$ 339,357	1.66%
Fed'l Farm Cr Bks - PEY7	3 Year	300,000	100.0000	99.3240	4/10/2026	4.84%	\$ 297,972	1.46%
Fed'l Home Loan Banks - KMF0	4 Year	200,000	99.9540	96.2320	10/28/2024	0.31%	\$ 192,464	0.94%
Fed'l Home Loan Banks - JP45	3 Year	200,000	100.0000	99.0460	3/11/2024	0.50%	\$ 198,092	0.97%
Fed'l Home Loan Banks - L7D0	5 Year	200,000	99.7900	93.7960	8/26/2025	0.53%	\$ 187,592	0.92%
Fed'l Home Loan Banks - N6N5	4 Year	200,000	100.0000	95.3220	4/29/2025	0.73%	\$ 190,644	0.93%
Fed'l Home Loan Banks - LGR9	5 Year	500,000	100.0000	92.8420	2/26/2026	0.92%	\$ 464,210	2.27%
Fed'l Home Loan Banks - LLD4	5 Year	250,000	99.9250	92.6820	3/17/2026	0.94%	\$ 231,705	1.13%
Fed'l Home Loan Banks - MUX8	5 Year	200,000	99.9300	92.5680	3/30/2026	0.94%	\$ 185,136	0.91%
Fed'l Home Loan Banks - PUY9	4 Year	200,000	100.0000	96.2700	2/28/2025	1.04%	\$ 192,540	0.94%
Fed'l Home Loan Banks - P6M2	5 Year	200,000	100.0000	91.4570	9/30/2026	1.11%	\$ 182,914	0.90%
Fed'l Home Loan Banks - PS48	3 Year	165,000	98.8630	96.6440	11/18/2024	1.09%	\$ 159,463	0.78%
Fed'l Home Loan Banks - QP56	3 Year	350,000	100.0000	98.1430	6/21/2024	1.22%	\$ 343,501	1.68%
Fed'l Home Loan Bank - Q7E7	5 Year	200,000	99.9050	93.3250	6/30/2026	1.61%	\$ 186,650	0.91%
Fed'l Home Loan Bank - QJD6	4 Year	200,000	99.7190	92.5140	10/27/2026	1.62%	\$ 185,028	0.91%
Fed'l Home Loan Bank - S3H0	2 Year	300,000	100.0000	99.5860	2/26/2024	2.64%	\$ 298,758	1.46%
Fed'l Home Loan Bank - WS92	2 Year	200,000	99.8530	100.6910	9/12/2025	4.84%	\$ 201,382	0.99%
Fed'l Home Loan Bank - Y7E0	2 Year	300,000	100.0000	100.1370	11/15/2024	4.97%	\$ 300,411	1.47%
Fed'l Home Loan Bank - UND2	2 Year	600,000	100.0000	99.8770	8/1/2025	5.16%	\$ 599,262	2.93%
Fed'l Home Loan Bank - XBB3	2 Year	200,000	100.0000	99.8320	9/26/2025	5.43%	\$ 199,664	0.98%
Fed'l Home Loan Bank - XCR7	2 Year	200,000	100.0000	100.0790	9/26/2025	5.50%	\$ 200,158	0.98%
Fed'l Home Loan Bank - WYV6	2 Year	300,000	100.0000	99.8210	2/28/2025	5.63%	\$ 299,463	1.47%
Fed'l Home Loan Bank - XEQ6	2 Year	200,000	100.0000	99.8930	4/11/2025	5.71%	\$ 199,786	0.98%
Air Prods & Chems Inc. - 8BB1	5 Year	255,000	104.1940	94.5930	10/15/2025	1.59%	\$ 241,212	1.18%
Apple Inc. - 3DT4	5 Year	200,000	102.4560	95.3560	5/11/2025	1.18%	\$ 190,712	0.93%
Apple Inc. - 3CU2	5 Year	150,000	103.6730	99.0650	5/11/2024	2.88%	\$ 148,598	0.73%
Apple Inc. - 3CG3	5 Year	400,000	104.3970	99.7020	2/9/2024	3.01%	\$ 398,808	1.95%
Blackrock Inc - XAL5	1 Year	200,000	98.4250	99.5660	3/18/2024	3.51%	\$ 199,132	0.98%
Caterpillar Finl Service - Q3B3	2 Year	200,000	96.7600	97.5090	11/8/2024	2.20%	\$ 195,018	0.95%
Florida Pwr & Lt Co - 1FZ5	5 Year	800,000	108.9188	97.6410	4/1/2025	2.92%	\$ 781,128	3.82%
Paccar Financial Corp. - RQ66	5 Year	500,000	104.7908	96.7880	2/6/2025	1.86%	\$ 483,940	2.37%
Schwab Charles Corp - 3BN4	2 Year	200,000	95.7870	98.9730	3/18/2024	0.76%	\$ 197,946	0.97%
US Bancorp Mtns. - HHV5	5 Year	200,000	102.1370	99.7630	2/5/2024	3.38%	\$ 199,526	0.98%
Intl Bank for Recon & Dev - 8JB0	5 Year	400,000	98.7800	94.9860	4/22/2025	0.66%	\$ 379,944	1.86%
Cash Reserve Account						5.26%	\$ 595,823	2.92%
Total Citizens Trust Investments							\$ 12,174,490	59.61%
Total Investments							\$ 20,422,076	100.00%
Total Cash & Investments							\$ 25,748,870	

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 (Unaudited)

December 2023

	Dec-23	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
1 OPERATING REVENUE						
2 Water Sales	\$ 1,243,872	\$ 8,837,171	\$ 16,629,200	\$ 7,792,029	53%	\$ 8,675,856
3 Meter Charges	1,008,926	6,040,160	12,191,100	6,150,940	50%	5,804,945
4 Customer Fees	27,417	515,253	397,500	(117,753)	130%	436,878
5 Contract Income	17,273	126,406	204,600	78,194	62%	96,084
6 RWD Labor Sales/Reimbursements	10,333	126,228	288,000	161,772	44%	154,587
7 Capacity Fees	-	54,110	50,000	(4,110)	108%	34,070
8 Flow Tests	975	9,750	15,900	6,150	61%	9,425
9 Return Check Fees	540	3,000	10,500	7,500	29%	5,670
10 Uncollectable	-	-	(57,600)	(57,600)	0%	-
11 TOTAL OPERATING REVENUE	2,309,337	15,712,078	29,729,200	14,017,122	53%	15,217,516
12 NON-OPERATING REVENUE						
13 Property Taxes	133,202	155,955	408,300	252,345	38%	163,997
14 Shared Services	-	-	-	-	0%	13,900
15 Interest Income	88,293	271,640	210,000	(61,640)	129%	109,568
16 Miscellaneous Income	2,251	12,073	25,000	12,927	48%	24,727
17 TOTAL NON-OPERATING REVENUE	223,746	439,669	643,300	203,631	68%	312,192
18 TOTAL REVENUES	2,533,083	16,151,746	30,372,500	14,220,754	53%	15,529,708
19 OPERATING EXPENSES						
20 Source of Supply						
21 Water Purchases	872,050	5,920,114	11,931,400	6,011,286	50%	5,331,333
22 Pumping Power	30,030	262,937	420,600	157,663	63%	205,127
23 Fixed Charges	21,064	126,384	254,100	127,716	50%	172,528
24 Chemicals	3,248	38,177	122,000	83,823	31%	53,589
25 Total Source of Supply	926,392	6,347,612	12,728,100	6,380,488	50%	5,762,578
26 Maintenance of Water System	53,883	459,342	751,200	291,858	61%	446,431
27 Service Contracts	20,088	258,347	434,800	176,453	59%	213,974
28 Assessments	26,089	150,574	257,600	107,026	58%	119,946
29 Vehicle Expense	4,992	90,303	132,300	41,997	68%	69,496
30 Tools & Supplies	9,477	24,918	50,700	25,782	49%	18,497
31 Equipment Expense	2,542	27,114	41,600	14,486	65%	30,090
32 Maintenance & Operations	2,656	61,591	74,200	12,609	83%	35,587
33 Engineering	40,075	106,113	200,000	93,887	53%	97,023
34 Water Tests	1,876	14,516	40,900	26,384	35%	15,567
35 Conservation	1,152	21,625	55,600	33,975	39%	30,393
36 Community Outreach	5,719	64,852	209,000	144,148	31%	62,685
37 TOTAL OPERATING EXPENSES	1,094,941	7,626,906	14,976,000	7,349,094	51%	6,902,265
38 ADMINISTRATIVE EXPENSES						
39 Liability Insurance	-	201,687	177,800	(23,887)	113%	157,127
40 IT Support Services	15,160	93,263	177,600	84,337	53%	82,020
41 IT Licensing	64,203	195,533	355,400	159,867	55%	192,648
42 Director Expense	15,704	75,289	193,500	118,211	39%	74,524
43 Bank / Management Fees	16,792	104,699	209,300	104,601	50%	95,574
44 Legal Fees	9,133	65,609	135,800	70,191	48%	62,838
45 Compliance	64,536	122,876	153,700	30,824	80%	106,807



ROWLAND WATER DISTRICT

PROFIT & LOSS (Unaudited)

December 2023

	Dec-23	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
46 Auditing & Accounting	-	26,100	35,000	8,900	75%	26,950
47 Utility Services	6,998	66,279	132,400	66,122	50%	62,971
48 Dues & Memberships	1,575	45,956	55,900	9,944	82%	51,040
49 Conference & Meetings	7,419	21,000	47,000	26,000	45%	22,594
50 Office Expenses	4,610	10,457	39,400	28,943	27%	15,233
51 Seminars/Training	6,836	43,648	140,100	96,452	31%	62,473
52 Miscellaneous Expense	5,213	60,254	155,200	94,946	39%	59,672
53 TOTAL ADMINISTRATIVE EXPENSES	218,179	1,132,649	2,008,100	875,451	56%	1,072,470
54 PERSONNEL EXPENSES						
55 Wages						
56 Operations	104,179	597,927	1,285,100	687,173	47%	387,955
57 Distribution	91,694	547,203	1,328,200	780,997	41%	458,590
58 Administration	150,202	792,288	1,664,000	871,712	48%	741,200
59 Total Wages	346,074	1,937,418	4,277,300	2,339,882	45%	1,587,745
60 Payroll Taxes	17,721	123,329	318,300	194,971	39%	99,654
61 Workers Compensation	18,986	38,225	102,600	64,375	37%	33,756
62 Unemployment	-	85	6,000	5,915	1%	694
63 CalPERS	44,567	268,412	647,200	378,788	41%	1,994,629
64 OPEB Contributions	-	-	-	-	0%	-
65 EE & Retiree Health Insurance	79,165	451,962	921,200	469,238	49%	429,691
66 TOTAL PERSONNEL EXPENSES	506,512	2,819,431	6,272,600	3,453,169	45%	4,146,169
67 TOTAL EXPENSES	1,819,632	11,578,986	23,256,700	11,677,714	50%	12,120,904
68 NET INCOME / (LOSS) - BEFORE DEBT SERVICE & CAPITAL EXPENDITURES	713,451	4,572,760	7,115,800	2,543,040	64%	3,408,803
69 Less: Total Debt Service	(1,380,000)	(1,738,087)	(2,094,000)	355,913	83%	(358,087)
70 Less: CalPERS (Bond Debt Savings)	-	-	(1,000,800)	1,000,800	0%	-
71 Less: Capital Expenses (Current Year)	(108,144)	(794,322)	(4,911,600)	4,117,278	16%	(597,328)
72 CASH INCREASE / (DECREASE)	\$ (774,693)	\$ 2,040,352	\$ (890,600)	\$ 2,930,952		\$ 2,453,388

**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 2023

1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is at 53%.
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. YTD is high at 130% due to new water service installations.
5. Contract Income – contains revenues from cell tower lease contracts. YTD is at 62%.
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 44%.
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 high at 108% due to new water service installations.
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 61%.
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 29%.
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 the year-end audited financial statements.

11. TOTAL OPERATING REVENUE

12. NON-OPERATING REVENUE



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2023

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). There are no anticipated transactions for shared services as RWD stopped providing Executive Director services.
15. Interest Income – includes interest and dividends received on District investments. YTD is at 129% due to higher interest rates on new investments.
16. Miscellaneous Income – includes income from various sources such as recycling and refunds. YTD there are no transactions for miscellaneous income. YTD is at 48%.
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 50%.
22. Pumping Power – the cost of electricity used for pumping water. YTD is at 63%.
23. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 50%.
24. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is at 31%.
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 high at 61% due to pipeline leaks.
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 and other services. YTD is high at 59% due to payment of annual maintenance contract with Master Meter and 3-year maintenance contract with High-Tech Systems.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2023

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 high at 58% due to PBWA lease payments from July through December.
29. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is currently at 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 49%.
31. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of equipment expenses. YTD is at 65%.
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 high at 83% due to repairs to the District headquarters.
33. Engineering – general engineering costs related to District operations. YTD is currently at 53%.
34. Water Tests – laboratory testing and sampling of District water. YTD is at 35%.
35. Conservation – water conservation programs and efforts. YTD is at 39%.
36. Community Outreach – costs related to public relations and community outreach. YTD is at 31%.
37. **TOTAL OPERATING EXPENSES**
38. **ADMINISTRATIVE EXPENSES**
39. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 113% due to higher increase in ACWA JPIA insurance rates.
40. IT Support Services – information technology support services. YTD is at 53%.
41. IT Licensing – includes costs for various software licenses. YTD is at 55%.
42. Director Expense – costs for director compensation and benefits. YTD is at 39% of budget.
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 at 48%.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2023

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 80% due to the timing of compliance costs.
46. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is high at 75% due to timing of auditing & accounting fees.
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 82% due to timing of dues and membership billing.
49. Conference & Meetings – conference attendance and meeting expenses. YTD is at 45%.
50. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is low at 27% due to the timing of these expenses.
51. Seminars/Training – employee seminars and training. YTD is at 31%.
52. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 39%.
53. **TOTAL ADMINISTRATIVE EXPENSES**
54. **PERSONNEL EXPENSES**
55. **WAGES**
56. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 47%.
57. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 41%.
58. Administration – wages expense (regular) attributable to Administration. YTD is at 48%.
59. **TOTAL WAGES**
60. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 39%.
61. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 37%.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2023

- 62. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 1%.
- 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. YTD is at 41%.
- 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 49%.
- 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 2023.
- 69. Less: Total Debt Service – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).
- 70. Less: CalPERS (Bond Debt Savings) – includes bond debt refunding savings for paying down the CalPERS unfunded accrued liability. Payments are made in December and June.
- 71. 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 16%.
- 72. **CASH INCREASE / (DECREASE)**

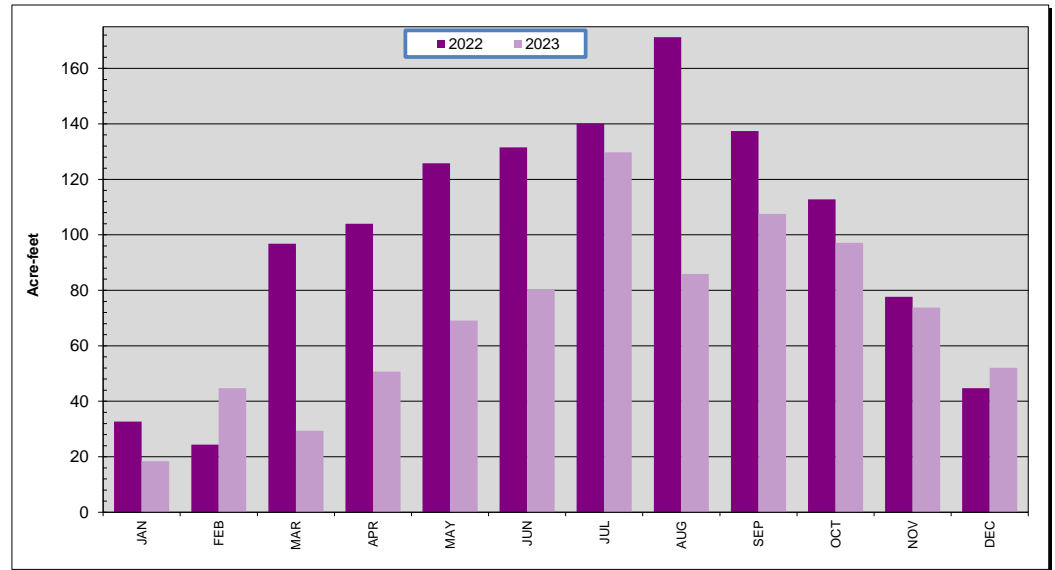
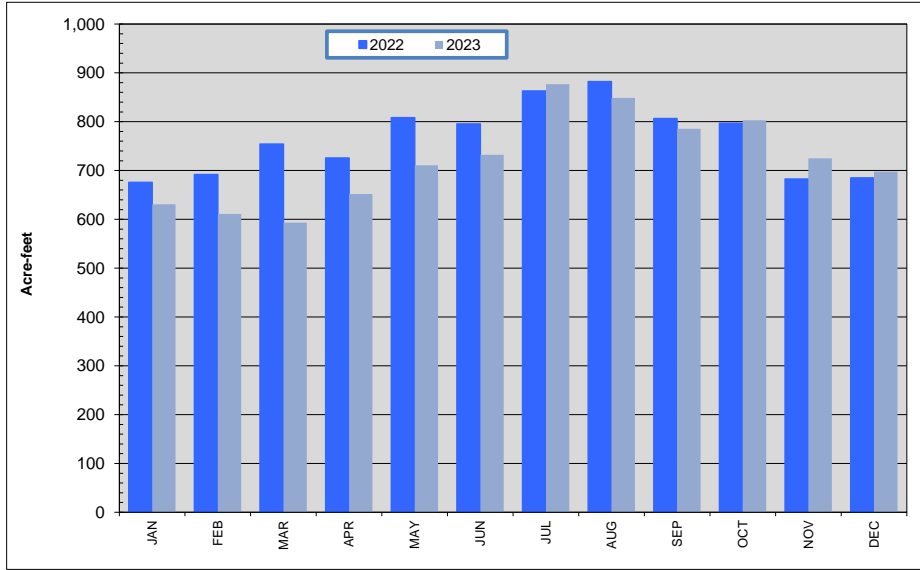


Water Purchases for CY 2023 (Acre-feet)



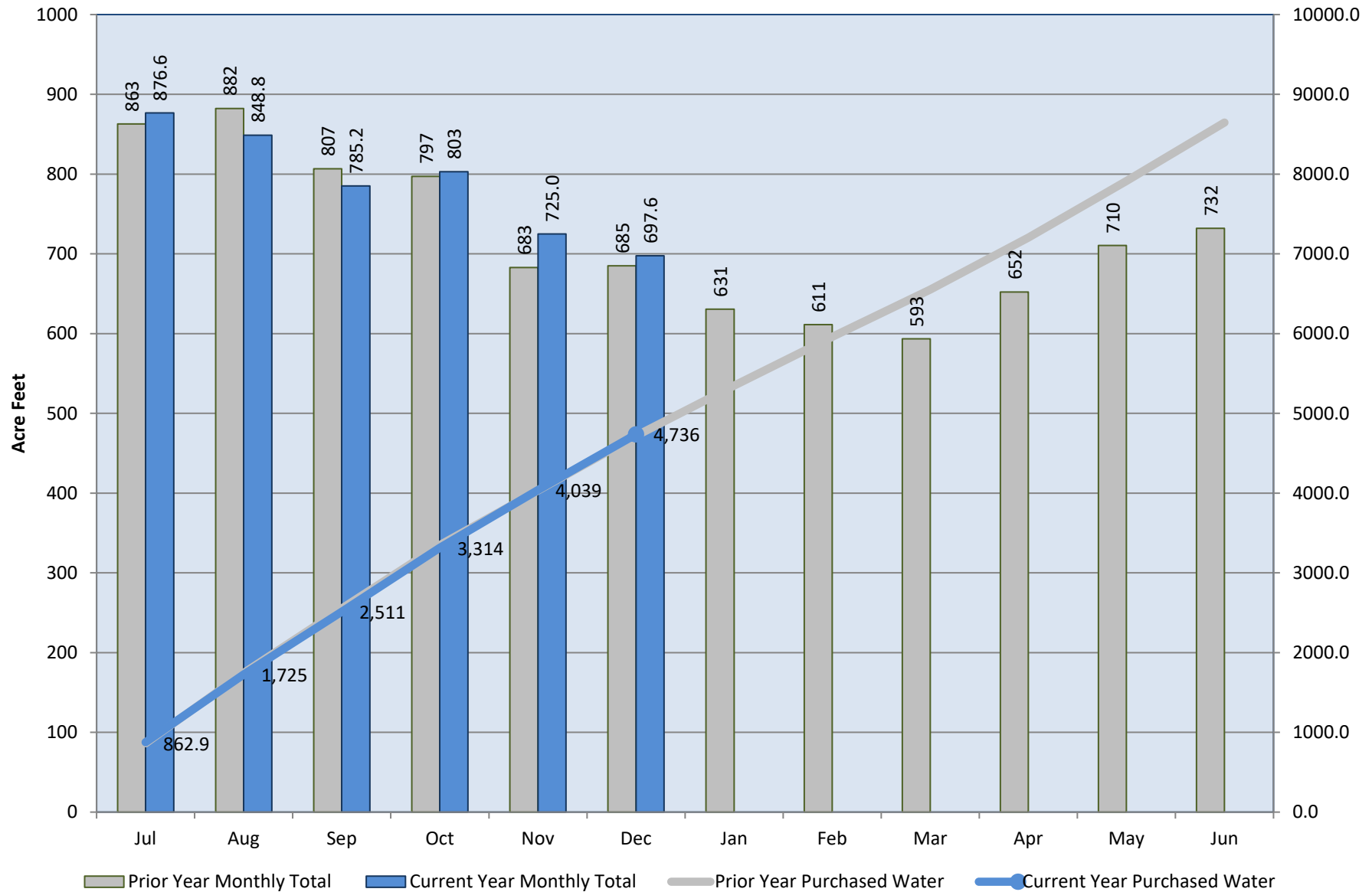
	POTABLE SYSTEM						TOTAL
	WBS	LHH	PM-9	PM-22	JWL		
					PM-15	Miramar	
JAN	162.2	0.0	0.0	149.5	217.1	101.9	630.7
FEB	155.9	0.0	0.0	141.0	270.7	43.5	611.1
MAR	169.1	0.0	0.0	188.9	97.9	137.4	593.3
APR	158.2	0.0	0.0	215.2	77.5	201.1	652.0
MAY	192.8	0.0	7.3	235.4	74.5	200.5	710.5
JUN	169.5	0.0	0.0	242.4	87.3	232.8	732.0
JUL	78.1	0.0	0.0	342.0	197.4	259.1	876.6
AUG	0.0	0.0	0.0	251.3	384.6	212.9	848.8
SEP	0.0	0.0	0.0	339.1	256.9	189.2	785.2
OCT	110.0	0.0	0.0	281.7	183.8	227.5	803.0
NOV	98.7	0.0	0.0	241.9	178.3	206.1	725.0
DEC	125.7	0.0	0.0	194.3	130.0	247.6	697.6
TOTAL	1,420.2	0.0	7.3	2,822.7	2,156.0	2,259.6	8,665.8

RECYCLED SYSTEM							TOTAL
Well 1	Wet Well	WVWD	Industry	Potable Make-up	Nogales Dewatering	Fullerton Dewatering	
1.1	2.0	0.0	0.0	0.0	15.3	0.0	18.4
8.5	13.1	1.0	9.2	0.0	12.9	0.0	44.7
8.5	0.4	0.0	2.8	0.0	17.7	0.0	29.4
16.9	15.9	1.0	0.9	0.0	16.0	0.0	50.7
27.1	22.2	1.0	3.5	0.0	15.3	0.0	69.1
21.2	40.0	2.0	3.3	0.0	13.7	0.0	80.2
22.7	22.6	2.0	67.8	0.0	14.6	0.0	129.7
19.7	12.3	3.0	36.3	0.0	14.6	0.0	85.9
28.5	15.9	3.0	56.7	0.0	3.4	0.0	107.5
28.1	16.5	1.0	45.5	3.0	3.0	0.0	97.1
25.8	22.6	1.0	21.2	0.0	3.2	0.0	73.8
18.1	10.7	1.0	8.8	0.0	13.5	0.0	52.1
226.2	194.2	16.0	256.0	3.0	143.2	0.0	838.6



Potable Water Purchases For FY 2023-2024

(Acre-feet)



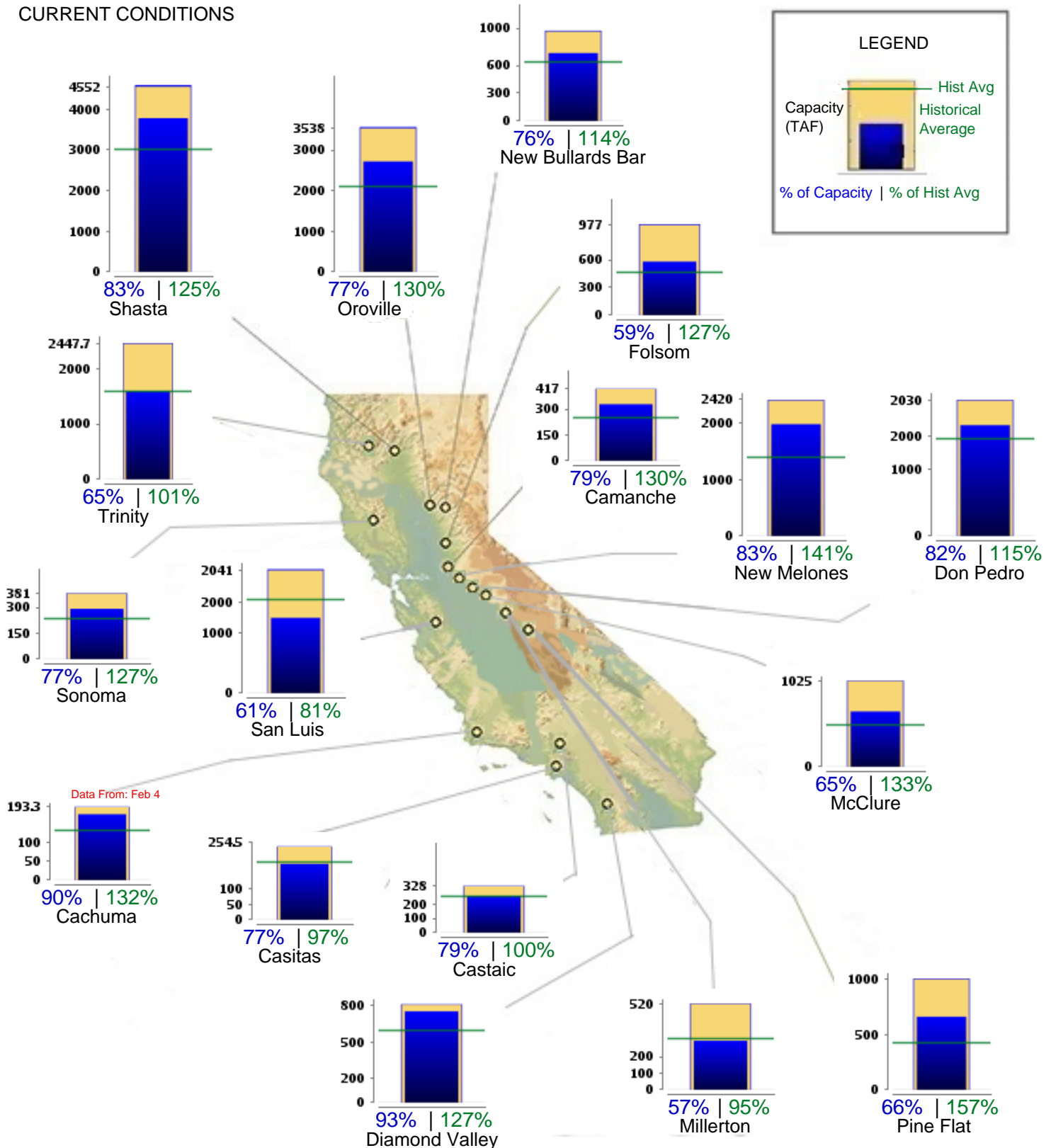


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - February 6, 2024

CURRENT CONDITIONS





January 2024 -DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments (Submit expense report if claiming mileage and/or meal reimbursement)
Anthony J. Lima					
	1/9/2024	RWD Board Meeting	\$230.00		
	1/17/2024	TVMWD Board Meeting (Zoom)	\$230.00		
	1/23/2024	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$690.00		
John Bellah					
	1/8/2024	GAC		X	
	1/8/2024	RHCCC	\$230.00		
	1/9/2024	RWD Board Meeting	\$230.00		
	1/17/2024	TVMWD Board Meeting	\$230.00		Mileage
	1/23/2024	RWD Workshop	\$230.00		
	1/31/2024	CSDA Exploratory Meeting	\$230.00		Mileage
		TOTAL PAYMENT	\$1,150.00		
Robert W. Lewis					
	1/9/2024	RWD Board Meeting	\$230.00		
	1/10/2024	LAFCO		X	
	1/11/2024	ACWA Region 8 Meeting	\$230.00		Mileage
	1/23/2024	RWD Special Board Meeting	\$230.00		
	1/31/2024	CSDA Exploratory Meeting	\$230.00		Mileage
		TOTAL PAYMENT	\$920.00		
Szu Pei Lu-Yang					
	1/9/2024	RWD Board Meeting	\$230.00		
	1/23/2024	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$460.00		
Vanessa Hsu					
	1/9/2024	RWD Board Meeting	\$230.00		
		TOTAL PAYMENT	\$230.00		

APPROVED FOR PAYMENT:

Tom Coleman



RESOLUTION NO. 2-2024

ROWLAND WATER DISTRICT RESOLUTION RECOGNIZING ERIK HITCHMAN FOR HIS DISTINGUISHED SERVICE TO THE WATER COMMUNITY AND WALNUT VALLEY WATER DISTRICT AND CONGRATULATING HIM ON HIS RETIREMENT

WHEREAS, Erik Hitchman is the General Manager of the Walnut Valley Water District (“Walnut”), which is a retail water provider that provides drinking water and recycled water to nearly 100,000 residents in eastern Los Angeles County and has been an invaluable partner to the Rowland Water District (“District”) for many years; and

WHEREAS, Erik received his Bachelors and Master’s degrees in Civil Engineering from Cal State University Long Beach, and prior to joining Walnut, worked at the Los Angeles County Department of Public Work from 1989-1996 and Three Valleys Municipal Water District from 1996-1998; and

WHEREAS, Erik embarked on his journey at Walnut in 1998, bringing with him a wealth of knowledge and a passion for developing sustainable water solutions, and assumed the role of District Engineer, then Director of Engineering and Planning, then Assistant General Manager/Chief Engineer, and ultimately became the General Manager; and

WHEREAS, Erik became a driving force behind Walnut’s transformative infrastructure projects, his innovative approach contributed significantly to the water resiliency profile in the regional area, and his collaborative efforts created a network of alliances that bolstered Walnut’s ability to navigate the complex challenges of water management; and

WHEREAS, Erik’s impact has gone far beyond the technical realm, as he has demonstrated exceptional leadership during times of adversity. Under his guidance, Walnut’s team faced and triumphed over trials and tribulations, including unprecedented challenges posed by the COVID-19 pandemic. Erik’s commitment to the safety and well-being of his team ensured that essential services provided by Walnut remained steadfast even in the face of uncertainty; and

WHEREAS, as Erik steps into retirement, he leaves behind a legacy of excellence and resilience and his influence has had a lasting impact on the broader water industry, including the District, who he has worked closely with as a partner in Puente Basin Water Agency, P-W-R Joint Water Line, Puente Basin Watermaster, and many other ventures; and

WHEREAS, the District wants to thank Erik for his years of dedicated service and contributions to Walnut and the District and wish him well in his retirement and future endeavors.

NOW, THEREFORE, be it resolved that we, the Rowland Water District Board of Directors, hereby recognize, thank and congratulate Erik Hitchman for his over 30 years of dedicated service and contributions to the water industry, Walnut, and the District.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors held February 13, 2024, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Szu Pei Lu-Yang
President

ATTEST:

TOM COLEMAN
General Manager

UNAPPROVED

ROWLAND WATER DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2023

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, 2023. 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
January 9, 2024

ROWLAND WATER DISTRICT

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For the Fiscal Year Ended June 30, 2023

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Required Communications

ROWLANDWATER DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023*

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, 2023*

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, 2023*

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To record GASB 68			
13901-0	DEFERRED OUTFLOWS - CONTRIB.	1,411,399.00	
23091-0	DEFERRED INFLOWS - ACTUARIAL	512,486.00	
23090-0	NET PENSION LIABILITY		1,122,701.00
56401-0	PENSION EXPENSE/(INCOME)		801,184.00
Total		1,923,885.00	1,923,885.00
Adjusting Journal Entries JE # 2			
To record GASB75			
13902-1	DOR-OPEB RELATED	723,535.00	
23093-0	OPEB DEFERRED INFLOWS	837,115.00	
13902-0	OPEB DEFERRED OUTFLOWS		56,258.00
23092-0	NET OPEB LIABILITY		1,077,889.00
56900-0	ANNUAL OPEB COST		50,694.00
56900-1	OPEB- Deferred Contributions		375,809.00
Total		1,560,650.00	1,560,650.00
Adjusting Journal Entries JE # 3			
To accrue additional AR			
13850-0	MISC ACCOUNTS RECEIVABLE	2,673,580.00	
49520-0	Capital Contribution (NEW)		2,673,580.00
Total		2,673,580.00	2,673,580.00
Adjusting Journal Entries JE # 4			
To record GASB 87			
14500-0	LEASE RECEIVABLE	134,496.00	
42380-0	CONTRACT INCOME	6,645.00	
23094-0	DEFERRED INFLOWS - LEASES		127,009.00
49210-0	INTEREST INCOME		14,132.00
Total		141,141.00	141,141.00
Total All Journal Entries		6,299,256.00	6,299,256.00

**ROWLAND WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2023
(With Comparative Amounts as of June 30, 2022)**

NIGRO & NIGRO^{PC}

ROWLAND WATER DISTRICT

For the Fiscal Year Ended June 30, 2023

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Rowland Water District
Rowland Heights, California

Opinion

We have audited the accompanying financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2023, 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.

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, 2023 and 2022, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1 and 4 to the financial statements, as of July 1, 2021, the Agency adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the 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.

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.

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, 2022, 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 January 9, 2024, 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.

A handwritten signature in blue ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
January 9, 2024

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

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, 2023. 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 2023, the District's net position increased 7.96%, or \$8,578,452 from the prior year's net position of \$74,139,917 to \$82,718,369, as a result of the year's operations.
- In fiscal year 2023, operating revenues increased 6.08%, or \$1,716,786 from \$28,242,365 to \$29,959,151, from the prior year, primarily due to increases in new service connections.
- In fiscal year 2023, operating expenses before depreciation expense decreased by 0.52% or \$106,907 from \$20,493,718 to \$20,386,811, from the prior year, primarily due to decreases in costs for source of supply.

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 Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

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, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Assets:			
Current assets	\$ 17,676,194	\$ 15,690,004	\$ 1,986,190
Non-current assets	35,672,597	34,878,643	793,954
Capital assets, net	<u>70,747,620</u>	<u>68,790,298</u>	<u>1,957,322</u>
Total assets	<u>124,096,411</u>	<u>119,358,945</u>	<u>4,737,466</u>
Deferred outflows of resources	<u>9,219,142</u>	<u>7,305,466</u>	<u>1,913,676</u>
Total assets and deferred outflows of resources	<u>\$ 133,315,553</u>	<u>\$ 126,664,411</u>	<u>\$ 6,651,142</u>
Liabilities:			
Current liabilities	\$ 6,827,614	\$ 7,431,155	\$ (603,541)
Non-current liabilities	<u>39,404,770</u>	<u>39,505,947</u>	<u>(101,177)</u>
Total liabilities	<u>46,232,384</u>	<u>46,937,102</u>	<u>(704,718)</u>
Deferred inflows of resources	<u>4,364,800</u>	<u>5,587,392</u>	<u>(1,222,592)</u>
Net position:			
Net investment in capital assets	37,712,620	35,920,298	1,792,322
Unrestricted	<u>45,005,749</u>	<u>38,219,619</u>	<u>6,786,130</u>
Total net position	<u>82,718,369</u>	<u>74,139,917</u>	<u>8,578,452</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 133,315,553</u>	<u>\$ 126,664,411</u>	<u>\$ 6,651,142</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 \$82,718,369 as of June 30, 2023.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (46% as of June 30, 2023) 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 2023, the District showed a positive balance in its unrestricted net position of \$45,005,749 which may be utilized in future years.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
Operating revenues	\$ 29,959,151	\$ 28,242,365	\$ 1,716,786
Operating expenses	<u>(20,386,811)</u>	<u>(20,493,718)</u>	<u>106,907</u>
Operating income before depreciation	9,572,340	7,748,647	1,823,693
Depreciation expense	<u>(3,232,422)</u>	<u>(3,553,348)</u>	<u>320,926</u>
Operating income	6,339,918	4,195,299	2,144,619
Non-operating revenues(expenses), net	<u>(435,046)</u>	<u>(852,357)</u>	<u>417,311</u>
Change in net position before capital	5,904,872	3,342,942	2,561,930
Capital contributions:			
Contributed capital-other	<u>2,673,580</u>	<u>-</u>	<u>2,673,580</u>
Change in net position	8,578,452	3,342,942	5,235,510
Net position:			
Beginning of year	<u>74,139,917</u>	<u>70,796,975</u>	<u>3,342,942</u>
End of year	<u><u>\$ 82,718,369</u></u>	<u><u>\$ 74,139,917</u></u>	<u><u>\$ 8,578,452</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 7.96%, or \$8,578,452 from the prior year's net position of \$74,139,917 to \$82,718,369, as a result of the year's operations.

ROWLAND WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)*

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Water sales	\$ 15,115,558	\$ 15,753,112	\$ (637,554)
Water service charges	11,840,892	11,622,138	218,754
New service connections	2,100,118	166,842	1,933,276
Reimbursements	428,319	148,351	279,968
Other operating revenues	<u>474,264</u>	<u>551,922</u>	<u>(77,658)</u>
Total operating revenues	<u>29,959,151</u>	<u>28,242,365</u>	<u>1,716,786</u>
Non-operating revenues:			
Property taxes	575,898	502,421	73,477
Investment earnings	63,714	(462,229)	525,943
Rental and contract revenue	209,311	158,568	50,743
Other non-operating revenues	107,149	147,129	(39,980)
Change in investment in joint-ventures	268,058	-	268,058
Contributed capital-other	<u>2,673,580</u>	<u>-</u>	<u>2,673,580</u>
Total non-operating revenues	<u>3,897,710</u>	<u>345,889</u>	<u>3,551,821</u>
Total revenues	<u>\$ 33,856,861</u>	<u>\$ 28,588,254</u>	<u>\$ 5,268,607</u>

In fiscal year 2023, operating revenues increased 6.08%, or \$1,716,786 from \$28,242,365 to \$29,959,151, from the prior year, primarily due to increases in new service connections.

