

# POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

## AGENDA FOR REGULAR QUARTERLY MEETING Thursday, October 14, 2021, 4:00 PM

Pursuant to the provisions of Government Code Section 54953(e), as amended by AB 361, any Commissioner and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements.

<https://walnutvalley.webex.com/join/bmeeting>  
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Commission may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. Members of the public will be disconnected from the meeting prior to the Closed Session.

*NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Commission meeting, please contact the Administrative Officer's office at least 4 hours prior to a Commission meeting to inform the Agency of your needs and to determine if accommodation is feasible. Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.*

The agenda packet is available for public review at <https://www.wvwd.com/pomona-walnut-rowland-joint-water-line/>.

1. Flag Salute

2. Roll Call: Ms. Kwong \_\_\_\_\_ Mr. Preciado \_\_\_\_\_ Mr. Lima \_\_\_\_\_  
Mr. Hilden \_\_\_\_\_ Mr. Nolte \_\_\_\_\_ Mr. Bellah \_\_\_\_\_

3. Public Comment

At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Commission. Reasonable time limits on each topic and on each speaker are imposed in accordance with Commission policy.

4. Late Business, if any

No action shall be taken on any items not appearing on the posted Agenda except upon a determination by a majority of the Commission that an emergency situation exists, or upon a determination by a two-thirds vote of the Commission that there is a need to take immediate action and that the need to take action arose after the posting of the Agenda.

5. Consider Adoption of Resolution No. 106 (pg 3)  
Implementation of AB 361

Hitchman

A. Discussion

B. Action Taken

- |  |                  |          |
|--|------------------|----------|
| 6. Adopt Final Audit (pg 6)  |                  | Malner   |
| A. Discussion  | B. Action Taken  |          |
| 7. Approval of Minutes for Meeting Held June 10, 2021 (pg 54)  |                  | Hitchman |
| A. Discussion  | B. Action Taken  |          |
| 8. Appointment of Administrative Officer (pg 57)   |                  | Hitchman |
| A. Discussion  | B. Action Taken  |          |
| 9. P-W-R Policies  |                  | Hitchman |
| A. P-W-R Investment Policy – Resolution No. 107 (pg 59)  |                  |          |
| B. P-W-R Charges for Reproduction of Public Records – Resolution 108 (pg 63)   |                  |          |
| C. Bidding and Contracting Procedures (pg 65)  |                  |          |
| D. Rescinding Resolution No. 90 – Policy Regarding Claims Submitted (pg 69)  |                  |          |
| (1) Discussion   | (2) Action Taken |          |
| 10. Approval of Warrants and Charges Paid June 2021 through September 2021 (pg 70)   |                  | Malner   |
| A. Discussion  | B. Action Taken  |          |
| 11. Communications   |                  | Hitchman |
| 12. Approval of Financial Reports  |                  | Malner   |
| A. Balance Sheet ending June 30, 2021 (pg 74)  |                  |          |
| B. Statement of Income & Expenses for the Period Ending June 30, 2021 (pg 75)  |                  |          |
| C. Investment Report for the Period Ending June - August 2021 (pg 76)  |                  |          |
| (1) Discussion   | (2) Action Taken |          |
| 13. Three Valleys Municipal Water District   |                  | Hitchman |
| 14. Administrative Report  |                  | Hitchman |
| 15. Operations Report (pg 79)  |                  | Hitchman |
| 16. Water Use Reports for May through August 2021 (pg 80)  |                  | Malner   |
| A. Discussion  | B. Action Taken  |          |
| 17. 2022 Calendar/Meeting Schedule (pg 84)   |                  | Hitchman |
| A. Discussion  | B. Action Taken  |          |
| 18. Commissioners Questions and Comments   |                  |          |
| 19. Commission Members and Staff Will Be Given an Opportunity to Request and Suggest Subjects for Discussion at a Future Meeting |                  |          |
| 20. Adjournment  |                  |          |

**RESOLUTION NO. 106**

**A RESOLUTION OF THE COMMISSION OF THE POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION PROCLAIMING A STATE OF EMERGENCY PERSISTS, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE COMMISSION OF THE POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION FOR THE PERIOD OCTOBER 14, 2021 TO NOVEMBER 12, 2021 PURSUANT TO BROWN ACT PROVISIONS.**

**WHEREAS**, the Pomona-Walnut-Rowland Joint Water Line Commission (the “Agency”) is committed to preserving and nurturing public access and participation in its Commission’s meetings; and

**WHEREAS**, all meetings of the Agency’s Commission are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch that body conduct its business; and

**WHEREAS**, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

**WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the Agency’s boundaries, caused by natural, technological or human-caused disasters; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, such conditions now exist in the Agency, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the Agency’s employees, commissioners, vendors, contractors, customers and residents; and

**WHEREAS**, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

**WHEREAS**, the Agency's Commission does hereby find that a state of emergency exists within the Agency's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the Agency that are likely to be beyond the control of services, personnel, equipment, and facilities of the Agency, and the Commissioners desire to affirm a local emergency exists and ratify the proclamation of state of emergency by the Governor of the State of California; and

**WHEREAS**, as a consequence of the local emergency, the Commission hereby finds that it shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that legislative body shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

**WHEREAS**, the Agency will continue to provide proper notice to the public regarding all Agency Commission meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

**NOW, THEREFORE, THE COMMISSION OF THE POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:**

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

Section 2. Proclamation Regarding Local Emergency. The Commission hereby considers the conditions of the state of emergency in the Agency and proclaims that a local emergency now exists throughout the Agency, and that conducting Agency Commission meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The Agency's Administrative Officer, or his or her delegee, and the Agency's Commission are hereby authorized and

directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Commission adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Agency's Commission may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED AND ADOPTED by the Commission of the Pomona-Walnut-Rowland Joint Water Line Commission this 14th day of October, 2021, by the following roll call vote:**

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

# POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

271 South Brea Canyon Road  
Walnut, California 91789-3002  
(909) 595-1268 • (626) 964-6551 • FAX (909) 594-9532

## MEMORANDUM

**TO:** Commissioners Kwong, Lima and Preciado      **DATE:** October 14, 2021  
**FROM:** Myra Malner, Treasurer  
**RE:** Adopt Final Audit

Attached is a copy of the final audit for fiscal year 2020-21 as prepared by Fedak & Brown, LLP. If there are no requested changes at this time, it is recommended that the Commission adopt the final audit. Upon approval of the final audit, a copy will be forwarded to each member agency for their file.



**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2021 and 2020**



**Pomona-Walnut-Rowland Joint Water Line Commission  
Board of Commissioners as of June 30, 2021**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>
Scarlett Kwong	Commissioner	Appointed
Anthony J. Lima	Commissioner	Appointed
Victor Preciado	Commissioner	Appointed
Edwin Hilden	Alternate	Appointed
John Bellah	Alternate	Appointed
John Nolte	Alternate	Appointed

**Pomona-Walnut-Rowland Joint Water Line Commission  
Brian Teuber, Administrative Officer  
3021 Fullerton Road  
Rowland Heights, California 91748**



*Working Draft - Subject to Review*

**Pomona-Walnut-Rowland  
Joint Water Line Commission**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2021 and 2020**

*Working Draft - Subject to Review*

**Pomona-Walnut-Rowland Joint Water Line Commission  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2021 and 2020**

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## **Financial Section**

*Working Draft - Subject to Review*

*Working Draft - Subject to Review*

## **Independent Auditor's Report**

Board of Commissioners  
Pomona-Walnut-Rowland Joint Water Line Commission  
Rowland Heights, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), which comprises the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

## Independent Auditor's Report, continued

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pomona-Walnut-Rowland Joint Water Line Commission as of June 30, 2021 and 2020, and the respective changes in net position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The supplemental information schedules on pages 28 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## Independent Auditor's Report, continued

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance. This report can be found on pages 32 and 33.