Also, non-operating revenues increased by 10.27%, or \$3,551,821 from \$345,889 to \$3,897,710 due to the \$2,673,580 of capital contributions.

ROWLAND WATER DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Source of supply	\$ 10,354,361	\$ 11,099,755	\$ (745,394)
Pumping and power	1,368,677	1,204,751	163,926
Transmission and distribution	1,830,038	1,965,230	(135,192)
Customer services	56,704	110,174	(53,470)
Other operating expenses	544,960	513,275	31,685
General and administrative	6,232,071	5,600,533	631,538
Total operating expenses	<u>20,386,811</u>	<u>20,493,718</u>	<u>(106,907)</u>
Depreciation expense	<u>3,232,422</u>	<u>3,553,348</u>	<u>(320,926)</u>
Non-operating expenses:			
Interest expense	881,000	647,335	233,665
Contributions to joint-venture	778,176	331,846	446,330
Change in investment in joint-ventures	-	1,942	(1,942)
Cost of bond issuance	-	217,123	(217,123)
Total non-operating expenses	<u>1,659,176</u>	<u>1,198,246</u>	<u>460,930</u>
Total expenses	<u>\$ 25,278,409</u>	<u>\$ 25,245,312</u>	<u>\$ 33,097</u>

In fiscal year 2023, operating expenses before depreciation expense decreased by 0.52% or \$106,907 from \$20,493,718 to \$20,386,811, from the prior year, primarily due to decreases in costs for source of supply.

Capital Assets

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Capital assets:		
Non-depreciable assets	\$ 5,565,968	\$ 7,860,368
Depreciable assets	109,739,084	102,305,751
Accumulated depreciation	<u>(44,557,432)</u>	<u>(41,375,819)</u>
Total capital assets, net	<u>\$ 70,747,620</u>	<u>\$ 68,790,300</u>

At the end of year 2023, the District's investment in capital assets amounted to \$70,747,620 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$5,189,742 for various projects and equipment. See Note 6 for further information.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023 (With Comparable Amounts as of June 30, 2022)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

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

	Balance	Balance
Long-term debt:	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Bonds payable	<u>\$ 36,170,000</u>	<u>\$ 36,170,000</u>

Long-term debt had no change during the 2023 fiscal year. There were no principal payments due during the year. See Notes 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 2023, 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.

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, 2023 (With Comparative Amounts as of June 30, 2022)

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents (Note 2)	\$ 10,710,204	\$ 11,470,536
Accrued interest receivable	82,913	54,949
Accounts receivable, net (Note 3)	3,356,806	3,523,761
Property taxes receivable	14,680	18,929
Lease receivable (Note 4)	177,771	143,931
Other receivables	2,850,495	110,571
Inventory – water-in-storage	109,290	99,518
Inventory – materials and supplies	272,928	180,382
Prepaid expenses	101,107	87,427
Total current assets	17,676,194	15,690,004
Non-current assets:		
Investments (Note 2)	11,814,371	11,744,841
Investments in joint-ventures (Note 5)	23,223,378	21,640,986
Lease receivable (Note 4)	634,848	534,192
Net OPEB asset (Note 10)	-	958,624
Capital assets – not being depreciated (Note 6)	5,565,968	7,860,368
Capital assets – being depreciated, net (Note 6)	65,181,652	60,929,930
Total non-current assets	106,420,217	103,668,941
Total assets	124,096,411	119,358,945
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 8)	3,135,000	3,300,000
Deferred amounts related to net OPEB obligation(asset) (Note 9)	1,147,714	480,437
Deferred amounts related to net pension liability (Note 10)	4,936,428	3,525,029
Total deferred outflows of resources	9,219,142	7,305,466
Total assets and deferred outflows of resources	\$ 133,315,553	\$ 126,664,411
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,609,478	\$ 2,820,175
Deposits and unearned revenues	2,686,105	4,471,061
Accrued interest payable	56,573	56,746
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	95,458	83,173
Bonds payable (Note 8)	1,380,000	-
Total current liabilities	6,827,614	7,431,155
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	286,374	249,517
Bonds payable (Note 8)	34,790,000	36,170,000
Net OPEB obligation (Note 9)	119,265	-
Net pension liability (Note 10)	4,209,131	3,086,430
Total non-current liabilities	39,404,770	39,505,947
Total liabilities	46,232,384	46,937,102
Deferred inflows of resources:		
Deferred amounts related to leases (Note 4)	786,367	659,358
Deferred amounts related to net OPEB obligation(asset) (Note 9)	1,232,135	2,069,250
Deferred amounts related to net pension liability (Note 10)	2,346,298	2,858,784
Total deferred inflows of resources	4,364,800	5,587,392
Net position:		
Net investment in capital assets (Note 11)	37,712,620	35,920,298
Unrestricted	45,005,749	38,219,619
Total net position	82,718,369	74,139,917
Total liabilities, deferred inflows of resources and net position	\$ 133,315,553	\$ 126,664,411

ROWLAND WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water sales	\$ 15,115,558	\$ 15,753,112
Water service charges	11,840,892	11,622,138
New service connections	2,100,118	166,842
Reimbursements	428,319	148,351
Other operating revenues	<u>474,264</u>	<u>551,922</u>
Total operating revenues	<u>29,959,151</u>	<u>28,242,365</u>
Operating expenses:		
Source of supply	10,354,361	11,099,755
Pumping and power	1,368,677	1,204,751
Transmission and distribution	1,830,038	1,965,230
Customer services	56,704	110,174
Other operating	544,960	513,275
General and administrative	<u>6,232,071</u>	<u>5,600,533</u>
Total operating expenses	<u>20,386,811</u>	<u>20,493,718</u>
Operating income before depreciation	9,572,340	7,748,647
Depreciation expense	<u>(3,232,422)</u>	<u>(3,553,348)</u>
Operating income	<u>6,339,918</u>	<u>4,195,299</u>
Non-operating revenues(expenses):		
Property taxes	575,898	502,421
Investment earnings	63,714	(462,229)
Rental and contract revenue	209,311	158,568
Other non-operating revenues	107,149	147,129
Interest expense	(881,000)	(647,335)
Cost of bond issuance	-	(217,123)
Contributions to joint-venture (Note 5)	(778,176)	(331,846)
Change in investment in joint-ventures (Note 5)	<u>268,058</u>	<u>(1,942)</u>
Total non-operating revenues(expenses), net	<u>(435,046)</u>	<u>(852,357)</u>
Change in net position before capital contributions	<u>5,904,872</u>	<u>3,342,942</u>
Capital contributions:		
Contributed capital-other	<u>2,673,580</u>	<u>-</u>
Total capital contributions	<u>2,673,580</u>	<u>-</u>
Change in net position	8,578,452	3,342,942
Net position:		
Beginning of year	<u>74,139,917</u>	<u>70,796,975</u>
End of year	<u><u>\$ 82,718,369</u></u>	<u><u>\$ 74,139,917</u></u>

ROWLAND WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 28,583,779	\$ 29,601,869
Cash paid to employees for salaries and wages	(3,428,917)	(3,374,761)
Cash paid to vendors and suppliers for materials and services	<u>(18,463,134)</u>	<u>(19,927,054)</u>
Net cash provided by operating activities	<u>6,691,728</u>	<u>6,300,054</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>580,147</u>	<u>483,492</u>
Net cash provided by non-capital financing activities	<u>580,147</u>	<u>483,492</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,189,744)	(5,243,764)
Interest paid on long-term debt	(716,173)	(740,327)
Proceeds from water revenue refunding bonds	-	36,170,000
Refunding escrow deposit for refunded bonds	-	(35,952,877)
Cost of bond issuance	<u>-</u>	<u>(217,123)</u>
Net cash used in capital and related financing activities	<u>(5,905,917)</u>	<u>(5,984,091)</u>
Cash flows from investing activities:		
Change in investments	(84,754)	947,139
Investment earnings	50,974	220,979
Contributions to joint-ventures	<u>(2,092,510)</u>	<u>(793,634)</u>
Net cash provided by (used in) investing activities	<u>(2,126,290)</u>	<u>374,484</u>
Net increase in cash and cash equivalents	<u>(760,332)</u>	<u>1,173,939</u>
Cash and cash equivalents:		
Beginning of year	<u>11,470,536</u>	<u>10,296,597</u>
End of year	<u><u>\$ 10,710,204</u></u>	<u><u>\$ 11,470,536</u></u>

ROWLAND WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 6,339,918	\$ 4,195,299
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,232,422	3,553,348
Allowance for bad debt	(83,284)	155,610
Rental and contract revenue	209,311	158,568
Other non-operating revenues	107,149	147,129
Change in assets – (increase)decrease:		
Accounts receivable, net	250,239	150,816
Lease receivable	(134,496)	166,370
Other receivables	(66,344)	(77,756)
Inventory – water-in-storage	(9,772)	3,994
Inventory – materials and supplies	(92,546)	12,061
Prepaid expenses	(13,680)	(1,031)
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB obligation	(667,277)	1,377,960
Deferred amounts related to net pension liability	(1,411,399)	(2,284,131)
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	(210,697)	(285,564)
Deposits and unearned revenues	(1,784,956)	838,351
Compensated absences	49,142	(35,258)
Net OPEB obligation(asset)	1,077,889	(2,864,211)
Net pension liability	1,122,701	(2,284,076)
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to leases	127,009	(179,584)
Deferred amounts related to net OPEB obligation	(837,115)	900,782
Deferred amounts related to net pension liability	(512,486)	2,651,377
Total adjustments	<u>351,810</u>	<u>2,104,755</u>
Net cash provided by operating activities	<u>\$ 6,691,728</u>	<u>\$ 6,300,054</u>
Noncash investing, capital and financing transactions:		
Change in fair-value of investments	<u>\$ (15,223)</u>	<u>\$ (678,910)</u>
Amortization of bond discount	<u>\$ -</u>	<u>\$ 19,876</u>
Amortization of deferred amounts related to refunding of long-term debt	<u>\$ (165,000)</u>	<u>\$ (197,021)</u>

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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. 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.

4. 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, 2023

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)

5. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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)

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.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

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.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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. 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, 2021

Measurement Date June 30, 2022

Measurement Period July 1, 2021 to June 30, 2022

11. 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".

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.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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

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, 2023</u>
Cash and cash equivalents	\$ 10,710,204
Investments	<u>11,814,371</u>
Total cash and investments	<u><u>\$ 22,524,575</u></u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2023</u>
Petty cash	\$ 400
Demand deposits held with financial institutions	3,657,457
Investments	<u>18,866,718</u>
Total cash and investments	<u><u>\$ 22,524,575</u></u>

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2023, the carrying amount of the District's demand deposits were \$3,657,457 and the financial institution's balances were \$3,631,232. 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, 2023, 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, 2023 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. government sponsored agency securities	Level 2	A to AAA	\$ 7,688,733	\$ 2,049,604	\$ 2,456,291	\$ 3,182,838
Medium-term notes	Level 2	A to AAA	3,719,690	1,496,594	1,987,813	235,283
Local Agency Investment Fund (LAIF)	N/A	N/A	7,052,347	7,052,347	-	-
Money-market mutual funds	N/A	AAA	405,948	405,948	-	-
Total investments			\$ 18,866,718	\$ 11,004,493	\$ 4,444,104	\$ 3,418,121

ROWLAND WATER DISTRICT*Notes to Financial Statements**June 30, 2023*

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, 2023

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, 2023.

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, 2023. 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, 2023

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 Farm Credit Banks Funding Corporation	\$ 1,456,128
Federal Home Loan Bank	\$ 3,830,349
Federal Home Loan Mortgage Corporation	\$ 1,462,543

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, 2023 consists of the following;

Description	June 30, 2023
Accounts receivable	\$ 3,440,091
Allowance for doubtful accounts	(83,285)
Total accounts receivable, net	\$ 3,356,806

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District's lease receivable for the year ended June 30, 2023 was as follows:

Description	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Cellular antenna site rental 1	\$ 10,122	\$ 106,489	\$ (20,298)	\$ 96,313
Cellular antenna site rental 2	77,456	-	(43,642)	33,814
Cellular antenna site rental 3	9,615	12,369	(21,984)	-
Cellular antenna site rental 4	189,669	-	(44,902)	144,767
Cellular antenna site rental 5	391,261	-	(35,651)	355,610
Cellular antenna site rental 6	-	198,952	(16,837)	182,115
	<u>\$ 678,123</u>	<u>\$ 317,810</u>	<u>\$ (183,314)</u>	<u>\$ 812,619</u>

Changes in the District's lease receivable for the year ended June 30, 2022 was as follows:

Description	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Cellular antenna site rental 1	\$ 30,065	\$ -	\$ (19,943)	\$ 10,122
Cellular antenna site rental 2	119,365	-	(41,909)	77,456
Cellular antenna site rental 3	37,800	-	(28,185)	9,615
Cellular antenna site rental 4	232,291	-	(42,622)	189,669
Cellular antenna site rental 5	424,972	-	(33,711)	391,261
	<u>\$ 844,493</u>	<u>\$ -</u>	<u>\$ (166,370)</u>	<u>\$ 678,123</u>

The District is reporting a total lease receivable of \$812,619 and \$678,123 and a total related deferred inflows of resources of \$786,367 and \$659,358 for the years ending June 30, 2023 and 2022, respectively. Also, the District is reporting total lease revenue of \$183,314 and \$166,370 and interest revenue of \$14,132 and \$15,648 related to lease payments received for the years ending June 30, 2023 and 2022, respectively. The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District's leases are summarized as follows:

Cellular Antenna Site Rental 1

The District, on January 1, 2023, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$106,489. As of June 30, 2023 the value of the lease receivable was \$96,313. The lease is required to make monthly fixed payments of \$2,271 for the remaining 60 months, then increasing 10% every 5 years. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$95,840 as of June 30, 2023. The District recognized lease revenue of \$20,298 and interest revenue of \$1,046 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Cellular Antenna Site Rental 2

The District, on July 1, 2021, renewed a continuous lease for 45 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$159,593. As of June 30, 2023, the value of the lease receivable was \$33,814. The lease is required to make monthly fixed payments of \$3,789 for the remaining term of the lease, then increasing 2.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$31,918 as of June 30, 2023. The District recognized lease revenue of \$43,642 and interest revenue of \$1,152 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 3

The District, on November 1, 2022, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental, but the lease was terminated effective March 31, 2023. An initial lease receivable was recorded in the amount of \$12,369. As of June 30, 2023, the lessor continues to make month to month payments of \$2,486 since the lessor has not vacated the property. The lease had an interest rate of 2.00%. The District recognized lease revenue of \$21,984 and interest revenue of \$62 during the fiscal year.

Cellular Antenna Site Rental 4

The District, on June 1, 2022, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$235,795. As of June 30, 2023, the value of the lease receivable was \$144,767. The lease is required to make monthly fixed payments of \$4,134 for the next 11 months, then increasing 3.0% per year. The lease had a monthly rental increase of \$1,212 effective as of March 2022 due to additional site rental space. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$137,547 as of June 30, 2023. The District recognized lease revenue of \$44,902 and interest revenue of \$3,384 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 5

The District, on May 1, 2022, commenced a continuous lease for 120 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$430,536. As of June 30, 2023, the value of the lease receivable was \$355,610. The lease is required to make monthly fixed payments of \$3,605 for the remaining 10 months, then increasing 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$338,689 as of June 30, 2023. The District recognized lease revenue of \$35,651 and interest revenue of \$7,825 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 6

The District, on February 1, 2023, commenced a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$198,952. As of June 30, 2023, the value of the lease receivable was \$182,115. The lease is required to make monthly fixed payments of \$3,500 for the first 12 months, then increasing 3.0% every year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$182,373 as of June 30, 2023. The District recognized lease revenue of \$16,837 and interest revenue of \$663 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Minimum future lease receipts for the next eight fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 177,771	\$ 15,202	\$ 192,973
2025	149,698	12,014	161,712
2026	151,122	8,993	160,115
2027	106,851	6,443	113,294
2028	81,715	4,367	86,082
2029-2031	145,462	5,587	151,049
Total	\$ 812,619	\$ 52,606	\$ 865,225
Current	(177,771)		
Long-term	\$ 634,848		

Changes in the District's deferred inflows of resources related to leases for June 30, 2023 is as follows:

Description	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Cellular antenna site rental 1	\$ 9,922	\$ 106,489	\$ (20,571)	\$ 95,840
Cellular antenna site rental 2	74,476	-	(42,558)	31,918
Cellular antenna site rental 3	9,229	12,369	(21,598)	-
Cellular antenna site rental 4	184,706	-	(47,159)	137,547
Cellular antenna site rental 5	381,025	-	(42,336)	338,689
Cellular antenna site rental 6	-	198,952	(16,579)	182,373
	<u>\$ 659,358</u>	<u>\$ 317,810</u>	<u>\$ (190,801)</u>	<u>\$ 786,367</u>

Changes in the District's deferred inflows of resources related to leases for June 30, 2022 is as follows:

Description	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Cellular antenna site rental 1	\$ 29,767	\$ -	\$ (19,845)	\$ 9,922
Cellular antenna site rental 2	117,035	-	(42,559)	74,476
Cellular antenna site rental 3	36,914	-	(27,685)	9,229
Cellular antenna site rental 4	231,865	-	(47,159)	184,706
Cellular antenna site rental 5	423,361	-	(42,336)	381,025
	<u>\$ 838,942</u>	<u>\$ -</u>	<u>\$ (179,584)</u>	<u>\$ 659,358</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2023, will be amortized in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Inflows of Resources
2024	\$ 182,502
2025	150,583
2026	146,653
2027	103,424
2028	76,196
2029-2031	127,009
Total	<u>\$ 786,367</u>

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 5 – INVESTMENTS IN JOINT-VENTURES

The balance at June 30, 2023 consists of the following;

<u>Investments in Joint-Ventures</u>	<u>PBWA</u>	<u>PWR-JWLC</u>	<u>Total</u>
Balance – beginning of year	\$ 20,731,922	\$ 909,064	21,640,986
Change in investment in joint-ventures	<u>1,567,738</u>	<u>14,654</u>	<u>1,582,392</u>
Balance – end of year	<u>\$ 22,299,660</u>	<u>\$ 923,718</u>	<u>\$ 23,223,378</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, 2023:

<u>Description</u>	<u>June 30, 2023</u>
Balance – beginning of year	\$ 20,731,922
Share of net income	<u>1,567,738</u>
Balance – end of year	<u>\$ 22,299,660</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2023, including the participants' approximate percentage shares:

<u>Description</u>	<u>June 30, 2023</u>	<u>District Share 50%</u>
Total assets	<u>\$ 48,847,751</u>	
Total liabilities	\$ 4,248,431	
Total net position	<u>44,599,320</u>	<u>\$ 22,299,660</u>
Total liabilities and net position	<u>\$ 48,847,751</u>	

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 5 – 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, 2023, the District did not remit assessments 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, 2023:

<u>Description</u>	<u>June 30, 2023</u>
Balance – beginning of year	\$ 909,064
Share of net income	<u>14,564</u>
Balance – end of year	<u>\$ 923,628</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, 2023, including the participants' approximate percentage shares:

<u>Description</u>	<u>June 30, 2023</u>	<u>Member Share</u>		
		<u>City of Pomona</u> 25.8%	<u>WVWD</u> 45.1%	<u>RWD</u> 29.1%
Total assets	<u>\$ 5,907,296</u>			
Total liabilities	\$ 2,733,008			
Total net position	<u>3,174,288</u>	<u>\$ 818,966</u>	<u>\$ 1,431,604</u>	<u>\$ 923,718</u>
Total liabilities and net position	<u>\$ 5,907,296</u>			

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2023, were as follows:

Description	Balance July 1, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 261,340	\$ -	\$ -	\$ 261,340
Water rights	5,000	-	-	5,000
Construction-in-process	7,594,028	5,287,531	(7,581,931)	5,299,628
Total non-depreciable assets	7,860,368	5,287,531	(7,581,931)	5,565,968
Depreciable assets:				
Sources of supply	2,110,034	-	-	2,110,034
Pumping	10,845,354	337,033	-	11,182,387
Transmission and distribution system	76,408,003	6,077,144	(16,039)	82,469,108
Telemetry equipment	2,396,972	-	-	2,396,972
Office building and equipment	7,760,659	1,069,965	(34,770)	8,795,854
General plant	1,508,195	-	-	1,508,195
Transportation equipment	1,276,534	-	-	1,276,534
Total depreciable assets	102,305,751	7,484,142	(50,809)	109,739,084
Accumulated depreciation:				
Sources of supply	(1,323,551)	(68,053)	-	(1,391,604)
Pumping	(5,426,084)	(391,445)	-	(5,817,529)
Transmission and distribution system	(28,840,256)	(2,031,846)	16,039	(30,856,063)
Telemetry equipment	(1,159,465)	(103,852)	-	(1,263,317)
Office building and equipment	(3,335,947)	(446,917)	34,770	(3,748,094)
General plant	(539,424)	(71,194)	-	(610,618)
Transportation equipment	(751,092)	(119,115)	-	(870,207)
Total accumulated depreciation	(41,375,819)	(3,232,422)	50,809	(44,557,432)
Total depreciable assets, net	60,929,932	4,251,720	-	65,181,652
Total capital assets, net	\$ 68,790,300	\$ 9,539,251	\$ (7,581,931)	\$ 70,747,620

NOTE 7 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2023, were as follows:

Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year	Due in More Than One Year
\$ 332,690	\$ 335,960	\$ (286,818)	\$ 381,832	\$ 95,458	\$ 286,374

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 8 – BONDS PAYABLE

Water Revenue Refunding Bonds, Series 2022A were issued on September 7, 2021, in the amount of \$36,170,000 to refund \$16,460,000 of outstanding balance on the 2012 Series A Water Revenue Bonds and to refund \$16,395,000 of outstanding balance on the 2014 Series A Water Revenue Refunding Bonds. The prior obligations were issued to finance certain improvements and to finance a purchase contract. The bonds were issued at par. The refunding of the two debts provided the District with a net present value savings of \$3,926,597 and a cash flow savings of \$4,050,571.

These bonds mature in various amounts through December 1, 2042. Interest is payable semiannually on December 1 and June 1 at rates ranging from 0.317% to 2.863%. 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 2022A for the year ended June 30, 2023:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2022			June 30, 2023		
2021A Series Water Revenue Refunding Bonds	<u>\$ 36,170,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,170,000</u>	<u>\$ 1,380,000</u>	<u>\$ 34,790,000</u>

Maturities of the Water Revenue Refunding Bonds, Series 2022A and interest payments subsequent to June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,380,000	\$ 713,986	\$ 2,093,986
2025	1,735,000	706,784	2,441,784
2026	1,745,000	694,197	2,439,197
2027	1,770,000	677,172	2,447,172
2028	1,785,000	656,599	2,441,599
2029-2033	9,405,000	2,843,789	12,248,789
2034-2038	10,460,000	1,786,809	12,246,809
2039-2043	<u>7,890,000</u>	<u>463,832</u>	<u>8,353,832</u>
Total	36,170,000	<u>\$ 8,543,168</u>	<u>\$ 44,713,168</u>
Current	<u>(1,380,000)</u>		
Long-term	<u>\$ 34,790,000</u>		

The following is a summary of the changes in deferred amounts related to refunding for the year ended June 30, 2023:

Description	Balance	Additions	Deductions	Balance
	July 1, 2022			June 30, 2023
Deferred amounts related to refunding	<u>\$ 3,300,000</u>	<u>\$ -</u>	<u>\$ (165,000)</u>	<u>\$ 3,135,000</u>

The District will amortize this amount at \$165,000 per year until the fiscal year ended June 30, 2043.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

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

Description	2023
OPEB related deferred outflows	\$ 1,147,714
Net other post-employment benefits obligation(asset)	119,265
OPEB related deferred inflows	1,232,135

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, 2022. 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, 2022, the measurement period, the District's contributions totaling \$432,067 including 222,894 in current year premium payments, and an implied subsidy of \$209,173.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

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

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, 2022 and was determined by an actuarial valuation as of June 30, 2022. 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
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, 2023

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 OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2022 (Measurement date July 1, 2021)	\$ 6,532,532	\$ 7,491,156	\$ (958,624)
Changes for the year:			
Service cost	105,279	-	105,279
Interest	417,637	-	417,637
Differences in experience	(3,185)	-	(3,185)
Changes in assumption	-	-	-
Employer contributions	-	432,067	(432,067)
Net investment income	-	(990,225)	990,225
Benefit payments	(432,067)	(432,067)	-
Net changes	87,664	(990,225)	1,077,889
Balance at June 30, 2023 (Measurement date June 30, 2022)	\$ 6,620,196	\$ 6,500,931	\$ 119,265

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

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

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions

In fiscal year 2021-22, the measurement period, there were no changes to the actuarial assumptions.

Change of Benefit Terms

In fiscal year 2021-22, 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>\$ 988,519</u>	<u>\$ 119,265</u>	<u>\$ (595,407)</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>\$ (655,704)</u>	<u>\$ 119,265</u>	<u>\$ 1,082,732</u>

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

For the year ended June 30, 2023, the District recognized OPEB expense/(credit) of (\$50,694). At June 30, 2023, 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	\$ 375,809	\$ -
Changes in assumptions	-	(489,293)
Differences between expected and actual experience	42,306	(742,842)
Differences between projected and actual earnings on OPEB plan investments	729,599	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 1,147,714</u>	<u>\$ (1,232,135)</u>

ROWLAND WATER DISTRICT*Notes to Financial Statements**June 30, 2023*

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 \$375,809 as deferred inflows 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, 2024. 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
2024	\$ (87,436)
2025	(84,115)
2026	(109,261)
2027	111,889
2028	(109,602)
Thereafter	<u>(181,705)</u>
Total	<u>\$ (460,230)</u>

At June 30, 2023, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

NOTE 11 – PENSION PLAN**Summary**

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

Description	2023
Pension related deferred outflows	\$ 4,936,428
Net pension liability	4,209,131
Pension related deferred inflows	2,346,298

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, 2023

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 2022	12.200%	7.590%

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, 2022 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, 2022 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	13	10	23
Transferred and terminated members	14	8	22
Retired members and beneficiaries	23	-	23
Total plan members	50	18	68

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, 2023***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, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 2,010,919	\$ 84,154	\$ 2,095,073

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2023:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	
Measurement Date	June 30, 2022	June 30, 2021	
Percentage of Risk Pool Net Pension Liability	0.089954%	0.162546%	-0.072592%
Percentage of Plan Net Pension Liability	0.036440%	0.057069%	-0.020629%

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2023

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, 2022, 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, 2021 (Measurement Date)	\$ 22,346,370	\$ 19,259,940	\$ 3,086,430
Balance as of June 30, 2022 (Measurement Date)	\$ 23,423,289	\$ 19,214,158	\$ 4,209,131
Change in Plan Net Pension Liability	<u>\$ 1,076,919</u>	<u>\$ (45,782)</u>	<u>\$ 1,122,701</u>

For the year ended June 30, 2022, the District recognized pension expense of \$1,293,889. At June 30, 2023, 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	\$ 2,095,073	\$ -
Difference between actual and proportionate share of employer contributions	1,515,047	(77,320)
Adjustment due to differences in proportions	39,466	(2,212,365)
Differences between expected and actual experience	84,528	(56,613)
Differences between projected and actual earnings on pension plan investments	771,001	-
Changes in assumptions	431,313	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 4,936,428</u>	<u>\$ (2,346,298)</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, 2023

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 \$2,095,073 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, 2024. 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
2024	\$ 42,255
2025	5,346
2026	(24,115)
2027	471,571
Total	\$ 495,057

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021, total pension liability. The June 30, 2022, 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	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% 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, 2023

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^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1%	Discount	+ 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 6,036,841	\$ 3,086,430	\$ 647,367

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2023

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, 2022, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30, 2023:

Description	June 30, 2023	June 30, 2022
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 5,565,968	7,860,368
Capital assets, net – being depreciated	65,181,652	60,929,930
Deferred amounts related to refunding of debt	3,135,000	3,300,000
Bonds payable – current portion	(1,380,000)	-
Bonds payable – non-current portion	<u>(34,790,000)</u>	<u>(36,170,000)</u>
Total net investment in capital assets	<u>\$ 37,712,620</u>	<u>\$ 35,920,298</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, 2023

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, 2022 – 396 member districts
D. Governing board	Nine representatives employed by members
E. Condensed financial information	September 30, 2022
Audit dated	February 7, 2023
Statement of financial position:	Sept 30, 2022
Total assets	<u>\$ 246,615,214</u>
Deferred outflows	<u>6,108,562</u>
Total liabilities	<u>137,126,606</u>
Deferred inflows	<u>2,813,249</u>
Net position	<u><u>\$ 112,783,921</u></u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 175,619,417
Total expenses	<u>(212,646,028)</u>
Change in net position	(37,026,611)
Beginning – net position	<u>149,810,532</u>
Ending – net position	<u><u>\$ 112,783,921</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, 2023

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, 2023, 2022, and 2021. 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, 2023, 2022, and 2021.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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

The District has evaluated subsequent events through January 9, 2024, the date which the financial statements were available to be issued.

Required Supplementary Information

ROWLAND WATER DISTRICT*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023***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%
June 30, 2021	0.05707%	3,086,430	2,715,233	113.67%	86.19%
June 30, 2022	0.03644%	4,209,131	2,572,145	163.64%	82.03%

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.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

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

ROWLAND WATER DISTRICT

Schedule of the District's Contributions to the Defined Benefit Pension Plan For the Year Ended June 30, 2023

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)	-	2,715,233	23.65%
June 30, 2022	710,829	(3,072,829)	(2,362,000)	2,572,145	119.47%
June 30, 2023	657,138	(2,095,073)	(1,437,935)	3,094,346	67.71%

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%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.30%	6.90%

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 nine 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, 2023

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:						
Service cost	\$ 105,279	\$ 152,983	\$ 145,698	\$ 124,022	\$ 99,230	\$ 121,597
Interest	417,637	442,272	417,667	427,189	394,763	450,304
Changes of assumptions	-	(168,050)	-	(262,190)	-	(526,713)
Differences between expected and actual experience	(3,185)	(410,394)	51,531	(253,977)	11,333	(710,721)
Changes of benefit terms	-	-	-	-	151,163	-
Benefit payments	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)	(154,372)
Net change in total OPEB liability	87,664	(249,965)	393,672	(150,732)	477,337	(819,905)
Total OPEB liability - beginning	6,532,532	6,782,497	6,388,825	6,539,557	6,062,220	6,882,125
Total OPEB liability - ending	6,620,196	6,532,532	6,782,497	6,388,825	6,539,557	6,062,220
Plan fiduciary net position:						
Contributions - employer	432,067	1,686,776	641,224	605,776	599,152	574,372
Net investment income	(990,225)	1,194,246	166,568	264,426	203,849	261,561
Administrative expense	-	-	-	-	(10,222)	(850)
Benefit payments	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)	(154,372)
Net change in plan fiduciary net position	(990,225)	2,614,246	586,568	684,426	613,627	680,711
Plan fiduciary net position - beginning	7,491,156	4,876,910	4,290,342	3,605,916	2,992,289	2,311,578
Plan fiduciary net position - ending	6,500,931	7,491,156	4,876,910	4,290,342	3,605,916	2,992,289
District's net OPEB liability	\$ 119,265	\$ (958,624)	\$ 1,905,587	\$ 2,098,483	\$ 2,933,641	\$ 3,069,931
Plan fiduciary net position as a percentage of the total OPEB liability	98.20%	114.67%	71.90%	67.15%	55.14%	49.36%
Covered-employee payroll	\$ 3,301,898	\$ 3,095,166	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510	\$ 2,174,023
District's net OPEB liability as a percentage of covered-employee payroll	3.61%	-30.97%	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, 2019 – There were no changes in benefits
Measurement Date June 30, 2020 – There were no changes in benefits
Measurement Date June 30, 2021 – There were no changes in benefits
Measurement Date June 30, 2022 – 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
Measurement Date June 30, 2021 – There were no changes in benefits
Measurement Date June 30, 2022 – There were no changes in benefits

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

ROWLAND WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan For the Year Ended June 30, 2023

Fiscal Year Ended	Last Ten Fiscal Years*					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 393,663	\$ 296,665	\$ 308,417	\$ 354,481	\$ 343,260	\$ 343,260
Contributions in relation to the actuarially determined contributions	(375,809)	(1,686,776)	(641,224)	(605,776)	(599,152)	(599,152)
Contribution deficiency (excess)	\$ 17,854	\$ (1,390,111)	\$ (332,807)	\$ (251,295)	\$ (255,892)	\$ (255,892)
Covered payroll	\$ 3,301,898	\$ 3,095,166	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510	\$ 2,174,023
Contributions as a percentage of covered payroll	11.38%	54.50%	22.45%	22.20%	26.22%	27.56%

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2021	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	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Inflation	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Mortality	(2)	(2)	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%	80%	80%
Healthcare trend rates	(5)	(5)	(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 six years are shown.

Supplementary Information

ROWLAND WATER DISTRICT*Schedule of Other Operating Expenses**For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
Other Operating Expenses:		
Certification, fees and permits	\$ 151,449	\$ 104,310
Engineering	253,805	271,696
Maintenance and operations	67,723	64,807
Small tools and supplies	44,406	45,252
Water tests	<u>27,577</u>	<u>27,210</u>
Total Other Operating Expenses	<u><u>\$ 544,960</u></u>	<u><u>\$ 513,275</u></u>

ROWLAND WATER DISTRICT*Schedule of General and Administrative Expenses**For the Year Ended June 30, 2023 (With Comparative Amounts as of June 30, 2022)*

	<u>2023</u>	<u>2022</u>
General and Administrative Expenses:		
Salaries and wages	\$ 1,533,509	\$ 1,438,795
Payroll taxes	237,782	227,177
Employee benefits	658,953	609,805
OPEB expenses	(231,818)	(362,575)
Pension expenses	1,469,987	1,372,972
Director's fees and expenses	154,659	156,700
Bank service charges	198,600	174,141
Community outreach	125,054	255,445
Conferences, training and travel	167,328	143,167
Conservation rebate program	101,615	37,865
Information technology	476,192	387,085
Insurance – liability and workers' compensation	227,222	187,529
Membership fees and dues	51,914	47,346
Miscellaneous	157,053	127,649
Office supplies	28,780	41,467
Professional services	194,808	129,245
Repairs and maintenance	40,393	35,130
Service contracts	376,316	410,111
Taxes, permits and fees	13,754	12,893
Uncollectable accounts	(13,326)	(67,516)
Utilities	127,364	115,444
Vehicle expenses	<u>135,932</u>	<u>120,658</u>
Total General and Administrative Expenses	<u><u>\$ 6,232,071</u></u>	<u><u>\$ 5,600,533</u></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, 2022, 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 January 9, 2024.

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 or significant deficiencies 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
January 9, 2024

February 13, 2024

ITEM NO. 3.4

ROWLAND WATER DISTRICT

TO: Honorable President and Members of the Board

SUBMITTED BY: Tom Coleman, General Manager

PREPARED BY: Myra Malner, Director of Finance

SUBJECT: *Consider Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS)*

PURPOSE:

To request that the Board of Directors adopt the Public Agencies Post-Employment Benefits Trust, authorize the General Manager to enter into a revised Agreement for Administrative Services with PARS and the transfer of all amounts held in Rowland Water District's (District) existing Other Post-Employment Benefits (OPEB) Trust account with PARS to the OPEB Section 115 Trust account under the combination trust.

BACKGROUND:

The District contracts with the California Public Employees' Retirement System (CalPERS) for its employee defined-benefit pension plan. With CalPERS, the District is subject to funding policy fluctuations, investment projections, investment performance and actuarial assumptions which impacts the funding level commitment required on an annual basis and unfunded liability carried by the District.

Over the past months, staff has been discussing the District's options for enhancing the pension funding framework to help mitigate impacts of rising pension costs. As a result of these discussions, staff is recommending the establishment of an Internal Revenue Code Section 115 trust (Section 115 trust) for pre-funding the pension obligations of the District.

Currently, the District is participating in a Section 115 trust for pre-funding its OPEB liabilities. As of December 31, 2023, there was approximately \$7.4 million in the District's OPEB Section 115 trust account. The 10-year annualized investment return for the OPEB Section 115 trust account is at 5.58%, with a moderate investment strategy and managed by PFM Asset Management (formerly known as HighMark Capital Management). In addition, PARS offers a Pension Rate Stabilization Program 115 trust specifically designed to address pension liabilities and stabilize future pension costs. Furthermore, PARS has created an IRS-approved and tax-exempt combination Section 115 trust (combination trust) that can be used by local agencies to set aside funds for both future OPEB and pension expenses.

Staff recommends the establishment of a combination Section 115 trust with PARS as the trust administrator and PFM Asset Management as the investment manager. The combination trust will replace the existing OPEB Section 115 trust account. In addition, the combination trust will have one account for the existing OPEB assets and the other account will be for pre-funding pension liabilities. Furthermore, in the combination trust, funds contributed for pre-funding OPEB and pension liabilities are separately accounted for.

RECOMMENDATION:

It is recommended by staff that the Board of Directors adopt the Public Agencies Post-Employment Benefits Trust, authorize the General Manager to enter into a revised Agreement for Administrative Services with PARS and the transfer of all amounts held in the District's existing OPEB Trust account with PARS to the OPEB 115 Account under the combination trust.

ATTACHMENTS:

Attachment 1: Resolution 2.1-2024 Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services

Attachment 2: Agreement for Administrative Services



RESOLUTION NO. 2.1-2024

**RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS
OF THE ROWLAND WATER DISTRICT
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)**

WHEREAS, the Rowland Water District (the "District") is currently participating in the Public Agencies Post-Retirement Health Care Plan Trust for the prefunding of its retiree health benefits and other post-employment benefits other than pension benefits ("OPEB"); and

WHEREAS, the District desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation that will be held in trust for the exclusive purpose of making future contributions of the District's required pension contributions and any employer contributions in excess of such required contributions at the discretion of the District; and

WHEREAS, PARS has made available the Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding both pension obligations and/or OPEB obligations as specified in the District's plans, policies and/or applicable collective bargaining agreements; and

WHEREAS, the District is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the District can manage the pre-funding of its pension and OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS, the District's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the District's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the District reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Governing Board of the District hereby adopts the Public Agencies Post-Employment Benefits Trust, effective February 13, 2024; and
2. The Governing Board of the District hereby appoints the General Manager, or his/her successor or his/her designee as the District's Plan Administrator for the Program; and
3. The District's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the District and to take whatever additional actions are necessary to maintain the District's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the District's Program; and
4. The Governing Board of the District, in accordance with Section 3.3 of the Public Agencies Post-Retirement Health Care Plan Trust adopted effective March 8, 2011, hereby authorizes the withdrawal from said trust and directs the transfer of assets held in said trust to the OPEB Account established in the name of the District under the Public Agencies Post-Employment Benefits Trust, adopted herewith.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors held February 13, 2024, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

_____, the Secretary of the Governing Board of the Rowland Water District, hereby certifies that the above foregoing resolution was duly and regularly adopted by said District at a regular meeting thereof held on February 13, 2024, and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2024.

Tom Coleman
Secretary of the Governing Board

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2024, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the Rowland Water District ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or Other Post-Employment Benefits ("OPEB") obligations ("Plan") and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any confidential information received from PARS, relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law, but only to the extent such information is clearly labeled as confidential information, by PARS, at the time it is provided to the Agency.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this

Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: Rowland Water District; 3021 Fullerton Road, Rowland Heights, CA 91748; Attention: General Manager

Notices shall be deemed given on the date received by the addressee.

16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning February 13, 2024 and ending February 12, 2027 ("Term"). This Agreement may be terminated at any time by giving ninety (90) days written notice to the other party of the intent to terminate. Absent a ninety (90) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.

17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY:

Tom Coleman

TITLE:

General Manager

DATE:

PARS:

BY:

Tod Hammeras

TITLE:

Chief Financial Officer

DATE:

EXHIBIT 1A
SERVICES

PARS will provide the following services for the Rowland Water District Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$1	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms
2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)
3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)
4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.



RESOLUTION NO. 2.2-2024

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROWLAND WATER DISTRICT AMENDING THE POLICIES, RULES AND REGULATIONS APPLICABLE TO DISTRICT EMPLOYEES

WHEREAS, the General Manager and executive staff have undertaken a review of the District's Rules and Regulations governing District Personnel and has requested the law firm of Best Best & Krieger to review the Rules and Regulations and to advise the District on whether changes are needed; and,

WHEREAS, based upon the review, **Best Best & Krieger LLP** have recommended certain modifications to the District's Rules and Regulations to align the document with current legal requirements;

WHEREAS, the District's Personnel Rules and Regulations have not been updated since 2015. In the time that has since passed, significant legal changes have occurred for employers in the State of California. Consequently, the District is now integrating revisions into the following sections to ensure that the document complies with current legal requirements. The referenced District's Rules and Regulations, as well as the Employee Acknowledgement, are incorporated as reference herein.

WHEREAS, the Board of Directors has reviewed the recommended changes and additions and has determined that the policies of the District governing District employees should be amended consistent with the recommendations of the General Manager and Best Best & Krieger, and that the standalone policies in the District Personnel Rules and Regulations be updated to reflect the amended policies of the Board.

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

A. The Personnel Rules and Regulations of the District governing employees of the District be amended as follows effective January 1, 2024:

1. Purpose and Administration: Section 1

The District hereby incorporates revisions to Section 1 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

2. Employment and Separation: Section 2

The District hereby incorporates revisions to Section 2 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

3. Compensation, Hours and Benefits: Section 3

The District hereby incorporates revisions to Section 3 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

4. Time Off: Section 4

The District hereby incorporates revisions to Section 4 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

5. Employee Rights: Section 5

The District hereby incorporates revisions to Section 5 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

6. Employee Standards of Conduct: Section 6

The District hereby incorporates revisions to Section 6 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

7. Discipline: Section 7

The District hereby incorporates revisions to Section 7 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

8. Performance Evaluation: Section 8

The District hereby incorporates revisions to Section 8 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

9. Right to Amend, Delete or Suspend: Section 9

The District hereby incorporates revisions to Section 9 of the Personnel Rules and Regulations to ensure the document aligns with current legal requirements. The referenced

District's Rules and Regulations as amended as well as the Employee Acknowledgement are incorporated herein.

B. Any standalone policies in the District Personnel Rules and Regulations that are amended by the changes to the policies in Section A of this Resolution are hereby updated to reflect those changes.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors held February 13, 2024, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SZU PEI LU-YANG
Board President

ATTEST:

TOM COLEMAN
General Manager



PERSONNEL RULES and REGULATIONS

3021 Fullerton Road

Rowland Heights, CA 91748

(562) 697-1726

(Revised and Adopted February 13, 2024)

PERSONNEL RULES AND REGULATIONS

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SECTION 1. PURPOSE AND ADMINISTRATION

1.1 Purpose and Introduction

For employees who are commencing employment with the Rowland Water District (hereinafter the "District"), let me extend a warm and sincere welcome. For employees who have been with us, thank you for your past and continued service.

These Personnel Rules and Regulations (hereinafter "personnel policy") is designed to help employees get acquainted with the District. It describes some basic terms and conditions of employment with the District.

Employees are expected to read these personnel policies carefully and to know and understand its contents. The District reserves the right to make changes to this Handbook. Employees are responsible for knowing about and understanding those changes once they have been disseminated. The District also reserves the right to interpret the provisions of this Handbook. For this reason, employees should check with the Human Resources Department to obtain information regarding specific employment guidelines, practices, policies or procedures.

Employees should not interpret anything in this policy manual as creating a contract or guarantee of continued employment. In addition, these personnel policies are not intended to cover all possible situations that may arise in your employment relationship with the District.

The personnel policies are the property of the District and are intended for the personal use and reference by employees of the District.

Every employee is responsible for completing the following within two weeks of receiving these policies: reading and signing the Acknowledgment Form and returning it to the Human Resources Department. This Acknowledgment Form contains important points for employees and provides the District with a record that each employee has received this Handbook.

1.2 Equal Opportunity Employment

The District is an Equal Opportunity Employer that does not discriminate on the basis of race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, age (40 years and older), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning (or is perceived to be transitioning), sexual orientation, sex stereotyping, reproductive health decision making (protected under section 12920 of the Government Code in California) marital status, domestic partner status, military service and veteran

status, physical and/or mental disability (including HIV and AIDS), legally protected medical condition or information (including genetic information,) protected medical leaves (requesting or approved), status as a victim of status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, or any other basis protected by local, state or federal laws. Any such discrimination is unlawful and all persons involved in the operations of the District are prohibited from engaging in this type of conduct. Please contact the Accounting/Human Resources Manager if you have any questions or concerns.

The District's management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities, access to facilities and programs and general treatment during employment.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the Accounting/Human Resources Manager. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations conducted pursuant to this policy.

The District utilizes the same complaint procedures for complaints of discrimination as it does for complaints of harassment. Please see the separate policy prohibiting employee harassment. California law and the District also prohibit retaliation against any employee for making a good faith complaint of discrimination or for cooperating, assisting, testifying, or participating in any of the discrimination complaint procedures in the separate policy prohibiting employee harassment.

1.3 Reasonable Accommodation Policy

To carry out the District's commitment to providing equal opportunity for all applicants and employees, the District will provide reasonable accommodations, including as required under applicable laws, in accordance with this policy.

Reasonable Accommodations Related to Disability and Religion: The District will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the "ADA") and California law, and for applicants and employees based on their sincerely-held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify the District's Accounting/Human Resources Manager.

Reasonable Accommodations Relating to Pregnancy: The District will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable. Such accommodations may consist of:

- Modified work duties or a modified schedule to permit earlier or later hours or more frequent breaks; stools, chairs or other furniture; modified or acquired equipment or devices; reduced work hours; or other accommodations,
- Temporary transfers to a less strenuous or less hazardous position, if such transfer can be reasonably accommodated, or
- A “Pregnancy-Related Disability Leave” if the employee is disabled by pregnancy, as described in the District’s leave of absence policy.

Employees seeking a pregnancy-related accommodation, including transfer under this policy, should notify the District’s Human Resources Department. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her pregnancy or her coworkers).

Reasonable Accommodations for Victims of Domestic Violence, Stalking, or Sexual Assault: The District will also provide reasonable accommodations for an employee who is the victim of domestic violence, stalking or sexual assault if: (i) the employee has disclosed that status to the District, and (ii) the employee requests an accommodation for the employee’s safety while at work.

In such circumstances, the District will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation. In this process, the employee may be asked to provide: (i) a written statement, signed by the employee or someone acting on the employee’s behalf, certifying that the accommodation is for the purposes stated above, and (ii) a certification confirming the employee’s status as a victim of domestic violence, sexual assault or stalking. Six months after the date of each previous certification, the District may request a recertification of such status. The District will maintain any such certification as confidential if it identifies the employee as a victim of domestic violence, sexual assault or stalking, disclosing such information only as required by law, or as needed to protect the employee’s workplace safety, and with prior notice of such disclosure to the employee.

Retaliation and Discrimination Prohibited: The District prohibits discrimination, discharge, retaliation, or any other unlawful acts against an individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in the District’s separate policy on harassment, discrimination and retaliation, the District prohibits unlawful harassment, discrimination or retaliation against any employee on the basis of an individual’s disability, religion, religious creed, sex (including pregnancy, childbirth

and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

1.4 Criteria for Selection and Promotion

The District is an Equal Opportunity Employer and shall select, retain and promote employees on the basis of knowledge, fitness, merit, and efficiency and by selecting the candidate that is best qualified for the available position. Employees selected for certain positions may be required to fulfill a probationary period, as explained more fully herein.

1.5 Nepotism

A spouse or domestic partner of a District employee may not be precluded from employment unless there is a supervision, safety, security or morale problem involved in the placement of the employee in the same department as a spouse or domestic partner, creating a potential conflict of interest or other hazards greater for married couples or domestic partners than for other persons.

If a District employee marries another person employed by the District within the same department, both employees shall be allowed to retain their respective positions provided that a supervisory relationship does not exist between the couple. During the period of employment, no supervisory position shall exist between the two employees. For the purpose of this section, a supervisory relationship shall be defined as one in which one person exercises the right to control, direct, reward, or punish another person by virtue of the duties and responsibilities assigned to his or her position.

The District also retains the right to refuse to place both spouses in the same department, division or facility where such has the potential to create adverse impact on supervision, safety, security or morale or involves potential conflicts of interest.

Where the circumstances mandate that two spouses shall not work together, the General Manager will attempt to transfer one spouse to a similar position in another department. Although the wishes of the involved parties as to which spouse is to be transferred will be given consideration by the General Manager, the controlling factor in determining which spouse is to be transferred shall be the positive operation and efficiency of the District. If any such transfer results in a reduction in salary or compensation, the same shall not be considered disciplinary in nature and shall not be the subject of any form of administrative appeal.

1.6 Application of Personnel Policies

Unless specifically stated otherwise, the District's personnel rules and regulations shall apply to all officers and exempt and non-exempt employees with exception to members of the Board of Directors, the General Manager, at-will employees,

temporary employees, uncompensated volunteers, or persons contractually engaged to supply expert, professional, technical or similar services.

Section 5 (Employee Rights) and Section 6 (Employee Standards of Conduct) apply to all members of the Board of Directors, the General Manager, officers, exempt and non-exempt employees, at-will employees, temporary employees, uncompensated volunteers, and persons contractually engaged to supply expert, professional, technical or similar services.

The Board has delegated to the General Manager the authority to provide day-to-day supervision of employees. The General Manager shall have the authority to hire, fire, assign duties to, and direct the activities of all District employees. The General Manager shall also have the authority to establish District employee positions and job classifications subject to periodic review of the Board.

1.7 No Contract Created

These rules do not create any contract of employment, express or implied, or any right in the nature for a contract. This manual does not intend to constitute a guaranty of future employment.

SECTION 2. EMPLOYMENT AND SEPARATION

2.1 Employee Status

On original appointment every employee except at-will employees, shall serve a probationary period of six (6) months of actual and continuous service. Probation may be extended by an additional six (6) months upon written notice to the employee. Every employee shall be at-will during the course of his or her probationary period and may be discharged with or without cause, without right of appeal or so-called Skelly rights. If the employee's performance is satisfactory during the probationary period, the employee shall be considered a full-time permanent employee on the first day of the month following the completion of the probationary period.

At the discretion of the Supervisor, the full-time permanent employee may receive a merit increase upon satisfactory completion of the probationary period. Employee's eligibility for benefits shall vest pursuant to the period outlined in policy or as required by law, regardless of any probationary period.

All promotional appointments shall be tentative and subject to a new probationary period of: six (6) months of actual and continuous service. Probation may be extended by an additional six (6) months upon written notice to the employee. At the end of any two-month period of probation the supervisor will prepare a statement of appraisal including a report on performance with the probationer.

If, at any time during the probation period, the probationer has not performed the duties of the position in a satisfactory manner, then the employee may be discharged.

The immediate supervisor shall file a recommendation with the General Manager stating that the retention of such probationer in the position is not desirable. The General Manager will evaluate the recommendation, and if necessary, process the discharge of such probationer.

At-will employees do not serve a probationary period. Their employment is always at the will of the Board of Directors or the General Manager. They can be terminated at any time without cause or right to appeal. The current and only list of at-will employees includes: the General Manager and temporary and part-time employees. At its sole discretion, the District may designate any new or unfilled position as at-will.

2.1.1 Objective of Probationary Period

The probationary period shall be regarded as a part of the testing process and shall be utilized for closely observing an employee's work for securing the most effective adjustment of a new employee to his/her position, and for rejecting any probationary employee, for any reason, including but not limited to a determination

that the probationary employee's performance does not meet the required standards of work or that the needs of the District have changed. A probationary employee's employment may be terminated at any time without cause or right of appeal.

2.1.2 Rejection of a Probationer After Promotion

Any full-time permanent employee rejected during the probationary period following a promotional appointment shall be reinstated to the position from which he/she was promoted provided that the position has not been filled and is still available, unless a formal employee evaluation is prepared and he/she is discharged or demoted to an open position for cause in the manner provided in the Personnel Rules and Regulations.

2.1.3 Production, Distribution and Facilities Security Stand-By Policy

Designated employees who, as part of their duties, are responsible for the operations and maintenance of District facilities are required, at assigned times, to be available for work during non-regularly scheduled hours. All field classified employees are subject to rotating stand-by duty assignments. When assigned stand-by duty, the employee must be fit for work, locally available, and reachable by District supplied cell phone.

Stand-by will be one week in duration (7 days), commencing at 7:00 A.M. Wednesday until 7:00 A.M. the following Wednesday. In the event a holiday falls on Wednesday, the next scheduled person will take over the stand-by responsibility at 4:30 P.M. on the previous Tuesday.

In the event of illness, injury, etc., if the person cannot stand their duty or remain on duty, the person next in rotation will take over, unless other arrangements are made.

2.1.4 Residency Policy for Field Employees

To ensure that designated District employees can quickly respond to an emergency event, all field classified employees assigned to standby duty must be capable of responding and reporting to the District service area boundaries within thirty (30) minutes, given moderate traffic conditions, to any call to service. Travel time from the employee's residence shall be estimated by Google maps or some equivalent software and approved by employee's supervisor.

2.1.5 Full-Time/Part-Time/Temporary

Full-time employees are employees who are regularly scheduled to work an average of thirty (30) hours per week or more. This category includes employees who work alternative work schedules.

Part-time employees are employees whose regularly scheduled hours of work are less than thirty (30) hours per week. Part-time schedules at the District are currently twenty (20) hours or less. Part-time employees are “at-will” employees.

Temporary employees are employees who are hired to work on a temporary or casual basis. Temporary employees are “at-will” employees.

2.2 Termination of Employment

2.2.1 Discharge

An employee who is within the probationary period or who is at-will may be discharged at any time without cause by the General Manager, and without right of appeal.

The General Manager shall have the authority to discharge any employee for cause, after the employee has completed the original probationary period following his/her hiring. “Cause” shall mean failure to satisfactorily perform the duties of the position or misconduct by the employee.

2.2.2 Layoff

At the discretion of the General Manager or in the judgment of the Board of Directors, the District, at any time, may layoff any full-time permanent employee as the result of staffing reorganization, reductions in funding sources, or a general reduction in work loads. The layoff process will take into account the employee’s ability and performance with the District and an employee who is laid-off will not have the right of appeal.

2.2.3 Resignation

An employee who wishes to leave the District’s employ in good standing shall submit a written resignation to his/her supervisor at least two (2) weeks prior to the day of resignation. Prior to leaving their employment with the District, the employee shall undergo an exit interview.

SECTION 3. COMPENSATION, HOURS AND BENEFITS

3.1 Determination of Compensation

Upon recommendation of the General Manager, the Board shall periodically review and establish compensation levels for all district employees.

3.2 Hours of Operation

The Board has adopted an alternative work schedule, which consists of nine-hour work days Monday through Thursday of each week from 7:00 A.M. to 4:30 P.M.; eight-hour work days on alternate Fridays from 7:00 A.M. to 3:30 P.M. and the remaining Fridays, the District will be closed. The designated Fair Labor Standards Act (FLSA) work week shall begin at 12:01 p.m. on Friday and end at 12:00 noon the following Friday.

3.3 Overtime

The District is subject to the federal FLSA standard for overtime. All employees who are classified as “non-exempt employees,” as defined under applicable laws or regulations, will be eligible for overtime pay. Exempt employees are not entitled to overtime pay. Overtime is typically defined under federal law as hours worked by non-exempt employees in excess of forty (40) hours in a workweek. As a public employer, the District is largely exempt from the state overtime regulations. Overtime must be approved by a supervisor/manager in advance before it is worked. Please note that only actual hours worked in a given workday or work week apply in calculating overtime. In other words, sick leave, vacation, holidays, or other paid time off is not considered hours worked for purposes of calculating overtime.

Overtime may be required of employees when deemed to be in the best interest of the District. The provision of a reliable water supply is a vital service to the community and as such requires the availability of District personnel at all times. Consequently, employees will be required to respond to emergency calls, accept periodic overtime assignments, and perform any and all duties deemed necessary by the District. Lacking a bona fide excuse satisfactory to the District, a failure to report when called could constitute cause for termination. No overtime is due when an employee works only the regularly scheduled hours under the alternative workweek.

3.3.1 Emergency Overtime

Emergency or unscheduled overtime work must be authorized by the employee’s immediate Supervisor, who shall report the event to the General Manager as soon as practical, but no later than the next workday. The Supervisor shall report employee name(s), hours worked, location of emergency and the reason for the overtime costs. In emergency situations whereby prior authorization cannot be

obtained and immediate action is necessary, the employee shall notify his/her supervisor after the overtime is worked, but no later than the end of the employee's next scheduled working day, that he/she worked the emergency overtime and the reasons why he/she could not obtain prior authorization before working the overtime.

3.3.2 Scheduled Overtime

Overtime, other than emergency overtime, shall be scheduled by the Supervisor. Scheduled overtime may be authorized by the Supervisor only after prior approval of the General Manager.

3.3.3 Payment for Overtime

- a. Overtime is time worked in excess of forty (40) hours in the FLSA work week, as that week is defined in Section 3.2, or in excess of the full-time employee's regularly scheduled day. Overtime is generally paid at time and a half their regular rate of pay. Pursuant to District policy, the District will pay double an employee's regular rate of pay for hours worked beyond twelve (12) hours in a single workday.
- b. Holiday hours, sick leave, and vacation hours shall not be considered hours worked for purposes of computing overtime pay.
- c. When an employee is called back to work after returning home or is called to work on a day when he/she would normally be off duty, or is called to work on a shift to which he/she is not assigned, he/she shall be paid at their overtime rate for all hours worked in excess of the full-time employee's regularly scheduled worked day or hours worked in excess of forty (40) hours per week.
- d. Each Supervisor shall maintain a daily record of all overtime worked by employees in their section.

3.4 Compensation for Stand-by (Production)

In the event a Telemetry alarm condition occurs, the stand-by person is to access the telemetry system from home using a laptop computer or iPad provided by the District; and, if possible, resolve the problem. An employee will be compensated for actual time worked by an employee to address a telemetry alarm from the employee's residence. This time will be compensated at the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

If the alarm condition cannot be resolved from home, the stand-by person is required to come into the District. The employee is entitled to a minimum of two (2) hours of reporting time pay at the employee's regular rate for reporting to work a second time in a 24-hour period, or actual time worked, whichever is greater.

Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

On closed Fridays, weekends and holidays, the employee on Stand-by shall access the Telemetry system from the employee's residence at least three times per day, morning afternoon and evening, to make sure the District's facilities are operating properly. Employees shall be compensated for each check at a rate of one-half hour of the employee's regular rate or for actual time worked, whichever is greater.

3.5 Compensation for Stand-By (Distribution)

If an employee is required to report to work a second time in one workday, the employee will be paid for at least two hours of reporting pay at the employee's regular rate, or for time actually worked, whichever is greater. Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

3.6 Compensation for Stand-By (Facilities Security)

Time spent by an employee to address a security alarm from the employee's residence will be paid at a minimum of one-half hour at the employee's regular rate or actual time worked, whichever is greater. This time will be compensated at the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

If the alarm condition cannot be resolved from home and a stand-by person is required to come to the District, the employee is entitled to a minimum of two (2) hours of reporting time pay at the employee's regular rate for reporting to work a second time in a 24-hour period, or actual time worked, whichever is greater. Actual time worked will be compensated at either the employee's regular rate or at time and a half of the employee's regular rate for hours worked in excess of the full-time employee's regularly scheduled day.

3.7 Pay Day

Employees shall be compensated twice a month on the business days nearest the 15th and the last day of the month.

3.8 Health, Dental, and Vision Insurance

For all full-time District employees who have successfully completed the original probationary period, or where otherwise required by law, the District will pay the full cost of health insurance coverage for the employee and his or her spouse and dependent(s) in accordance with a group plan provided for by the District. District paid health insurance is subject to the discretion of the Board of Directors, and the

plan may be changed or the District may pay less than the full cost of coverage. The District shall provide such benefits by the ninetieth (90th) day of employment, regardless of the employee's probationary status. The District also provides a group dental and vision program, and pays all of the premiums for the employee and dependent(s) at the discretion of the Board of Directors. The District can modify the group dental and vision program or pay less than the total cost of coverage.

3.9 Life Insurance

The District provides a life insurance benefit to all full-time District employees who have successfully completed six months of employment. As of the time the policy was drafted, general full-time District employees and Board of Directors are provided a maximum of \$50,000.00 life insurance benefit. General full-time District employees and Board of Directors are able to purchase an additional \$50,000 of life insurance at their expense at the District rate. Managers and Directors are allowed to purchase an additional \$100,000 of life insurance at their expense at the District rate and the General Manager is allowed an additional \$150,000.

3.10 Long Term Disability Benefits

The District provides long term disability insurance to all full-time District employees, who have successfully completed the original probationary period, at the discretion of the Board of Directors and subject to change. The District currently pays all of the premiums for long-term disability insurance; however the District reserves the right to modify the plan or the District's contribution

3.11 Retirement Benefits

The District participates in the California Public Employees Retirement System (CalPERS). The following policy is intended as a guideline only. Employees should refer to CalPERS for information regarding specific retirement entitlements. Generally, for current employees hired BEFORE January 1, 2013 and for new employees previously members of CalPERS who have not had a break in service of greater than six (6) months the District pays 100% of the contributions, both employer and employee contribution required by the plan. The District's contract with CalPERS provides employees with a 2.5% at 55, single highest year compensation retirement benefit. Social Security deductions are made from the employee's salary.

The table below provides information on the benefit formula, final compensation period and the employer and employee contribution rates effective January 1, 2013 for any employee hired AFTER January 1, 2013 who has not been a member of CalPERS or after a break in service of greater than six (6) months:

Benefit Formula

2% at Age 62

Final Compensation Period	36 consecutive months highest average pensionable compensation
Employer Contribution Rate	50% of the normal cost of the pension benefit
Employee Contribution	50% of the normal cost of the pension benefit
Social Security Deductions	Social Security deductions are made from the employee's salary and reimbursed by the District

3.12 Retiree Health Benefits

- a. **Eligibility.** Current full-time employees hired before January 1, 2013, and new employees previously members of CalPERS since before 2013 who have not had a break in service of greater than six (6) months, are eligible for post-retirement medical, dental, and vision benefits, if, at the time of retirement, they have been employed by the District for a minimum continuous period of fifteen (15) years and have attained a minimum age of fifty (50) years. All other employees are eligible for post-retirement medical, dental, and vision benefits, if, at the time of retirement, they have been employed by the District for a minimum continuous period of fifteen (15) years and have attained a minimum age of sixty-two (62) years.

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

- b. **Coverage for Employee and Spouse.** The District will pay the full cost for the retiree for medical, dental, and vision insurance. The District will provide benefits for the spouse of a retired eligible employee if the retiree was either (1) employed by the District prior to July 1, 2009 or was (2) otherwise eligible because of his or her twenty-five (25) years of service in the industry pursuant to the second paragraph in section (a). The spousal benefits are provided until the death of the spouse, divorce from the retiree, or remarriage of either party.

Where an employee was eligible for retirement and the above-stated spousal benefits but passes away prior to retirement, the District will provide

retiree health benefits to the surviving spouse of the deceased employee until the surviving spouse's death or remarriage. This benefit shall only be available to a surviving spouse if he or she was married to the eligible employee for at least one year prior to the employee's death.

- c. **Coverage for Dependents.** The District shall provide group medical insurance benefits at District expense for dependent children of retired eligible employees who are eligible for benefits for his or her spouse pursuant to paragraph (b). Dependent children mean unmarried children of the qualifying employee under nineteen (19) years of age and unmarried children between the ages of nineteen (19) and twenty-six (26) years who are IRS dependents of retired eligible employees.

Where an employee was eligible for retirement and the above-stated coverage for dependents but passes away prior to retirement, the District will provide the retiree health benefits to the surviving dependents of the deceased employee, so long as they would have qualified for such benefits except for the employee's passing and so long as they remain dependents of a surviving spouse who is covered pursuant to paragraph (b). This benefit shall cease upon coverage by any other source.

- d. **Coverage Upon Medicare Eligibility.** The District's coverage shall become secondary to Medicare or any other similar state or federal program providing such benefits upon the employee's eligibility for Medicare or any other similar state or federal program.
- e. **Substitution of Coverage.** The Board of Directors retains sole discretion to substitute other major medical, vision and dental coverage for the coverages currently provided.

3.13 Deferred Compensation

Employees are eligible to participate in the offered deferred compensation plans. This is a voluntary program which can provide for future additional benefits and offer income tax advantages for employees. Information about the plan can be obtained at the District's headquarters.

3.14 Payment at Separation

Any full-time employee who resigns, is laid off for lack of work, lack of funds, reorganization, retires under the provisions of the Public Employee's Retirement Law, or enters upon an extended military leave without pay, shall be paid for all of his/her accumulated vacation leave and accumulated earned compensatory time. In addition, retirees shall be paid 50% for hours earned up to 352 hours of unused sick leave or 176 hours maximum. Rate of compensation for sick leave payout shall be current hourly rate.

If the employee should die, his/her estate shall be entitled to his/her pay for accumulated vacation, compensatory time, and 50% for hours earned up to 352 hours of unused sick leave or 176 hours maximum.

3.15 Travel Allowance

3.15.1 Definitions

“District-related business” for purposes of this policy shall mean any meeting, conference, workshop, seminar, work assignment, or other activity which a District employee is directed or authorized by his or her supervisor to attend or perform as a part of his or her duties for the District.

“Meals and miscellaneous expenses” for purposes of this policy shall not include alcoholic beverages.

3.15.2 Mileage

Employees shall be reimbursed for mileage driven when they use their personal vehicles to travel outside the District on District-related business. Reimbursement shall be paid at the rate established by the Internal Revenue Service, for actual miles driven while engaged in District-related business. Mileage driven for side trips for personal reasons shall not be reimbursed. The mileage reimbursement rate is intended to cover the cost of gasoline, vehicle maintenance, wear and tear, repairs, and vehicle insurance and no separate reimbursement shall be allowed for such items. Mileage reimbursement shall be allowed only when determined by the supervisor that use of the employee’s own vehicle for travel is the most efficient means of travel to the specific location. If the supervisor determines that another means of travel would be more cost-effective, the employee shall not be entitled to reimbursement for the difference between the mileage rate and the cost of less expensive travel if he or she elects to use his or her own vehicle. District employees who receive an automobile allowance shall not be entitled to reimbursement for mileage or other expenses incurred in the use of their personal vehicle for District business.

3.15.3 Meals

Employees shall be entitled to reimbursement for the reasonable cost of the employee’s meals while the employee is out of the District on District-related business during normal meal times. Reimbursement for meals shall include actual expense for meals for the employee, but shall not include food, beverage, or entertainment of spouses or guests, unless such expense is authorized in advance by the General Manager. All meal expenses shall be itemized and supported by receipts, except that a receipt shall not be required if the individual expense is less than \$10.00. When the District pays for meals, which are included in a conference or seminar registration packet, the cost of outside meals will not be reimbursed.

3.15.4 Miscellaneous Expenses

Miscellaneous travel expenses, including, but not limited to telephone calls, shuttles, vans, taxis, car rental charges, parking fees, lodging, baggage handling, and tips shall be reimbursed to the extent that they are necessarily and reasonably incurred by the employee while traveling on District-related business. No reimbursement shall be made for expenses incurred in connection with spouses or guests, for entertainment or special activities provided in conjunction with conferences, or similar expenses not related to District business. Receipts shall be provided for all expenses and all expenses shall be itemized, except that a receipt shall not be required if the individual's itemized expense is less than \$10.00.

3.15.5 Maximum Reimbursements

Except in exceptional circumstances, (as determined by the General Manager) the maximum reimbursement for meals shall be \$100.00 per day and the maximum reimbursement for expenses for which the employee does not provide a receipt shall be \$25.00 per day.

3.16 Educational Reimbursement

The District shall reimburse up to \$7,500.00 per year, and not to exceed \$37,500 in total, of expenses actually incurred by a full-time permanent District employee for tuition, books, materials, parking, and other necessary and reasonable expenses of enrolling in and completing a qualifying course or courses. Qualifying courses are those which are directly related to improving the employee's job skills or knowledge with respect to his or her current position, or which qualify him or her for advancement to a higher job classification.

3.16.1 Qualification for Reimbursement

In order to qualify for reimbursement, the course or courses must meet the following criteria.

- a. The course must pertain to a subject that will materially advance the employee's job skills or job-related knowledge or provide the employee with a job-related certification related to the employee's current position or to a position with the District to which the employee seeks promotion.
- b. The course must be provided by an accredited college, university, trade school, or other institution which is recognized to provide quality education or training and is qualified to issue the certificate or degree sought.
- c. The employee must complete the course with a grade of "C" or better if letter grades are given. If letter grades are not given, the employee must maintain a passing score necessary to qualify for any certificate for which the course is given.
- d. Prior to registering or enrolling for a course, the employee must provide the General Manager with the course description and a schedule of tuition, fees

and costs for which reimbursement is requested, and obtain the prior written approval of the General Manager for the amount of reimbursable costs.

- e. By participating in the Educational Reimbursement Program, the employee commits to continue as a District employee for at least four (4) years after completing the course for which reimbursement is provided. In the event, the employee voluntarily leaves District employment less than four (4) years after completing the course for which reimbursement was provided, the employee shall refund to the District the entire amount paid by the District for reimbursement of costs for those courses completed less than four (4) years prior.
- f. Any employee choosing to participate in the Educational Reimbursement Program must first enter into an agreement with the District that is consistent with this policy. The agreement will make clear and the employee must acknowledge that he or she understands that a portion of the reimbursement of \$2,250 in any year is taxable income and is the responsibility of the employee. If no such agreement is entered into between the employee and the District, the District will have no obligation to provide any reimbursement described in the policy.

3.16.2 Reimbursable Costs

Subject to the maximum limit, the District shall reimburse 100% of costs actually and necessarily incurred by the employee for tuition, registration, parking permits, and other required fees and charges for a qualifying course(s), provided the employee obtained the prior approval of the General Manager. The District shall reimburse the costs of texts, publications, and other materials purchased by the employee which are required for a qualifying course. The total reimbursement to any individual employee under the Educational Reimbursement Program shall not exceed \$7,500.00 per fiscal, and under no circumstances may exceed \$37,500 in total. Reimbursement may be conditioned on the employee representing that he or she commits to remaining in the employ of the District for at least four (4) years from the date of finishing the course(s). The employee shall be entitled to retain any books and materials purchased for a qualifying course.

3.16.3 Request for Reimbursement

In order to receive reimbursement, the employee must submit a request with receipts for reimbursable costs, along with proof of completion of the eligible course with a grade of "C" or better, or a passing grade or score for courses which do not give letter grades. Reimbursement will be made within thirty-days of submittal of a request, provided the employee has met all requirements for eligibility.

3.17 Certification and Membership Fees

The District will pay for certification and membership fees for programs which improve the employees' knowledge and abilities as they relate to the District, provided the employee has obtained advance approval for the expense.

The General Manager shall have full responsibility in determining the necessity of said certification and memberships.

3.18 Boot Allowance

The District requires field employees to wear safety-toed shoes or suitable work boots. The District will provide an allowance/reimbursement for the cost of such shoes or boots to field employees. The allowance for safety-toed shoes or boots shall be \$450.00 per year for each employee, at a maximum of two pairs per year. The District shall reserve the right to increase the annual boot allowance up to 3% each year contingent upon the Consumer Price index as published by the US Department of Labor – Bureau of Labor Statistics. Any resulting increase shall be effective July 1st of each year. Such allowance shall also include in-soles and other related items that increase the life expectancy of the boot or as recommended by the District's Workers' Compensation carrier. An employee is not required to utilize their allowance but is expected to purchase new safety footwear as necessary. The Compliance and Safety Manager will authorize the purchase and review the safety boot/shoe specifications to determine if they meet the ANSI requirements/ratings. Upon authorization the employee will be given a boot voucher; however, if the employee elects to not use the voucher provided reimbursement shall be paid to the employee upon submission of receipts for authorized boot expenses.

SECTION 4. TIME OFF

4.1 Compensatory Time

At the discretion of the General Manager, employees may accrue up to forty-four (44) hours of compensatory time in lieu of overtime.

Compensatory time is defined as time worked in excess of the work week as defined in Section 3.2 or in excess of the employee's regular work day. Accumulated hours shall be compensated on a time-and-a-half basis by taking compensatory time off at the mutual convenience of the District and the employee.

4.2 Holidays

The following holidays are "paid" days off for District full-time Employees:

* New Year's Eve Day	December 31st - 1/2 day
New Year's Day	January 1st
Martin Luther King Day	January 15th/Celebrated on a Monday
President's Day	3rd Monday in February
* Good Friday	Friday before Easter - 1/2 day
Memorial Day	Last Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in November and the Friday following
* Christmas Eve Day	December 24th - 1/2 day
Christmas Day	December 25th
* General Manager's Discretion	

If a holiday falls on a Friday that the District is scheduled to be open, then the District will be closed on that Friday. If a holiday falls on a Friday that the District

is closed, the holiday will be credited as a “floating” holiday. If a holiday falls on the Saturday following the Friday the District is scheduled to be open, the holiday will be observed that Friday. If a holiday falls on a Sunday, the following Monday will be observed. If a holiday falls on a Saturday following the normally closed Friday, the day will be credited as a “Floating” holiday (to be used within the current fiscal year between July 1st and June 30th.)

4.3 VACATION

4.3.1 Eligibility

Only full-time permanent District employees are entitled to a vacation benefit. All other employees, other than full-time, permanent District employees are not entitled to paid vacation and are not covered by this section.

4.3.2 Vacation Accrual

YEARS OF SERVICE		Vacation Hours Per Pay Period
From	To	Completion of (x) th year
Date of Hire	5th	3.33
Beginning of 6th Year	15th	5.00
Beginning of 16th Year	& more	6.67

4.3.3 Vacation Maximum

Unless preauthorized, in writing, by the General Manager, employees are not permitted to accumulate more than 240 hours of vacation leave. When an employee reaches the 240-hour threshold, the District will automatically compensate the employee a minimum of 20 hours and up to 80 hours upon the authorization of the General Manager, thus reducing their total vacation accrual to 160 hours.

4.3.4 Scheduled Use of Vacation

Vacations may not be taken during an employee’s first year of employment unless approved by their department head and/or the General Manager.

Vacation use shall be scheduled in as far in advance as possible and must have prior approval of the employee’s supervisor or the General Manager. Vacation scheduling can be subject to change based on the ability to minimally meet District service levels. Vacation days may be accumulated to a maximum of 240 hours. By November 30 of each year, at the discretion of the General Manager, employees

may request payment, at their current rate, of any portion of accrued vacation over 160 hours.

4.3.5 Holidays During Vacation

In the event of one or more holidays falling within an annual vacation leave, such holidays shall not be charged as vacation.

4.4 Leaves

For purposes of this section, excessive leave, absence or tardiness, as determined by the employee's supervisor or the General Manager, is a quantity of absences, leaves or tardiness that significantly affects an employee's job function. The District shall not count any protected leaves required by law toward the excessive leave, absence or tardiness standard.

4.4.1 Management Leave

Only the following exempt employees shall receive management time off without loss of compensation in lieu of overtime or any other compensation. Management leave is granted each July 1 and hours will accrue only to a maximum that is equivalent to one year's management leave for his/her applicable category. During employment, an exchange for the cash equivalent of any accrued management leave will not be allowed. Management time off will be treated the same as personal leave for scheduling and approval purposes. Said annual management leave is not accruable and the exempt employee will not be compensated for any portion which is not used. Any unused time as of June 30th of each year will be forfeited.

Exempt employees shall receive the following annual management leave:

General Manager	Pursuant to Terms of Contract
Assistant General Manager	Eighty (80) hours
Director of Operations	Eighty (80) hours
Director of Finance	Eighty (80) hours
Executive Services Manager	Eighty (80) hours
Accounting/Human Resources Manager	Fifty-six (56) hours
Project Manager	Fifty-six(56) hours
Compliance and Safety Manager	Fifty-six (56) hours

4.4.2 Employee Attendance Incentive Program

A full-time employee shall be credited with one (1) day of sick leave for each month of employment (12 days per year) after 30 calendar days of service. If an employee is absent from work and misses more than five (5) consecutive days of service, that employee shall be required to provide verification of illness from a doctor to the General Manager. Sick leave may be used for the employee's own illness or injury, the illness or injury of a qualified family member or designated person, or any other use allowed pursuant to the Health Workplaces, Healthy Families Act (B 1522). The General Manager may ask for verification of illness for any absence following five days of sick leave usage.

Sick leave shall not be considered as a privilege which an employee may use at his/her discretion, but shall be allowed only in the case of necessity and actual sickness or disability incurred on or off the job. Employees may use one-half of their yearly accrual of sick leave (6 days) to attend to an ill or injured child, parent, spouse or domestic partner. Excessive use of sick leave or abuse of sick leave may be grounds for discipline.

Accrual of unused sick leave: Employees may accrue an unlimited number of days of sick leave to be used as needed for illness during employment.

Sick Leave Buy-Back: Employees who have accrued 352 hours or more of sick leave, have the option to exchange any portion of sick leave hours earned in the previous 12 months, 2 for 1, for cash at their current rate, or for vacation time.

Compensation for accrued sick leave upon retirement: Upon retirement, resignation or layoff of a full-time employee, employee shall receive as additional retirement benefits, an amount equal to 50% of unused sick leave pay for accrued hours up to 352 hours or a maximum of 176 hours.

4.4.3 Paid Sick Leave

Any employee not otherwise provided paid leave sufficient to cover at least forty (40) hours of absence on an annual basis for the reasons set forth in the District's Sick Leave Policy (e.g., sick leave or paid time off), shall be eligible for Minimum Paid Sick Leave. An employee who works thirty (30) or more days within a year from the commencement of employment is eligible for Minimum Paid Sick Leave.

Eligible employees will be granted forty (40) hours upon hire for use during the calendar year of their hire. Every year thereafter, on January 1st, each covered employee shall receive an annual grant of forty (40) hours of Minimum Paid Sick Leave for use during the calendar year. This annual grant does not roll over to the next calendar year and is not paid out upon termination of employment. The Minimum Paid Sick Leave entitlement and its use shall be reflected on the covered employee's regular pay stubs.