**Fedak & Brown LLP**  
Cypress, California  
October 14, 2021



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*Working Draft - Subject to Review*

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) provides an introduction to the financial statements of the Commission for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

### **Financial Highlights**

- The Commission's net position increased 0.60% or \$18,683 to \$3,112,845. In 2020, the Commission's net position increased 1.75% or \$53,070 to \$3,094,162.
- The Commission's operating revenues increased 22.41% or \$4,115,617 to \$22,484,473. In 2020, the Commission's operating revenues increased 2.15% or \$386,871 to \$18,368,856.
- The Commission's non-operating revenues decreased 91.73% or \$28,687 to \$2,587. In 2020, the Commission's non-operating revenues decreased 11.51% or \$4,066 to \$31,274.
- The Commission's operating expenses increased 22.44% or \$4,121,283 to \$22,484,114. In 2020, the Commission's operating expenses increased 2.25% or \$404,147 to \$18,362,831.
- There were no changes in capital contributions for the fiscal years ended June 30, 2021 and 2020.

### **Required Financial Statements**

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

The Statements of Net Position include all of the Commission's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for evaluating the results of operations, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Commission's operations over the past year and can be used to determine if the Commission has successfully recovered all of its costs through its water sales and other charges to its member agencies. In addition to tracking cost recovery performance, these statements can also be used to evaluate the results of operations and creditworthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the Commission's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report 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.

### **Financial Analysis of the Commission**

One of the most important questions asked about the Commission's finances is, "Is the Commission better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Commission in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

## Financial Analysis of the Commission, continued

These two statements report the Commission's *net position* and changes in them. You can think of the Commission's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission'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.

### Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 27.

### Statements of Net Position

	Condensed Statements of Net Position				
	2021	2020	Change	2019	Change
<b>Assets:</b>					
Current assets	\$ 4,905,237	4,826,925	78,312	4,218,263	608,662
Restricted assets	803,043	759,720	43,323	716,397	43,323
Capital assets, net	1,475,731	1,409,192	66,539	1,436,744	(27,552)
<b>Total assets</b>	<b>7,184,011</b>	<b>6,995,837</b>	<b>188,174</b>	<b>6,371,404</b>	<b>624,433</b>
<b>Liabilities:</b>					
Current liabilities	4,071,166	3,901,675	169,491	3,330,312	571,363
<b>Total liabilities</b>	<b>4,071,166</b>	<b>3,901,675</b>	<b>169,491</b>	<b>3,330,312</b>	<b>571,363</b>
<b>Net position:</b>					
Net investment in capital assets	1,475,731	1,409,192	66,539	1,436,744	(27,552)
Restricted for capital asset repairs and replacement	803,043	759,720	43,323	716,397	43,323
Unrestricted	834,071	925,250	(91,179)	887,951	37,299
<b>Total net position</b>	<b>\$ 3,112,845</b>	<b>3,094,162</b>	<b>18,683</b>	<b>3,041,092</b>	<b>53,070</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$3,112,845 and \$3,094,162, as of June 30, 2021 and 2020, respectively.

The Commission's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (2) unrestricted net position.

By far the largest portion of the Commission's net position (47% and 46% as of June 30, 2021 and 2020, respectively) reflects the Commission's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its member agencies; consequently, these assets are not available for future spending.

At the end of fiscal years 2021 and 2020, the Commission showed a positive balance in its unrestricted net position of \$834,071 and \$925,250, respectively, which may be utilized in future years.

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

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

	2021	2020	Change	2019	Change
<b>Revenues:</b>					
Operating revenues	\$ 22,484,473	18,368,856	4,115,617	17,981,985	386,871
Non-operating revenues	2,587	31,274	(28,687)	35,340	(4,066)
<b>Total revenues</b>	22,487,060	18,400,130	4,086,930	18,017,325	382,805
<b>Expenses:</b>					
Operating expenses	22,484,114	18,362,831	4,121,283	17,958,684	404,147
Depreciation	27,586	27,552	34	27,549	3
<b>Total expenses</b>	22,511,700	18,390,383	4,121,317	17,986,233	404,150
<b>Net (loss) income before capital contributions</b>	(24,640)	9,747	(34,387)	31,092	(21,345)
<b>Capital contributions:</b>					
Surcharges	43,323	43,323	-	43,323	-
<b>Total capital contributions</b>	43,323	43,323	-	43,323	-
<b>Change in net position</b>	18,683	53,070	(34,387)	74,415	(21,345)
<b>Net position, beginning of period</b>	3,094,162	3,041,092	53,070	2,966,677	74,415
<b>Net position, end of period</b>	\$ 3,112,845	3,094,162	18,683	3,041,092	53,070

The Statement of Revenues, Expenses, and Changes in Net Position show how the Commission's net position changed during the fiscal years. In 2021, net position increased 0.60% or \$18,683 to \$3,112,845, due to \$43,323 in capital contributions in the current year, which was offset by a decrease in net position of \$24,640 as a result of ongoing operations. In 2020, net position increased 1.75% or \$53,070 to \$3,094,162, due to the increase in net position of \$9,747 as a result of ongoing operations and \$43,323 in capital contributions in the prior year.

A closer examination of net position reveals that:

In 2021, total revenues increased 22.21% or \$4,086,930 to \$22,487,060. Operating revenues increased 22.41% or \$4,115,617, primarily due to an increase of \$4,113,052 in water sales to member agencies.

In 2020, total revenues increased 2.12% or \$382,805 to \$18,400,130. Operating revenues increased 2.11% or \$386,871, primarily due to an increase of \$400,631 in water sales to member agencies, which was offset by a decrease of \$13,889 in member agency assessments.

In 2021, non-operating revenues decreased 91.73% or \$28,687 to \$2,587, primarily due to a decrease of \$29,460 in investment income.

In 2020, non-operating revenues decreased 11.51% or \$4,066 to \$31,274, primarily due to a decrease of \$4,683 in investment income.

In 2021, total expenses increased 22.41% or \$4,121,317 to \$22,511,700. Operating expenses increased 22.44% or \$4,121,283 to \$22,484,114, primarily due to increases of \$4,113,052 in water purchases and \$6,706 in maintenance costs.

In 2020, total expenses increased 2.25% or \$404,150 to \$18,390,383. Operating expenses increased 2.25% or \$404,147 to \$18,362,831, primarily due to increases of \$400,631 in water purchases and \$2,404 in maintenance costs.

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

In 2021, depreciation expense increased 0.12% or \$34 to \$27,586 due to the maturation of existing depreciable assets.

In 2020, depreciation expense increased 0.01% or \$3 to \$27,552 due to the maturation of existing depreciable assets.

As of June 30, 2021 and 2020, total capital contributions were \$43,323, respectively.