4.4.4 Bereavement Leave

In the event of a death in the employee's immediate family, the employee shall be granted five (5) days of paid bereavement leave. At the District's discretion, in the instance that the loss is of a spouse, domestic partner, child or stepchild, up to an additional seven (7) days shall be granted, constituting a maximum of up to twelve (12) days total paid bereavement leave. Additional days may be provided only upon a showing of good cause necessitating additional time off. Good cause for additional time may be shown, for instance, if the employee must attend a funeral outside the state or more than 400 miles outside the District boundaries.

"Immediate family," in this instance, shall mean spouse, domestic partner, parent, parent-in-law, step-parent, legal guardian, sibling, step-sibling, sibling-in-law, child, step-child, child-in-law, legal ward, grandchild, or grandparent. In the General Manager's discretion, the definition may be expanded to include aunt, uncle, aunt-in-law, cousin and uncle-in-law.

Verification of the need for and the duration of the leave or extenuating circumstances necessitating additional bereavement days may be requested.

4.4.5 Military Leave

Every employee of the District, who is a member of the United States Army, Navy, Marine Corps, or Air Force, or their reserve components, or the National Guard or Air National Guard, or the United States Coast Guard, shall be entitled to military leave in accordance with the applicable provisions of federal and state law.

4.4.6 Military Spouse Leave

Qualified California employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide the District with a written request for such leave within two business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to the District certifying that the military member will be on military leave from deployment.

4.4.7 Jury Duty Leave

All employees of the District are eligible for jury duty leave with pay when required by any legally constituted court to appear for jury service. To qualify for paid jury duty leave, employees shall furnish proof of attendance.

An amount equal to the per diem paid by the court to the employee will be deducted from the employee's pay. No deduction will be made for the value of mileage allowances, meals or lodging furnished by the court. Employee benefits will continue to accrue during the jury duty leave. Jury duty leave with pay shall not exceed ten (10) working days. All jury duty leave must be coordinated with the General Manager.

4.4.8 Leave Related to Domestic Violence, Sexual Assault or Stalking

The District will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. The District requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide the District with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the Sick Leave policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation to such time.

The District prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim of domestic violence, sexual assault, and/or stalking.

4.4.9 Crime Victims' Leave

The District will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. The District requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide the District with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation time to such leave.

4.4.10 Leave for Organ and Bone Marrow Donation

The District will grant an employee the following leaves of absence:

- Bone Marrow Donation: A paid leave of absence of up to five business days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- Organ Donation:
 - A paid leave of absence of up to 30 business days in any one-year period for the purpose of the employee donating the employee's organ to another person.
 - An additional unpaid leave of absence, not exceeding 30 business days in a one-year period, for the purpose of the employee donating the employee's organ to another person.

For leaves of absence under this policy that are paid, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five days of such paid sick or vacation time for a bone marrow donation and up to two weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to the District's Human Resources Department that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, the District will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, the District will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. The District may decline to restore an

employee because of reasons unrelated to the employee's exercise of rights under this policy.

4.4.11 School Activity Leave

School Activity Leave (SAL) applies to employers with twenty-five (25) employees at the same location. An employee is eligible to take if the employee:

- Is the parent or guardian of a student;
- Is the parent, guardian, or custodial grandparent of a child in kindergarten, grade school, or licensed day care.

"Parent" for purposes of this policy, means a parent, guardian, stepparent, foster parent, or grandparent of, or a person who stands in loco parentis to, a child.

Qualification For Leave

To qualify for this leave, an employee must be a parent and:

- Find, enroll, or reenroll their child in a school or with a licensed childcare provider;
- Participate in activities of the school or licensed childcare provider of their child;
- Address a childcare provider or school emergency.

Please note, under California law, the District is prohibited from discharging or discriminating against an employee who both: is the parent or guardian of a student; and takes time off, with reasonable notice, to appear at school because the student was suspended.

Duration of Leave

An employee may take a maximum to take up to 40 hours off per year, with reasonable notice to take SAL. The time off cannot exceed 8 hours in any calendar month of the year. An employee must elect to use paid accrued leaves concurrently (e.g. sick leave, vacation, etc.) in the same way they could for other qualifying purposes under the District's policies.

Notice Requirement

The employee is required to provide the District with reasonable notice of the need for SAL. The District may ask for proof that the employee utilized the time for child related-activities permitted under California law.

4.4.12 Kin Care Leave

Under California state law, employees who accrue sick leave are eligible for Kin Care Leave (KCL). An employee may use KCL for the following reasons:

- Diagnosis, care, or treatment of an existing health condition of the employee, or preventive care for, an employee or an employee's covered family member;
- For obtaining relief if the employee is a victim of domestic violence, sexual assault, or stalking.
- If the employee is a victim of domestic violence, sexual assault, or stalking, the employee may take time off to: obtain medical treatment, counseling or other victims' services, obtain or attempt to obtain any relief to help ensure the health, safety, or welfare of the employee or the employee's child, such as a temporary restraining order, restraining order, or other injunctive relief.

The number of days the employee can take off is calculated as an amount not less than the sick leave that would be accrued during 6 months of the employee's then-current rate of entitlement. Employees are able to use up to half of their sick leave for KCL. But, no more than one-half of the employees' annual accrued sick leave benefits can be counted as KCL. For a full-time career employee, for example, this would mean no more than 48 hours of sick leave can be counted as KCL.

To the extent possible, employees must provide reasonable advance notice of their need for leave under this policy. If the need for leave is not foreseeable, an employee must provide notice as soon as practicable.

A "family member" for the purposes of this policy is defined as a child (a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), a parent (a biological, adoptive or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), a spouse or registered domestic partner, a grandparent, grandchild and sibling.

Please note, leave under this statute runs concurrently with paid sick leave, and CFRA leave.

4.4.13 Reproductive Leave Loss

All employees who have been employed with the District for at least 30 days are entitled to take up to five (5) days of leave per reproductive leave loss occurrence, capped at twenty (20) days on an annual basis. The first five (5) days of such leave will be paid. All other remaining leave shall be unpaid unless an employee uses their accumulated leave balance. Such leave must be taken within three (3) months of the reproductive loss event.

A reproductive loss event is defined as failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction. If the employee would have been recognized as a parent if the aforementioned events were successful, the employee will be covered under this definition. This includes the employee, the employee's current spouse or domestic partner, or another individual if the person would have been a parent of a child as a result of the event.

4.4.14 Alcohol and Drug Rehabilitation Leave

Under California state law, employees who seek time off to voluntarily complete a rehabilitation program are eligible for this leave under this policy.

Employees may take reasonable unpaid leave as long as the leave does not cause the District an undue hardship. Employees may choose to use available sick leave concurrently with rehabilitation leave

4.4.15 Time Off To Vote

If an employee does not have sufficient time outside of working hours to vote at a statewide election, the employee may request up to two (2) hours of paid time off during working hours in order to vote. The General Manager will approve up to two (2) hours of paid time for such purposes. The time off should, so far as allowable, be provided at the beginning or end of the employee's shift, so as to minimize work disruption.

4.4.16 Personal Business

A full-time employee may use a maximum of three (3) days earned of sick leave in any calendar year for personal business. Personal business leave may be granted for one of the following reasons:

- a. Death of a member of the immediate family when additional leave is required beyond that provided in the bereavement leave section;
- b. Accident involving the employee's person or property, or the person or property of the employee's immediate family;
- c. Adoption of a child by an employee which necessitates legal adoption procedures during the normal working day or care for the child in its new home;
- d. An illness of an employee's family member which is serious in nature and under such circumstances, the employee cannot be expected to disregard, and which requires the attention of the employee during his/her assigned hours of service, and
- e. Two (2) days personal business may be used by an employee to attend to matters which must be taken care of during the assigned hours of service,

provided the employee requests the absence from his/her Supervisor/General Manager in advance of the leave and provided that not more than one each of the staff of field or office may be granted a leave under this provision for the same day.

4.4.16.1 Personal Business (Eligibility)

To be eligible for a Personal Business leave, the employee must contact his/her Supervisor or General Manager prior to the start of the regular work shift, provide the reasons for the requested absence, and gain approval from the Supervisor/General Manager. The District, at its discretion, may waive the above requirement when it deems an emergency existed which made it impossible for the employee to comply with the notification procedure.

4.4.16.2 Personal Business (Absence Request Form and Proof of Eligibility)

Upon return from an approved Personal Business absence, the employee shall be required to submit an Employee Absence Request form and, if required, provide proof that such absence was eligible under rules outlined for Personal Business absence.

4.4.17 Leave Without Pay

The General Manager may grant leaves of absence without pay to full-time employees. No employee shall be eligible for a leave of absence without pay until the employee has two (2) or more years of continuous employment in a full-time position. In special cases, the General Manager may waive the two (2) year employment requirement if in the best interest of the District. An employee is not eligible for a leave of absence without pay until all of the employee's accrued leave time with pay has been used. During the period of a leave of absence without pay, the employee shall not accept any other employment except with express written permission of the General Manager. An employee on such a leave may continue any insurance available to him/her as an employee by paying, in advance, all costs of such continued insurance. An employee granted leave, must return to work not later than the start of the first working day following the end of the leave. A leave of absence shall not exceed five (5) working days.

4.4.18 Job Abandonment

NOTIFICATION OF ABSENCE

Employees shall report to their Supervisor or to the General Manager by telephone or text their inability to report to work at their regularly scheduled time and the reason for the absence. Notification must be given prior to their regularly scheduled shift, but no later than thirty (30) minutes after the shift begins.

When an employee, who is absent without leave, fails to return to duty within 24 hours after notice to return is issued and confirmation of delivery is received by the

District, or by direct contact, shall be deemed to have voluntarily resigned. An employee, who is deemed to have voluntarily resigned, automatically waives all rights of appeal. However, prior to separation for job abandonment the employee will be allowed to present any justification for absence such as severe accident, severe illness, false arrest, or mental or physical impairment which prevented notification.

4.4.19 California Family Rights Act Leave

The California Family Rights Act (CFRA) authorizes eligible employees to take up a total of 12 weeks of paid or unpaid job-protected leave during a 12-month period. To be eligible for CFRA leave an employees must have worked for the employer for one year or more and completed 1250 hours. While on leave, employees keep the same employer-paid health benefits they had while working. Eligible employees can take the leave for one or more of the following reasons:

- The birth of a child (including the child of a domestic partner) or adoption or foster care placement of a child.
- To care for an immediate family member (spouse, domestic partner, child of any age, parent, sibling, grandparent or grandchild), or designated person (a designated person, means any individual related by blood or whose association with the employee is the equivalent of a family relationship. A designated person may be identified by the employee at the time the employee requests paid sick days) with a serious health condition.
- When the employee is unable to work because of a serious health condition (excluding pregnancy)
- A qualifying military exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child (of any age), or parent in the United States Armed Forces, as specified in Section 3302.2 of the Unemployment Insurance Code.

Employees must notify the District as soon as they are aware of the need for such leave. For foreseeable leave, the employee must provide 30 calendar days' advance notice. For events not foreseeable 30 days in advance, the employee must give notice as soon as is practicable, and generally must comply with the District's normal call-in or notice procedures. All requests for CFRA Leave should include enough information to make the District aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without a reasonable excuse for the delay, the District reserves the right to delay the start of the leave until at least 30 days after the date on which the employee does provide such notice. Once aware the employee needs leave, the District will inform the employee as to whether the employee is eligible under CFRA

for such leave. The District may request documentation evidencing the need for such leave as permitted by law.

Eligible employees who take CFRA Leave should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law.

If the District employs both parents who are entitled to CFRA Leave, both employees are entitled to 12 weeks of leave each.

The District will not discriminate against an employee for exercising CFRA rights or giving information or testimony as to the employee's or another person's CFRA Leave; nor will the District interfere with or limit the exercise or attempted exercise of such rights.

4.4.19.1 Part-Time, Etc. Employees

Part-time, emergency, seasonal relief, and temporary employees shall not be entitled to paid vacation or holiday pay, or any other paid leave, except to the extent required under any state or Federally-funded program, or except to the extent that such benefits are funded through non-District sources.

4.4.20 Pregnancy-Related Disability Leave

The District recognizes that employees may be unable to work for temporary but extended periods of time due to pregnancy, childbirth, or related medical conditions. Accordingly, for any employee who is disabled by pregnancy, childbirth, or related medical conditions, the District provides leave for the period of actual disability ("Pregnancy Disability Leave"), up to a maximum of four months. Pregnancy Disability Leave may be taken intermittently, or on a reduced-hours schedule, as medically advisable. An employee may also be entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions.

Whenever possible, an employee should submit a written request for Pregnancy Disability leave to the District's Human Resources Department as soon as she is aware of the need for such leave. If the leave is foreseeable, the employee must provide 30 calendar days' advance notice to the District of the need for Pregnancy Disability Leave. If it is not practicable to give 30 calendar days' advance notice of the need for such leave, the employee must notify the District as soon as practicable after she learns of the need for such leave. If an employee fails to provide the requisite 30 days' advance notice for a foreseeable need for leave, without any reasonable excuse for the delay, the District reserves the right to delay the taking of the leave until at least 30 days after the date that the employee does provide such notice.

A request for a Pregnancy Disability Leave must be supported by medical certification from a health care provider, which shall provide the following

information: (a) the date on which the employee became disabled due to pregnancy; (b) the probable duration of the period or periods of disability; and (c) an explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential functions of her position without undue risk to herself, her pregnancy, or to other persons. Upon expiration of the time period for the leave estimated by the health care provider, the District may require the employee to provide another medical certification if additional leave time is requested.

An employee taking Pregnancy Disability Leave must substitute any accrued sick pay for her leave and may, at her option, substitute any accrued vacation time for her leave. Except to the extent that paid leave is substituted for Pregnancy Disability Leave, such leave will be unpaid. The substitution of paid leave for Pregnancy Disability Leave does not extend the total duration of the leave to which an employee is entitled.

During an employee's Pregnancy Disability Leave, the District will continue to pay for the employee's participation in the District's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Thus, the employee must continue to pay her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the District for the payment of such premiums.

All other benefits will be governed in accordance with the terms of each benefit plan and are the sole responsibility of the employee.

The District may recover from the employee the amount of premiums that the District paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired due to a reason other than: (i) the employee is taking (i.e., has transitioned over to) leave under the California Family Rights Act, unless the employee chooses later not to return after the CFRA leave, in which case the District can recover such premium amounts; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to Pregnancy Disability Leave, unless the employee chooses not to return after the Pregnancy Disability Leave, in which case the District can recover such premiums; (iii) non-pregnancy related medical conditions requiring further leave, unless the employee chooses not to return to work following such leave, in which case the District can recover such premiums, or (iv) other circumstances beyond the employee's control.

Employees on Pregnancy Disability Leave will accrue employment benefits, such as sick leave, vacation, and seniority only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual. Employee benefits may be continued during the unpaid portion of the Pregnancy

Disability Leave according to the provisions of the District's various employee benefit plans.

Unless the District and the employee have already agreed upon the employee's return date, an employee who has taken a Pregnancy Disability Leave must notify the District's Human Resources Department at least two business days before her scheduled return to work or, as applicable, transfer back to her former position. An employee who timely returns to work at the expiration of her Pregnancy Disability Leave will be reinstated to her former position, or a comparable position, whenever possible and consistent with applicable law.

Each employee who has taken a Pregnancy Disability Leave must be released by her doctor to return to work. The return-to-work release should be in writing and submitted to the Human Resources Department on or before the employee's return

4.4.21 Lactation Policy

The District provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. The District will provide a room or other location (not a bathroom) for employees to express breastmilk in private. The District will ensure that the lactation room or location will:

- Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- Be clean, safe and free of hazardous materials;
- Contain a surface to place a breast pump and other personal items;
- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, the District will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, the District will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space or creating a schedule for such use.

The District shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the

employee performs any work during such break, she must accurately record all time worked and the District will compensate her for such time.

Employees who are nursing have a right to request a lactation accommodation. Such requests may be made verbally or in writing, should indicate the need for an accommodation in order to express breastmilk at work, and should be directed to the District's Human Resources Department. The District shall respond to such requests in a reasonable manner, not exceeding five business days. If the District cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing.

Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to the District's Human Resources Department that describes the nature of the change that is requested.

The District prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to the Human Resources Department. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

4.4.22 Civil Air Patrol Leave

Civil Air Patrol ("CAP") leaves of absence are granted without pay. Voluntary members of the CAP may take ten (10) days leave per year, beyond any other leave benefits, in order to respond to an emergency operational mission. To qualify, an employee must be employed for at least ninety (90) days immediately preceding the commencement of the leave.

Employees are required to give as much notice as possible of the intended dates on which the leave would begin and end. Employees must submit written verification from the appropriate CAP authority. The District will reinstate those employees returning from CAP leave to their same position or one of comparable seniority, status and pay.

SECTION 5. EMPLOYEE RIGHTS

Employees, paid and unpaid interns, volunteers, applicants, and independent contractors have the right to be free from harassment, retaliation, and discrimination. The policies set forth below protect those rights.

5.1 Harassment, Retaliation, and Discrimination Prevention Policy

The District is committed to prohibiting and preventing all forms of harassment, retaliation and discrimination. The District prohibits harassment, retaliation, and discrimination in any phase of the employment process, including, but not limited to recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training. This includes discrimination and harassment on the basis of any status or characteristic protected under federal or state law, such as race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and gender expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), sexual orientation, sex stereotyping, age (40 years and older), medical condition, marital status, domestic partner status, pregnancy, physical or mental disability (including HIV and AIDS), military status, veteran status, legally protected medical condition or information (including genetic information), protected medical leaves (requested or approved), status as a victim (of domestic violence, sexual assault or stalking), enrollment in a public assistance program, on the basis of any perception that an applicant or employee has any of these characteristics; or on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics. The District will not tolerate any such harassment of its employees, paid and unpaid interns, volunteers, applicants, and independent contractors and will take affirmative steps to stop it.

This policy defines harassment, and sets forth a procedure for the investigation and resolution of complaints of such harassment by or against any employee, paid and unpaid interns, volunteers, applicants, and independent contractors. This policy also covers elected and appointed officials.

5.1.1 Definition

Harassment need not be explicit, nor even specifically directed at the victim. Harassment can occur in the workplace, after hours, or on social media. Harassment may consist of offensive verbal, physical, visual, and sexual conduct. (1) Verbal harassment includes jokes, epithets, negative stereotyping, derogatory comments, or slurs; (2) physical harassment includes conduct such as physical interference with normal work, impeding or blocking movement, assault or unwelcome physical contact/physical touching, violent or intimidating behavior; (3)

visual harassment, includes conduct such as offensive or obscene photographs, calendars, posters, cards, cartoons, drawings, gestures, display of sexually suggestive or lewd objects, or unwelcome notes or letters; and (4) sexual harassment, discussed below.

Sexual Harassment

Because sexual harassment raises issues that are, to some extent, unique in comparison to other forms of harassment, the District believes it warrants separate emphasis. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature when: (1) submission to the offensive conduct is an explicit or implicit term or condition of employment; (2) submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or (3) the offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

For the purpose of clarification, examples of what may constitute prohibited sexual harassment include, but are not limited to, the following:

- a. Making unsolicited sexual advances written, verbal, physical, or visual contact with sexual overtones. (Written examples: suggestive or obscene letters, notes, invitations. Verbal examples: derogatory comments, slurs, jokes, epithets. Physical examples: touching, assault blocking or impeding access, leering gestures, display of sexually suggestive objects or pictures, cartoons or posters.);
- b. Continuing to express sexual interest after being informed that the interest is unwelcome. (Reciprocal attraction is not considered sexual harassment.);
- c. Making reprisals, threats of reprisal, or implied threats of reprisal following a negative response. (For example, implying or actually withholding support for an appointment, promotion, or change of assignment; suggesting a poor performance report will be prepared; or suggesting probation will be failed.)
- d. Engaging in implicit or explicit coercive sexual behavior which is used to control, influence, or affect the career, salary, or work environment of another employee.
- e. Offering favors or employment benefits, such as promotions, favorable performance evaluations, favorable assigned duties or shifts, recommendations, reclassifications, etc., in exchange for sexual favors. (Similar conduct when applied to other protected classes such as race, color, creed, national origin, age, disability, medical condition, religion, sexual orientation, or marital status may constitute harassment in violation of this Policy. For example, racial jokes or degrading comments about age or ethnic background can constitute harassment under this Policy).

Accordingly, in order to avoid the risk of discipline, such acts should be avoided in all circumstances.

5.1.2 Training

All non-managerial District employees must attend a one-hour Sexual Harassment Prevention Training, and all managerial District employees must attend a two-hour Sexual Harassment Prevention Training. All District employees will be required to attend a sexual harassment training every two years as assigned by Administration. Managers will receive two hours of training every two years as assigned by Administration. Staff may be required to attend additional any-harassment or other sensitivity trainings in regards to any protected class. District employees may refer to the Department of Civil Rights (CRD) [formerly known as the Fair Employment and Housing (DFEH) sexual harassment prevention online training course appropriate for their position. You may visit <https://calcivilrights.ca.gov/> to access the online training courses.

5.1.3 Internal Report

All employees, independent contractors, interns, and volunteers of the District must promptly report any incidents of harassment, discrimination, and retaliation so that the District can take appropriate action. It is the responsibility of all of us to contribute to a work environment that is free of unlawful bias, discrimination, harassment, and retaliation. Failure to bring forth a complaint prevents the District from having the opportunity to correct the situation.

Any incidents of discrimination, harassment, or retaliation, including work-related harassment by any District personnel or any other person, or any conduct believed to violate this policy, must be reported immediately to the District's Accounting/Human Resources Manager, who is responsible for investigating harassment complaints. An individual is not required to bring a complaint to the Human Resources Department if the individual is uncomfortable doing so for any reason. In that case, complaints should be reported to the General Manager.

Managers and supervisors have a special responsibility under this policy. All levels of management and all supervisors are responsible for compliance with this Policy AND for ensuring that everyone in their department is aware of, understands and adheres to this policy. Supervisors and managers who receive complaints or who observe or learn of discriminatory, harassing, or retaliatory conduct must immediately inform the General Manager or other appropriate District official so that an investigation may be initiated.

Individuals making such complaints must report the facts as accurately and as completely as possible. Every reported complaint of harassment, discrimination, and retaliation is taken seriously by the District. Every reported complaint, including allegations of misconduct, will be investigated thoroughly and promptly by impartial and qualified personnel. Typically, the investigation will include the following steps:

an interview of the employee who lodged the complaint to obtain complete details regarding the alleged harassment, discrimination, or retaliation; interviews of anyone who is alleged to have engaged in such conduct to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged conduct. The Accounting/Human Resources Manager or other District official responsible for the investigation, will notify the employee who lodged the complaint of progress during the investigation, including documentation where applicable, and timely notification of the results of the investigation.

The investigation will be handled in as confidential a manner as possible consistent with a fair, timely, and thorough investigation (e.g., parties will receive appropriate due process, the District will reach reasonable conclusions based on the evidence collected, etc.). Employees (or other complainants) making complaints are expected to cooperate fully with the person or persons designated to investigate the complaint.

The District prohibits conduct severe enough to be unlawful. Yet even more, the District's workplace conduct standards also prohibit conduct and comments which are not severe enough to violate state or local or federal law—but which are still inappropriate in the workplace. For example, the District prohibits abusive conduct in the workplace—whether or not it is based on a protected category. As a result, the District will take prompt, appropriate, and effective corrective action (e.g., remedial measures) any time it is established that discrimination, harassment, or retaliation in violation of this policy has occurred—whether or not such violation also violates the law.

Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances.

The District will not tolerate retaliation against an individual for good faith reports of harassment, discrimination, or retaliation; assisting another in making a report; cooperating in an investigation; filing an administrative complaint with a government agency; or engaging in other protected activity. Such retaliation is a separate violation of the law and of District policy, and is subject to disciplinary action up to employment termination. Individuals who believe they have experienced or been threatened with such retaliation, and any manager or supervisor who learns of possible retaliation, must immediately report it using the same Complaint Reporting Process above.

5.1.4 Internal Investigation and Resolution

Following receipt of a grievance, the District shall begin an immediate and thorough impartial investigation to determine if sexual and/or other harassment or discrimination, or retaliation has occurred. The investigation shall be conducted in an impartial manner and all information shall be maintained confidential to the

extent possible. After full consideration of all relevant facts and circumstances involving the inquiry, a timely decision will be made by the District and appropriate action may be taken, up to and including termination of employment.

5.1.5 External Reporting

In addition to the District's internal complaint procedure, an employee may file a complaint with the following:

- Department of Civil Rights (CRD) [formerly known as the Fair Employment and Housing (DFEH) at 800-844-1684 or visiting <https://calcivilrights.ca.gov/contactus>
- Equal; Employment Opportunity Commission (EEOC) at 800-669-4000 or visiting <https://www.eeoc.gov/contact-eeoc/>.

If you wish to pursue filing with agencies you should contact them directly to obtain further information about their processes and time limits.

5.2 Policy Against Retaliation

Retaliation and/or adverse action, against any individual for opposing conduct prohibited by the District's anti-harassment policies or for filing a complaint with or otherwise participating in an investigation, proceeding, or hearing conducted by the District, or any authorized governmental agency, or engaging in protected activity is strictly prohibited and may subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

Definitions

For purposes of this policy, "protected activity" includes, but is not limited to, any of the following:

Filing a complaint with the District or a federal or state enforcement or administrative agency; Participating in or cooperating with the District or a federal or state enforcement agency that is conducting an investigation regarding alleged violations of District policy or unlawful activity; Testifying as a party, witness, or accused regarding violation of District policy or alleged unlawful activity; Associating with another employee who is engaged in any of the protected activities enumerated here; Providing informal notice to the District regarding alleged violation of District policy or unlawful activity; and any activity protected under federal and state law.

For purposes of this policy, "adverse action" includes, but is not limited to, any of the following:

Real or implied threats of intimidation to attempt or prevent an individual from reporting alleged wrongdoing or because the individual engaged in protected

activity (as defined above); Refusing to hire an individual because the individual engaged in protected activity (as defined above); Denying promotion to an individual because of protected activity; Taking any form of disciplinary action because the individual engaged in protected activity (as defined above); Issuing a poor evaluation because of protected activity; Extending a probationary period because the individual engaged in protected activity; Altering work schedules or work assignments because the individual engaged in protected activity (as defined above).

5.3 Grievances

The grievance procedure provides a means for settling complaints that arise over the application of this manual as quickly as possible and at the lowest possible level of authority. The grievance procedure should not be used to contest performance evaluations or discipline. (See Section 7 re Discipline). Each step in the procedure must be completed before the next step may be taken. Failure to take the next step within the timeframes allotted will result in waiver of any appeal.

A grievance must be filed within ten (10) calendar days of the occurrence of the event or within ten (10) calendar days following the date the grieving party could have reasonably known of the occurrence of the act or omission giving rise to the grievance. Any supervisor or other member of management who receives a grievance must notify the General Manager of the grievance as soon as practicable. The facts concerning the grievance and the grievance process are to remain confidential, to the extent possible given the requirements of District business.

Step 1. The employee should initially try to resolve any item of concern informally with his or her direct supervisor. The direct supervisor should hold a conference with the employee as soon as reasonably practicable following the employee's request and attempt to informally resolve the issue. If the grievance is against the direct supervisor, the matter shall be taken directly to Step 2.

Step 2. If successful resolution is not reached in Step 1, the employee shall reduce his or her concern to writing and submit it to the General Manager. This formal written grievance must be submitted within ten (10) calendar days of the date of the occurrence giving rise to the grievance or the right to file is waived. The General Manager, or his or her designee, shall meet with the grievant, and after the initial meeting, the General Manager or his or her designee will investigate the complaint. This investigation may involve separate conversations or meeting of all parties at the manager's discretion. The General Manager shall attempt to provide his or her written decision within ten (10) calendar days of the date of the first meeting with the employee.

Step 3. If the employee believes the decision of General Manager does not adequately resolve the issue, the employee may request reconsideration by the District's Board. The written request must be submitted in care of the General

Manager to the Board to be handled by an ad hoc personnel committee ("Personnel Committee") established by the Board within ten (10) calendar days of the General Manager's decision. The Personnel Committee will be furnished with the then-existing written record. The Personnel Committee will meet as soon as practicable to consider the grievance. The Personnel Committee may, in its discretion, rely on the existing record or conduct a hearing in whatever way deemed appropriate under the circumstances. The Personnel Committee may call any witnesses or parties, if it deems such testimony necessary. The decision of the Personnel Committee shall be put in writing within ten (10) calendar days of the close of any hearing on the matter. The action of the Board's Personnel Committee is final and binding.

5.4 Open Door

The District encourages employee input. Employees who have job-related ideas or concerns are encouraged to discuss them with their supervisor or any other management representative with whom they feel comfortable. The District believes that employee concerns are best addressed through this type of informal and open communication. Employees are encouraged to raise work-related concerns with their immediate supervisor as soon as possible after the events that cause the concern. Employees are further encouraged to pursue discussion of their work-related concerns until the matter is fully resolved.

Although the District cannot guarantee that in each instance the employee will be satisfied with the result, the District will attempt in each instance to explain the result to the employee if the employee is not satisfied. The District will also attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution confidential. In the course of investigating and resolving the matter, however, some dissemination of information to others may be necessary or appropriate. No employee will be disciplined or otherwise penalized for raising a good-faith concern.

SECTION 6. EMPLOYEE STANDARDS OF CONDUCT

6.1 Code of Ethics

- a. Each officer, official and employee has an obligation to the citizens, to the people's elected representatives and to fellow employees to meet the highest ethical and professional standards and to enhance the public's respect and trust for the District government and its operations.
- b. Employees of the District have responsibilities unique from their counterparts in the private industry. Employment with the District carries an obligation of personal integrity and conduct that serves to establish public respect, confidence, and trust.
- c. Employees represent the District and the quality of District service is judged through their performance and conduct. The District has the right to expect that employees will provide services in an efficient, thorough, and courteous manner.
- d. The District, as a condition of employment, expects to receive from the employee:
 1. Initiative and a conscientious effort to perform productive work.
 2. Cooperative, positive, responsive, and courteous relations with fellow employees, supervisors, subordinates, and the public.
 3. A continuous effort to strive for greater knowledge and skill on the job in order to maintain performance at a high level.
 4. Compliance with all policies, regulations, rules of conduct and ordinances established by the District.
 5. Public loyalty to, and support of the official policies of the District.
 6. Responsible work habits demonstrated by:
 - i. Dependability, promptness, reliable attendance, and performing required duties competently,
 - ii. Keeping informed of developments and matters affecting job performance,
 - iii. Being flexible and adaptable to change,
 - iv. Accepting constructive suggestions and criticism.

7. Neat and clean grooming and attire appropriate to the job assignment. Prescribed uniforms and safety equipment must be worn where applicable.
- e. No officer, official or employee will accept a fee, compensation, gift, payment of expenses or any other thing of monetary value other than his or her compensation from the District, for performing the duties of his or her office or position, or under any circumstances in which acceptance may result in or create the appearance of any one or more of the following:
 1. Use of public office and/or employment for personal or private gain.
 2. Preferential treatment of any person.
 3. Loss of complete independence or impartiality.
 4. Making a District decision outside of official channels.
 5. Reduction of public confidence in the integrity of District government and/or its employees.
 6. Impeding government efficiency or economy.

6.2 Mobile Device Usage Policy

This policy applies to the use of cellular telephones, smart telephones, tablets, personal organizers, or other mobile devices, whether personal or provided by the District (collectively, "mobile devices") while working; the personal use of District-provided mobile devices; and the permissible use of mobile devices while driving.

While working, employees are expected to devote their time and attention to performing their job. Excessive usage of mobile devices for personal calls, texts, receiving or responding to personal e-mail, or for any other personal reason while working, regardless of the device used, can interfere with employee productivity and be distracting to others, and for certain positions, can pose a threat to the safety of the employee or others. All usage of mobile devices while at work must be in accordance with District policies. The District will not be liable for the loss of personal mobile devices brought into the workplace.

Where job or business needs require it, the District may issue a mobile device to an employee for work-related purposes. Employees who believe that they need a District-provided mobile device for work-related purposes should contact a District Manager.

Employees in possession of District equipment, such as mobile devices, are expected to protect the equipment from loss, damage, or theft. This provision does not require the employee to purchase insurance for the device, and does not hold the employee responsible for normal wear and tear or loss for reasons beyond the

employee's control. Upon resignation or termination of employment, or at any return or inspection of the device and any data stored on it.

Non-exempt employees who reasonably determine that it is necessary to make or respond to calls after regular hours for work-related purposes, whether using a District-provided or personal mobile device or other telephone, must promptly record that time as time worked, and will be paid for that time. Non-exempt employees should check that such after-hours work complies with District policies regarding working overtime hours.

The District strictly prohibits the use of all hands-on mobile devices while operating a motor vehicle when (a) the device is used for business reasons while driving at any time, and (b) the device is used while driving on District business. This includes use of the device to send or receive calls, e-mails, texts, and other communications. Note that in California, use of a hands-on mobile device while driving (whether for work or not) may be criminally punished.

Employees may use hands-free mobile devices while driving, solely for calls, if it is both safe and lawful to do so. However, safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short, refrain from discussion of complicated or emotional discussions, and keep their eyes on the road at all times. Special care should be taken in situations where there is traffic or inclement weather, road construction, or the employee is driving in an unfamiliar area.

In situations where job responsibilities include regular driving while making or accepting of business calls, hands-free equipment will be provided to facilitate the provisions of this policy. Employees whose job responsibilities do not specifically include driving, but who are issued a mobile device for business use, also are expected to abide by the provisions above. Under no circumstances may employees place themselves or others at risk to fulfill business needs. Employees who are charged with traffic violations resulting from the use of a mobile device while driving will be solely responsible for all liabilities that result from their actions.

As with any policy, managerial staff members are expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying with this policy.

All usage of mobile devices as addressed in this policy must also be in accordance with all District policies on acceptable use, non-harassment/non-discrimination, security, and confidentiality and the Technology Use And Security policy. In addition, employees must adhere to all federal, state, and local rules and regulations regarding the use of mobile devices while driving.

Violations of this Mobile Device Usage policy will be subject to discipline, up to and including termination.

6.3 Use of District Provided Vehicles

The District will provide vehicles for business, emergencies, on-call, and standby work on an as-needed/required basis. All District vehicles will be identified with the District seal, logo, or name. The provision of a vehicle is not an employment benefit and no employee is entitled to a vehicle. At any time the General Manager determines that provision of a District vehicle is no longer necessary, the relevant employee shall return the vehicle without any offsetting adjustment to pay or benefits.

Employees operating District vehicles are responsible for safe operation in accordance with the law and relevant District Policies (including but not limited to the IIPP) and procedures. Note that, in many instances, District policy is more stringent than the law. (For instance, smoking is prohibited). When vehicles or equipment are assigned to an employee, whether for transportation to and from work, or strictly for use during the normal hours of the workday, the employee is responsible for the appearance, and maintenance of oil, water, etc., necessary to ensure the safe operation and long-term life of the vehicle or equipment. Additionally, the employee is responsible for all tools and equipment assigned to that vehicle or equipment or carried thereon. Since most job classifications require daily or periodic operation of District vehicles, employees are required to be in possession of a valid California Driver's License of the class of vehicle being operated. Employees assigned a vehicle are obligated to notify the District immediately upon any suspension or revocation of Driver's License. The District considers the revocation or suspension of a license by the State of California for any reason, or a driving record, as sufficient cause for dismissal, regardless of the absence of progressive discipline. The driving records of all employees will be monitored through the State of California BIT program, which is reviewed by management.

Transportation in District Vehicles. Unless the District vehicle is expressly designated and approved for transportation of the public and is being operated under such guidelines, transportation in District vehicles of persons other than directors, officers, employees, or authorized agents or guests of the District is prohibited. District vehicles are not for personal use. Designated employees who drive District-owned vehicles to and from work may occasionally need to make incidental stops during their commutes. Such usage may be deemed a de minimis benefit and shall not be considered a violation of this section.

Accident Procedure. When an employee is involved in an accident in a District-owned vehicle, he or she must immediately notify his or her supervisor or management and should not make any statements concerning the responsibility for the accident to anyone but the District representative. Cooperation should be extended to law enforcement officers. The employee involved in the accident may

not leave the scene without District authorization and may be required to submit to reasonable suspicion drug and alcohol testing.

6.3.1 Automobile Allowances

The General Manager, Assistant General Manager and Director of Operations shall be provided an Automobile Allowance to compensate them for use of their personal vehicles in performing their job duties. District employees who receive an Automobile Allowance shall provide and maintain a suitable vehicle for their use on District business. District employees who receive an Automobile Allowance shall maintain such vehicle at all times in proper operating condition and pay for registration and license fees, maintenance, repairs, insurance and replacement expenses as necessary. The Automobile Allowance is intended to cover all operating expenses associated with using of the employee's vehicle for District business, as well as depreciation and wear and tear. The employee shall not be entitled to reimbursement for mileage or other expenses incurred for use of the vehicle. The Automobile Allowance shall be treated as a non-accountable plan for purposes of tax reporting and the entire amount of the Automobile Allowance will be reported as taxable compensation on Managers' W-2 form, and taxes will be withheld from that amount.

6.4 District Provided Computer Tablet Devices

District-provided computer tablet devices shall remain the District's property and shall be used by employees exclusively for District business. District employees shall possess the computer tablet device for their use for District business, subject to returning the devices to the District at any time requested by staff for periodic maintenance, upgrades and service. Employees shall surrender the District-provided computer tablet devices to the District upon termination of their employment. Employees shall be responsible for the care and safekeeping of the District-provided computer tablet devices in their possession and shall reimburse the District for the cost of replacing a device that is damaged, lost or stolen due to an employee's negligence or misuse. Employees shall not install software, download files or make any other alterations to the computer tablet devices for purposes which the district does not expressly authorize. Any employee who violates the rules applicable to using District-provided computer tablet devices will be required to surrender the device to the District. Employees do not have an expectation of privacy as to any of the communications and data residing in the computer tablet devices assigned to employees and communications and data on such devices, whether confidential or personal, are subject to District monitoring.

6.5 Social Media Policy

At the District, we understand that social media can be a fun and rewarding way to share one's life and opinions with family, friends and co-workers around the world. The District respects the right of employees to use them as a medium of self-expression. However, use of social media also presents certain risks and

carries with it certain responsibilities. To assist employees in making responsible decisions about their use of social media, the District has established these guidelines for appropriate use of social media. This policy applies to all employees who work for the District. All employees need to follow these requirements when posting on social media.

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to an employee's own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the District, as well as any other form of electronic communication.

The same principles and guidelines found in the District's policies apply to employees' activities online. Ultimately, employees are solely responsible for what they post online. Before creating online content, employees should consider some of the risks and rewards that are involved. Employee conduct that adversely affects job performance, the performance of fellow employees or otherwise adversely affects customers, suppliers, people who work on behalf of the District or the District's legitimate business interests may result in disciplinary action up to and including termination.