### Budget vs. Actual - 2021 and 2020

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues:</b>				
Operating revenues	\$ 20,054,782	22,484,473	2,429,691	12.12%
Non-operating revenues	12,750	2,587	(10,163)	-79.71%
<b>Total revenues</b>	<u>20,067,532</u>	<u>22,487,060</u>	<u>2,419,528</u>	<u>12.06%</u>
<b>Expenses:</b>				
Operating expenses	20,504,782	22,511,700	2,006,918	-9.79%
<b>Total expenses</b>	<u>20,504,782</u>	<u>22,511,700</u>	<u>2,006,918</u>	<u>-9.79%</u>
<b>Net loss before capital contributions</b>	<u>(437,250)</u>	<u>(24,640)</u>	<u>412,610</u>	<u>94.36%</u>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>(393,927)</u>	<u>18,683</u>	<u>412,610</u>	<u>104.74%</u>
	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues:</b>				
Operating revenues	\$ 20,474,007	18,368,856	(2,105,151)	-10.28%
Non-operating revenues	12,750	31,274	18,524	145.29%
<b>Total revenues</b>	<u>20,486,757</u>	<u>18,400,130</u>	<u>(2,086,627)</u>	<u>-10.19%</u>
<b>Expenses:</b>				
Operating expenses	20,924,007	18,390,383	(2,533,624)	12.11%
<b>Total expenses</b>	<u>20,924,007</u>	<u>18,390,383</u>	<u>(2,533,624)</u>	<u>12.11%</u>
<b>Net (loss) income before capital contributions</b>	<u>(437,250)</u>	<u>9,747</u>	<u>446,997</u>	<u>102.23%</u>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>(393,927)</u>	<u>53,070</u>	<u>446,997</u>	<u>113.47%</u>

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

The majority of operating revenue is derived from water sales to member agencies. The Commission predicts water sales by using a three-year rolling average. This is calculated by estimating how many acre-feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the Commission in the efforts to promote water conservation.

In fiscal year 2020-2021, the Commission estimated 18,066 acre-feet of Tier I water purchases at an average rate of \$1,080 per acre-foot. The Commission actually purchased 20,368 acre-feet of Tier I water.

In fiscal year 2019-2020, the Commission estimated 18,998 acre-feet of Tier I water purchases at an average rate of \$1,052 per acre-foot. The Commission actually purchased 17,084 acre-feet of Tier I water.

### Capital Asset Administration

Changes in capital assets for 2021, were as follows:

	<b>Balance 2020</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance 2021</b>
Capital assets:				
Depreciable assets	\$ 2,376,355	94,125	-	2,470,480
Accumulated depreciation	(967,163)	(27,586)	-	(994,749)
Total capital assets	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

Changes in capital assets for 2020, were as follows:

	<b>Balance 2019</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balance 2020</b>
Capital assets:				
Depreciable assets	\$ 2,376,355	-	-	2,376,355
Accumulated depreciation	(939,611)	(27,552)	-	(967,163)
Total capital assets	<u>\$ 1,436,744</u>	<u>(27,552)</u>	<u>-</u>	<u>1,409,192</u>

At the end of fiscal year 2021 and 2020, the Commission's capital assets amounted to \$1,475,731 and \$1,409,192 (net of accumulated depreciation), respectively. These capital assets include pipelines and improvements, service connections, and telemetry systems. See note 3 to the basic financial statements for further detailed information on the Commission's capital assets.

## Economic Factors and Next Year's Budget and Rates

### Fiscal Year 2021 Actual vs. Fiscal Year 2022 Budget

	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Operating revenues	\$ 22,484,473	20,622,307	(1,862,166)	-8.28%
Non-operating revenues	2,587	12,750	10,163	392.85%
<b>Total revenues</b>	<b>22,487,060</b>	<b>20,635,057</b>	<b>(1,852,003)</b>	<b>-8.24%</b>
<b>Expenses:</b>				
Operating expenses	22,511,700	21,072,307	1,439,393	6.39%
<b>Total expenses</b>	<b>22,511,700</b>	<b>21,072,307</b>	<b>1,439,393</b>	<b>6.39%</b>
<b>Net loss before capital contributions</b>	<b>(24,640)</b>	<b>(437,250)</b>	<b>(412,610)</b>	<b>-1674.55%</b>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<b>43,323</b>	<b>43,323</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>18,683</b>	<b>(393,927)</b>	<b>(412,610)</b>	<b>2208.48%</b>
<b>Net position, beginning of period</b>	<b>3,094,162</b>	<b>3,112,845</b>	<b>18,683</b>	<b>0.60%</b>
<b>Net position, end of period</b>	<b>\$ 3,112,845</b>	<b>2,718,918</b>	<b>(393,927)</b>	<b>-12.65%</b>

### Fiscal Year 2020 Actual vs. Fiscal Year 2021 Budget

	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenues:</b>				
Operating revenues	\$ 18,368,856	20,054,782	1,685,926	9.18%
Non-operating revenues	31,274	12,750	(18,524)	-59.23%
<b>Total revenues</b>	<b>18,400,130</b>	<b>20,067,532</b>	<b>1,667,402</b>	<b>9.06%</b>
<b>Expenses:</b>				
Operating expenses	18,390,383	20,504,782	(2,114,399)	-11.50%
<b>Total expenses</b>	<b>18,390,383</b>	<b>20,504,782</b>	<b>(2,114,399)</b>	<b>-11.50%</b>
<b>Net income (loss) before capital contributions</b>	<b>9,747</b>	<b>(437,250)</b>	<b>(446,997)</b>	<b>-4586.00%</b>
<b>Capital contributions:</b>				
Surcharges	43,323	43,323	-	-
<b>Total capital contributions</b>	<b>43,323</b>	<b>43,323</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>53,070</b>	<b>(393,927)</b>	<b>(446,997)</b>	<b>-842.28%</b>
<b>Net position, beginning of period</b>	<b>3,041,092</b>	<b>3,094,162</b>	<b>53,070</b>	<b>1.75%</b>
<b>Net position, end of period</b>	<b>\$ 3,094,162</b>	<b>2,700,235</b>	<b>(393,927)</b>	<b>-12.73%</b>

## **Economic Factors and Next Year's Budget and Rates, continued**

The Commission's Board of Commissioners and Administrative Officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs.

In fiscal years 2020-2021 and 2019-2020, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line.

For fiscal year 2020-2021, an amount equal to \$43,323 of the \$18,683 change in ending net position, shown in the table above, is projected to be transferred to reserves for depreciation and replacement.

For fiscal year 2019-2020, an amount equal to \$43,323 of the \$53,070 change in ending net position, shown in the table above, is projected to be transferred to reserves for depreciation and replacement.

## **Conditions Affecting Current Financial Position**

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

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

## **Requests for Information**

This financial report is designed to provide the Commission's present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the Commission's finances and to demonstrate the Commission's accountability with an overview of the Commission'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 Myra Malner, Commission Treasurer, at Rowland Water District, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.



## **Basic Financial Statements**

*Working Draft - Subject to Review*

	<u>2021</u>	<u>2020</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 911,999	1,344,209
Accrued interest receivable	1,207	5,348
Accounts receivable	3,990,123	3,475,460
Prepaid expenses	1,908	1,908
<b>Total current assets</b>	<u>4,905,237</u>	<u>4,826,925</u>
<b>Restricted Assets</b>		
Cash and cash equivalents (note 2)	792,212	748,889
Accounts receivable	10,831	10,831
<b>Total restricted assets</b>	<u>803,043</u>	<u>759,720</u>
<b>Non-current assets:</b>		
Capital assets – being depreciated, net (note 3)	1,475,731	1,409,192
<b>Total non-current assets</b>	<u>1,475,731</u>	<u>1,409,192</u>
<b>Total assets</b>	<u>7,184,011</u>	<u>6,995,837</u>
<b>Current liabilities:</b>		
Accounts payable	4,071,166	3,901,675
<b>Total current liabilities</b>	<u>4,071,166</u>	<u>3,901,675</u>
<b>Total liabilities</b>	<u>4,071,166</u>	<u>3,901,675</u>
<b>Net position: (note 4)</b>		
Net investment in capital assets	1,475,731	1,409,192
Restricted for capital asset repairs and replacement	803,043	759,720
Unrestricted	834,071	925,250
<b>Total net position</b>	<u>\$ 3,112,845</u>	<u>3,094,162</u>