Employees should carefully read these guidelines and the District's employment policies that address social media, including the District Property: Confidential and Personal Information Policy, the Equal Employment Opportunity Policy, and the Policy Against Harassment, Discrimination, and Retaliation, and ensure their postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject employees to disciplinary action up to and including termination. Employees should not have an expectation of privacy with respect to information or communications that they post using the District's computers or networks. The District has the right to monitor all activity on its equipment and systems.

Employees should always be fair to fellow employees and people who work on behalf of the District. Also, employees should keep in mind that they are more likely to resolve work-related complaints by speaking directly with co-workers or by utilizing any of the District's procedures for raising concerns or complaints (i.e., the District's Open Door Policy or Procedure for Reporting Employee Complaints, or for concerns involving suspected harassment, discrimination or retaliation, by using the complaint reporting procedure described in the Policy Against Harassment, Discrimination, and Retaliation). Nevertheless, if employees decide to post complaints or criticism, they should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening, or intimidating, that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm

someone's reputation or posts that could contribute to a hostile work environment on the basis of race, national origin, sex, disability, religion or any other status protected by law or District policy. Employees are personally responsible for what they post, and the District will not assume any liability for those statements.

Employees should strive to remain honest and accurate when posting information or news, and if they make a mistake, they should be open about it and correct it quickly. This includes being open about any previous posts they have altered. The Internet archives almost everything; therefore, even removed or deleted postings can be searched. Employees should never post any information or rumors that they know to be maliciously false about the District, fellow employees or people working on behalf of the District. When using social media, employees should comply with the site's terms of service, acceptable use policy and any other posted guidelines.

Employees must maintain the privacy of the District's non-public, proprietary information. Employees should not create a link from their blog, website or other social networking site to the District's website without identifying themselves as a District employee. In addition, they must use their best judgment and exercise discretion when linking to people on social media sites. Co-workers and members of the public may see employee connections and make judgments about them or their work. Employees must not violate copyright, trade secret, fair use, privacy, libel and defamation, federal securities and financial disclosure laws.

Employees should express only their personal opinions. They should never represent themselves as a spokesperson for the District. Employees are not authorized to speak on behalf of the District unless given specific prior written approval from the District. If the District is a subject of the content employees are creating, employees should be clear and open about the fact that they are an employee and make it clear that their views do not represent those of the District, fellow employees or people working on behalf of the District. If employees do publish a blog or post online related to the work they do or subjects associated with the District, they should make it clear that they are not speaking on behalf of the District. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the District." Employees may not promote any of the District's products or services without fully disclosing their relationship with the District. Additionally, employees should respect others in the online community. They should not use ethnic or racial slurs, or obscenity, and avoid personal attacks or threats.

Employees should refrain from using social media while on work time, unless it is work-related as authorized by their supervisor or consistent with the District's policies. Also, employees may not use the District's email addresses to register on social networks, blogs or other online tools utilized for personal use.

The District prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any

employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination. Nothing in this policy is intended to discourage or prohibit District employees from discussing wages, safety concerns, or terms and conditions of employment with other employees or third parties. This Policy will be administered in compliance with applicable laws and regulations.

Employees who are contacted by the media should not speak on the District's behalf without contacting the District Manager. All media inquiries should be directed to them. Employees with any questions or who need further guidance should contact the District's Human Resources Manager.

6.6 Technology Usage and Security Policy

The District provides various Technology Resources to authorized employees to assist them in performing their job duties for the District. Each employee has a responsibility to use the District's Technology Resources in a manner that increases productivity, enhances the District's public image, and is respectful of other employees. Failure to follow the District's policies regarding Technology Resources may lead to disciplinary measures, up to and including termination of employment.

Technology Resources consist of all electronic media and storage devices, software, and means of electronic communication including any of the following: personal computers and workstations; laptop computers; mini and mainframe computers; tablets; computer hardware such as disk drives, tape drives, external hard drives and flash/thumb drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet or cloud storage accounts; electronic mail; telephones; mobile phones; personal organizers and other handheld devices; voicemail systems; and instant messaging systems.

Access to the District's Technology Resources is within the sole discretion of the District. Generally, employees are given access to the District's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the District's Technology Resources are authorized to access and use the necessary technology. The District's Technology Resources are to be used by employees during working time only for the purpose of conducting District business.

The District is aware that emails are often less formal than traditional written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in the District's "Equal Employment Opportunity Policy" and its "Policy Against Harassment, Discrimination, and Retaliation," the District does not tolerate discrimination or harassment based on

race, color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other status protected by applicable laws.

Under no circumstances shall employees use the District's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could adversely affect any individual, group, or entity (e.g., sexually explicit or racial messages, slurs, jokes, or cartoons).

Additionally, employees shall not use the District's Technology Resources for any illegal purpose, violation of any District policy, for pecuniary gain, or in any way that discloses trade secrets or other confidential or proprietary information of the District, business partners, vendors, or customers.

All messages sent and received, including personal messages, and all data and information stored on the District's Technology Resources (including on its electronic mail system, voicemail system, SMS messages, or computer systems) are District property regardless of the content. As such, the District reserves the right to access all of its Technology Resources including its computers, voicemail, SMS messages, and electronic mail systems, at any time, in its sole discretion.

While the District does not wish to examine personal information of its employees, from time to time, the District may need to access its Technology Resources including computer files, electronic mail messages, SMS messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created, collected, or maintained on the District's Technology Resources, including personal information or messages. The District may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. The District may also monitor its Technology Resources at any time in order to confirm compliance with its

policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

Some of the District's Technology Resources can be accessed only by entering a password or using login credentials. Passwords and login credentials are intended to prevent unauthorized access to information. Passwords and login credentials do not confer any right of privacy upon any employee of the District. Thus, even though employees may maintain passwords or be provided with login credentials for accessing Technology Resources, employees must not expect that any information maintained on Technology Resources, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords and login credentials as confidential. Employees must not share passwords, or forward login credentials unless authorized by the District Manager and must not access coworkers' systems without express authorization.

The best way for employees to ensure the privacy of personal information is not to store or transmit it on the District's Technology Resources. So that employees understand the extent to which information is collected and stored, examples of information currently maintained by the District are provided below. The District may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

- Telephone Use and Voicemail: Records are kept of all calls made from and to a given telephone extension. Although voicemail is password-protected, an authorized administrator can listen to voicemail messages and also reset the password.
- Electronic Mail: Electronic mail is backed up and archived. Although electronic mail is password-protected, an authorized administrator can read electronic mail and also reset the password.
- Document Use: Each document stored on District computers has a history that shows which users have accessed the document for any purpose.
- Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site are recorded and periodically monitored.

Deleting or erasing information, documents, or messages maintained on the District's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on the District's Technology Resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee. Because the District periodically backs up all files and messages, and because of the way in which computers reuse file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential or ever were confidential. If a legal dispute arises, or may arise in the future, it may

be unlawful to attempt to delete or erase certain information. Employees shall fully comply with District policy regarding retention or destruction of information.

Notwithstanding the above, the District shall delete personal employee information to the extent required by applicable law, including as required by the California Consumer Privacy Act.

The District provides authorized employees access to online services such as the Internet. The District expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the District's Technology Resources to access, download, or contribute to Internet sites that contain inappropriate content such as that which is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could reasonably adversely affect any individual, group, or entity.

The District monitors both the amount of time spent using online services and the sites visited by individual employees. The District reserves the right to limit such access by any means available to it, including revoking access altogether.

The District is very sensitive to the issue of protection of trade secrets and other confidential and proprietary information of the District as well as that of its business partners, vendors, and customers ("Confidential Information"). Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential Information on the District's Technology Resources.

Confidential Information should not be accessed through the District's Technology Resources in the presence of unauthorized individuals. Similarly, Confidential Information should not be left visible or unattended. Moreover, any Confidential Information transmitted via Technology Resources should be marked with the following confidentiality legend: "This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [employee's name] immediately at [employee's telephone number] or return it promptly by mail."

Employees should adhere to District's security policy with regard to Confidential Information and take all appropriate measures to safeguard the confidentiality and security of such information. Employees should avoid sending Confidential Information via unsecure platforms, and should only transmit Confidential Information when absolutely necessary and only via approved platforms. Employees should also verify electronic mail addresses before transmitting any messages containing Confidential Information.

All software in use on the District's Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and

licensed appropriately for the use to which it is being put. No employee may load any software on the District's computers, by any means of transmission, unless authorized in writing in advance by the District Manager and thoroughly scanned for viruses or other malware prior to installation.

Before transferring or copying any software from a District Technology Resource to another computer or other device, employees must obtain written authorization from the District Manager. It is the employee's responsibility to adhere to applicable licensing requirements, including not making or distributing unauthorized copies of software to others. Upon departure from the District, it is the employee's responsibility to remove all District software from non-District computers and other devices on which District software has been installed. If an employee sells or otherwise transfers out of his or her own possession or control his or her own personally owned computer, he or she must first notify the District and work with the District to ensure all District data and related software is deleted and/or remediated prior to such sale or other transfer. Please ask the District Manager for assistance if needed.

The District has installed a variety of programs and devices to ensure the safety and security of the District's Technology Resources. Any employee found tampering with or disabling any of the District's security devices will be subject to discipline up to and including termination. If Confidential Information is downloaded, stored, or copied onto non-District equipment or media, employees must take all appropriate measures to safeguard against loss, theft, damage, or breach of such equipment or media. If Confidential Information is downloaded, stored, or copied onto non-District equipment or media, employees must permanently delete such information prior to selling or otherwise transferring out of their own possession or control such equipment or media. If Confidential Information is downloaded, stored, or copied onto non-District equipment or media and an employee resigns, is terminated, or is requested to do so by management, the employee must work with the District to identify all such Information and its location, and help ensure it is retrieved and/or permanently deleted by the District (or the District's designated agent. Similarly, employees may not send Confidential Information to their personal e-mail accounts, even for work-related purposes, without prior written approval of the District Manager.).

Any loss or suspected loss of Confidential Information, or any suspicious activity such as external hacking attempts or unusual internal activity, should be reported immediately to District management.

The District may, at its sole discretion, provide certain employees with remote access systems such as a laptop, smartphone, tablet, or other personal organizer to allow such employees to handle the tasks associated with their jobs while working away from the office. Employees must take care to ensure the security of all District-provided equipment. Employees must not share network passwords or other PINs with anyone. As soon as an employee believes District-provided equipment is lost or that the security and confidentiality of the data on that

equipment has been compromised, he or she must notify the District Manager. If District-provided equipment is lost, or if it is damaged as a result of carelessness, employees may be responsible for replacement fees. The District-provided remote access system should only be used for District-related business. The District may decide that it is no longer necessary for certain employees to possess a remote access system and their ability to use such systems may be discontinued, in which case such employees are expected to return any District-issued remote access systems in accordance with District's "District Property" policy.

Use of public or other networks, such as unencrypted WiFi networks, can be a threat to the security and reliability of the District's Technology Resources. Accordingly, employees must only access District Technology Resources via means that are specifically approved by the District Manager.

Employees are expected to use sound judgment with respect to use of the District's electronic mail ("e-mail"). All employees should adhere to the following with respect to use of e-mail:

- Always ask before sending an e-mail if it is the appropriate medium of communication. When communicating about a sensitive subject, consider whether e-mail is the appropriate medium or whether using the phone rather than e-mail might be more appropriate (but keep in mind that voicemail is similar to e-mail; voicemail may be stored on a computer server and may be forwarded to third parties).
- Use the "front page" test. Assuming that e-mail is the appropriate medium of communication, each e-mail should be treated as a formal written document. Do not write anything in an e-mail that could not be printed on the front page of the newspaper. Off-the-cuff, sarcastic, or angry comments can come back to haunt the author.
- E-mail is part of the workplace environment. E-mail containing rude and insensitive comments is not only personally embarrassing, but also may serve as the basis for legal liability. Employees and managers should exercise the same care and sensitivity in communicating via e-mail as they would when communicating in person or in letters. Offensive e-mail received from others should not be forwarded, and the recipient should ask the sender to refrain from sending inappropriate e-mail.
- Provide context. As with other forms of communication, there is a risk that an e-mail message may be taken out of context. To reduce the risk that the message will be taken out of context, consider including the original message to which the reply e-mail relates.
- Know your audience. When sending an e-mail, always double-check to whom the e-mail is addressed, especially when using the "reply to all" button. Ask whether it is appropriate for each addressee to receive the e-

mail and whether sending the e-mail to a particular addressee will result in the unauthorized disclosure of Confidential Information. If in doubt, remove the doubted addressee.

- Avoid using a home or personal computer for business purposes. When working remotely, use only District-provided devices, unless you have received the written approval from (specify, e.g., Technology Coordinator, Office Manager, etc.).

The District, as part of its technology security roll-out, has initiated phishing training which is ongoing. All employees shall receive such training as part of their onboarding process. From time-to-time, and as part of this training, employees will receive a “test” e-mail that may contain a phishing link. The District’s expectations are that if an employee clicks on the link contained in this phishing exercise, they will be required to immediately report this to the District Manager. Failure to report this may be grounds for disciplinary action, up to and including termination.

Further, if any employee becomes aware that their District equipment has been compromised through malware or other action, such as by clicking on or opening an email, clicking on or opening a suspicious website or link, etc., it is the employee’s responsibility to bring this to the immediate attention of the District Manager. An employee who fails to do so may be subject to disciplinary action, up to and including termination.

The District may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on the District’s Technology Resources may be conducted without warning at any time.

6.7 District Property; Confidential and Personal Information

The security of District property is of vital importance to the District. District property includes not only tangible property, like desks and computers, but also intangible property such as confidential information. It is critical for the District to preserve and protect its confidential information, as well as the confidential information of customers, suppliers, and third parties. All employees are responsible for ensuring that proper security is maintained at all times.

“Confidential Information” means all information, not generally known, belonging to, or otherwise relating to the business of the District or its clients, customers, suppliers, vendors, affiliates or partners, regardless of the media or manner in which it is stored or conveyed, that the District has taken reasonable steps to protect from unauthorized use or disclosure. Confidential Information includes but is not limited to trade secrets as well as other proprietary knowledge, information, and know-how; non-public intellectual property rights, including business plans and strategies; manufacturing techniques; formulae; processes; designs; drawings; discoveries; improvements; ideas; conceptions; test data; compilations

of data; and developments, whether or not patentable and whether or not copyrightable.

“Personal Identification Information” includes individually identifiable information about employees, customers, consultants, or other individuals, such as Social Security numbers, background information, credit card or banking information, health information, or other non-public information entrusted to the District regarding an individual’s personal identity. There are laws in the United States and other countries that protect certain types of Personal Identification Information, and employees should not disclose such protected Personal Identification Information that has been acquired and retained by the District about other individuals to any third party or from one country to another without prior managerial approval.

Given the nature of the District’s business, protecting Confidential Information and Personal Identification Information is of vital concern to the District. This information is one of the District’s most important assets. It enhances the District’s opportunities for future growth, and indirectly adds to the job security of all employees. Failure to take reasonable measures to protect the District’s Confidential Information may jeopardize its status as a trade secret. While employed by the District, employees must not use or disclose any Confidential Information or Personal Identification Information that they produce or obtain during employment with the District, except to the extent such use or disclosure is required in connection with performing their jobs. Employees may not use or disclose Confidential Information or Personal Identification Information for any reason after the employment relationship with the District ends. Misuse or unauthorized disclosure of Confidential Information or Personal Identification Information may result in immediate termination, as well as potential personal and criminal liability.

Nothing in this Guideline limits any rights an employee may have to discuss terms, wages, and working conditions of employment, or disclose information about sexual harassment or other unlawful acts in the workplace, as protected by applicable law. Employees are permitted to disclose Confidential Information that they are required to disclose pursuant to judicial order or other legal mandate. Should such a circumstance arise, the employee agrees to give the District prompt notice, prior to the deadline of the disclosure requirement, and to fully cooperate with any efforts by the District to obtain and comply with any protective order imposed on such disclosure.

Upon separation of employment, whether voluntary or involuntary, all tangible and intangible District property must be returned to the District immediately. This includes documents, materials, data files, and records of any kind, including any that contain Confidential Information or Personal Information, and any copies thereof. Also, the terminating employee must immediately notify the District if the employee has Confidential Information or Personal Information stored in the employee’s personal computer, or in a mobile, cloud, or other storage medium, and work with the District to identify all such Information and its location, and help

ensure it is retrieved and/or permanently deleted by the District (or the District's designated agent).

6.8 Outside Employment

Full-time District employees shall not engage in any outside employment, activity, or private enterprise where it would create a conflict or adversely affect the performance of the employee's regular duties and responsibilities, or create a conflict with their duty of loyalty to the District, or which casts discredit upon or creates embarrassment for the District. An employee with intentions to engage in outside employment must have prior written approval from the General Manager. Employees that have been granted permission to engage in outside employment cannot use District resources, including time or equipment, to perform their outside employment. Approval for continued outside employment shall be re-evaluated by the employee's Supervisor and/or the General Manager on an annual basis.

6.9 Drug and Alcohol Policy

The District will be firm in identifying and disciplining those employees who use, possess, or distribute illegal drugs or alcohol in violation of District policies. The District has a significant interest in ensuring the health and safety of its employees. In addition, the District has an obligation to ensure that its employees do not present a safety risk at work, or to the efficient performance of the employee's duties. The use of drugs, alcohol, or any other substance which alters an employee's behavior affects an employee's ability to perform his or her duties safely and effectively, and increase the potential for accidents, absenteeism, and substandard performance, cause poor employee morale, and can damage the District's reputation.

At no time shall any employee be under the influence of any controlled drug or alcohol while on the job, including but not limited to marijuana (with, or without, prescription).

PLEASE NOTE: Despite Proposition 64's legalization of marijuana under California law, the District still considers it a prohibited drug for purposes of this policy as it remains illegal under Federal law. Being under the influence of marijuana, at any level of intoxication, is prohibited. No level of cannabinoids in an employee's system is acceptable. Use, possession, purchase, sale, or distribution of marijuana are grounds for discipline, mostly likely termination. Employee use of marijuana is not excused even when used as "medical marijuana."

Definitions. For the purposes of this policy, the following terms shall have the following meanings:

A. "Alcohol" means any alcoholic beverage as defined in California Business and Professions Code Sections 23000, et seq.

B. “Drug” means any drug, including but not limited to illegal drugs, prescription medications, and/or over-the-counter medications.

C. “Illegal Drug” means any substance, drug, narcotic, or immediate precursor which may subject an individual to criminal penalties, or a legal drug which has not been legally obtained or is being used in a manner for which it was not prescribed or intended. Because marijuana is regulated on the federal level, it is considered an “Illegal Drug” under this policy, whether obtained legally under state law or not.

D. “Legal Drug” means any “over-the-counter” drug or prescription drug which has been legally obtained and is being used in a manner, combination and quantity for which it was manufactured, prescribed, or intended.

E. “Reasonable Suspicion” is defined as a good faith belief, based on articulated facts or evidence that a person may be under the influence of alcohol or drugs.

F. “On Duty” means the span of time between the time the employee reports for work through the time an employee’s period of work ends. It also includes any time an employee is on standby duty. Standby duty includes any time during which a District employee is on notice that he or she may be called to duty.

G. “Safety Sensitive Position” means a position that has job duties that may put the employee or others at risk of irremediable consequences if performed under the influence. Irremediable consequences result when an employee, due to the use of drugs or alcohol, is not able to rectify his or her mistake, and the co-workers of the employee have no opportunity to intervene, before harm occurs. A safety sensitive position would include, but not be limited to, those positions that as a normal course of business require District employees to operate vehicles, equipment, tools, and/or other devices or machinery that may cause bodily harm to themselves or other individuals.

H. “Under the influence” means that a drug or alcohol is present in the employee’s system in any detectable amount that may impair the employee’s ability to work safely and efficiently.

Prohibitions. The following conduct is prohibited and may result in discipline, up to and including termination:

1. Using or possessing alcohol or other controlled substances while on duty.
2. Reporting for duty or remaining on duty when the employee used any controlled substances, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee’s ability to safely operate a vehicle or otherwise perform the employee’s job.

3. Reporting for duty or remaining on duty if the employee tests as having a blood alcohol concentration of 0.04 or greater.
4. The use or being under the influence of any legally obtained drug by an employee while performing District business, while on District property, is prohibited to the extent that such use or influence may affect the safety of the employee, co-workers, the employee's job performance; or the safe or efficient operation of District business. An employee shall notify his or her supervisor if the employee is using a legal drug which may impair the employee's ability to perform work safely and efficiently. The employee will not be required to disclose the type of drug or the reason for taking the drug, but the employee may be required to provide verification from his or her doctor or physician that he or she may continue working safely and efficiently while taking the drug. If the employee's doctor or physician cannot verify that the employee can work safely and efficiently while taking the drug, the employee may be placed in an alternative position, if available, or on a leave of absence until the employee is no longer taking the drug in question.
5. The use, being under the influence, manufacture, distribution, purchase, transfer, or possession of an illegal drug by an employee while on duty, on standby duty or while on District property is strictly prohibited. A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in the Department of Transportation guidelines. Marijuana, whether or not obtained legally under state law, is federally regulated and is therefore considered an "illegal drug" under this policy; there is no allowable level of influence for marijuana.
6. Reporting for duty or remaining on duty if the employee tests positive for controlled substances (including, but not limited to, marijuana, whether prescribed or not).
7. Refusing to submit to any alcohol or controlled substances test required by this Policy. An employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who tested 0.04 or greater on a blood alcohol test or tested positively on a controlled substances test. A "refusal to submit" to an alcohol or controlled substances test required by this policy includes, but is not limited to:
 - A refusal to provide a urine sample for a drug test;

- An inability to provide a urine sample without a valid medical explanation;
- A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;
- An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;
- Tampering with or attempting to adulterate the urine specimen or collection procedure;
- Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested;
- Leaving the scene of an accident without a valid authorization.

Please note: The District reserves the right to search all places under the common control of the District and employees and to enlist the assistance of law enforcement personnel in connection with the enforcement of this policy.

6.9.1 Alcohol and Drug Testing

An applicant for a safety sensitive position with the District shall be required to participate in and successfully complete a drug screening as part of their pre-employment medical examination. Any offer of employment will be conditioned upon compliance with this policy. Failure or inability to successfully complete the drug screening process will constitute disqualification of the applicant for the position. The applicant will be requested to execute a consent form which includes a waiver and release. Refusal to do so will terminate consideration of the applicant for employment. A prior failed drug screening is grounds for denial of future employment applications. Applications received within one year of a failed drug screen will not be considered.

1. Reasonable Suspicion Testing.

All employees may be required to submit to an alcohol or drug test if a supervisor has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances. Reasonable suspicion alcohol and drug testing will generally be administered within two hours of the observation. If not, the supervisor should provide written documentation as to why the test was not promptly conducted.

The District may require a blood test, urinalysis, or other drug and/or alcohol test of employees reasonably suspected of using or being under the influence of a drug or alcohol when on duty or on District property. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility

conducting the test. An employee's consent to submit to such a test is required as a condition of the employee's continued employment, and the employee's refusal to consent will be considered insubordination and may result in disciplinary action, up to and including termination of employment, for even a first refusal or any subsequent refusal.

Only the Human Resources Department or other designated individuals who have specific training with respect to recognizing potential substance abuse will have the authority to request a drug or alcohol test based on reasonable suspicion. Employees must report any perceived violation of this policy to their supervisors or Human Resources for further assessment. The Human Resources Department Head or other designated individuals (as applicable) requesting an employee to submit to a drug or alcohol test based on a reasonable suspicion must document in writing the facts constituting reasonable suspicion that the employee in question is using or under the influence of drugs or alcohol.

Employees reasonably believed to be under the influence of drugs or alcohol shall not be permitted to engage in further work. In addition, such employees shall not depart from their assigned work place without supervision. If it is reasonably suspected that an employee is under the influence of illegal drugs or alcohol, or if it is suspected the employee is being impaired from the use of a legal drug, the District shall arrange for transportation from the assigned work place to a testing center and/or the employee's residence, as is deemed appropriate.

Any employee who has drugs or alcohol in his or her system that exceed the standards established by the Department of Transportation at the time a drug and alcohol test is performed based upon a reasonable suspicion shall be subject to disciplinary action, up to and including termination.

2. Department of Transportation and Other Federally Mandated Testing

The District will institute and comply with any drug and alcohol testing program mandated by state and federal law, including the Drug-free Workplace Act and the U.S. Department of Transportation's testing requirements.

3. Random Drug and Alcohol Testing of Employees in Safety Sensitive Positions

For those employees in safety sensitive positions, the District may require a blood test, urinalysis, or other drug and/or alcohol test on a random basis. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. Excluded from the random testing under this policy will be those employees who are subject to the DOT testing regulations. The random testing under this policy will be implemented using an independent third party administrator who will follow a random selection pattern and testing procedures similar to those used under the DOT testing regulations.

4. Drug Testing in the Event of an Accident

Employees will be required to undergo alcohol and drug testing if they are involved in an accident with District equipment that results in damage or injury occur, so long as there is reasonable suspicion of possession or intoxication. This includes all employees who are on duty operating the equipment and any others whose performance could have contributed to the accident. This is in order to ensure the safety and health of all District employees.

Following an accident where an employee is to be tested, the employee will be tested as soon as practicable (generally within two hours but not to exceed eight hours). Any employee who leaves the scene of the accident without appropriate authorization prior to submission to a drug and alcohol test will be considered to have refused the test and may be subject to termination of employment.

5. Procedures Used in All Testing

- Prior to any testing, an applicant or employee will be required to sign a consent and release form allowing the District to conduct or order the testing and receive the test results. The signing of a consent and release form is a condition of employment. An employee's refusal to sign a consent and release may be considered insubordination and will subject the employee to disciplinary action, up to and including termination of employment. An applicant's refusal to sign a consent and release form will result in withdrawal of an offer of employment.
- The drug or alcohol testing will be conducted in such a manner as to reasonably provide the applicant or employee privacy.
- The test results will be kept on a need-to-know basis by the District. However, the District reserves the right to submit the test results as evidence in any legal or administrative action, including an action challenging disciplinary action taken by the District against the employee in question. A copy of the test results will be provided to the employee in question upon request.
- A portion of the biological sample taken in the drug or alcohol test will be provided to the employee or applicant, upon request, so that he or she may have the sample independently analyzed at his or her own expense.
- Biological samples taken in the drug or alcohol test will not be used for anything other than an analysis for drug or alcohol content.
- The District shall use specimen collection sites and laboratories certified for drug and alcohol testing by the U. S. Department of Health and Human Services.
- Testing of current employees will be conducted when the employee is in an on duty status.

- If an employee is tested for substance abuse and the test results are positive for drugs and/or alcohol, or if an employee admits to using drugs or alcohol that has affected their job performance, it is left to the District's management and Human Resource Department's discretion as to whether the employee shall be immediately terminated from their employment, or if they will be offered the opportunity to participate in a rehabilitation program which may be covered under the District's medical insurance coverage. If the employee is allowed to remain in the employment of the District and they elect to participate in a rehabilitation program, reinstatement to their position will be permitted only if the program was completed and they receive affirmation of their successful completion from the program provider. Before returning to work the employee must submit the results of a new drug and alcohol test which shows an absence of substances for which the test was originally given or any other substance which would be considered illegal and which would cause impairment. This test will be performed at the same testing facility used by the District, or approved in advance by the District. Further, if an employee elects to participate in a rehabilitation program, they may be eligible to use their leave time, or request a leave of absence in order to enter into the program for a period of time to be determined prior to admittance into the program, not to exceed 30 days.
- Unless otherwise required by law, an employee will not be guaranteed reinstatement to the position they held at the time they were tested positively for drugs; following the successful completion of a rehabilitation program, reinstatement and the terms and conditions under which reinstatement will occur will be determined on a case-by-case basis, with the final determination made by the General Manager. The terms and conditions for continued employment or reinstatement shall be contained in a written agreement.

6. Legal Drugs

An employee shall notify the District in writing of any legal drug (not including marijuana, whether obtained legally pursuant to state law or not) in his or her system which may show up as a positive result in a drug or alcohol test, prior to taking the test. (The employee will not be required to disclose the type of drug or the reason for taking the drug, but the employee may be required to provide verification from a doctor or physician that the employee's use of the drug is indeed legal and that he or she may continue working safely and efficiently while taking the drug.)

6.9.2 Consequences of Failing an Alcohol or Drug Test.

A positive result from a drug or alcohol test may result in disciplinary action, up to and including termination, even for a first offense. The District also reserves the right to discipline or terminate an employee convicted of an offense which involves

the use, distribution, or possession of illegal drugs. If an employee is not terminated, the employee:

1. Must be removed from performing any job function and immediately placed in an unpaid status.
2. Must submit to an examination by a substance abuse professional. Upon a determination by the substance abuse professional, the employee may be required to undergo treatment for his or her alcohol or drug abuse. The District is not required to pay for this treatment.
3. Shall not be returned to his or her former position until the employee submits to a return to duty controlled substance and/or blood alcohol test (depending on which test the employee failed) which indicates and alcohol concentration level of less than 0.02 or a negative result on a controlled substance test.
4. Will be required to submit to unannounced follow up testing and, possibly other conditions if he or she has been returned to his or her position.

6.9.3 Compliance With State or Federal Law.

At all times, the District will comply with current applicable state or federal law concerning drug and alcohol testing. Issues or inconsistencies that are not addressed in this policy will be determined by referring to state or federal law and regulations governing drug and alcohol testing. The District reserves the right to make changes to this policy at any time, for the purpose of complying with state or federal law or regulation as it exists now or as it may be amended.

6.10 Smoking Prohibitions

Employees are prohibited from smoking in all buildings, structures, facilities, establishments, conference rooms, trailers, meeting areas, hallways, lobbies, storage rooms, shops, garages, bays, shelters, vehicles, job sites, and equipment that are rented, leased, owned, or operated by the District. In conformity with California Government Code section 7597, no smoking shall be allowed within twenty (20) feet of any main entrance, exit, or window of any District building. The term "smoking" as used in this policy includes use of any recreational inhalable product, whether made inhalable by burning, vaporization, or any other means. This policy prohibits use of any cigarettes, e-cigarettes, cigars, pipes, or vaporizer, regardless of the substance being inhaled. Smoking shall also be prohibited within fifty (50) feet of all confined spaces. This policy also prohibits smokeless tobacco or any other recreational product that is intended to be spat during usage.

Smoking is prohibited in District vehicles and equipment. This Policy shall apply to all District employees, associates, visitors, or any riders in District vehicles or equipment.

Smoking is only allowed on District property in areas previously designated and marked as “smoking areas” and only during an employee’s own time, such as during a meal or rest period.

6.11 District Tattoo and Piercing Policy

All employees are subject to the following policy:

The District’s policy regarding tattoos is as follows:

- a. No visible tattoos are allowed on the head, face or neck.
- b. Any visible tattoo cannot be obscene, sexually explicit, discriminatory as to sex, race, religion, national origin or any protected category; extremist and/or gang-related.
- c. Any nonconforming tattoo must be covered with clothing or a bandage while at work or must be removed.
- d. If an employee has a question about how the tattoo policy applies to them, the employee should immediately raise the issue with his/her supervisor for consideration and determination.

The District Policy regarding body piercing is as follows:

- a. No objects, articles, jewelry or ornamentation of any kind shall be attached to or through the skin if visible on any body part including the tongue or any part of the mouth. The only exception is that an employee may wear two earrings on each ear.
- b. Any non-conforming piercing shall be removed while the employee is on duty.
- c. If an employee has a question about how the piercing policy applies to them, the employee should immediately raise the issue with his/her supervisor for consideration and determination.

6.12 Inspections and Searches

The District believes that maintaining a workplace free of drugs, alcohol, and other harmful materials is vital to the health and safety of its employees and the success of the District’s business. The District also intends to protect against the unauthorized use and removal of District property. In addition, the District intends to ensure its access at all times to District premises and District property, equipment, information, records, documents, and files. Accordingly, the District has established this policy concerning inspections and searches on District premises.

Access. In order to ensure access at all times to District property, and because employees properly in possession of District property or information related to District business may not always be available to produce the property or information when needed in the ordinary course of the District's business, the District reserves the right to conduct a routine inspection or search at any time for District property on District premises. In addition, the District reserves the right to access, at any time, information and communications stored in District computer files, on District computer drives, in employee voicemail boxes, and in electronic-mail systems.

Inspections. Inspections or searches for prohibited materials in or on District premises also will be conducted whenever the District has reasonable suspicion to believe that a particular employee or group of employees may be in possession of materials in violation of this policy. Inspections or searches for prohibited materials may be conducted by an independent security service or by District personnel. Inspections or searches for prohibited materials may be conducted from time to time even when there is no immediate reason to suspect the presence of the materials. In such cases, the District may announce the inspection in advance, except for inspections or searches conducted at locations where employees enter or exit District premises. Inspections or searches for prohibited materials may include an employee's office, desk, file cabinet, closet, computer, or similar places where employees may place personal possessions or information, whether or not the places are locked or password protected. Inspections or searches for prohibited materials also may include an employee's locker, or an employee's pockets, purse, briefcase, lunch box, or other item of personal property worn or carried by the employee while on District premises.

No Reasonable Expectation of Privacy. Routine searches or inspections for District property may include an employee's office, desk, file cabinet, closet, computer files, voice mail, electronic mail, or similar places where employees may store District property or District-related information, whether or not the places are locked or protected by access codes or passwords. Because even a routine search for District property might result in the discovery of an employee's personal possessions, all employees are encouraged to refrain from bringing into the workplace any item of personal property they do not wish to reveal to the District.

6.13 Workplace Violence Policy

The District recognizes that workplace violence is a concern among employers and employees across the country. The District is committed to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, customers, visitors, or anyone else on District premises or engaging in a District-related activity from behaving in a violent or threatening manner. Moreover, the District seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior.

The District believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within the Human Resources Department for responding to any situation that presents the possibility of violence.

Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the worksite, ranging from threats and verbal abuse to physical assaults and even homicide, that can affect and involve employees, clients, customers and visitors. If any employee observes or becomes aware of any of any workplace violence related actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify the Accounting/Human Resources Manager or General Manager immediately. Further, employees should notify the Accounting/Human Resources Manager or General Manager if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the District will inform the reporting individual of the results of the investigation. To the extent possible, the District will maintain the confidentiality of the reporting employee and of the investigation. The District may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The District will not tolerate retaliation against any employee who reports workplace violence.

If the District determines that workplace violence in violation of this policy has occurred, the District will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the District will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the District may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the District may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

6.14 Health & Safety

The District is committed to providing a safe and healthy workplace. The safety of every employee is a fundamental consideration for the District, and all reasonable precautions will be taken to protect employees from injury. In order to promote safety in the workplace, the District expects employees to conduct business and perform their duties in a safety-conscious manner at all times. All work areas must be kept clean, and free of clutter and debris. The District also expects all employees to refrain from horseplay and careless behavior in the workplace. Any

hazards or potentially dangerous conditions must be corrected promptly and/or reported to a supervisor.

Under California law, in the event of an emergency condition, the District will not take or threaten adverse action against any employee for refusing to report to, or leaving, a workplace because the employee has a “reasonable belief that the workplace is unsafe.” The law requires employees to, “when feasible,” notify employers in advance of the emergency condition that requires they either leave the workplace or refuse to report to work. If it’s not feasible, then the employee must notify the employer as soon as possible.

“Emergency Condition” for purposes of this policy, is defined as conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act. And, an order to evacuate a workplace, worksite, worker’s home, or the school of a worker’s child due to natural disaster or a criminal act.

“A reasonable belief” for purposes of this policy, is defined as the workplace or worksite is unsafe” means that a reasonable person, under the circumstances known to the employee at the time, would conclude there is a real danger of death or serious injury if that person enters or remains on the premises. The existence of any health and safety regulations specific to the emergency condition and an employer’s compliance or noncompliance with those regulations shall be a relevant factor if this information is known to the employee at the time of the emergency condition or the employee received training on the health and safety regulations mandated by law specific to the emergency condition.

6.15 Accident Reporting

If you are involved in an accident or sustain (or witness) an occupational injury, you must report the matter to your supervisor or to Human Resources promptly. Any potentially unsafe working condition, unsafe action on the part of any employee, hazardous condition, or other safety concern should be brought to the immediate attention of Human Resources. The District complies with all applicable health and safety regulations, including the establishment of an Injury and Illness Prevention Program. Please see Human Resources to review the Injury and Illness Prevention Program, or if you have any other questions.

SECTION 7. DISCIPLINE

7.1.1 Types of Disciplinary Action

In most cases, the District will attempt to follow a progressive discipline model when it comes to issuing corrective action to District employees. However, this may not be possible in all instances. The District may bypass progressive discipline when, in its discretion, it believes the facts warrant or when any one such instance is so severe that it warrants more serious disciplinary action. Evaluation, coaching instructions, performance improvement plans, lateral transfers, paid administrative leave, and reductions in force for business reasons do not constitute discipline. The following are the typical forms of discipline utilized at the District:

- a. *Oral Warning.* A formal discussion with an employee, usually by the employee's immediate supervisor, about performance or conduct problems, the need for the employee to improve and what specific improvement is expected. Supervisor shall make a written record of the warning which will be maintained in the employee's personnel file.
- b. *Written Reprimand.* A formal written notice to the employee regarding performance or conduct problems, the need for the employee to improve, and what specific improvement is expected. The written reprimand goes in the employee's personnel file. The employee may respond in writing to the written reprimand within fourteen (14) days. The response will be placed in the personnel file with the written reprimand.
- c. *Suspension.* Removal of an employee from duty without pay for a specified period.
- d. *Reduction in Pay.* A reduction in pay from the employee's current step within a pay range to a lower step within that same pay range.
- e. *Demotion.* A reduction in status and salary from one classification to another classification having a lower salary range.
- f. *Dismissal or Discharge.* Separation from employment of an employee for cause.

7.1.2 Grounds for Disciplinary Action Involving Full-Time Permanent Employees

Grounds for Discipline include, but are not limited to, the following:

- a. Fraud in securing employment or making a false statement on an application for employment.
- b. Incompetency, i.e., inability to comply with the minimum standard of an employee's position for a significant period of time.

- c. Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an employee within his/her position.
- d. Willful disobedience or insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position or insulting or demeaning a supervisor or manager.
- e. Dishonesty involving employment.
- f. Unlawful manufacture, distribution, dispensation, possession or use of a controlled substance or alcohol while on duty, or on District property, or at any District building or facility. Reporting to work under the influence of alcohol or any controlled substance or any prescription medication for which the employee does not possess a valid prescription, or becoming so influenced while on duty.
- g. Refusal to submit to drug and alcohol screening when directed to do so by District Management pursuant to the District's Drug-Free Workplace Policy. Testing positive upon a confirming test for the presence of a controlled substance or alcohol pursuant to the District's Drug-Free Workplace Policy.
- h. Excessive absenteeism.
- i. Inexcusable absence without leave.
- j. Abuse or misuse of sick leave, i.e.
- k. The conviction of either a misdemeanor or a felony related to the position held may constitute grounds for dismissal of any employee. The record of conviction will be conclusive evidence of the fact that the conviction occurred. The General Manager may inquire into the circumstances surrounding the commission of the crime in order to support the degree of discipline. A plea or verdict of guilty, or a conviction showing a plea of nolo contendere is deemed to be a conviction within the meaning of this Section.
- l. Discourteous treatment of the public or other employees.
- m. Improper or unauthorized use of agency property.
- n. Refusal to subscribe to any oath or affirmation which is required by law in connection with agency employment.
- o. Any willful act or conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the agency, the employee's department or division.