	<u>2021</u>	<u>2020</u>
<b>Operating revenues:</b>		
Water sales to member agencies	\$ 22,384,673	18,271,621
Member agency assessments	99,800	96,800
Other	-	435
<b>Total operating revenues</b>	<u>22,484,473</u>	<u>18,368,856</u>
<b>Operating expenses:</b>		
Water purchases	22,384,673	18,271,621
Maintenance	20,686	13,980
General and administrative	64,200	64,200
Insurance expense	2,183	2,183
Legal fees	215	120
Auditing	6,912	5,700
Other	5,245	5,027
<b>Total operating expenses</b>	<u>22,484,114</u>	<u>18,362,831</u>
<b>Operating income before depreciation</b>	359	6,025
Depreciation	(27,586)	(27,552)
<b>Operating loss</b>	<u>(27,227)</u>	<u>(21,527)</u>
<b>Non-operating revenue:</b>		
Investment income	1,197	30,657
Other non-operating revenue	1,390	617
<b>Total non-operating revenues</b>	<u>2,587</u>	<u>31,274</u>
<b>Net (loss) income before capital contributions</b>	<u>(24,640)</u>	<u>9,747</u>
<b>Capital contributions:</b>		
Surcharges	43,323	43,323
<b>Total capital contributions</b>	<u>43,323</u>	<u>43,323</u>
<b>Changes in net position</b>	18,683	53,070
<b>Net position, beginning of period</b>	<u>3,094,162</u>	<u>3,041,092</u>
<b>Net position, end of period</b>	<u>\$ 3,112,845</u>	<u>3,094,162</u>

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Cash received from member agencies	\$ 21,969,810	17,907,097
Cash received from JPIA RPA fund refund	-	435
Cash paid to vendors and suppliers for materials and services	<u>(22,314,623)</u>	<u>(17,791,884)</u>
<b>Net cash (used in) provided by operating activities</b>	<u>(344,813)</u>	<u>115,648</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(94,125)	-
Capital surcharge	<u>43,323</u>	<u>43,323</u>
<b>Net cash (used in) provided by capital and related financing activities</b>	<u>(50,802)</u>	<u>43,323</u>
<b>Cash flows from investing activities:</b>		
Investment income	<u>6,728</u>	<u>35,101</u>
<b>Net cash provided by investing activities</b>	<u>6,728</u>	<u>35,101</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(388,887)	194,072
<b>Cash and cash equivalents – beginning of year</b>	<u>2,093,098</u>	<u>1,899,026</u>
<b>Cash and cash equivalents – end of year</b>	<u>\$ 1,704,211</u>	<u>2,093,098</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>		
Operating loss	<u>\$ (27,227)</u>	<u>(21,527)</u>
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Depreciation	27,586	27,552
<b>Change in assets and liabilities:</b>		
Increase in assets:		
Accounts receivable	(514,663)	(461,324)
Prepaid expenses	-	(416)
Increase in liabilities:		
Accounts payable	<u>169,491</u>	<u>571,363</u>
<b>Total adjustments</b>	<u>(317,586)</u>	<u>137,175</u>
<b>Net cash (used in) provided by operating activities</b>	<u>\$ (344,813)</u>	<u>115,648</u>

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

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

The Pomona-Walnut-Rowland Joint Water Line Commission (Commission) was formed under the Joint Powers Agreement of 1956 between the City of Pomona, Walnut Valley Water District, and Rowland Water District (the Agreement) for the purpose of acquiring, constructing, maintaining, repairing, managing, operating, and controlling a water transmission pipeline for the benefit of the member agencies. The original agreement was for a term of fifty years and has resulted in substantial cost savings for each of its member agencies. On December 21, 2006, the Agreement was amended, restated, and renewed and will continue to be enforced for twenty years from this date, with three, ten-year extensions allowable upon written consent of each of the member agencies.

The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. Member agencies are billed for the cost of maintenance and operations of the pipeline.

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

The Commission 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 Commission is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Commission. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which the Commission gives (receives) value without directly (giving) value in exchange.

### **C. Financial Reporting**

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

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

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

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

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

### **C. Financial Reporting, continued**

#### ***Governmental Accounting Standards Board Statement No. 84, continued***

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

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

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

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

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

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

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

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

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

#### **1. Use of Estimates**

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

#### **2. Uncertainty**

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

#### **3. Cash and Cash Equivalents**

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

#### **4. Investments and Investment Policy**

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

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

#### **5. Fair Value Measurements**

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

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

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

#### **6. Restricted Assets**

Restricted assets are financial resources generated for a specific purpose such as capital projects. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

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

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

#### 6. Restricted Assets, continued

The Commission's restricted assets are the accumulation of capital surcharges assessed to each member agency. These funds are restricted for major repairs and replacement of water.

#### 7. Accounts Receivable and Allowance for Uncollectible Accounts

The Commission extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Commission uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2021 and 2020, there is no allowance for uncollectible accounts as management believes all accounts will be collected.

#### 8. Prepaid Expenses

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

#### 9. Capital Assets

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

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

- Pipelines and improvements – 150 years
- Service connections – 150 years
- Telemetry systems – 10 years
- Valve replacements – 50 years

#### 10. Net Position

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

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

#### 11. Water Sales and Services

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



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

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

**12. Capital Contributions**

Capital contributions represent cash contributed to the Commission by member agencies for the cost of maintenance and operations of the pipeline.

**13. Budgetary Policies**

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

**(2) Cash and Cash Equivalents**

Cash and cash equivalents as of June 30 are classified in the accompanying financial statements as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 911,999	1,344,209
Cash and cash equivalents – restricted	<u>792,212</u>	<u>748,889</u>
Total cash and cash equivalents	<u>\$ 1,704,211</u>	<u>2,093,098</u>

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

	<u>2021</u>	<u>2020</u>
Deposits with financial institutions	\$ 226,132	620,357
Deposits in Local Agency Investment Fund (LAIF)	<u>1,478,079</u>	<u>1,472,741</u>
Total cash and cash equivalents	<u>\$ 1,704,211</u>	<u>2,093,098</u>

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

	<u>2021</u>	<u>2020</u>
Deposits in Local Agency Investment Fund (LAIF)	<u>291 days</u>	<u>191 days</u>

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

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

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

*Investments Authorized by the California Government Code and the Commission's Investment Policy, continued*

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

***Investment in State Investment Pool***

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

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

***Interest Rate Risk***

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

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

### *Custodial Credit Risk*

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

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

The California Government Code and the Commission'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 Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Commission's name.

### *Credit Risk*

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

### *Concentration of Credit Risk*

The Commission's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Commission's deposit portfolio with governmental agencies, LAIF, is 87% and 70% as of June 30, 2021 and 2020, respectively, of the Commission's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Commission's total investments.

### (3) Capital Assets

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

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,187,078	94,125	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,376,355</u>	<u>94,125</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(876,366)	(16,617)	-	(892,983)
Service connections	(36,404)	(569)	-	(36,973)
Telemetry system	(54,393)	(10,400)	-	(64,793)
Total accumulated depreciation	<u>(967,163)</u>	<u>(27,586)</u>	<u>-</u>	<u>(994,749)</u>
Total capital assets, net	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

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

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,187,078	-	-	2,187,078
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,376,355</u>	<u>-</u>	<u>-</u>	<u>2,376,355</u>
Accumulated depreciation:				
Pipeline and improvements	(859,781)	(16,585)	-	(876,366)
Service connections	(35,837)	(567)	-	(36,404)
Telemetry system	(43,993)	(10,400)	-	(54,393)
Total accumulated depreciation	<u>(939,611)</u>	<u>(27,552)</u>	<u>-</u>	<u>(967,163)</u>
Total capital assets, net	<u>\$ 1,436,744</u>	<u>(27,552)</u>	<u>-</u>	<u>1,409,192</u>

For the fiscal years ending June 30, 2021 and 2020, the Commission had \$94,125 and \$0 in capital asset additions, respectively.