- p. Inattention to duty or negligence in the care and handling of District property.
- q. Violation of the rules and regulations of any department.
- r. Outside employment that interferes with the employee's ability to perform their job for the District.
- s. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties.
- t. Falsifying work records or the practice of fraud of any type.
- u. Leaving the job during duty hours without approval from supervisor.
- v. Becoming uninsurable by standards of the District's automobile insurance carrier for any reason.
- w. Sleeping on the job or habitually reporting to work later than the assigned hour, after having been duly warned.
- x. Willful violation of any of the provisions of an ordinance, resolution, rule, regulation or policy prescribed by the District.
- y. Working overtime without authorization.
- z. Possession of weapons on agency property unless authorized.
- aa. The receipt or placement of non-emergency personal telephone calls during working hours, text messaging, or personal e-mails.
- bb. Failure to report immediately, an accident or injury to the immediate supervisor.
- cc. Failure to report immediately – breakdowns, improper or unsafe operation of equipment or facilities.
- dd. Entering into contracts in the name of the District which have not been authorized.
- ee. Willfully violating the District's cyber security protocols.

7.1.3 Procedures for Taking Disciplinary Action

- a. *Disciplinary Actions Not Subject to Notice and Hearing Procedures.* The following disciplinary actions may be taken against any regular employee by the General Manager, or such management personnel as he may designate, without notice or hearing procedures:

1. Reprimand, which may be oral or in writing or both.
 2. Suspension for up to three (3) shifts without pay.
 3. Any discipline related to a District employee whose employment is "at will."
- b. *Disciplinary Actions Subject to Notice and Hearing Procedures.* Upon compliance with the procedures set forth herein, satisfying the so-called Skelly rights, the following disciplinary actions may be taken against a regular full-time employee by the General Manager:
1. Suspension of four (4) or more shifts without pay: An ordered interruption of duties for four (4) or more shifts without pay.
 2. Salary reduction: A reduction in pay from the employee's current step within a pay range to any lower step within the same range, as such range is recorded in the District's current salary schedule.
 3. Demotion: A reduction from a position in one class to a position in another class having a lower salary range for disciplinary purposes.
 4. Dismissal or Termination: Discharge from District service for cause.

These disciplinary actions are subject to the notice and hearing rights as set forth below but are not subject to the District's grievance procedures.

- c. *Disciplinary Notice and Hearing Procedures.* The following provides the procedures for notice of discipline, hearing, and appeal, where such procedures are required. See Section 7.1.3(b).
1. *Notice of the Proposed Action.* Prior to imposing discipline, the District shall deliver to the employee a written notice of its intention to discipline the employee. Such notice shall be personally served on the employee or sent by mail to the employee's place of residence as last shown on the records of the District. The notice shall be served on or mailed not less than seven (7) calendar days prior to the effective date of the proposed disciplinary action and shall contain the following:
 - i. The type of Discipline proposed and the effective date thereof.
 - ii. The charges upon which such action has been proposed and the reasons why such action is being taken.
 - iii. If such charges are based in whole or in part, upon documents or materials, the notice shall inform the employee

of this fact, and shall inform the employee as to the location of such documents or materials. If available and subject to duplication, copies of such documents and materials shall be furnished to the employee with the notice.

- iv. A time and date by which the employee may respond to the charges, orally or in writing, which date shall not be less than seven calendar days after the notice is served on or mailed to the employee, whichever occurs first.
- d. *Response of Employee.* The employee shall have the right to respond either orally, by Skelly conference, or in writing no later than the time and date provided in the notice to the employee. The time for response may be extended by the General Manager for a reasonable period if the General Manager determines it to be necessary to provide the employee with a fair opportunity to answer the charges made. Written responses shall be delivered to the General Manager within the time allowed to respond or said right shall be waived. If the employee desires to make an oral response, the employee shall give written notice to the General Manager of this fact at least two (2) calendar days before the time and date stated in the notice for the expiration of the time to respond. Failure of the employee to give such notice shall constitute a waiver by the employee of any right to present an oral response.
- e. *Determination by General Manager.* Upon expiration of the period of time set forth in the District's notice to the employee, the General Manager shall review the matter, including the response of the employee, if any, and shall make a determination as to whether to impose discipline. The General Manager shall notify the employee in writing of his determination. Such notice shall be personally served on the employee or shall be sent by registered or certified mail to the employee's place of residence as last shown on the records of the District.
- f. *Disqualification of General Manager.* If prior to the time set for consideration of the response, the General Manager has become so involved in the matter as to create an actual bias against the employee which prevents the General Manager from fairly considering the response of the employee, the General Manager shall so advise the Board of Directors' Personnel Committee, which shall thereupon appoint another person to act on behalf of and in the place of the General Manager. However, mere prior knowledge of the factual background of the matter, and an expression of opinion thereon, shall not, in and of itself, disqualify the General Manager.
- g. *Appeal of Decision of General Manager.* An employee or former employee dissatisfied with the determination made by the General Manager may appeal the determination to the Board, provided that a written notice of appeal is received by the Board Secretary no later than ten (10) calendar

days after the date of personal service or mailing of the notice of the General Manager's determination, whichever is sooner. This appeal does not allow for a new hearing. The Board shall establish an ad hoc personnel committee ("Personnel Committee") that shall review the record. The appeal is a review of the record and decision of the General Manager. After review, the Ad Hoc Personnel Committee will issue a final decision.

UNAPPROVED

SECTION 8. PERFORMANCE EVALUATION

The District recognizes the importance of on-going communication regarding employee performance. Therefore, employees will be provided analysis and constructive criticism on job performance on a regular basis. The District's goal is to review every employee at least once a year, preferably on his or her anniversary. Supervisors are encouraged also to provide performance improvement plans and interim employee evaluations, at their discretion, whenever such feedback would be advantageous. Evaluations do not entitle employees to salary adjustments though they may be considered when salary adjustments are at issue.

SECTION 9. RIGHT TO AMEND, DELETE OR SUSPEND

These rules and regulations may be amended periodically by adding, deleting, or changing policies as necessary.

The District reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document. Any changes to this handbook will be distributed in writing to all employees so that employees may be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this handbook.

Acknowledgement of Receipt of PERSONNEL RULES AND REGULATIONS

Employee Name: _____

I acknowledge that I have received a copy of the Personnel Rules and Regulations, issued by the **Rowland Water District** (the "District") on _____, _____. I have promptly read its contents. I agree to observe and abide by the conditions of employment, policies, and rules contained in this manual. I understand that this manual refers to current benefit plans maintained by the District and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I understand and agree that nothing in the manual creates or is intended to create a promise or representation of continued employment.

I also acknowledge receipt of the District's anti-harassment and discrimination policy set forth in this manual, as well as the District's technology usage and security policy, and I certify that I have read it, understand it, and agree to comply with its terms and conditions.

I understand and acknowledge that these policies may be amended from time-to-time and in the sole discretion of the District.

My signature below certifies that I understand that the foregoing and that I have read and understand the policies in this manual. I also understand that if I violate the rules, policies, and procedures set forth herein that I may be subject to discipline, up to and including termination of my employment. This manual supersedes all prior agreements, understandings, and representations concerning my employment. I understand that if I have questions regarding the manual that I can discuss with my management team or Human Resources Department.

Signature _____ Date _____

Print Name _____

February 13, 2024

ITEM NO. 3.6

ROWLAND WATER DISTRICT

TO: Honorable President and Members of the Board

SUBMITTED BY: Tom Coleman, General Manager

SUBJECT: *Consider Approval of Resolution No. 2.3-2024 approving the Agreement for the Exchange of Real Property and Joint Escrow Instructions, and finding that the Agreement is not subject to the California Environmental Quality Act or, alternatively, is exempt.*

I. Background

Rowland Water District (“District”) headquarters and water-treatment facilities are located at 3021 Fullerton Road, in Rowland Heights, which is surrounded by extensive acreage of open space and undeveloped lands. The back portion of this District-owned property is undevelopable, but is heavily vegetated and has biological value. The adjacent property, is owned by Puente Hills Habitat Preservation Authority (“Habitat Authority”). The Habitat Authority is a public agency that manages and preserves the native habitat on this neighboring property.

A recent facilities strengths/weaknesses assessment done by the District pursuant the American Water Infrastructure Act a federal directive included a recommendation that the District create and maintain a better firebreak around its facilities and fence-line, primarily by thinning vegetation along and within its fence-line along the District’s property. In particular, the District’s fence line runs adjacent to approximately 1,100 square feet around a drainage area, of the Habitat Authority’s property.

In light of fire safety concerns, the District is considering the exchange of land and ownership rights with the Habitat Authority so that the District may create and maintain a fire clearance zone around its facilities.

II. Proposed Action

The District proposes to transfer approximately 11,067 square feet adjacent to the Habitat Authority property in order to conserve habitat, though the District would retain an easement for purposes of allowing continue brush trimming for fire protection purposes. This District-owned property is described in the Agreement for the Exchange of Real Property and Joint Escrow Instructions (hereinafter, the “Agreement”) and depicted on the map attached to this report as **Exhibit A**. This property is heavily vegetated and undevelopable, but may have some biological value, and therefore would be preserved under the Habitat Authority’s management. In addition, the District would pay the Authority for the habitat enhancement of this property of up to \$30,000.

In exchange, the Habitat Authority would transfer ownership in fee title of the

approximately 1,256 square feet of land around the existing drainage area to the District. The location of this access easement and the drainage area are described in the Agreement and depicted in **Exhibit B**, which is attached to this report.

In order to accomplish the aforementioned transfer, the District and the Habitat Authority would enter into the Agreement. A proposed Board Resolution authorizing this transaction is attached to this report as **Exhibit C**, and the Agreement is included as Exhibit A to that Resolution.

III. CEQA Review

Based on the scope of the proposed actions described above, Staff recommends the Board of Directors find the proposed approval is not a “project” within the meaning of CEQA and is therefore not subject to environmental review. State CEQA Guidelines section 15378 defines a “project” as an activity that may result in a direct or reasonably foreseeable indirect physical change in the environment. Because the transfer of land and ownership rights is a merely paperwork exercise and does not approve any development of the property, the approval of the Agreement would not result in a change of use, intensity, maintenance, or operation. Thus, no direct or reasonably foreseeable indirect impact to the physical environment will result and, accordingly, the transfer is not a CEQA “project.”

Even if the action could be construed as a CEQA “project,” Staff recommends that the Board find the action to be exempt from further review for at least the following three reason:

- 1) For all the same reasons set forth above, it can be seen with certainty that the mere paperwork exercise of transferring title presents no possibility that the acquisition may have a significant effect on the environment and, therefore, the “common sense” exemption from CEQA under State CEQA Guidelines section 15061(b)(3) applies.
- 2) The action merely involves the ongoing operation of existing public structures, facilities, and topographical features, and the approval of the land swap and related ownership rights will not result in a change in operation. The Habitat Authority will continue to preserve and maintain the property it receives from the District in the same (or better) biological condition, and the access easement that the District will be receiving in exchange will not damage or interfere with the Habitat Authority’s ongoing conservation efforts on its land. In addition, no change in the use of the properties to be exchanged is anticipated. As such, the Agreement’s approval is exempt as an ongoing operation/Class 1 exemption under State CEQA Guidelines 15301.
- 3) The action consists of a title swap between two entities, which will continue the ongoing operation and maintenance of the properties in substantially the same (or better) environmental condition, and for the purpose of better ensuring the defensibility of critical services facilities against fire hazards near the District’s existing fence-line. Thus, the action is exempt from CEQA as a fuel management activity to reduce fire risk as a Class 4 exemption under State CEQA Guidelines section 15304.

Furthermore, none of the exceptions to the use of the Class 1 or Class 4 exemptions under State CEQA Guidelines section 15300.2 apply. The action will not result in a cumulative impact from successive projects of the same type in the same place, over time. Additionally, there are no

unusual circumstances surrounding the action that result in a reasonably possibility of a significant effect on the environment. The action will not result in damage to scenic resources within an official state scenic highway nor is the action site located on a site included on any list compiled pursuant to Government Code section 65962.5. The action will also not cause a substantial adverse change in the significance of historical resource.

IV. Recommendation

The Staff recommends that the Board of Directors adopt Resolution Number 2.3-2024:

- 1) Finding that the proposed action is not a CEQA “project” or, alternatively, is exempt from CEQA or the reasons set forth in the staff report and based on the entire record before the District;
- 2) Approving the Agreement; and
- 3) Directing staff to file a CEQA Notice of Exemption within five (5) working days of approval.

Exhibits:

A: Map of District property to be transferred to the Authority, with easement area hatched

B: Map of Authority property to be transferred to the District

C: Resolution No.2.3-2024, including Agreement as Attachment A



RESOLUTION NO. 2.3-2024

ROWLAND WATER DISTRICT

RESOLUTION OF THE BOARD OF DIRECTORS MAKING FINDINGS THAT THE HABITAT AUTHORITY LAND SWAP IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE PROJECT

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

WHEREAS, the District owns that certain real property of approximately 11,057 square feet in size and generally located at 3021 Fullerton Road in Rowland Heights and more specifically described and defined in the Agreement for the Exchange of Real Property and Joint Escrow Instructions (hereinafter, the "Agreement") ("District Property"), which is undevelopable but heavily vegetated and may contain biological value; and

WHEREAS, Puente Hills Habitat Preservation Authority ("Habitat Authority") owns that certain real property generally located adjacent to the westerly line of the District Property, which is approximately 1,256 square feet in size, and is more specifically described and defined in the Agreement ("Habitat Authority Property"); and

WHEREAS, the District proposes to convey the District Property to the Habitat Authority, while reserving an easement, and will also provide habitat enhancement funding to the Authority in the amount of \$30,000; and

WHEREAS, in exchange, the Habitat Authority would convey the Habitat Authority Property so that the District may maintain a fire clearance zone in compliance with the American Water Infrastructure Act mandates that apply to critical service public agencies; and

WHEREAS, the terms and conditions of this land exchange are outlined in the Agreement, which is attached hereto as Exhibit A; and

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

("District") is the lead agency for any required environmental review for the proposed Agreement; and

WHEREAS, in accordance with CEQA, the District has determined that approval of the Agreement is not a "project" under CEQA and is, alternatively exempt from the requirements of CEQA pursuant to State CEQA Guidelines sections 15378, 15301, 15304, and 15061(b)(3); and

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

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

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

SECTION 2. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. Based upon its review of the entire record, the Board of Directors hereby finds and determines that the proposed approval of the Agreement and the adoption of this Resolution consists of a title swap (i.e., a paperwork exercise) with the Habitat Authority, and that no proposed development, and no proposed change of use or intensity is authorized by this Resolution. As a result, there is no possibility that this action will cause direct or reasonably foreseeable indirect physical changes to the environment, and the action is not a CEQA "project" under State CEQA Guidelines section 15378. Further, in the event that the Agreement could be considered a CEQA "project", the action is exempt from CEQA for at least the following three reasons, as further explained in the District's staff report, which is incorporated herein by reference:

- 1) It can be seen with certainty that the Agreement, which merely clarifies title, will not result in any direct or reasonably foreseeable indirect physical changes to the environment. Thus, this action is subject to the "common sense" exemption under State CEQA Guidelines section 15061(b)(3);
- 2) The action consists of a title swap between two entities, which will continue the ongoing operation and maintenance of the properties in substantially the same (or better) environmental condition. Thus, this action is exempt from CEQA as an ongoing operation, repair, maintenance, or minor alteration of existing topographical features involving negligible or no expansion of use under State CEQA Guidelines section 15301;
- 3) The action consists of a title swap between two entities, which will continue the ongoing operation and maintenance of the properties in substantially the same (or better) environmental condition, and for the purpose of better ensuring the defensibility of critical services facilities against fire hazards near the District's existing fence-line. Thus, the action is exempt from CEQA as a fuel

management activity to reduce fire risk under State CEQA Guidelines section 15304.

SECTION 3. APPROVAL OF AGREEMENT. The Board of Directors hereby approves the Agreement.

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

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

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

ADOPTED AT A REGULAR MEETING OF THE ROWLAND WATER DISTRICT
HELD February 13, 2024, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President

ATTEST:

TOM COLEMAN
General Manager

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 13, 2024.

TOM COLEMAN
General Manager/Board Secretary

Exhibit “A”

Agreement for the Exchange of Real Property and Joint
Escrow Instructions

AGREEMENT FOR THE EXCHANGE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT FOR THE EXCHANGE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”) is made as of this _____ day of _____, 2024 (“**Effective Date**”), by and between the ROWLAND WATER DISTRICT, a California county water district (“**District**”), and PUENTE HILLS HABITAT PRESERVATION AUTHORITY, a California joint powers authority (“**Authority**”). District and Authority are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. District is the owner of that certain real property generally located at 3021 Fullerton Road, Rowland Heights, County of Los Angeles, California (APN 8269-003-900) (“**District Property**”).

B. Authority is the owner of that certain real property generally located adjacent to the westerly line of the District Property, located in the City of La Habra Heights, County of Los Angeles, California (APN 8266-002-901) (“**Authority Property**”).

C. District desires to exchange approximately 11,067 square feet of the westerly portion of the District Property, as more particularly described in Exhibit “A” attached hereto (“**District Exchange Property**”) with the Authority for approximately 1,256 of the easterly portion of the Authority Property, as more particularly described in Exhibit “B” attached hereto (“**Authority Exchange Property**”).

D. In connection with the Exchange (as defined below), the Authority will concurrently grant a five (5) foot wide easement over the easterly portion of the Authority Property (as adjusted as a result of the Exchange) for the purpose of maintenance/improvements of fence, trimming and clearance of brush, and other vegetation located in the Easement Area, during non-nesting season for the gnatcatcher, i.e., September 1 through February 14, with such easement being in the form attached here to as Exhibit “D” (“**Easement**”). The Easement area is more particularly described on Exhibits “A” and “B” to the Easement (“**Easement Area**”). The Easement shall be subject to the Authority’s safety measures (“**Safety Measures**”), more particularly described in Exhibit “C” to the Easement.

E. District desires to transfer the District Exchange Property to the Authority for governmental use, and Authority desires to transfer the Authority Exchange Property to the District for governmental use, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, based upon the foregoing facts, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Transfer of Properties. Upon the satisfaction or waiver of all of the conditions precedent to the Close of Escrow set forth in Section 5 below, (a) District shall acquire the Authority Exchange Property from Authority, and (b) Authority shall acquire the District Exchange Property from District (“**Exchange**”).

The parties agree that the fair market value of the properties are as follows, based on that certain appraisal dated December 20, 2023 by Benjamin V. Balos, MAI, Senior Appraiser/Certified General Real Estate Appraiser, California Certification No. AG 040853 of R.P. Lourain & Associates, Inc., Long Beach CA:

- (a) District Exchange Property is \$15,494.00 (“**District Property Value**”);
- (b) Easement is \$388.00 (“**Easement Value**”); and
- (c) Authority Exchange Property is \$628.00 (“**Authority Property Value**”).

2. Escrow and Title.

2.1. Escrow Holder. The Exchange shall be consummated through an escrow (the “**Escrow**”) at First American Title Company, located at 901 Via Piemonte, Suite 150, Ontario, California, escrow officer Kelly Simoneau (“**Escrow Holder**”).

2.2. Title Company. Any title policies issued to Authority with respect to the District Exchange Property and to District with respect to the Authority Exchange Property, respectively, in connection with the Exchange shall be issued by First American Title Insurance Company, located at 3281 East Guasti Road, Suite 440, title officer Greg Franke (“**Title Company**”).

2.3. Escrow Instructions. Escrow shall be opened within three (3) days following the execution of this Agreement by delivery to Escrow and acceptance of this Agreement by Escrow Holder in writing (“**Opening of Escrow**”). Escrow Holder shall open an Escrow for the consummation of the Exchange pursuant to the terms of this Agreement and this Agreement shall constitute the joint escrow instructions of the Parties to Escrow Holder. Upon Escrow Holder’s receipt of the fully executed Agreement, Escrow Holder is authorized to act in accordance with the terms of this Agreement. District and Authority shall execute Escrow Holder’s general escrow instructions upon request; provided, however, that if there is any conflict or inconsistency between such general escrow instructions and this Agreement, this Agreement shall control. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. The parties agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

Sections 1, 2, 3 (excluding 3.3 and 3.5), 4, 5 (excluding 5.3 and 5.5), 6, 7, 9 and 13 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, the parties agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for

information of Escrow Holder, but about which Escrow Holder need not be concerned. The parties will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request.

2.4. Definition of Close of Escrow. For purposes of this Agreement, the term "Close of Escrow" shall mean the time when Escrow Holder shall have recorded the Grant Deeds and the Easement Agreement as set forth in Section 6.5.3.

2.5. Preliminary Title Reports. Within five (5) business days following the Opening of Escrow, the Escrow Holder shall deliver a current preliminary title report together with a plotting of easements for each of the Authority Exchange Property and the District Exchange Property to each entity at the addresses listed in Section 13.1. The preliminary title reports shall show the status of title to the respective properties as of the date of the preliminary title reports and be accompanied by access by hyperlink to all documents referred to on Schedule B of the preliminary title reports (individually referred to as either the "Authority Exchange Property Report" or "District Exchange Property Report").

2.6. District - Executive Director's Authority. District, by its execution of this Agreement, hereby agrees that the Executive Director of District or their designee (who has been designated by Executive Director's written notice delivered to Authority and Escrow Holder) shall, in the District's Executive Director's sole and exclusive discretion, have authority to execute all closing documents and any amendments including any extensions.

2.7. Authority - Executive Director's Authority. Authority, by its execution of this Agreement, hereby agrees that the Executive Director of Authority or their designee (who has been designated by Executive Director's written notice delivered to District and Escrow Holder) shall, in the Authority's Executive Director's sole and exclusive discretion, have authority to execute all closing documents and any amendments including any extensions.

3. District's Approval of Condition of Title; Due Diligence.

3.1. Review of Condition of Title. District shall have fifteen (15) days from the receipt of the Authority Exchange Property Report provided pursuant to Section 2.5 to give Authority and Escrow Holder written notice of its approval of the Authority Exchange Property Report or the disapproval of any title exception that is unacceptable to District. Those exceptions which District has approved on the Authority Exchange Property Report are hereinafter referred to as the "Authority Exchange Property Permitted Exceptions." The Authority Exchange Property Permitted Exceptions shall exclude any delinquent taxes or any taxes due and payable prior to the Close of Escrow and/or any and all other monetary liens or encumbrances on the Authority Exchange Property.

3.2. Authority Exchange Property Title Insurance Policy. At the option of District, and upon District's request, at the Close of Escrow and as a condition thereto, the Title Company shall issue to District a policy of title insurance ("Authority Exchange Property Title Policy") as to the Authority Exchange Property, containing the terms and provisions set forth in this Section 3.2. The Authority Exchange Property Title Policy shall be an ALTA (non-extended) Standard Coverage Owner's Policy of Title Insurance issued by the Title Company in an a

mount determined by District (by appraisal or such other method acceptable to the Title Company), showing fee simple title to the Authority Exchange Property and the Easement vested in District, subject only to non-delinquent taxes and assessments, the Authority Exchange Property Permitted Exceptions, and such other matters as to which District may consent in writing. The premium for the Authority Exchange Property Title Policy and any costs in connection with the search and examination of title and/or for the issuance of the Authority Exchange Property Report shall be paid by District. The Authority Exchange Property Title Policy shall be issued without reliance on any indemnity of Authority or any third party to induce Title Company to issue the Authority Exchange Property Title Policy, without the prior written consent of District. If District so elects and the Title Company agrees, the Authority Exchange Property Title Policy may include such endorsements as District may reasonably request; provided however that all such endorsements shall be issued at District's sole cost and expense. In addition, if District so elects and the Title Company agrees to issue an ALTA Extended Coverage Owner's Policy (2006 Form), the Authority Exchange Property Title Policy as defined above shall be an ALTA Extended Coverage Policy rather than a ALTA (non-extended) Standard Coverage Policy, with all other elements remaining the same; provided, however, that such ALTA Extended coverage shall be issued at District's sole cost and expense.

3.3. Due Diligence. Commencing on the Effective Date and for forty-five (45) days thereafter ("**Due Diligence Period**"), the District shall complete all of its due diligence investigations of the Authority Exchange Property to determine the suitability of the properties for the District, at District's sole cost and expense ("**Due Diligence Investigations**"). District shall rely solely and exclusively upon the results of its Due Diligence Investigations. Authority makes no representation or warranty to the District relating to the condition of the Authority Exchange Property or suitability of the Authority Exchange Property for any intended use by the District. Failure of District to notify Authority of its approval or disapproval before the end of the Due Diligence Period shall be conclusively deemed District's disapproval hereunder.

3.4. District's Right to Cancel. Until the expiration of the Due Diligence Period, District will have the unconditional right to cancel this Agreement by giving written notice to Authority and Escrow Holder of cancellation at or prior to the expiration of the Due Diligence Period. If District timely elects to cancel this Agreement, Escrow Holder will immediately cancel the escrow, and neither District nor Authority will have any further obligations under this Agreement, other than those obligations that expressly survive the termination of this Agreement.

3.5. Right of Entry. During the period from and after the Opening Date of Escrow and continuing until the Closing, District may enter upon the Authority Exchange Property upon at least forty-eight (48) hours prior written notice to Authority with Authority's representatives and agents for the purpose of examining the Authority Exchange Property, provided such examinations do not interfere with the activities of Authority on the Authority Exchange Property; provided, however, if District proposes to make any tests in connection with any environmental report or any other tests which involve drilling, boring or other similar intrusive or invasive action on or under the Authority Exchange Property, then District shall obtain Authority's written consent prior to making any such tests. District shall use care and consideration in connection with any of its examinations or tests and Authority shall have the right to be present during any examination of the Authority Exchange Property by District or its

agents. District shall restore the Authority Exchange Property to its original condition after any and all tests and/or examinations. District shall indemnify and hold Authority harmless from any and all losses, liabilities, costs, claims, damages, judgments, actions, proceedings, penalties, liens or expenses of any kind or nature whatsoever resulting or arising from District or its representatives', contractors', employees' and/or agents' entry and activities upon the Authority Exchange Property, which obligation shall survive the expiration or earlier termination of this Agreement and the Close of Escrow. Prior to any entry upon the Authority Exchange Property by District or District's agents, contractors, subcontractors or employees and at all times prior to the Closing, District shall obtain and maintain commercial general liability insurance with a financially responsible insurance company covering the activities of District and District's agents, contractors, subcontractors and employees on or upon the Authority Exchange Property.

4. Authority's Approval of Condition of Title; Due Diligence.

4.1. Authority's Review of Condition of Title. Authority shall have fifteen (15) days from the receipt of the District Exchange Property Report to give District and Escrow Holder written notice of its approval of the District Exchange Property Report or the disapproval of any title exception that is unacceptable to Authority. Those exceptions which Authority has approved on the District Exchange Property Report are hereinafter referred to as the "**District Exchange Property Permitted Exceptions.**" The District Exchange Property Permitted Exceptions shall exclude any delinquent taxes or any taxes due and payable prior to the Close of Escrow and any other monetary liens or encumbrances on the District Exchange Property.

4.2. District Title Insurance Policy. At the option of the Authority, and upon the Authority's request, at the Close of Escrow and as a condition thereto, the Title Company shall issue to Authority a policy of title insurance ("**District Exchange Property Title Policy**") as to all or part of the District Exchange Property, containing the terms and provisions set forth in this Section 4.2. The District Exchange Property Title Policy shall be an ALTA (non-extended) Standard Coverage Owner's Policy of Title Insurance issued by the Title Company in an amount determined by the Authority (by appraisal or such other method acceptable to the Title Company), showing fee simple title to the District Exchange Property, vested in Authority, subject only to non-delinquent taxes and assessments, the District Exchange Property Permitted Exceptions, and such other matters as to which Authority may consent in writing. The premium for the District Exchange Property Title Policy and any costs in connection with the search and examination of title and/or for the issuance of the District Exchange Property Report shall be paid by the Authority. The District Exchange Property Title Policy shall be issued without reliance on any indemnity of District or any third party to induce Title Company to issue the District Exchange Property Title Policy, without the prior written consent of Authority. If Authority so elects and the Title Company agrees, the District Exchange Property Title Policy may include such endorsements, respectively and as applicable, as Authority may reasonably request; provided however that all such endorsements shall be issued at Authority's sole cost and expense. In addition, if Authority so elects and the Title Company agrees to issue one or more ALTA Extended Coverage Owner's Policy (2006 Form), the "**District Exchange Property Title Policy**" as defined above shall be an ALTA Extended Coverage Policy rather than an ALTA Standard Coverage policies, with all other elements remaining the same; provided however that such extended ALTA Extended coverage shall be issued at the Authority's sole cost and expense.

4.3. Due Diligence. Commencing on the Effective Date and for forty-five (45) days thereafter (“**Due Diligence Period**”), the Authority shall complete all of its due diligence investigations of the District Exchange Property to determine the suitability of the properties for the Authority, at Authority’s sole cost and expense (“**Due Diligence Investigations**”). Authority shall rely solely and exclusively upon the results of their respective Due Diligence Investigations. District makes no representation or warranty to the Authority relating to the condition of the District Exchange Property or suitability of the District Exchange Property for any intended use by Authority. Failure of Authority to notify District of its approval or disapproval before the end of the Due Diligence Period shall be conclusively deemed Authority’s disapproval hereunder.

4.4. Authority’s Right to Cancel. Until the expiration of the Due Diligence Period, Authority will have the unconditional right to cancel this Agreement by giving written notice to District and Escrow Holder of cancellation at or prior to the expiration of the Due Diligence Period. If Authority timely elects to cancel this Agreement, Escrow Holder will immediately cancel the escrow, and neither District nor Authority will have any further obligations under this Agreement, other than those obligations that expressly survive the termination of this Agreement.

4.5. Right of Entry. During the period from and after the Opening Date of Escrow and continuing until the Closing, Authority may enter upon the District Exchange Property upon at least forty-eight (48) hours prior written notice to District with District’s representatives and agents for the purpose of examining the District Exchange Property, provided such examinations do not interfere with the activities of District on the District Exchange Property; provided, however, if Authority proposes to make any tests in connection with any environmental report or any other tests which involve drilling, boring or other similar intrusive or invasive action on or under the District Exchange Property, then Authority shall obtain District’s written consent prior to making any such tests. Authority shall use care and consideration in connection with any of its examinations or tests and District shall have the right to be present during any examination of the District Exchange Property by Authority or its agents. Authority shall restore the District Exchange Property to its original condition after any and all tests and/or examinations. Authority shall indemnify and hold District harmless from any and all losses, liabilities, costs, claims, damages, judgments, actions, proceedings, penalties, liens or expenses of any kind or nature whatsoever resulting or arising from Authority or its representatives’, contractors’, employees’ and/or agents’ entry and activities upon the District Exchange Property, which obligation shall survive the expiration or earlier termination of this Agreement and the Close of Escrow. Prior to any entry upon the District Exchange Property by Authority or its agents, contractors, subcontractors or employees and at all times prior to the Closing, each entity shall obtain and maintain commercial general liability insurance with a financially responsible insurance company covering the activities of their respective agents, contractors, subcontractors and employees on or upon the District Exchange Property.

5. Conditions Precedent to Close of Escrow.

5.1. District’s Conditions to Closing. Each of the following shall constitute a condition precedent to the obligations of District to close the Escrow and may be waived, in whole or in part, only by a written waiver executed by District and delivered to Authority and to

Escrow Holder:

- 5.1.1. **Documents.** The applicable documents described in Section 6.3.2 shall have been deposited in Escrow by Authority.
- 5.1.2. **Title Policy.** If requested by District, the Title Company shall be irrevocably committed to issue the Authority Exchange Property Title Policy upon the Close of Escrow.
- 5.1.3. **No Material Change.** As of the Close of Escrow, there shall be no material change in the Authority Exchange Property that would materially impair District's use or development of the Authority Exchange Property.
- 5.1.4. **Representations and Warranties.** All of Authority's representations and warranties as set forth herein shall be true as of the Close of Escrow.
- 5.1.5. **No Default.** Authority shall not be in material default hereunder. If District does not give Escrow Holder written notice of Authority's default, for purposes of this Section 5.1.5 only, Authority shall be deemed not to be in default hereunder, and Escrow Holder shall proceed with the Close of Escrow as though Authority were not in default. District's failure to give such notice to Escrow Holder shall not excuse performance by Authority of any obligation hereunder.

5.2. **Authority's Conditions.** Each of the following shall constitute a condition precedent to the obligations of Authority to close the Escrow and may be waived, in whole or in part, only by a written waiver executed by Authority and delivered to District and to Escrow Holder:

- 5.2.1. **Documents.** The applicable documents described in Section 6.3.1 shall have been deposited in Escrow by District.
- 5.2.2. **Title Policy.** If requested by Authority, the Title Company shall be irrevocably committed to issue the District Exchange Property Title Policy upon the Close of Escrow.
- 5.2.3. **No Material Change.** As of the Close of Escrow, there shall be no material change in the District Exchange Property that would materially impair Authority's use or development of the District Exchange Property.
- 5.2.4. **Representations and Warranties.** All of District's representations and warranties as set forth herein shall be true as of the Close of Escrow.

5.2.5. No Default. District shall not be in material default hereunder. If Authority does not give Escrow Holder written notice of District's default, for purposes of this Section 5.2.5 only, District shall be deemed not to be in default hereunder, and Escrow Holder shall proceed with the Close of Escrow as though District were not in default. Authority's failure to give such notice to Escrow Holder shall not excuse performance by District of any obligation hereunder.

6. Close or Cancellation of Escrow.

6.1. Closing Date.

6.1.1. Closing. Provided that this Agreement is not earlier terminated pursuant to the terms and provisions hereof and provided that all of the conditions precedent to the Close of Escrow have been satisfied or waived, the Parties agree that the Escrow shall close and Escrow Holder is instructed to close the Escrow on the date that is thirty (30) days after the expiration of all Due Diligence Periods (as defined in Section 3.3 and Section 4.3), ("**Closing Date**"), unless extended pursuant to Section 6.1.2; provided however, that in no event shall the Closing Date be later than June 30, 2024 ("**Outside Closing Date**"). Escrow Holder by closing the Escrow shall be deemed to have irrevocably committed to cause the Title Company to issue any requested District Exchange Property Title Policy and Authority Exchange Property Title Policy.

6.1.2. Extensions. In the event that either Party believes it is necessary to extend the Closing Date, that Party shall have the right to unilaterally extend the Closing Date by ten (10) days by providing written notice to the other Party before the Closing Date. Each Party shall only be entitled to one unilateral extension. The Parties may subsequently extend the Closing Date only by written agreement of both Parties, except that in no event shall the Closing Date be later than the Outside Closing Date without the written agreement of both Parties.

6.1.3. Default. In the event that the Close of Escrow fails to occur by the Outside Closing Date, and neither Party is in default of its obligations hereunder, then the Party for whose benefit the non-satisfied condition exists may cancel the Escrow by written notice to the other Party and to Escrow Holder. In the event that, due to an "**Event of Default**" by a "**Defaulting Party**" (as the quoted terms are defined in Section 9.1 below), the Close of Escrow fails to occur by the Outside Closing Date, then without waiving any rights or remedies which the non-Defaulting Party may have against the Defaulting Party under Section 9, the non-Defaulting Party may cancel the Escrow upon written notice to the Defaulting Party and to Escrow Holder. In the event that the non-Defaulting Party elects not to terminate this Agreement

t, then the non-Defaulting Party may pursue the remedies for such Event of Default as provided in Section 9.

6.2. Escrow Cancellation.

- 6.2.1.** If, for any reason, the Escrow is cancelled pursuant to Section 6.1.3, Escrow Holder shall return to the Parties delivering same all instruments which are then held by Escrow Holder in connection with the Escrow.
- 6.2.2.** If the Escrow is cancelled pursuant to Section 6.1.3 and neither Party is in default of its obligations hereunder, this Agreement shall be deemed to be terminated (with the exception of those provisions which expressly state that they are to survive such termination), and District and Authority shall each bear one-half (1/2) of the title and Escrow fee and cancellation charges, if any. In such event, neither Party shall be obligated to the other to close the Escrow hereunder.
- 6.2.3.** If the Escrow is cancelled pursuant to Section 6.1.3 and District is the Defaulting Party, District shall pay the Escrow fee and cancellation charges.
- 6.2.4.** If the Escrow is cancelled pursuant to Section 6.1.3 and Authority is the Defaulting Party, Authority shall pay the Escrow fee and cancellation charges.

6.3. Items to be Delivered into Escrow.

- 6.3.1. District.** On or before one (1) business day prior to the Closing Date, District shall execute and deposit in Escrow the following:
 - (a) Good Funds (as defined below) in the amount of District's share of costs and prorations described in Sections 7.1;
 - (b) Good Funds for the Habitat Enhancement Payment pursuant to Section 8.3.1;
 - (c) A fully executed and notarized grant deed in the form of the form of Exhibit "E" ("**District Grant Deed**");
 - (d) A certificate of acceptance to be attached to the Authority Deed (defined in Section 6.3.2 below) prior to recordation;
 - (e) A certificate of acceptance to be attached to the Easement Agreement (defined in Section 6.3.2) prior to recordation;
 - (f) A nonforeign transferor declaration ("**Nonforeign Transferor Declaration**") in the form of Exhibit "G";

(g) A California state tax withholding certificate in accordance with the requirements of California Revenue and Taxation Code Sections 18805(d) and 26131 (California Form 593-W for Non-Individual Sellers and California Form 593-C for Individual Sellers), executed by District (**“District California Tax Certificate”**); and

(h) Such other documents as may be reasonably required by Title Company or Escrow Holder in order to issue one or more of the District Exchange Property Title Policy, if requested by the Authority, or otherwise required to transfer the District Exchange Property to Authority in accordance with the terms of this Agreement.

6.3.2. Authority. On or before one (1) business day prior to the Closing Date, Authority shall execute and deposit in Escrow the following:

(a) Good funds in the amount of Authority’s share of costs and prorations described in Sections 7.2;

(b) The executed and acknowledged grant deed conveying the Authority Exchange Property to District in the form of Exhibit “F” (**“Authority Grant Deed”**);

(c) An executed certificate of acceptance to be attached to the District Grant Deed prior to recordation;

(d) The executed and acknowledged Easement Agreement in the form of Exhibit “F” attached hereto (**“Easement Agreement”**);

(d) A nonforeign transferor declaration (**“Nonforeign Transferor Declaration”**) in the form of Exhibit “G” attached hereto;

(e) A California state tax withholding certificate in accordance with the requirements of California Revenue and Taxation Code Sections 18805(d) and 26131 (California Form 593-W for Non-Individual Sellers and California Form 593-C for Individual Sellers), executed by Authority (the **“Authority California Tax Certificate”**); and

(f) Such other documents as may be reasonably required by Title Company or Escrow Holder in order to issue the Authority Exchange Property Title Policy, if requested, or otherwise required to transfer the Authority Exchange Property to District in accordance with the terms of this Agreement.

6.4. Good Funds Defined. All funds deposited in Escrow shall be in “Good Funds” which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

6.5. Escrow Holder's Instructions. At such time as the conditions precedent to the Close of Escrow have been satisfied or waived, Escrow Holder shall:

6.5.1. Collate the counterparts of the Exchange Agreement into two fully executed documents;

6.5.2. Date, as of the Close of Escrow, all instruments calling for a date;

6.5.3. Record the District Grant Deed (with the certificate of acceptance attached), the Authority Grant Deed (with the certificate of acceptance attached) and the Easement (with the certificate of acceptance attached) in the Official Records of Los Angeles County, California (“**Official Records**”);

6.5.4. Give Authority and District written notice that the Close of Escrow has occurred; and

6.5.5. Deliver to Authority the District Exchange Property Title Policy, and to District the Authority Exchange Property Title Policy, if so requested.

6.6. Post-Closing Matters. After the Close of Escrow, Escrow Holder shall deliver the following:

6.6.1. To Authority: A copy, as recorded, of the District Grant Deed for the District Exchange Property, the Easement Agreement, the original Nonforeign Transferor Declaration executed by District, the original District California Tax Certificate executed by District, and plain copies of the Nonforeign Transferor Declaration and the Authority California Tax Certificate executed by Authority.

6.6.2. To District: A copy, as recorded, of the Grant Deed for the Authority Exchange Property, the Easement Agreement, the original Nonforeign Transferor Declaration executed by Authority, the original Authority California Tax Certificate executed by Authority, and plain copies of the Nonforeign Transferor Declaration and the District California Tax Certificate executed by District.

7. Costs and Prorations.

7.1. Costs to be Paid by District. District shall pay the following costs:

7.1.1. The premium for the Authority Exchange Property Title Policy, if such policy is requested by District;

7.1.2 One-half (1/2) of the Escrow fee; and

7.1.3. Any other fees shall be allocated pursuant to standard practice in Los Angeles County.

7.2. **Costs to be Paid by Authority.** Authority shall pay the following costs:

7.2.1. The premium for the District Exchange Property Title Policy, and to the extent applicable if one or more of such policies are requested by Authority;

7.2.2. One-half (1/2) of the Escrow fee; and

7.2.3. Any other fees shall be allocated pursuant to standard practice in Los Angeles County.

7.3 **NO Real Property Tax Prorations.** Real property taxes shall not be prorated for either Property as both parties are exempt from real estate taxes.

7.4 **NO Documentary Transfer Taxes or Recording Fees.** Both entities are public entities and, therefore, exempt from recording fees Govt Code Section 6103; and (ii) documentary transfer taxes pursuant to R&T Code Section 11922.

8. **Representations and Warranties; Covenants.**

8.1. **District's Representations and Warranties.** As a material inducement to Authority to enter into this Agreement, District makes the following covenants, representations, and warranties to Authority set forth in this Section 8.1 as of the date hereof and as of the Close of Escrow.

8.1.1. **Property Owner.** District is the owner of the District Exchange Property and has the right, power, and authority to transfer the same to Authority pursuant to this Agreement.

8.1.2. **District's Authority to Execute Agreement.** District is a duly organized, validly existing public agency organized and existing under the laws of the State of California. Neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated by this Agreement will result in any breach of or constitute a default under or conflict with any agreement, covenant, law, regulation, ordinance, or obligation binding upon District. District has the legal right, power and authority to enter into this Agreement and all documents, instruments, or agreements referenced herein to be executed by District, and to consummate the transaction contemplated hereby. All individuals executing this Agreement and all other documents, instruments, or agreements required hereunder, on behalf of District, have the legal right, power,

and actual authority to bind District to the terms and conditions hereof and thereof.

- 8.1.3. Compliance with Law.** District has no knowledge and has received no notice (i) that the District Exchange Property is in violation of any applicable statutes, ordinances, and regulations, including those relating to environmental and health and safety requirements including those governing the storage, discharge, use, and cleaning of toxic or hazardous substances and materials; (ii) of any presently pending or threatened action or proceeding under any environmental or health and safety statutes, ordinances, or regulations; or (iii) of the existence of any present or pending order or directive of any Authority, county, state, or federal authority, or any agency thereof, requiring that any work or repair, maintenance, improvement, or pollution or contamination abatement be performed on the District Exchange Property.
- 8.1.4. No Litigation.** There are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or, to the best of District's knowledge, threatened against District or the District Exchange Property or relating to or arising out of the ownership, management, condition, or operation of the District Exchange Property, in any court or before or by any federal, state, county, or municipal department, commission, board, bureau, agency, or other governmental instrumentality.
- 8.1.5. No Mechanic's Liens.** No work has been done upon, or materials delivered to, the District Exchange Property by or at the request of District, or with District's knowledge, which is not fully paid for, nor, to the best of District's knowledge, does any person, firm, or corporation now have, nor, to the best of District's knowledge, will it have upon the giving of any notice or passage of time or otherwise, any mechanic's or materialman's lien rights with respect to the District Exchange Property or any part or parcel thereof.
- 8.1.6. No Adverse Agreements.** There are no adverse possessors, tenancies, or occupancy agreements affecting possession of the District Exchange Property, or any portion thereof, except as disclosed in this Agreement, nor has any option to purchase the District Exchange Property, or any portion thereof, been granted by District to any party. No party (other than the Authority pursuant to this Agreement) has the right to acquire the District Exchange Property.
- 8.1.7. No Bankruptcy Proceedings.** District is not the subject of a bankruptcy, insolvency, or similar proceeding.
- 8.1.8. Environmental Status.** To the best of District's knowledge, District

warrants and represents to Authority that it is not aware that any release of Hazardous Materials has come to be located upon or under the District Exchange Property. Neither District nor, to the actual knowledge of District, without duty of inquiry, any third parties during the period of time the District Exchange Property has been owned by District have generated, handled, manufactured, stored, used, transported, or discharged any Hazardous Materials on, in, or under the District Exchange Property, the groundwater or any adjacent property. District is not aware of any underground storage tanks located on or under the District Exchange Property. As used herein, the term “Hazardous Materials” shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations promulgated thereto: (1) any “hazardous substance” within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”) 42 U.S.C. Section 9601, *et seq.* or the California Hazardous Substance Account Act, Cal. Health and Safety Code Section 25300 *et seq.* or the Porter-Cologne Water Quality Act, Cal. Water Code Section 13000 *et seq.* or the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*; (2) any “hazardous waste” within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; or (3) any other substance, chemical, waste, toxicant, pollutant, or contaminant regulated by any federal, state, or local law, statute, rule, regulation, or ordinance for the protection of health or the environment, including, without limitation, any petroleum products or fractions thereof.

8.1.9. AS-IS. District acknowledges that District has inspected the Authority Exchange Property and made its own independent investigation of the Authority Exchange Property. District further acknowledges that it is acquiring the Authority Exchange Property “AS-IS,” in reliance solely on its own inspection of the Authority Exchange Property and on Authority’s representations and warranties as set forth herein.

8.2. Authority’s Representations and Warranties. As a material inducement to District to enter into this Agreement, Authority makes the following covenants, representations and warranties to District set forth in this Section 8.2 as of the Effective Date and as of the Close of Escrow.

8.2.1. Property Owner. Authority is the owner of the Authority Exchange Property and has the right, power, and authority to transfer the same to District pursuant to this Agreement.

8.2.2. Authority’s Authority to Execute Agreement. Authority is a duly

organized, validly existing public agency organized and existing under the laws of the State of California. Neither the execution and delivery of this Agreement nor the performance or consummation of the transactions contemplated by this Agreement will result in any breach of or constitute a default under or conflict with any agreement, covenant, law, regulation, ordinance, or obligation binding upon Authority. Authority has the legal right, power, and authority to enter into this Agreement and all documents, instruments or agreements referenced herein to be executed by agency, and to consummate the transaction contemplated hereby. All individuals executing this Agreement and all other documents, instruments, or agreements required hereunder, on behalf of Authority, have the legal right, power, and actual authority to bind Authority to the terms and conditions hereof and thereof.

8.2.3. Compliance with Law. Authority has no knowledge and has received no notice (i) that the Authority Exchange Property is in violation of any applicable statutes, ordinances, and regulations, including those relating to environmental and health and safety requirements including those governing the storage, discharge, use, and cleaning of toxic or hazardous substances and materials; (ii) of any presently pending or threatened action or proceeding under any environmental or health and safety statutes, ordinances, or regulations; or (iii) of the existence of any present or pending order or directive of any Authority, county, state, or federal authority, or any agency thereof, requiring that any work or repair, maintenance, improvement, or pollution or contamination abatement be performed on the Authority Exchange Property.

8.2.4. No Litigation. There are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or, to the best of Authority's knowledge, threatened against Authority or the Authority Exchange Property or relating to or arising out of the ownership, management, condition, or operation of the Authority Exchange Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, Authority, or other governmental instrumentality.

8.2.5. No Mechanic's Liens. No work has been done upon, or materials delivered to, the Authority Exchange Property by or at the request of Authority, or with Authority's knowledge, which is not fully paid for, nor, to the best of Authority's knowledge, does any person, firm or corporation now have, nor, to the best of Authority's knowledge, will it have upon the giving of any notice or passage of time or otherwise, any mechanic's or materialman's lien rights with respect to the Authority Exchange Property or any part or parcel thereof.

- 8.2.6. No Adverse Agreements.** There are no adverse possessors, tenancies, or occupancy agreements affecting possession of the Authority Exchange Property, or any portion thereof, except as disclosed in this Agreement, nor has any option to purchase the Authority Exchange Property, or any portion thereof, been granted by Authority to any party. No party (other than District pursuant to this Agreement) has the right to acquire the Authority Exchange Property.
- 8.2.7. No Bankruptcy Proceedings.** Authority is not the subject of a bankruptcy, insolvency, or similar proceeding.
- 8.2.8. Environmental Status.** To the best of Authority's knowledge, Authority warrants and represents to District that it is not aware that any release of Hazardous Materials has come to be located upon or under the Authority Exchange Property. Neither Authority nor, to the actual knowledge of Authority, without duty of inquiry, any third parties during the period of time the Authority Exchange Property has been owned by Authority have generated, handled, manufactured, stored, used, transported, or discharged any Hazardous Materials on, in or under the Authority Exchange Property, the groundwater or any adjacent property. Authority is not aware of any underground storage tanks located on or under the Authority Exchange Property. As used herein, the term "Hazardous Materials" shall mean any toxic or hazardous substance, material, or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to those substances, materials, or wastes regulated now or in the future under any of the following statutes or regulations promulgated thereto: (1) any "hazardous substance" within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") 42 U.S.C. Section 9601, *et seq.* or the California Hazardous Substance Account Act, Cal. Health and Safety Code Section 25300 *et seq.* or the Porter-Cologne Water Quality Act, Cal. Water Code Section 13000 *et seq.* or the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*; (2) any "hazardous waste" within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; or (3) any other substance, chemical, waste, toxicant, pollutant or contaminate regulated by any federal, state, or local law, statute, rule, regulation or ordinance for the protection of health or the environment, including, without limitation, any petroleum products or fractions thereof.
- 8.2.9. AS-IS.** Authority acknowledges that Authority has inspected the District Exchange Property and made its own independent investigation of the District Exchange Property, and that the District is transferring the District Exchange Property to Authority in its "AS-IS" condition, in reliance solely on its own inspection of the District

Exchange Property and on District's representations and warranties as set forth herein.

8.3. Additional Covenants of the District. The District covenants and undertakes to do each of the following:

8.3.1. Habitat Enhancement Payment. The District shall pay to the Authority for habitat enhancement the sum of \$30,000 (Thirty Thousand Dollars) ("**Habitat Enhancement Payment**"). The Habitat Enhancement Payment shall be delivered to Escrow for payment to the Authority upon the Close of Escrow.

8.3.2. Fence Removal. Within twelve (12) months following the Close of Escrow, the District, at the District's sole cost and expense, shall remove all fencing from the District Exchange Property. The Authority hereby grants to the District a temporary easement onto and over the Authority Property and the District Exchange Property for ingress and egress and such other purposes as shall be reasonably necessary for the District's removal of all fencing from the District Exchange Property. District shall indemnify Authority with respect to all such work including, any mechanic liens. This covenant shall survive Close of Escrow.

8.3.3 One-Time Enhancement Replacement. The District acknowledges that a portion of the District Exchange Property being granted to the Authority resides under a Southern California Edison (SCE) right-of-way. Each party acknowledges and understands that SCE has the right and authority to clear the vegetation in the SCE right-of-way if SCE determines such clearance is needed. Therefore, in the event of such vegetation clearance by SCE, the District agrees to cover the actual cost of a one-time habitat enhancement replacement within the SCE right-of-way. Notwithstanding anything herein to the contrary, this one-time payment will only be made in the event of vegetation clearance in the right-of-way by SCE, is not applicable in the event of vegetation clearance as a result of a natural or manmade wildfire, and will in no event exceed a cost to the District of \$35,000(Thirty-Five Thousand Dollars). This covenant shall survive the Close of Escrow.

9. Default.

9.1. Events of Default. The failure of a Party (the "**Defaulting Party**") to perform any material act to be performed by such Party, to refrain from performing any material prohibited act, or to fulfill any condition to be fulfilled by such Party under this Agreement, or under any agreement referred to herein or attached hereto as an exhibit, within ten (10) days after written notice of such failure from the Non-Defaulting Party shall be an "**Event of Default**" by the Defaulting Party with respect to the Defaulting Party's obligations hereunder; provided, however, that if more than ten (10) days are reasonably required in order to cure such Event of Default, then the Defaulting Party shall be entitled to a maximum of thirty (30) days to effect such cure, provided the Defaulting Party commences cure within such ten (10) day period and diligently proceeds to complete such cure within such thirty (30) day period.

9.2. Remedies. Upon the occurrence of any Event of Default by a Defaulting Party, the non-Defaulting Party shall have such rights or remedies available to it under this Agreement or at law or in equity.

10. Casualty Loss; Condemnation.

10.1. Notice Re Condemnation or Casualty; Election. In the event that, prior to the Close of Escrow, all or any portion of the District Exchange Property or Authority Exchange Property is taken or proposed to be taken as a result of the exercise or proposed exercise of the power of eminent domain (a “**Condemnation Action**”), or all or any portion of the District Exchange Property or Authority Exchange Property is damaged by earthquake, flood, or fire (a “**Casualty**”), then the Party that is the current property owner shall, within ten (10) days thereafter, give written notice of such Condemnation Action or Casualty to the other Party (“**Noticed Party**”). Such Noticed Party shall have thirty (30) days following receipt of such notice to elect in writing to accept or not to accept the District Exchange Property or Authority Exchange Property, as the case may be, subject to such Casualty or Condemnation Action. Failure of a Noticed Party to notify the other Party of its election within such thirty (30) day period shall be deemed an election not to accept the District Exchange Property or Authority Exchange Property, as the case may be, subject to such Casualty or Condemnation Action.

10.2. Termination of Agreement. In the event that a Noticed Party elects not to accept the District Exchange Property or Authority Exchange Property, as the case may be, subject to such Casualty or Condemnation Action as provided in Section 10.1, the Noticed Party shall cancel the Escrow by written notice to Escrow Holder and the Party that is the current property owner and this Agreement shall be deemed to be terminated (with the exception of those provisions which expressly state that they are to survive such termination), and District and Authority shall each bear one-half (1/2) of the Escrow fee and cancellation charges. In such event, neither Party shall be obligated to the other to close the Escrow hereunder.

10.3. Proceeds of Condemnation or Casualty Insurance. In the event that a Noticed Party elects to accept the District Exchange Property or Authority Exchange Property, as the case may be, subject to a Casualty or Condemnation Action pursuant to Section 10.1, then the Party owning the property shall assign to the Noticed Party all rights, causes of action, claims, benefits, payments, and awards arising from such Condemnation Action or Casualty (including, without limitation, any amount due from or paid by any insurance company or any other party as a result of the damage).

11. Possession. Possession of the District Exchange Property shall be delivered to Authority upon the Close of Escrow, subject only to the District Exchange Property Permitted Exceptions. Possession of the Authority Exchange Property shall be delivered to District upon the Close of Escrow, subject only to the Authority Exchange Property Permitted Exceptions.

12. Brokerage Commissions. Each Party warrants and represents to the other that no broker, finder, or other intermediary hired or employed by it is entitled to a commission, finder’s fee, or other compensation based upon the transaction contemplated hereby and each Party shall indemnify and hold harmless the other Party from and against any and all claims, liabilities, losses, damages, costs, and expenses (including, but not limited to, reasonable attorneys’ fees,

court costs and litigation expenses) caused by or arising out of the claim of any broker, finder, or other intermediary alleging to have been employed or hired by such Party to a commission, finder's fee, or other compensation based upon the transaction contemplated hereby. The obligations of District and Authority pursuant to this Section 12 shall survive beyond the Close of Escrow or if the Escrow is cancelled, beyond any termination of this Agreement.

13. Miscellaneous.

13.1. Notices. All notices or other communications between District and Authority required or permitted hereunder shall be in writing and personally delivered or sent by certified mail, return receipt requested and postage prepaid, sent by reputable overnight courier (such as Federal Express, UPS, or DHL), or transmitted by electronic facsimile transmission (with electronic confirmation of receipt), to the following addresses:

If to District:	Rowland Water District 3021 Fullerton Road Rowland Heights, CA 91748 ATTN: Tom Coleman, General Manager tc Coleman@rowlandwater.com (562) 697-1726
With a copy to:	Joseph Byrne, General Counsel 300 S. Grand Avenue, 25th Floor Los Angeles, CA 90071 joseph.byrne@bbklaw.com (213) 617-7496
If to Authority:	Puente Hills Habitat Preservation Authority 7333 Greenleaf Ave., First Floor Whittier, CA 90602 ATTN: Andrea Gullo, Executive Director agullo@habitatauthority.org (562) 945-9003
With a copy to:	Authority Counsel Aleshire & Wynder 3701 Wilshire Blvd., Suite 725 Los Angeles, CA 90010 ATTN: Elena Q. Gerli egerli@awattorneys.com (424) 269-3345
Escrow Holder:	First American Title Company 901 Via Piemonte, Suite 150 Ontario, CA 91764 Attn: Kelly Simoneau

A notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m. or otherwise on the day following personal delivery, or when received, if transmitted by electronic facsimile transmission (with electronic confirmation of receipt), or two (2) business days following the date the notice is postmarked, if mailed, or on the day following delivery to the applicable overnight courier, if sent by overnight courier. Either Party may change the address to which notices are to be given to it by giving notice of such change of address in the manner set forth above for giving notice.

13.2. Time of the Essence. Time is of the essence for this Agreement and each and every term and provision hereof.

13.3. Interpretation; Governing Law. This Agreement shall be construed as if prepared by both Parties. This Agreement shall be construed, interpreted and governed by the laws of the State of California and the laws of the United States of America prevailing in California.

13.4. Severability. In the event that any phrase, clause, sentence, paragraph, section, article, or other portion of this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

13.5. Performance of Acts on Business Days. Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to calendar days. In the event that the final date for payment of any amount or performance of any act hereunder falls on a Saturday, Sunday, or holiday, such payment may be made or act performed on the next succeeding business day.

13.6. Attorneys' Fees. In the event of any legal action or other proceeding between the Parties regarding this Agreement, any of the documents attached hereto as exhibits, the District Exchange Property or the Authority Exchange Property (an "**Action**"), the prevailing Party shall be entitled to the payment by the losing Party of its reasonable attorneys' fees, court costs, and litigation expenses, as determined by the court.

13.7. Post-Judgment Attorneys' Fees. The prevailing Party in any Action shall be entitled, in addition to and separately from the amounts recoverable under Section 13.6, to the payment by the losing Party of the prevailing Party's reasonable attorneys' fees, court costs, and litigation expenses incurred in connection with (a) any appellate review of the judgment rendered in such Action or of any other ruling in such Action, and (b) any proceeding to enforce a judgment in such Action. It is the intent of the Parties that the provisions of this Section 13.7 be distinct and severable from the other rights of the parties under this Agreement, shall survive the entry of judgment in any Action and shall not be merged into such judgment.

13.8. Further Assurances; Survival. Each Party will, whenever and as often as it shall be requested to do so by the other Party, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, any and all such further conveyances, assignments,

approvals, consents, and any and all other documents and do any and all other acts as may be necessary to carry out the intent and purpose of this Agreement.

13.9. Entire Agreement; Amendments. This Agreement, together with the other written agreements referred to herein, is intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof, and is intended as the complete and exclusive statement of the terms of the agreement between the Parties. As such, this Agreement supersedes any prior understandings between the Parties, whether oral or written. Any amendments to this Agreement shall be in writing and shall be signed by all Parties hereto.

13.10. No Waiver. A waiver by either Party hereto of a breach of any of the covenants or agreements hereof to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

13.11. Assignment. Neither Party hereto shall assign its rights under this Agreement without the prior written consent of the other Party, which consent may be given or withheld in such Party's sole discretion.

13.12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, representatives, successors, and permitted assigns.

13.13. Headings; Cross-References; Exhibits. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All cross-references in this Agreement, unless specifically directed to another agreement or document, shall refer to provisions in this Agreement and shall not be deemed to be references to any other agreements or documents. Each of the exhibits attached to this Agreement is hereby incorporated into this Agreement by this reference.

13.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

13.15. Special Condition. Notwithstanding any other term or provision to the contrary set forth in this Agreement, in no event shall this Agreement be interpreted to require a transfer of real property by either party unless the District Exchange Property and the Authority Exchange Property are deemed suitable for transfer by both Parties, and are actually transferred to the other Party under the terms of this Agreement at the Close of Escrow.

13.16. Incorporation of Recitals. The Recitals are hereby incorporated into this Agreement as if fully and completely rewritten.

13.17. List of Exhibits. The following exhibits are hereby incorporated by reference and are made a part of this Agreement.

Exhibit A Legal Description of District Exchange Property

Exhibit B	Legal Description of Authority Exchange Property
Exhibit C	Easement Area
Exhibit D	Easement
Exhibit E	District Grant Deed
Exhibit F	Authority Grant Deed
Exhibit G	Non-Foreign Transferor Declaration

[Signatures Included on Following Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date set forth opposite their respective signatures below.

AUTHORITY:

**PUENTE HILLS HABITAT
PRESERVATION AUTHORITY,**
a joint powers authority

By: _____
Andrea Gullo, Executive Director

**APPROVED AS TO FORM
Aleshire & Wynder, LLP**

By: _____
Elena Q. Gerli, Authority Counsel

Accepted and agreed to:

**ESCROW HOLDER:
FIRST AMERICAN TITLE COMPANY, a
California corporation**

By: _____
Name: _____
Title: _____

Dated: _____, 2024

DISTRICT:

ROWLAND WATER DISTRICT, a
California county water district

By: _____
Tom Coleman, General Manager

**APPROVED AS TO FORM
Best Best & Krieger, Attorneys at Law**

By: _____
Joseph Byrne, District Counsel

EXHIBIT "A"

Legal Description and Depiction of District Exchange Property

That certain real property in Rowland Heights, County of Los Angeles, State of California legally described as follows:

THAT PORTION OF LAND IN THE RANCHO LA PUENTE AS PER MAP RECORDED IN BOOK 1, PAGES 43 AND 44, OF PATENTS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF THE RANCHO LA HABRA, PER PLAT RECORDED IN BOOK 1, PAGE 53, OF RECORD OF SURVEYS; THENCE,

ALONG THE SOUTHERLY LINE OF SAID LOT 2, SOUTH 81°20'00" EAST 75.00 FEET; THENCE,

LEAVING SAID SOUTHERLY LINE, SOUTH 32°16'20" WEST, 322.05 FEET TO THE DIVIDING LINE BETWEEN SAID RANCHO LA PUENTE AND SAID RANCHO LA HABRA; THENCE,

ALONG SAID DIVIDING LINE NORTH 19°01'45" EAST, 300.00 FEET TO THE POINT OF BEGINNING.

SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 11,067 S.F.

EXHIBIT "B"

Legal Description and Depiction of Authority Exchange Property

That certain real property in the City of La Habra Heights, County of Los Angeles, State of California legally described as follows:

THAT PORTION OF LAND IN THE RANCHO LA HABRA AS PER MAP RECORDED IN BOOK 1, PAGES 53, OF RECORD OF SURVEYS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF SAID RANCHO LA HABRA; THENCE,

ALONG THE DIVIDING LINE BETWEEN THE RANCHO LA PUENTE, AS PER MAP RECORDED IN BOOK 1, PAGE 43 AND 44, OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND SAID RANCHO LA HABRA, SOUTH 19°01'45" WEST, 575.35 FEET TO THE **TRUE POINT OF THE BEGINNING**; THENCE,

CONTINUING ALONG SAID DIVIDING LINE, SOUTH 19°01'45" WEST, 151.60 FEET; THENCE, LEAVING SAID DIVIDING LINE,

NORTH 48°29'25" WEST, 11.95 FEET; THENCE,

NORTH 18°12'06" EAST, 82.99 FEET; THENCE,

NORTH 35°12'13" EAST, 42.51 FEET; THENCE,

NORTH 19°31'27" EAST, 19.24 FEET; THENCE,

NORTH 22°23'39" EAST, 3.99 TO THE TRUE POINT OF BEGINNING.

SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 1,256 S.F.



EXHIBIT "C"

Legal Description and Depiction of Easement Area

THOSE PORTIONS OF LAND IN THE RANCHO LA PUENTE AS PER MAP RECORDED IN BOOK 1, PAGES 43 AND 44, OF PATENTS, AND THE RANCHO LA HABRA AS PER MAP RECORDED IN BOOK 1, PAGES 53, OF RECORD OF SURVEYS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A STRIP OF PARCEL OF LAND, FIVE (5) FEET WIDE, THE CENTERLINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF RANCHO LA HABRA, RECORDED IN BOOK 1, PAGE 53, OF RECORD OF SURVEYS; THENCE,

ALONG THE SOUTHERLY LINE OF SAID LOT 2, SOUTH 81°20'00" EAST 72.27 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE,

SOUTH 32°16'20" WEST, 321.25 FEET TO A POINT ON A LINE 2.50 FEET NORTHWESTERLY OF AND PARALLEL WITH THE WESTERLY LINE OF THE LAND DESCRIBED IN DEED TO ROWLAND AREA COUNTY WATER DISTRICT, RECORDED DOC. NO. 692, MAY 16, 1955; THENCE,

SOUTHERLY ALONG SAID PARALLEL LINE, SOUTH 19°01'45" WEST, 275.57 FEET; THENCE,

LEAVING SAID PARALLEL LINE, THE FOLLOWING COURSES:

- 1) SOUTH 22°23'39" WEST, 3.98 FEET; THENCE,
- 2) SOUTH 19°31'27" WEST, 18.96 FEET; THENCE,
- 3) SOUTH 35°12'13" WEST, 42.54 FEET; THENCE,
- 4) SOUTH 18°12'06" WEST, 85.01 FEET; THENCE,
- 5) SOUTH 48°29'25" EAST, 11.93 FEET TO SAID PARALLEL LINE; THENCE,

ALONG SAID PARALLEL LINE, SOUTH 19°01'45" WEST, 413.68 FEET TO THE SOUTHERLY TERMINUS OF SAID STRIP, MEASURED AT RIGHT ANGLE 2.50 FEET TO THE SOUTHERLY CORNER OF SAID DEED TO ROWLAND AREA COUNTY WATER DISTRICT.

THE SIDELINES OF SAID STRIP IS TO BE PROLONGED OR SHORTENED TO
TERMINATE AT THE NORTHERLY LINE OF SAID DEED TO ROWLAND AREA
COUNTY WATER DISTRICT.

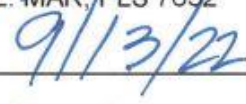
SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 1,552 S.F.

EXHIBIT 'B' CONSISTING OF ONE (1) SHEET ATTACHED HERETO AND MADE A
PART HEREOF.

THIS REAL PROPERTY DESCRIPTION WAS PREPARED BY ME, OR UNDER MY
DIRECTION, IN CONFORMANCE WITH THE PROVISIONS OF THE PROFESSIONAL
LAND SURVEYORS' ACT OF THE STATE OF CALIFORNIA.



LARRY L. MAR, PLS 7652



DATE



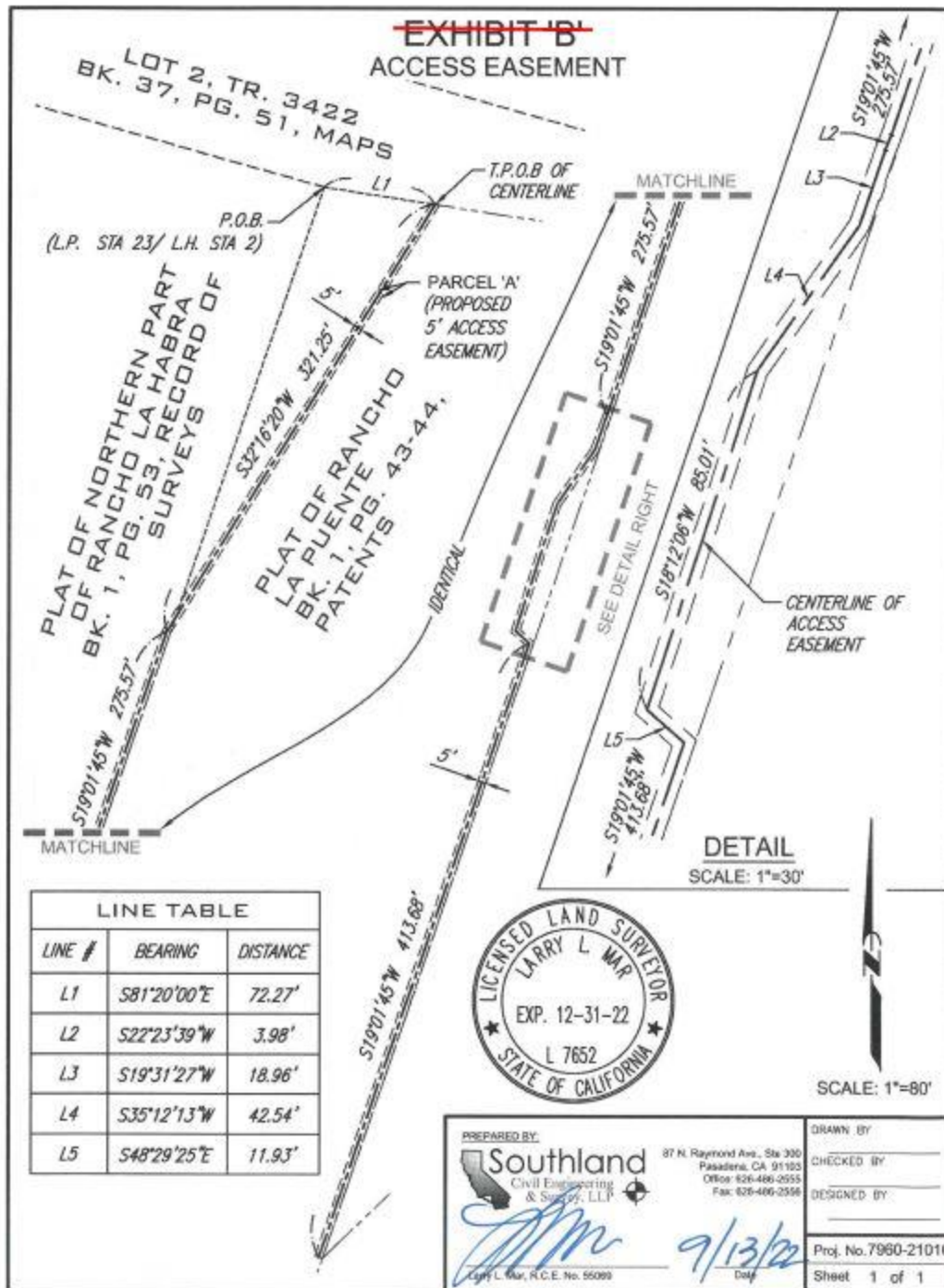


EXHIBIT "D"

Form of Easement

RECORDING REQUESTED BY

WHEN RECORDED RETURN TO:

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

FREE RECORDING:

This instrument is for the benefit of Rowland Water District, and is entitled to be recorded without fee or tax. (Govt. Code 6103, 27383 and Rev. & Tax Code 11922)

Portions of APN(s): _____ Above Space for Recorder's Use

MAINTENANCE EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **PUENTE HILLS HABITAT PRESERVATION AUTHORITY**, a California joint powers authority ("**Grantor**"), hereby grants to **ROWLAND WATER DISTRICT**, a California county water district ("**Grantee**"), a maintenance easement ("**Easement**"), over, on and under that portion of Property described in **Exhibit "A"** and depicted on **Exhibit "B"**, attached hereto and incorporated herein ("**Easement Area**") situated in the County of Los Angeles, State of California.

Specifically, and subject to the Safety Measures described in **Exhibit "C"**, the Easement grants to Grantee a perpetual right, at Grantee's sole cost and expense, to construct, repair, and maintain a fence located on Grantee's property and to trim and clear brush and other vegetation located in the Easement Area, including the right of ingress/egress, over, across and along the Easement Area; provided that the exercise of this Easement shall be limited to the period from October 1 of each year through the following February 14th, except to the extent access to the Easement Area is reasonably necessary to repair any damage to the fence and prevent trespassing on Grantee's property. Grantee shall indemnify and hold Grantor harmless as to all work done by Grantee under this Easement.

The rights and obligations contained herein shall inure to the benefit of, and be binding upon, the successors-in-interest, agents, employees, assigns, and transferees of Grantee.

[Continued on following page]

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its duly authorized officer.

Date: _____, 2024

GRANTOR:

**PUENTE HILLS HABITAT
PRESERVATION AUTHORITY**, a
California joint powers authority

By: _____
Name: Andrea Gullo, Executive Director

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2024 before me, _____,
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

CERTIFICATE OF ACCEPTANCE:

This is to certify that the interest in the real property conveyed by this instrument to the ROWLAND WATER DISTRICT was accepted by the Board of Directors of said District on _____, 20 ____, by Resolution No. _____, and said Board has consented to the recordation of the within instrument.

_____, _____

DRAFT

EXHIBITS "A" AND "B" TO MAINTENANCE EASEMENT

LEGAL DESCRIPTION AND PROPERTY DEPICTION

THOSE PORTIONS OF LAND IN THE RANCHO LA PUENTE AS PER MAP RECORDED IN BOOK 1, PAGES 43 AND 44, OF PATENTS, AND THE RANCHO LA HABRA AS PER MAP RECORDED IN BOOK 1, PAGES 53, OF RECORD OF SURVEYS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

A STRIP OF PARCEL OF LAND, FIVE (5) FEET WIDE, THE CENTERLINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF RANCHO LA HABRA, RECORDED IN BOOK 1, PAGE 53, OF RECORD OF SURVEYS; THENCE,

ALONG THE SOUTHERLY LINE OF SAID LOT 2, SOUTH 81°20'00" EAST 72.27 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE,

SOUTH 32°16'20" WEST, 321.25 FEET TO A POINT ON A LINE 2.50 FEET NORTHWESTERLY OF AND PARALLEL WITH THE WESTERLY LINE OF THE LAND DESCRIBED IN DEED TO ROWLAND AREA COUNTY WATER DISTRICT, RECORDED DOC. NO. 692, MAY 16, 1955; THENCE,

SOUTHERLY ALONG SAID PARALLEL LINE, SOUTH 19°01'45" WEST, 275.57 FEET; THENCE,

LEAVING SAID PARALLEL LINE, THE FOLLOWING COURSES:

- 1) SOUTH 22°23'39" WEST, 3.98 FEET; THENCE,
- 2) SOUTH 19°31'27" WEST, 18.96 FEET; THENCE,
- 3) SOUTH 35°12'13" WEST, 42.54 FEET; THENCE,
- 4) SOUTH 18°12'06" WEST, 85.01 FEET; THENCE,
- 5) SOUTH 48°29'25" EAST, 11.93 FEET TO SAID PARALLEL LINE; THENCE,

ALONG SAID PARALLEL LINE, SOUTH 19°01'45" WEST, 413.68 FEET TO THE SOUTHERLY TERMINUS OF SAID STRIP, MEASURED AT RIGHT ANGLE 2.50 FEET TO THE SOUTHERLY CORNER OF SAID DEED TO ROWLAND AREA COUNTY WATER DISTRICT.

THE SIDELINES OF SAID STRIP IS TO BE PROLONGED OR SHORTENED TO
TERMINATE AT THE NORTHERLY LINE OF SAID DEED TO ROWLAND AREA
COUNTY WATER DISTRICT.

SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 1,552 S.F.

EXHIBIT 'B' CONSISTING OF ONE (1) SHEET ATTACHED HERETO AND MADE A
PART HEREOF.

THIS REAL PROPERTY DESCRIPTION WAS PREPARED BY ME, OR UNDER MY
DIRECTION, IN CONFORMANCE WITH THE PROVISIONS OF THE PROFESSIONAL
LAND SURVEYORS' ACT OF THE STATE OF CALIFORNIA.