#### (4) Net Position

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

	<u>2021</u>	<u>2020</u>
<b>Net investment in capital assets:</b>		
Capital assets, net	\$ 1,475,731	1,409,192
<b>Restricted:</b>		
Capital asset repairs and replacement	803,043	759,720
<b>Unrestricted:</b>	<u>834,071</u>	<u>925,250</u>
<b>Total net position</b>	<u>\$ 3,112,845</u>	<u>3,094,162</u>

#### (5) Risk Management

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

On June 30, 2021, the Commission participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000, combined single limit at \$5,000,000 per occurrence. The JPIA purchases additional excess coverage layers up to \$60 million per occurrence total for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.
- Cyber Liability coverage is included for all Agencies participating in the Liability Program. It protects the Commission from risks relating to information technology infrastructure and activities by first and third parties. The limit is \$3,000,000 per loss/\$5,000,000 program annual aggregate.

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 Commission's insurance coverage during the fiscal years ended June 30, 2021, 2020 and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2021, 2020 and 2019.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2021, that has effective dates that may impact future financial presentations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

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

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

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

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

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



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

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

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

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

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

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

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

## **(7) Commitments and Contingencies**

### ***Litigation***

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

### ***COVID-19 Pandemic***

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

## **(8) Subsequent Events**

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of October 14, 2021, which is the date the financial statements were available to be issued.

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## **Supplementary Information**

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	<b>Water Operations</b>	<b>General and Administrative</b>	<b>Total</b>
<b>Operating revenues:</b>			
Water sales to member agencies	\$ 22,384,673	-	22,384,673
Member agency assessments	-	99,800	99,800
<b>Total operating revenues</b>	<b>22,384,673</b>	<b>99,800</b>	<b>22,484,473</b>
<b>Operating expenses:</b>			
Water purchases	22,384,673	-	22,384,673
Maintenance	20,686	-	20,686
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	215	215
Auditing	-	6,912	6,912
Other	-	5,245	5,245
<b>Total operating expenses</b>	<b>22,405,359</b>	<b>78,755</b>	<b>22,484,114</b>
<b>Operating (loss) income before depreciation</b>	<b>(20,686)</b>	<b>21,045</b>	<b>359</b>
Depreciation	(27,586)	-	(27,586)
<b>Operating (loss) income</b>	<b>(48,272)</b>	<b>21,045</b>	<b>(27,227)</b>
<b>Non-operating revenue:</b>			
Investment income	1,197	-	1,197
Other non-operating revenue	1,390	-	1,390
<b>Total non-operating revenues</b>	<b>2,587</b>	<b>-</b>	<b>2,587</b>
<b>Net (loss) income before capital contributions</b>	<b>(45,685)</b>	<b>21,045</b>	<b>(24,640)</b>
<b>Capital contributions:</b>			
Surcharges	43,323	-	43,323
<b>Total capital contributions</b>	<b>43,323</b>	<b>-</b>	<b>43,323</b>
<b>Changes in net position</b>	<b>(2,362)</b>	<b>21,045</b>	<b>18,683</b>
<b>Net position, beginning of period</b>	<b>2,919,475</b>	<b>174,687</b>	<b>3,094,162</b>
<b>Net position, end of period</b>	<b>\$ 2,917,113</b>	<b>195,732</b>	<b>3,112,845</b>

	<b>Water Operations</b>	<b>General and Administrative</b>	<b>Total</b>
<b>Operating revenues:</b>			
Water sales to member agencies	\$ 18,271,621	-	18,271,621
Member agency assessments	-	96,800	96,800
Other operating revenues	-	435	435
<b>Total operating revenues</b>	<b>18,271,621</b>	<b>97,235</b>	<b>18,368,856</b>
<b>Operating expenses:</b>			
Water purchases	18,271,621	-	18,271,621
Maintenance	13,980	-	13,980
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	120	120
Auditing	-	5,700	5,700
Other	-	5,027	5,027
<b>Total operating expenses</b>	<b>18,285,601</b>	<b>77,230</b>	<b>18,362,831</b>
<b>Operating (loss) income before depreciation</b>	<b>(13,980)</b>	<b>20,005</b>	<b>6,025</b>
Depreciation	(27,552)	-	(27,552)
<b>Operating (loss) income</b>	<b>(41,532)</b>	<b>20,005</b>	<b>(21,527)</b>
<b>Non-operating revenue:</b>			
Investment income	30,657	-	30,657
Other non-operating revenue	617	-	617
<b>Total non-operating revenues</b>	<b>31,274</b>	<b>-</b>	<b>31,274</b>
<b>Net (loss) income before capital contributions</b>	<b>(10,258)</b>	<b>20,005</b>	<b>9,747</b>
<b>Capital contributions:</b>			
Surcharges	43,323	-	43,323
<b>Total capital contributions</b>	<b>43,323</b>	<b>-</b>	<b>43,323</b>
<b>Changes in net position</b>	<b>33,065</b>	<b>20,005</b>	<b>53,070</b>
<b>Net position, beginning of period</b>	<b>2,886,410</b>	<b>154,682</b>	<b>3,041,092</b>
<b>Net position, end of period</b>	<b>\$ 2,919,475</b>	<b>174,687</b>	<b>3,094,162</b>

	<b>City of Pomona</b>	<b>Walnut Valley Water District</b>	<b>Rowland Water District</b>	<b>Total</b>
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
<b>Total capital assets</b>	<b>\$ 661,501</b>	<b>1,098,251</b>	<b>710,728</b>	<b>2,470,480</b>

\* This schedule does not include accumulated depreciation



<b>Category</b>	<b>City of Pomona</b>	<b>Walnut Valley Water District</b>	<b>Rowland Water District</b>	<b>Total</b>
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	81,239	79,246	51,516	212,001
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	\$ 612,770	1,071,549	692,036	2,376,355

Note: This schedule does not include accumulated depreciation

# **Report on Internal Controls and Compliance**

*Working Draft - Subject to Review*



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

Board of Commissioners  
Pomona-Walnut-Rowland Joint Water Line Commission  
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 Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 14, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission’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 Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Fedak & Brown LLP**  
Cypress, California  
October 14, 2021

Working Draft - Subject to Review

**MINUTES OF THE SEVEN HUNDRED AND NINETY FIRST MEETING OF THE  
POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**

**June 10, 2021**

Meeting conducted via

Webex at: <https://walnutvalley.webex.com/meet/bmeeting>

**PRESENT:**

Commissioner Scarlett Kwong  
Commissioner Tony Lima  
Commissioner Victor Preciado  
Alternate Commissioner Bellah  
Alternate Commissioner Hilden

**STAFF PRESENT:**

Brian Teuber, Administrative Officer  
Myra Malner, Treasurer  
Carmen Fleming, Secretary

The meeting was called to order at 4:00 p.m. with President Lima presiding.

In attendance: Member agency representative Mr. Tom Coleman, and Mr. Dave Warren, of Rowland Water District; and Ms. Sherry Shaw, Mr. Josh Byerrum and Mr. Erik Hitchman, of Walnut Valley Water District; and Mr. Matt Litchfield, General Manager and Ms. Jody Roberto, and Mr. Carlos Goytia, Directors at Three Valleys Municipal Water District.

**Item 3: Public Comment**

- ◆ There was no public comment at this time.

**Item 4: Late Business**

- ◆ There was no late business to be brought before the Commission at this time.

**Item 5: Approval of Minutes for Meeting Held February 11, 2021**

- ◆ The Commission was asked to approve the meeting minutes for the previous Commission meeting held February 11, 2021.

***Upon consideration thereof, it was moved by Commissioner Kwong, seconded by Commissioner Preciado and carried (3-0), to approve the minutes of the February 11, 2021. A roll call vote was then taken:***

*Yes: Kwong, Lima, Preciado*

*Noes: None*

*Motion Passed (3-0)*

**Commissioner Lima indicated that the motion was approved by a 3-0 vote roll call vote**

**Item 6: Approval of Warrants and Charges Paid February 2021 through May 2021**

- ◆ The Commission was provided with a List of Warrants and Charges for February through May 2021.

***Upon consideration thereof, it was moved by Commissioner Kwong, seconded by Commissioner Preciado and carried (3-0), to receive and file the Warrants and Charges for February through May 2021. A roll call vote was then taken:***

Yes: Kwong, Lima, Preciado  
Noes: None  
Motion Passed (3-0)

**Commissioner Lima indicated that the motion was approved by a 3-0 vote**

**Item 7: Pomona-Walnut-Rowland Joint Water Line Webpage**

- ◆ The Commission was briefed on the newly created P-W-R webpage located on the Walnut Valley Water District website.

**Item 8: Discussion on Pomona Vault**

- ◆ Ms. Shaw updated the Commission on the Pomona vault maintenance updates that have been suggested.

**Item 9: Notice to Consider Acceptance of Work and Notice of Completion for the Gold Line Foothill Extension**

- ◆ Ms. Shaw reported that the project has been completed and asked the Commission to accept the work as installed and authorize the filing of the Notice of Completion for the Gold Line Foothill Extension. Project photos were shared.

***Upon consideration thereof, it was moved by Commissioner Preciado, seconded by Commissioner Kwong and unanimously carried (3-0), to accept the work and authorize the filing of the Notice of Completion for the Gold Line Foothill Extension. A roll call vote was then taken:***

Yes: Kwong, Lima, Preciado  
Noes: None  
Motion Passed (3-0)

**Commissioner Lima indicated that the motion was approved by a 3-0 vote**

**Item 10: Communications**

- ◆ Mr. Teuber did not have any Communication matters to report.

**Item 11: Approval of Financial Reports**

- ◆ Ms. Malner noted the Balance Sheet, the Statement of Income & Expenses, and the Cash & Investment Portfolio Summary as provided and requested they be received and filed.

***Upon consideration thereof, it was moved by Commissioner Kwong, seconded by Commissioner Lima and unanimously carried (3-0), to receive and file the Balance Sheet ending March 31, 2021, the Statement of Income & Expenses as of quarter ending March 31, 2021, and Cash & Investment Portfolio Summary as of quarter ending March 31, 2021. A roll call vote was then taken:***

Yes: Kwong, Lima, Preciado  
Noes: None  
Motion Passed (3-0)

**Commissioner Lima indicated that the motion was approved by a 3-0 vote**

**Item 12: Approval of Proposed Budget for Fiscal Year 2021-22**

- ◆ Mr. Teuber discussed the details of the proposed budget for Fiscal Year 2021-22, after which he requested approval of the proposed budget by the Commission.

*Upon consideration thereof, it was moved by Commissioner Kwong, seconded by Commissioner Preciado and unanimously carried (3-0), to approve the budget for Fiscal Year 2021-22 as presented. A roll call vote was then taken:*

*Yes: Kwong, Lima, Preciado*

*Noes: None*

*Motion Passed (3-0)*

**Commissioner Lima indicated that the motion was approved by a 3-0 vote**

**Item 13: Three Valleys Municipal Water District**

- ◆ TVMWD staff noted that there was no report.

**Item 14: Administrative Report**

- ◆ Mr. Teuber did not have any administrative matters to report at this time.

**Item 15: Operations Report**

- ◆ The Commission was provided with the Operations Report for the period of January through May 2021.

**Item 16: Water Use Reports for January through April 2021**

- ◆ The Commission was asked to receive and file the Water Usage Reports for January through April 2021, as presented.

*Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Preciado and unanimously carried (3-0), to receive and file the Water Use Reports for January through April 2021. A roll call vote was then taken:*

*Yes: Kwong, Lima, Preciado*

*Noes: None*

*Motion Passed (3-0)*

**Commissioner Kwong indicated that the motion was approved by a 3-0 vote**

**Item 17: Commissioners Questions and Comments**

- ◆ There were no Commissioner questions or comments at this time.

**Item 18: Subjects for Discussion at Future Meetings**

- ◆ There were no items requested for discussion at future meetings.

**Item 19: Adjournment at 4:39 p.m.**

*Upon consideration thereof, it was moved by Commissioner Preciado, seconded by Commissioner Kwong and unanimously carried (3-0), to adjourn the Pomona-Walnut-Rowland Joint Waterline Commission meeting at 4:39 p.m.*







**RESOLUTION NO. 107  
(Replacing Resolution No. 88)**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE POMONA-WALNUT-ROWLAND JOINT WATER COMMISSION  
ESTABLISHING ITS INVESTMENT POLICY  
ADOPTED OCTOBER 14, 2021**

**1. POLICY**

**WHEREAS**, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

**WHEREAS**, the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 and 53635; and

**WHEREAS**, the Treasurer of the Pomona-Walnut-Rowland Joint Water Commission ("Commission") must annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Commissioners at a public meeting,

**NOW THEREFORE**, it shall be the policy of the Commission to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the Commission's daily cash flow demands and conforming to all statutes governing the investment of Commission funds.

**2. SCOPE**

This investment policy applies to all financial assets of the Commission. These funds are accounted for in the annual audit.

**3. PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Commission, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4. OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing Commission funds, the primary objectives, in priority order, of the investment activities shall be:

- a. Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b. Liquidity:** The investment portfolio will remain sufficiently liquid to enable the Commission to meet all operating requirements which might be reasonably anticipated.
- c. Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and

economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

## **5. DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the Treasurer, who, where appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and such procedures that are established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

The Commission may engage the services of one or more external investment managers to assist in the management of the Commission's investment portfolio in a manner consistent with the Commission's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

## **6. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## **7. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

For broker/dealers of government securities and other investments, the Commission shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Commission's account with that firm has reviewed the Commission's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Commission that are appropriate under the terms and conditions of the Investment Policy.

Where all funds of the Commission not placed in FDIC-insured accounts are invested through the Local Agency Investment Fund (LAIF), the Treasurer need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

Selection of broker/dealers used by an external investment adviser retained by the Commission will be at the sole discretion of the investment adviser.

## **8. AUTHORIZED AND SUITABLE INVESTMENTS**

The Commission's investments are governed by California Government Code, Sections 53600 et seq. The Treasurer is authorized to invest Commission funds in any of the types of investments permitted by the Code. The Treasurer is expressly authorized to invest Commission funds in the Local Agency Investment Fund (LAIF) of the State Treasury (Government Code Section 16429.1). All investments of Commission funds shall be limited by the requirements of Government Code Sections 53600 through 53610.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

Pursuant to Government Code Sections 53601.6 and 53631.5, the Commission shall not invest any funds covered by this Investment Policy in inverse floaters, range

notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero or negative interest accrual if held to maturity are permitted.

## **9. COLLATERALIZATION**

All certificates of deposits must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code Section 53601(j) (2).

## **10. SAFEKEEPING AND CUSTODY**

All security transactions entered into by the Commission shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the Commission by book entry, physical delivery or by third party custodial agreement. The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools (e.g. LAIF); (ii) time certificates of deposit; and, (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

## **11. DIVERSIFICATION**

The Commission will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically, if determined necessary to meet Commission goals. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

## **12. MITIGATING CREDIT RISK IN THE PORTFOLIO**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Commission will mitigate credit risk by adopting the following strategies:

- a. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and enterprises, LAIF, or unless otherwise specified in this investment policy;
- b. The Commission may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or Commission's risk preferences; and,
- c. If securities owned by the Commission are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it will be the Commission's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
  1. If a security is downgraded, the Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
  2. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and as deemed necessary reported to the Board of Commissioners.