LARRY L. MAR, PLS 7652
9/13/22

DATE



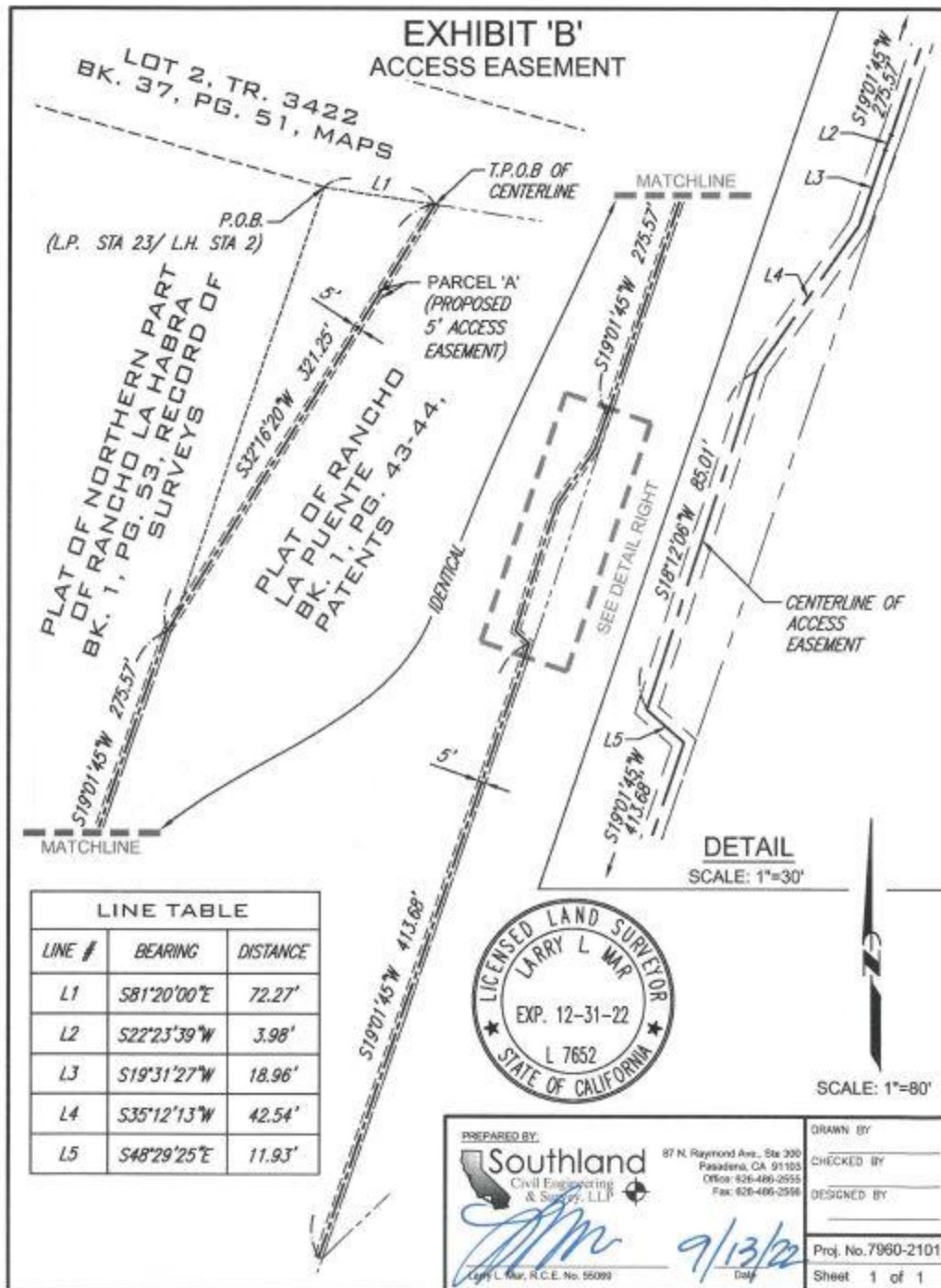


EXHIBIT "C" TO MAINTENANCE EASEMENT

EASEMENT AREA SAFETY MEASURES

1. For purposes of these Safety Measures, "Grantee" shall refer to Grantee, its officials, employees, contractors, agents, and representatives. Grantee is required to do everything reasonably possible to prevent fires in the conduct of its activities, including, but not limited to, ensuring these Safety Measures are strictly adhered to.
2. No smoking or open flames are permitted on the Easement Area. In the event Grantee desires to perform fence welding or any other work that may constitute a fire hazard in the Easement Area, Grantee shall take all customary and commercially reasonable actions to mitigate the fire hazard risk, including, but not limited to: (i) not performing any such work during the recognized peak fire season (i.e., July 1 through October 31 of each year) (ii) not performing any such work on a "red flag" day as determined by the National Weather Service, (iii) having a water tender/buffalo (containing a minimum of 200 gallons) in close proximity to the area of welding activity, (iv) having not less than three (3) fire extinguishers within 10 feet of the welding site and readily accessible (i.e., not located in a vehicle), and (v) prior to performing any welding activity in the Easement Area, clearing all brush within a 5 foot radius from the welding site.
3. Grantee shall carry a cellular telephone or two-way radio at all times while on the Easement Area and neighboring property for emergency purposes. Grantee shall immediately report any fire discovered on or around the Easement Area to the Fire Department by calling 911.
4. Before entering the Property each year from the period from May 1 through November 15 or during any other high fire hazard time, Grantee must contact Grantor at Info@HabitatAuthority.org or (562) 945-9003, call the Ranger Services at (310) 858-7272, extension 227 (or current extension), or the local Fire Department, to make sure it is safe to enter the Easement Area, and shall not enter if the Fire Department prohibits or advises against it or if rangers or Grantor staff prohibit entrance. Rangers or other representatives of Grantor may contact the supervisor of any clearing/fuel modification work, and order that access be limited or prohibited due to extreme fire hazard. Grantee's contractors shall have vehicles that are clearly marked with their company logo, or wear identifying uniforms or orange vests.
5. Grantee must provide the rangers with the dates of expected plant clearing/fuel modification work to take place and name of contractor doing the work, no later than the day prior to the start of work, by emailing Grantor at info@habitatauthority.org, and calling Ranger Services dispatch at 562-698-1446, or any successor agency performing ranger services for the Authority over the Easement Area.
6. Grantee must carry in each vehicle one serviceable round point shovel with overall length of not less than four feet, and no less than two chemical type (ABC) 2.5-gallon fire extinguisher. Other precautions and requirements suitable to weather conditions may be

imposed by rangers for fire safety. Fire extinguishers must be kept in the immediate vicinity of the work taking place for quick response.

7. All of Grantee's vehicles must be equipped with properly maintained spark arresters and catalytic converter exhaust. Vehicle exhaust systems shall be inspected daily at the start of each shift when work is being conducted in the Easement Area. Motorized vehicles must remain on drivable roads.
8. Grantee must haul away the annual cuttings to be legally disposed of in a landfill. Under no circumstances should the cuttings be left behind or discarded in the adjacent habitat. Cuttings dry out and become a fire hazard, and can spread non-native plants and weeds.
9. Grantee must protect all natural water sources from pollution arising in connection with its entry onto the Easement Area.
10. Grantee shall not disturb any vegetation on Grantor-owned or Grantor-managed property outside of the Easement Area. Appropriate mitigation will be required for disturbances, and must be agreed upon in writing by Grantor before any work is done that may cause any disturbance beyond the boundaries of the Easement Area.
11. No access is allowed 48 hours after a rain or longer until the trails are dry as determined by the rangers.
12. Grantee is required to do everything reasonably possible to not block emergency vehicle access on the road/trails, to not block roads/trails for other users, and to prevent fires in the conduct of their activities, including not leaving any vehicle unattended and not stopping or parking over vegetation outside of the Easement Area at any time.
13. Gates shall be locked by the Grantee immediately after all ingress or egress. At no time shall the gates be left open.
14. The maximum speed limits on trails/roads is 15 miles per hour or less if conditions warrant for safety of natural resources or other trail/road users.
15. Precautions shall be taken to adequately safeguard recreational users. Flag men, signs, and/or orange cones on roads and trails shall be used to adequately warn recreational users on Grantor's adjacent property and on the Easement Area of Grantee's activities.
16. Grantee must follow all Park Rules that are current at the time of Grantee's access to the Easement Area, including any successor provisions by any agency that may apply to Grantor's owned or managed properties in the future, provided that such Park Rules do not unreasonably interfere with Grantee's use and operation of the easement for the intended purposes. Park Rules shall be interpreted and enforced in a manner that is consistent with Grantee's exercise of its rights hereunder. At the time of the execution of this Easement Agreement, the Park Rules are found here: <https://www.habitatauthority.org/preserve-management/>.

EXHIBIT "E"

District Grant Deed (Sample)

RECORDING REQUESTED BY

WHEN RECORDED RETURN TO:

Puente Hills Habitat Preservation Authority
7333 Greenleaf Ave., First Floor
Whittier, CA 90602
ATTN: Andrea Gullo, Executive Director

APN A portion of _____
THE UNDERSIGNED GRANTOR DECLARES:
Documentary Transfer Tax is: \$-0- per R&T §11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **ROWLAND WATER DISTRICT**, a California county water district ("**Grantor**"), hereby grants to **PUENTE HILLS HABITAT PRESERVATION AUTHORITY**, a California joint powers authority ("**Grantee**"), the fee simple interest in the following described real property (the "**Property**") situated in the County of Los Angeles, State of California, as described and depicted in **Exhibit "A"**, attached hereto.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its duly authorized officer.

Date: _____

GRANTOR:

ROWLAND WATER DISTRICT, a
California county water district

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2024 before me, _____,
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A" TO DISTRICT GRANT DEED

LEGAL DESCRIPTION

That certain real property in the City of Rowland Heights, County of Los Angeles, State of California legally described as follows:

THAT PORTION OF LAND IN THE RANCHO LA PUENTE AS PER MAP RECORDED IN BOOK 1, PAGES 43 AND 44, OF PATENTS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF THE RANCHO LA HABRA, PER PLAT RECORDED IN BOOK 1, PAGE 53, OF RECORD OF SURVEYS; THENCE,

ALONG THE SOUTHERLY LINE OF SAID LOT 2, SOUTH 81°20'00" EAST 75.00 FEET; THENCE,

LEAVING SAID SOUTHERLY LINE, SOUTH 32°16'20" WEST, 322.05 FEET TO THE DIVIDING LINE BETWEEN SAID RANCHO LA PUENTE AND SAID RANCHO LA HABRA; THENCE,

ALONG SAID DIVIDING LINE NORTH 19°01'45" EAST, 300.00 FEET TO THE POINT OF BEGINNING.

SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 11,067 S.F.

DRAFT

CERTIFICATE OF ACCEPTANCE:

This is to certify that the interest in the real property conveyed by this instrument to the PUENTE HILLS HABITAT PRESERVATION AUTHORITY was accepted by the Board of Directors of said District on _____, 2024, by Resolution No. _____, and said Board has consented to the recordation of the within instrument.

_____, _____

EXHIBIT "F"

Authority Grant Deed (Sample)

RECORDING REQUESTED BY

WHEN RECORDED RETURN TO:

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

APN A portion of _____
THE UNDERSIGNED GRANTOR DECLARES:
Documentary Transfer Tax is: \$-0- per R&T §11922

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **PUENTE HILLS HABITAT PRESERVATION AUTHORITY**, a California joint powers authority ("**Grantor**"), hereby grants to **ROWLAND WATER DISTRICT**, a California county water district ("**Grantee**"), the fee simple interest in the following described real property (the "**Property**") situated in the County of Los Angeles, State of California, as described and depicted in **Exhibit "A"**, attached hereto.

IN WITNESS WHEREOF, Grantor has caused its name to be affixed hereto and this instrument to be executed by its duly authorized officer.

Date: _____

GRANTOR:

**PUENTE HILLS HABITAT
PRESERVATION AUTHORITY**, a
California joint powers authority

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2024 before me, _____,
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A TO AUTHORITY GRANT DEED

LEGAL DESCRIPTION

That certain real property in the City of La Habra Heights, County of Los Angeles, State of California legally described as follows:

THAT PORTION OF LAND IN THE RANCHO LA HABRA AS PER MAP RECORDED IN BOOK 1, PAGES 53, OF RECORD OF SURVEYS, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE SOUTHERLY LINE OF LOT 2 OF TRACT NO. 3422, AS PER MAP RECORDED IN BOOK 37, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING SHOWN THEREIN AS STATION L.H. 2 OF SAID RANCHO LA HABRA; THENCE,

ALONG THE DIVIDING LINE BETWEEN THE RANCHO LA PUENTE, AS PER MAP RECORDED IN BOOK 1, PAGE 43 AND 44, OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND SAID RANCHO LA HABRA, SOUTH 19°01'45" WEST, 575.35 FEET TO THE **TRUE POINT OF THE BEGINNING**; THENCE,

CONTINUING ALONG SAID DIVIDING LINE, SOUTH 19°01'45" WEST, 151.60 FEET; THENCE, LEAVING SAID DIVIDING LINE,

NORTH 48°29'25" WEST, 11.95 FEET; THENCE,

NORTH 18°12'06" EAST, 82.99 FEET; THENCE,

NORTH 35°12'13" EAST, 42.51 FEET; THENCE,

NORTH 19°31'27" EAST, 19.24 FEET; THENCE,

NORTH 22°23'39" EAST, 3.99 TO THE TRUE POINT OF BEGINNING.

SQUARE FOOTAGE OF PARCEL (MORE OR LESS): 1,256 S.F.



CERTIFICATE OF ACCEPTANCE:

This is to certify that the interest in the real property conveyed by this instrument to the ROWLAND WATER DISTRICT was accepted by the Board of Directors of said District on _____, 20 ____, by Resolution No. _____, and said Board has consented to the recordation of the within instrument.

_____, _____

EXHIBIT "G"

Non-Foreign Transferor Declaration

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the Property and not the disregarded entity. To inform _____

(**"Transferee"**), the transferee of that certain real property described in Schedule "1" attached hereto and incorporated herein by this reference, that withholding of tax is not required upon the disposition of the above-referenced real property by _____, a public Authority (**"Transferor"**), the undersigned hereby certifies the following on behalf of the Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder); and

2. Transferor's taxpayer identification number is: _____; and

3. Transferor's address is: _____.

The Transferor understands that this Certification may be disclosed to the Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

The Transferor understands that the Transferee is relying on this Certification in determining whether withholding is required upon said transfer.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Dated: _____, 20__

"TRANSFEROR"

_____,

By: _____

Name: _____

Title: _____



RESOLUTION NO. 2.4-2024

ROWLAND WATER DISTRICT RESOLUTION OPPOSING THE TAXPAYER PROTECTION AND GOVERNMENT ACCOUNTABILITY ACT, BALLOT INITIATIVE NO. 21-0042A1

WHEREAS, on February 1, 2023, a ballot initiative submitted by the California Business Roundtable, an organization comprised of the senior executive leadership of major California employers, qualified for the November 2024 statewide election; and

WHEREAS, the ballot initiative, named “The Taxpayer Protection and Government Accountability Act” (Ballot Initiative No. 21-0042A1), seeks to amend the California Constitution by enacting new and stricter rules for raising and increasing taxes, fees, and charges, and making it more difficult to pass measures needed to fund local services and infrastructure; and

WHEREAS, Ballot Initiative No. 21-0042A1 would require all fees and charges be approved either by voters themselves or by an elected governing body; and

WHEREAS, the California Legislative Analyst and Director of Finance have opined that Ballot Initiative No. 21-0042A1 will reduce state and local revenues, potentially substantially; and

WHEREAS, Ballot Initiative No. 21-0042A1 would have significant negative impacts on the District’s operations and ability to deliver its core services; and

WHEREAS, a broad coalition of local governments, labor, education and public safety leaders, infrastructure advocates, and businesses strongly oppose Ballot Initiative No. 21-0042A1; and

WHEREAS, a coalition of interested parties, including Governor Gavin Newsom and the State Legislature, have petitioned the California Supreme Court to enjoin submission of Ballot Initiative No. 21-0042A to the voters, arguing that it is constitutionally invalid; and

WHEREAS, the District’s General Counsel has drafted this Resolution based upon the information available, with the understanding this information is complete, true, and accurate.

NOW, THEREFORE, be it resolved that we, the Rowland Water District Board of Directors, hereby oppose “The Taxpayer Protection and Government Accountability Act” (Ballot Initiative No. 21-0042A1), which has qualified for the November 2024 Statewide Election.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors held February 13, 2024, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Szu Pei Lu-Yang
President

ATTEST:

TOM COLEMAN
General Manager

Unapproved

EMERGENCY MANAGEMENT COORDINATOR REIMBURSEMENT AND FEE AGREEMENT

This Emergency Management Coordinator Reimbursement and Fee Agreement (“Agreement”) is entered into as of January 2, 2024 (“Effective Date”) between Rowland Water District, a California county water district (“District”) and the Public Water Agencies Group, a non-profit mutual benefit corporation consisting of 21 entities who provide various types of water services throughout Los Angeles County (“PWAG”), hereinafter referred to individually as a “Party” or collectively as the “Parties”.

Recitals

A. Nineteen of the member agencies of PWAG who are participating in the PWAG Emergency Management Program, entered into that certain Restated Memorandum of Understanding Regarding Public Water Agencies Group Emergency Management Coordinator Position, effective as of January 1, 2024, for the cost-sharing and funding of an emergency management coordinator (“Coordinator”) to be hired as an employee of the District, wherein the participating PWAG member agencies will jointly fund the Coordinator position and PWAG will reimburse the District for all costs associated with the Coordinator position and pay the District an administration fee related to the Coordinator position (“MOU”).

B. The Coordinator will benefit PWAG and its participating member agencies by providing services to the participating PWAG member agencies.

C. This Agreement between the District and PWAG sets forth PWAG’s obligations for reimbursement and fees associated with the Coordinator position.

Terms

1. Reimbursement. PWAG shall reimburse the District for all salary, benefit burdens, overhead, and related administrative costs and expenses related to the District’s engagement and compensation of the Coordinator (“Coordinator Costs”) within fourteen (14) calendar days of District’s submittal via e-mail of a monthly invoice to PWAG for all Coordinator Costs.

2. Administrative Fee. PWAG shall additionally pay District a seven (7) percent administration fee calculated as an additional seven (7) percent of the total amount of the monthly invoice submitted by District to PWAG pursuant to Section 1 (“Administration Fee”) within fourteen (14) calendar days of District’s submittal of the monthly invoice for Coordinator Costs. District will include the Administration Fee calculation in each monthly invoice.

3. Coordinator Duties. As consideration for the reimbursement and fee contemplated in Sections 1 and 2, the District shall engage and compensate the Coordinator, who shall provide the services set forth in the MOU to the PWAG member agencies participating in the MOU.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

5. Amendment. This Agreement may be modified only by a written agreement signed by the Parties.

6. Severability. If any court determines that any provision of this Agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

7. Counterparts; Execution Transmitted by E-Mail or Other Electronic Means. This Agreement may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by e-mail or by other electronic means, including DocuSign or other similar applications. Such e-mailed or electronic signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE FIRST SET FORTH ABOVE.

ROWLAND WATER DISTRICT

**PUBLIC WATER AGENCIES
GROUP**

By: _____
Tom Coleman, General Manager

Title: _____



WHAT'S YOUR Water Footprint?

TAKING STEPS TO SAVE

Rowland Water District – Board Report

February 13, 2024



Customer Communications

- Understanding the Colorado River Water Supply
 - Campaign Launched
- Finalized Lobby Look
- Crafted Water Quality Social Media Post for NextDoor



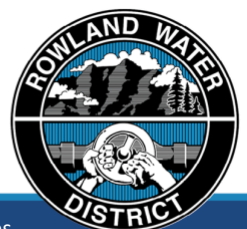
District Outreach

- New Podcast Interviews Being Secured
- Creating a Water Quality video series for the Annual Water Quality Report
- Updating “Where Does Your Water Come From?” video
- Puente Basin Water Agency, Rowland Water District & California Domestic Water Company Tour Handout
- Updated District Handout for Legislative Trip



Website/Graphics Enhancements

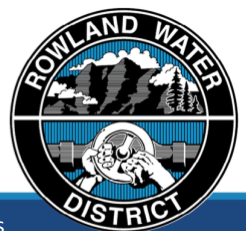
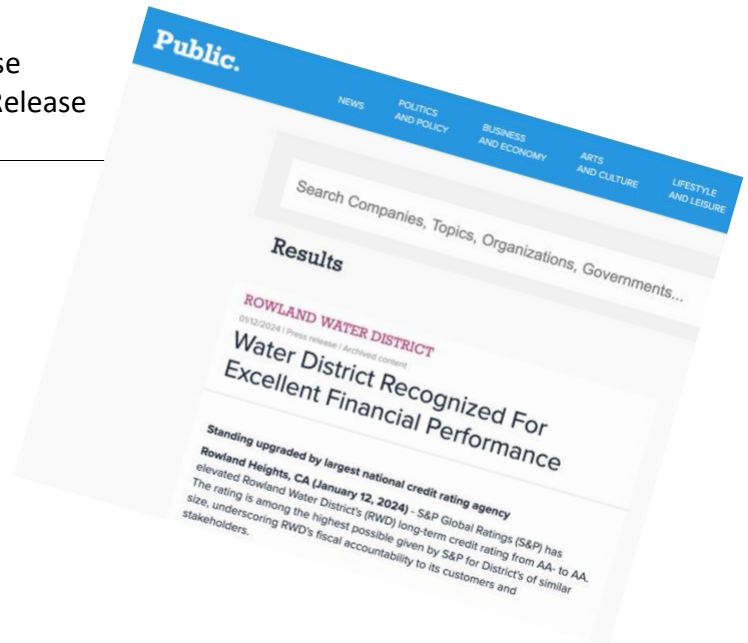
Updated videos and sliders as needed
Development of lobby concepts and mock-ups





Press Releases/Earned Media

Credit Rating Release
Landscape Classes Release
Water Bottling Stations Release
Water Quality Release





Community & Education Outreach Update

February 13, 2024

SOCIAL MEDIA

#DiscoverRWD #RowlandConnections #RWDeducation #WaterFacts

Rowland Water District continually posts updates regarding District information, careers in water, conservation, and water education. These posts are shared on Facebook, Instagram X/Twitter, and YouTube when necessary. See below for our social media engagement:



X/Twitter:

Measurement	Total
Followers	800
Tweets	21
Engagement	28
Impressions	780
Post Retweets	2

Top Performing Tweet:



Rowland Water District
@RowlandWater

...

Water affordability continues to be a challenge for low-income households across California. [#LIHWAP](#) is here to help. LIHWAP provides direct support to help pay water bills.

➔ To learn more, visit: csd.ca.gov/waterbill

[#PayMyH2OBill](#)

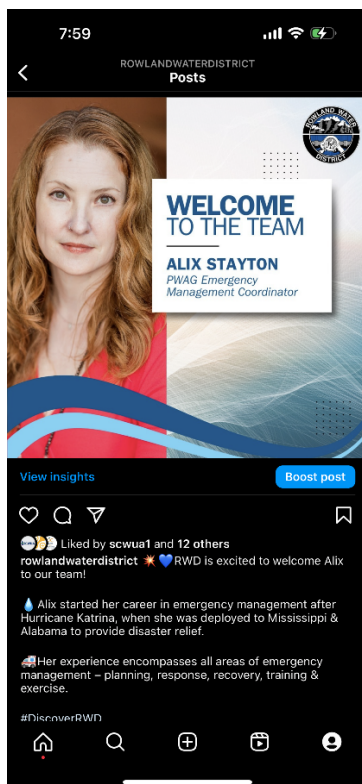




Instagram:

Measurement	Total
Total Followers	1,336
Post Engagement	96
Post Impressions <i>(Total number of times post have been seen)</i>	6,214
Profile Impressions	1,100

Instagram Top Performing Post/Reel:





Website – January 2024

Measurement	Total
Users	5,300
New Users	4,100
Returning Visitor	1,246
Pageviews	21,162



CONSTANT CONTACT- Electronic information sent to customer emails.

Total Active Contacts-14,500

January 29th- February 13, 2024 Public Hearing: 48% Open Rate



COMMUNITY & EDUCATION ENGAGEMENT

Water Bottle Filling Stations - RWD staff has delivered reusable bottles to Nogales High School on January 17th for the student body, administrative staff, and teachers. The water bottles will be delivered to Santana High School when the filling station is completed.

2024 Landscape Classes – RWD staff has scheduled four landscape classes for the 2024 series. The class schedule is as follows:

- Edible Gardening for Beginners: August 29, 2024
- Easy Steps to Landscape Conversion: September 26, 2024
- Landscape Care for Homeowners: October 24, 2024
- Hands-on Succulent Wreath-making: December 12, 2024

Staff will begin to market this landscape series to residents in the spring.





Water Awareness Poster Contest- Staff began marketing the Annual Water Awareness Poster Contest to schools on January 19th. To date, we have received 877 poster paper requests which have been distributed to the teachers. The submission deadline is March 21st. The student winners will be recognized during the special board meeting on May 28, 2024.

Mini Solar Challenge - 305 students are participating by their teachers to participate in RWD's 2023-24 Mini Solar Challenge. RWD will invite these 103 teams to race their solar mini "boats" in March 2024 at a local high school. Following RWD's local challenge, the top team will then compete against Valley County Water District's team at the first-ever regional mini-solar competition. Details of this regional event are in discussion with PWAG's Conservation and Education Team.

Scholar Dollar Contest - High School principals and English teachers have been asked to share details of the Scholar Dollar scholarship program with the senior class student body. This is a great opportunity for four students to receive \$1,000, payable to an educational institution upon proof of enrollment. Application details and requirements may be accessed by visiting <https://pwagcet.org/scholar-dollars/>.

Rowland Heights Library Partnership – Staff met with the Rowland Heights Library to initiate a partnership where RWD will purchase water conservation books to add in the non-fiction section of the library. The books will have a RWD logo and message inside to inform the readers that RWD supplied these books to the library.

Kiwanis Literacy Fair Event- Staff will have a booth at the Kiwanis Literacy Fair on March 2nd from 10:00 am – 3:00 pm. The booth will have copies of *The Wonderful World of Water-Adventures with Wendy & Wally* along with a water cycle bookmark activity. Conservation items will also be handed out to attendees.

Other Water Education/Outreach Activities - Staff continues attending monthly Conservation and Education Team (CET) meetings. Teachers are encouraged to visit: <https://pwagcet.org/> for resources on water-related lessons and grants.

Tom Coleman

From: The Urban Water Institute <events@urbanwater.com>
Sent: Friday, February 2, 2024 9:06 AM
To: Tom Coleman
Subject: Reminder: UWI Exclusive: Jeff Kightlinger Unplugged



URBAN WATER INSTITUTE
A FORUM FOR WESTERN WATER ISSUES



UWI Exclusive: Jeff Kightlinger Unplugged

Dear Tom,

We're reaching out to let you know about an exclusive opportunity for UWI members and conference attendees. Former General Manager of the Metropolitan Water District of Southern California, Jeffrey Kightlinger, will be going unplugged and uncensored at our Spring Conference in Palm Springs!

Ask your questions and get answers you've never heard:

- What goes on behind closed doors at MET?
- How did key decisions get made and by whom?
- How can your organization influence what goes on at MET?

Join us for an intimate conversation with Jeff on Friday, February 23, 2024 at the Hilton Palm Springs. **Seating is limited, so register now to reserve your seat in the room.**

Registration is just \$250 for the day or \$695 (UWI members)/\$795 (non-members) for the full three-day conference (session included with your full conference registration). If you've already registered for the conference, we will reach out prior to the event to confirm your attendance at this session.

[Register Now](#)

SPONSORSHIP LEVELS



	TITLE*	DIAMOND	PLATINUM	GOLD	SILVER	BRONZE
	\$15,000	\$10,000	\$8,000	\$6,000	\$3,000	\$1,000
NETWORKING						
Recognition as the Title Sponsor on UWI Website/Newsletters/Marketing Materials	•					
Logo on Conference Bags (Spring/Fall)	•					
Exhibit Table (Spring/Fall)	•	•	•			
Complimentary Conference Registrations	5/year	4/year	3/year	2/year	1/year	
Welcome Reception Celebrating Sponsors	•	•	•	•	•	•
Attendee List w/ Contact Info (Spring/Fall)	•	•	•	•	•	•
RECOGNITION						
Premium Conference Signage (Spring/Fall)	•	•				
Guest Blog Post on UWI Website	•	•				
Choice of 1 Level A Conference Sponsorship Item (Spring/Fall)	•	•				
Ad in Conference Program (Spring/Fall)	Full Page	1/2 Page	1/4 Page			

Sponsor UWI's Spring/Fall Conferences

Sponsorships are still available for our Spring Conference. Pick your level based on your desired networking and recognition benefits. Many sponsorship levels include free conference registration(s), custom recognition options, exhibitor tables and more.

[Sponsorship Levels](#)



2024 MEMBERSHIP APPLICATION & RENEWAL

MEMBERSHIP LEVELS (Please check the appropriate category.)

Public Sector (cities, water districts, other gov. org's)

- ☐ Population: <10,000 (Annual Fee: \$550)
- ☐ Population: 10k-50k (Annual Fee: \$825)
- ☐ Population: 51k-100k (Annual Fee: \$1,050)
- ☐ Population: >100k (Annual Fee: \$1,375)

Private Sector (businesses, consultants, private utilities)

- ☐ Employees <5 (Annual Fee: \$550)
- ☐ Employees 5-25 (Annual Fee: \$825)
- ☐ Employees 26-50 (Annual Fee: \$1,050)
- ☐ Employees >50 (Annual Fee: \$1,375)

Other Membership Categories

- ☐ Nonprofit Organizations & Academia -
Programs/Centers (Annual Fee: \$500)
- ☐ Member Emeritus/Retired (Annual Fee: \$110)

- ☐ Academia - Professors/Researchers
(Annual Fee: \$300)

New Member Promo Code: _____

MEMBER CONTACT INFORMATION (for membership renewals.)

Organization: _____

Renew Your UWI Membership

If your organization's UWI membership is based on the calendar year, now is the time to renew for 2024. This year, we've added three new membership categories for nonprofits, water research centers, and professors.

BONUS: New membership benefits will be unveiled this year following our recent Board of Directors Strategic Planning Workshop. Stay tuned for more info!

Membership Renewals



Urban Water Institute | 14271 Jeffrey Road, #509, Irvine, CA 92620

[Unsubscribe tcoleman@rowlandwater.com](mailto:tcoleman@rowlandwater.com)

[Constant Contact Data Notice](#)

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URBAN WATER INSTITUTE

A FORUM FOR WESTERN WATER ISSUES



SPRING 2024 WATER CONFERENCE

FEBRUARY 21-23, 2024 | PALM SPRINGS, CA

PROGRAM SCHEDULE

Wednesday, February 21, 2024



TIME	ACTIVITIES
12:00 - 1:00PM	REGISTRATION, NETWORKING & EXHIBITS
1:00 - 1:15PM	WELCOME TO THE CONFERENCE Andree Lee, UWI Board Chair, EKI Water & Environment
1:15-1:30PM	WELCOME TO PALM SPRINGS Jeffrey Bernstein, Mayor of Palm Springs
1:30 - 2:45PM 	SYSTEM CHANGES Panel Moderator Darcy M. Burke, Elsinore Valley Municipal Water District, US EPA Local Government Advisory Committee Our Legal System - Water in the Courts Justice Ronald Robie, California Court of Appeal, 3rd Appellate Dist. Introduction by Greg Newmark, Meyers Nave Riback Silver & Wilson Regulations – PFAS – Risk vs. Regulatory Risk Conversation with Darcy M. Burke and Dr. Bruce Macler, U.S. Environmental Protection Agency (Retired) 15 minute audience Q&A
2:45 - 3:15PM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A
3:15 - 4:45PM 	LOAVES & FISHES The Importance of CA Agriculture, Panel Moderator Karen Ross, Secretary of the CA Dept. of Food & Agriculture Groundwater Overdrafting in the San Joaquin Valley Chris White, Central California Irrigation District Water Blueprint for the San Joaquin Valley Charles Gardner, Hallmark Group; SJV Water Blueprint 15 minute audience Q&A
4:45 - 5:15PM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A
5:30 -6:30PM	OPENING RECEPTION

Thursday, February 22, 2024



TIME	ACTIVITIES
7:45 - 8:15AM	REGISTRATION, NETWORKING & BUFFET BREAKFAST
8:15 - 9:30AM 	SCIENCE MATTERS Panel Moderator David Drake, ACWA/JPIA; Rincon del Diablo Municipal Water District Global Solutions for Climate Change Dr. David Sedlak, University of California, Berkeley Affordability of Water Dr. Mehdi Nemati, University of California, Riverside 15 minute audience Q&A
9:30 -10:00AM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A
10:00 - 11:45AM 	WATER COMMUNICATIONS Panel Moderator Special Guest Value of Water Greg Kail, American Water Works Association Communicating Tough Messages Dr. Renee Fraser, Fraser Communications Neighborhood Communications – It Started with a Water Dispenser Program Marice DePasquale, Mesa Water District 15 minute audience Q&A
11:45AM - 12:15PM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A

PROGRAM SCHEDULE

Thursday, February 22, 2024



TIME	ACTIVITIES
12:15 - 1:15PM	PLATED LUNCH
1:30 - 2:45PM 	FACING THE UNKNOWN Panel Moderator Dave Pedersen, Las Virgenes Municipal Water District AI in Communications – What Works, What Doesn't, and What Your Customers Really Think Justin Wallin, Wallin Opinion Research On-the-Ground AI Demonstration Jason Assouline, WaterReuse Association & Carollo Engineers Workforce Challenges – Needed AI Skills & Talents Anona Dutton, EKI Environment & Water: Board Chair, Director of Water Resources & Engineering 15 minute audience Q&A
2:45 - 3:15PM	ICE CREAM SUNDAE BREAK: MEET THE SPEAKERS
3:15 - 4:30PM 	SIZE, LOCATION MATTERS California Small Water Systems, Panel Moderator Dan DeMoss, California Rural Water Association Smaller Agency Challenges Special Guest State Water Project Dependent Agencies' Challenges Christiana Daisy, Inland Empire Utilities Agency 15 minute audience Q&A
4:30 - 5:00PM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A
5:30 - 6:30PM	BOARD CHAIR'S RECEPTION



Friday, February 23, 2024

TIME	ACTIVITIES
7:30 - 8:15AM	REGISTRATION, NETWORKING & BUFFET BREAKFAST
8:15 - 9:30AM 	JEFF KIGHTLINGER UNPLUGGED Panel Moderator Lisa Ohlund, UWI Treasurer, Ohlund Management & Technical Services Keynote Speaker Jeffrey Kightlinger, Former General Manager of the Metropolitan Water District of Southern California 15 minute audience Q&A
9:30 - 10:00AM	30 MINUTE BREAK: MEET THE SPEAKERS, Q&A
10:00 - 11:00AM 	GROUP ACTIVITY: NAME THAT TUNE! with Prizes

SAVE THE DATE!



ANNUAL CONFERENCE

AUGUST 21-23, 2024 | SAN DIEGO, CA

1830 South Nogales Street
Rowland Heights
CA 91748

(626) 965-2541
FAX (626) 854-8302

www.rowlandschools.org

Office of the Superintendent



Governing Board
Cary C. Chen
Agnes P. Gonzalez
Kevin Hayakawa, Ph.D.
David M. Malkin
Erik Venegas

Superintendent of Schools
Julie Mitchell, Ed.D.

January 19, 2024

Rowland Water District
3021 S. Fullerton Road
Rowland Heights, CA 91748

To whom it may concern,

On behalf of the Board of Education of the Rowland Unified School District, please accept our heartfelt appreciation for your generous donation of \$1,000.00 to the Family Resource Center. Your donation was received on December 5, 2023, and was recognized at our Board Meeting on January 18, 2024. It is with donations such as yours, and the support you have given our students and staff, that we can provide experiences for our young people and enrich our programs.

Working together, we can educate our young people to become productive, giving, and active citizens. I can assure you that your donation has been well utilized and we are grateful for your generosity.

For your information, a gift or contribution to our school district is an allowed charitable contribution and tax deduction pursuant to Internal Revenue Code Sections 170(a) and 170(C)(2).

Again, thank you for your care, involvement, and support.

Sincerely,

Julie Mitchell, Ed.D.
Superintendent of Schools

JM/ms

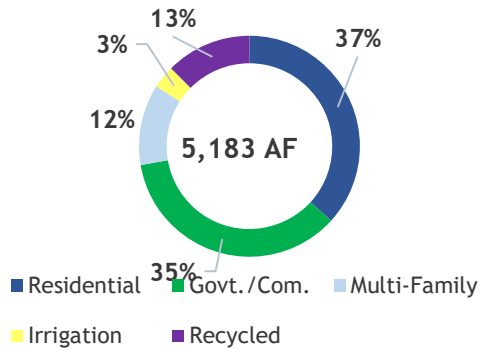


ROWLAND WATER DISTRICT FINANCIAL DASHBOARD

December 31, 2023



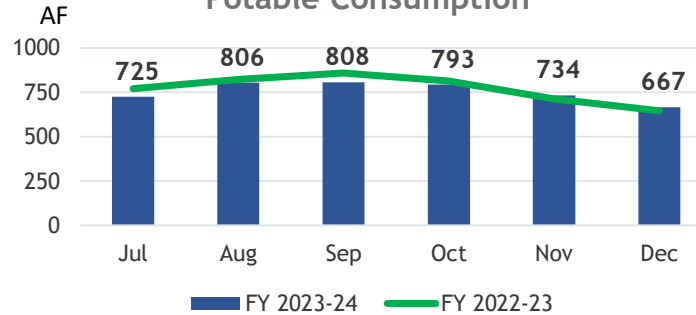
Consumption by Class



98% of Prior Year

55% of Budget

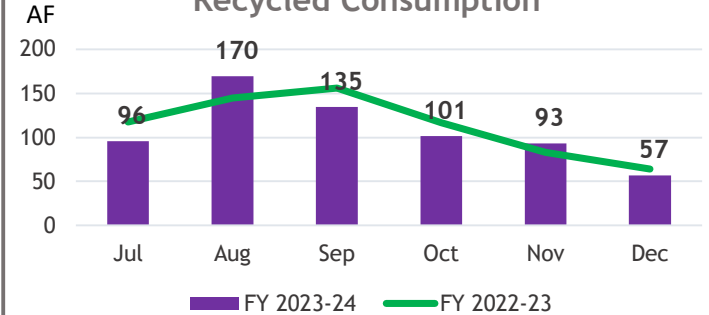
Potable Consumption



96% of Prior Year

71% of Budget

Recycled Consumption



YTD Revenue

\$16,151,746

Annual Budget

\$30,372,500

53%

4

YTD Expense

\$11,578,986

Annual Budget

\$23,256,700

50%

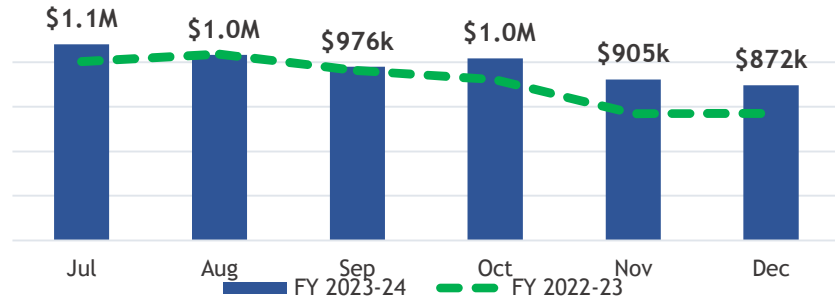
5

YTD Water Purchases
of \$5.9 M

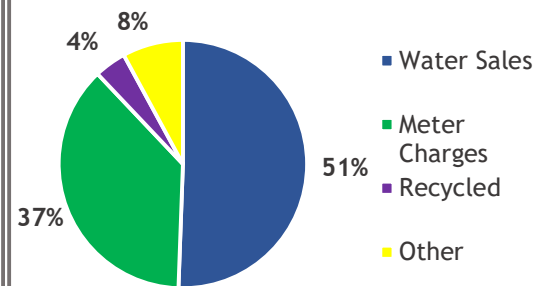
51% of YTD Expense

6

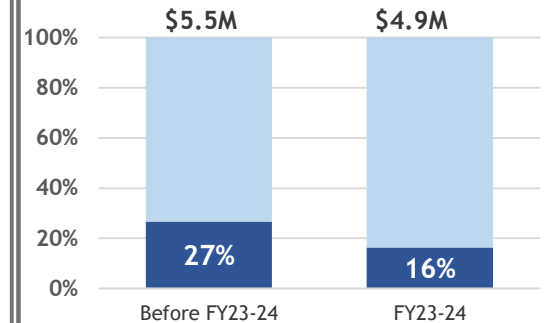
Water Purchases



Revenues by Category



CIP Completion



322

Low Income Assist.



82

Turn-Offs



36

New Applications



804

Phone Calls