**13. REPORTING**

The Treasurer shall submit a monthly transaction report to the Board of Commissioners within 30 days of the end of the reporting period in accordance with California Government Code Section 53607. In addition, the Treasurer shall submit an investment report to the Board of Commissioners at least quarterly. The report shall be submitted within 30 days following the end of the reporting period covered by the report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Commission by third party contracted managers. The report will also include the source of the portfolio valuation. If all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Commission will meet its expenditure obligations for the next six months, as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

**14. INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Commission. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Commissioners.

**PASSED, APPROVED AND ADOPTED** by the Board of Commissioners of the Pomona-Walnut-Rowland Joint Water Line Commission this 14th day of October, 2021, by the following roll call vote:

**AYE:**  
**NO:**  
**ABSENT:**

\_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Secretary

**RESOLUTION NO.108**  
**(Replacing Resolution No. 91)**

**RESOLUTION OF THE BOARD OF COMMISSIONERS**  
**OF THE POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**  
**ESTABLISHING CHARGES FOR REPRODUCTION OF COMMISSION PUBLIC**  
**RECORDS**

**WHEREAS**, from time to time requests are received from members of the public for copies of identifiable public records of this Commission; and

**WHEREAS**, the Commission must provide such records upon receipt of a properly completed request that complies with the Public Records Act (Government Code Sections 6250 et seq.) (referred to herein as the "Act"); and

**WHEREAS**, the Commission may charge a fee for the cost of supplying copies of such records, which fee cannot exceed the direct cost of duplication of such records;

**NOW, THEREFORE, BE IT RESOLVED** that copies of identifiable public records of the Pomona-Walnut-Rowland Joint Water Line Commission (excluding records exempt under the Act) be made available to interested parties under the following conditions:

- (1) That the request for reproduction of such documents be made in writing, fully identifying the public records requested in accordance with the applicable provisions of the Act.
- (2) That the reproduction or copying of the records be made at the convenience of the District and in compliance with the Act.
- (3) That, unless waived by the Administrative Officer , the following charges be made and payment thereof be received by the Commission prior to the release of said records, unless the applicant has on deposit with the Commission funds against which the charges for providing copies of such documents are authorized to be made:
  - (a) 28¢ for each black & white copy of a document consisting of one or more pages reproduced on paper no larger than 8½" x 11"
  - (b) 31¢ for each color copy of a document consisting of one or more pages reproduced on paper no larger than 8½" x 14"
  - (c) \$10.00 additional fee charged for certified copies of public documents
  - (d) Documents larger than 11" x 17" and audio tapes will be furnished at Commission cost

- (e) Electronic format documents will be furnished at Commission cost, including, if the request requires data compilation, extraction or programming, the cost to construct the requested record and the cost of any programming and computer services necessary to produce a copy of said record.
- (f) Pursuant to Government Code §81008, reproduction of Statements of Economic Interests (Form 700) will be furnished at a cost of 10¢ per page, plus a \$5.00 retrieval fee per request if the statement are five more years old.

**PASSED, APPROVED AND ADOPTED** by the Board of Commissioners of the Pomona-Walnut-Rowland Joint Water Line Commission this 14th day of October, 2021, by the following roll call vote:

**AYE:**  
**NO:**  
**ABSENT:**

\_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
Secretary



# POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

## Bidding and Contracting Procedures

Unless otherwise determined or directed by the Commission, this policy specifies the manner for inviting bids and awarding contracts for construction work and the acquisition of materials and equipment for the Commission.

### 1. **Projects Costing Less Than \$5,000**

All contracts for construction projects pertaining to facility improvements and/or non-emergency repairs, estimated to cost less than \$5,000, may be authorized by the Administrative Officer without competitive bidding. In such event, the Administrative Officer may award the contract following informal bidding or quotations or by such other process as may be determined in the sole discretion of the Administrative Officer and subsequently reported to the Commission.

### 2. **Minor Projects**

All contracts for labor and materials for construction projects pertaining to facility improvements and/or non-emergency repairs, estimated to cost between \$5,000 and \$20,000, are minor projects and may be awarded to the lowest responsible bidder as identified through an informal bid solicitation process. Informal bids for minor projects will be solicited from a minimum of three (3) firms from the Commission's pre-qualified list of contractors. Minor projects may be awarded at the discretion of the Administrative Officer and subsequently reported to the Commission.

### 3. **Major Projects – Pipelines**

All contracts for labor and materials for construction projects pertaining to pipeline construction projects and/or non-emergency pipeline repairs, estimated to cost more than \$20,000, are major pipeline projects and may be awarded to the lowest responsible bidder in the manner provided below. The Commission shall give prior authorization for preparation of plans and specifications and for soliciting bids. The Notice Inviting Bids shall set a date and time for the opening of bids. Formal bids for major pipeline projects will be solicited from all firms listed on the Commission's pre-qualified contractor list. The bids will be opened in public at the date and time indicated in the Notice Inviting Bids. The Commission shall award contracts for major pipeline projects.

### 4. **Major Projects – Non-pipeline (Reservoirs, Pump Stations, Wells, etc.)**

All contracts for labor and materials for construction projects pertaining to non-pipeline facility improvements and/or non-emergency repairs, estimated to cost more than \$20,000, are non-pipeline major projects and will be awarded to the lowest responsible bidder in the manner provided below. The Notice Inviting Bids shall set a date and time for the opening of bids. The Commission shall publish the notice in a trade paper or construction journal, or through an on-line bid solicitation site or service, as designated by the Administrative Officer, for a period of thirty (30) days. The bids will be opened in public at the date and time indicated in the Notice Inviting Bids. The Commission shall award contracts for non-pipeline major projects.

**5. Consultant Services**

Consultant service agreements less than \$20,000 will be awarded to the most qualified firm identified through an informal proposal solicitation process. Informal bids for minor projects will be solicited from a minimum of three (3) firms.

Consultant service agreements in excess of \$20,000 will be awarded to the most qualified firm identified through a formal Request for Proposal (RFP) process. RFPs will be sent to consulting firms that have indicated expertise in this area and have requested to receive RFPs from the Commission to provide consulting services. The Commission shall award all consultant services agreements.

**6. Maintenance Contracts**

All contracts for maintenance of Commission facilities will be awarded following an informal bid solicitation process. Bids will be solicited from a minimum of three (3) firms qualified to perform such work and that have a demonstrated ability to adequately perform the work for the Commission. Maintenance contracts shall be awarded at the discretion of the Commission.

Maintenance contracts less than \$20,000 may be awarded at the discretion of the Administrative Officer, and subsequently reported to the Commission. The Commission shall award maintenance contracts in excess of \$20,000.

**7. General Supplies, Materials and Equipment**

General supplies, materials and equipment shall consist of any and all tangible items necessary for day-to-day operations, excluding goods purchased as part of a Commission Project. Generally, all purchases estimated to cost less than \$5,000, may be authorized by the Administrative Officer.

For purchases greater than \$5,000, at least three (3) informal bids or price quotations should be obtained, and all such purchases must be approved by the Commission.

**8. Sole Source**

If in the opinion of the Commission, in instances where the contract or project is excess of \$20,000, or the Administrative Officer, where the value of the contract is less than \$20,000, there is only one qualified contractor who can adequately perform the work required, the Commission, or the Administrative Officer, may make a sole source award. The determination of sole source shall be based upon a finding by the Commission, or the Administrative Officer, where the value of the contract is less than \$20,000 that a contractor is uniquely qualified to provide specialized services to the Commission that cannot be obtained from other contractors.

**9. Emergencies**

The determination of the existence of an emergency condition shall be at the discretion of the Administrative Officer or designated representative.

In the event of an emergency, the Administrative Officer may negotiate and award contracts for construction of work to prevent damage or repair damaged works without advertising for bids and expend any sum reasonably required in the emergency.

The Administrative Officer shall notify the Commission as soon as possible of the existence of the emergency condition and the measures being undertaken to correct the emergency. All contracts and expenditures made during the emergency shall be reported to the Commission at its next regularly scheduled meeting.

**10. Splitting Projects**

Splitting of projects into separate or smaller projects for the purpose of evading the provisions of these guidelines shall not be allowed.

**11. Change Orders**

For all projects in excess of \$20,000, if any alteration of the contract is ordered, it shall be specified in writing and the cost agreed upon between the Commission and the contractor. The Commission delegates to the Administrative Officer the authority to negotiate and approve change orders which, in the aggregate, do not exceed ten percent (10%) of the contract price. The Commission shall approve all other change orders.

**12. Rejection of Bids**

The Commission reserves the right to reject any and all bids received for a project.

**13. Retention**

In accordance with Section 9203 of the Public Contracts Code, for any project in excess of \$5,000, the Commission shall withhold a five percent (5%) retention of progress payment and final payment requests. As provided in Section 22300 of the California Public Contract Code, the contractor may substitute securities for any monies withheld by the Commission to ensure performance under the contract.

Monies retained from progress and final payment requests will be released to the contractor thirty-five (35) days after the Notice of Completion is recorded and the Commission receives the documentation.

**14. Notice of Completion**

For minor projects, the Commission shall file a Notice of Completion with the Los Angeles County Recorder's Office within ten (10) days of the date of acceptance of the work by the Administrative Officer or designee. For major projects (pipeline or non-pipeline), the Commission shall file a Notice of Completion with the Los Angeles County Recorder's Office within ten (10) calendar days after the date of acceptance of the work by the Commission.

**13. Exceptions to Bidding and Contracting Procedures**

This policy shall not apply in the following cases or circumstances:

- (1) A contract for the acquisition or disposal of any real property.
- (2) A contract for the purchase of water or water rights.
- (3) A contract for the repair of Commission equipment.
- (4) A contract for legal, engineering and other professional services.
- (5) The repair, alteration, addition, or the making of improvements, by force account.

- (6) Work related to and in furtherance of the purposes of the Commission, or materials or equipment acquired for such purposes, where such work is to be performed or such materials or equipment are to be acquired, for the account of other persons or entities, an example of such work or acquisition being the construction of a water transmission line or the installation of meters or other facilities for a developer and done at the developer's expense.
- (7) A contract for the performance of work or acquisition of materials in instances where work and materials are regularly and periodically required and work and materials are repairs or replacements of prior works or materials relating to the following:
  - (a) Asphalt and concrete patching;
  - (b) Janitorial supplies;
  - (c) Office supplies;
  - (d) Aggregate (sand, base and similar materials);
  - (e) Cold mix asphalt;
  - (f) Data mailers;
  - (g) Water meters.

#### **14. Scope of Statement of Policy**

This statement of policy establishes the manner of calling for bids and letting contracts of the performance of work for the Commission or the acquisition of materials or equipment. However, notwithstanding this statement, all contracts for work and all contracts for acquisition of materials and equipment, may be made or entered into upon such terms and conditions and in such manner as the Commissioners may determine is in the best interest of the Commission.

RESOLUTION NO. 90

RESOLUTION OF THE  
POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION  
ESTABLISHING A POLICY REGARDING CLAIMS SUBMITTED ON  
OTHER THAN P-W-R APPROVED CLAIM FORM

WHEREAS, Government Code Section 910.4 requires that the P-W-R Joint Water Line Commission's Board provides forms specifying the information to be contained in claims against the Commission; and

WHEREAS, Government Code Section 910.4 further requires that any person submitting a claim against the Commission use the form approved by the Board; and

WHEREAS, the Commission has previously approved a standard claim form to be used in compliance with Government Code Section 910.4 and related statutes, a copy of which is attached to this policy; and


WHEREAS, Government Code Section 910.4 authorizes the Commission to return any claim presented that does not use the Commission's approved form;

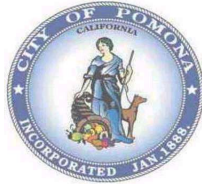
NOW, THEREFORE, the Board of Commissioners of the Pomona-Walnut-Rowland Joint Water Line Commission hereby adopts the policy that any claim presented to the Commission on other than the Commission's approved claim form shall be immediately returned by Commission staff to the person who presented that claim with a letter explaining the return of that claim.

Approved and adopted this 18<sup>th</sup> day of March 2004.

  
PAULA LANTZ  
President

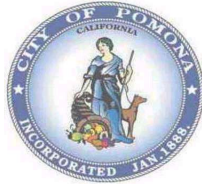
ATTEST:

  
EDYTHE WISE  
Secretary



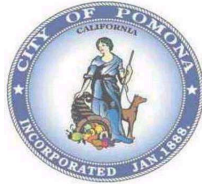
**POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**  
**LIST OF WARRANTS & CHARGES**  
*Jun-21*

Check No.	Payee	Inv. Date	Description	Amount
11821	Caselle, Inc.	6/1/2021	<i>Contract Support and Maint. for 7/1/21 to 7/31/21</i>	\$ 120.00
<b>Total</b>				<b>\$ 120.00</b>
EFT	Three Valleys Municipal Water District	4/30/2021	<i>PM-15A</i>	\$ 336,427.20
		4/30/2021	<i>PM-21</i>	\$ 1,201,212.00
		4/30/2021	<i>TVMWD Capacity</i>	\$ 6,150.27
		4/30/2021	<i>TVMWD Water Use</i>	\$ 6,077.02
		4/30/2021	<i>MWD Capacity</i>	\$ 26,876.46
<b>Total</b>				<b>\$ 1,576,742.95</b>
<b>Total Expenditures</b>				<b>\$ 1,576,862.95</b>



**POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**  
**LIST OF WARRANTS & CHARGES**  
**JULY 2021**

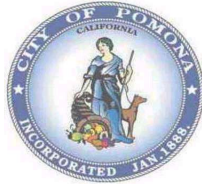
Check No.	Payee	Inv. Date	Description	Amount
11822	Rowland Water District	6/30/2021	Treasurer Fees	\$ 2,550.00
<b>Total</b>				<b>\$ 2,550.00</b>
11823	Fedak & Brown LLP	6/30/2021	Progress Billing on 6/30/21 Audit	\$ 440.00
<b>Total</b>				<b>\$ 440.00</b>
11824	Caselle, Inc.	7/1/2021	Contract Support and Maint. for 8/1/21 to 8/31/21	\$ 120.00
<b>Total</b>				<b>\$ 120.00</b>
EFT	Three Valleys Municipal Water District	2/28/2021	PM-15A	\$ 707,880.60
		2/28/2021	PM-21	\$ 1,062,205.20
		2/28/2021	LRP Credit (City of Pomona	\$ (6,480.00)
		2/28/2021	TVMWD Capacity	\$ 6,150.27
		2/28/2021	TVMWD Water Use	\$ 6,077.02
		2/28/2021	MWD Capacity	\$ 26,876.46
<b>Total</b>				<b>\$ 1,802,709.55</b>
<b>Total Expenditures</b>				<b>\$ 1,805,819.55</b>



**POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**  
**LIST OF WARRANTS & CHARGES**  
**AUGUST 2021**

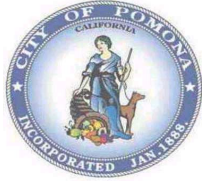
Check No.	Payee	Inv. Date	Description	Amount
11825	Caselle, Inc.	8/1/2021	Contract Support and Maint. for 9/1/21 to 9/30/21	\$ 120.00
<b>Total</b>				<b>\$ 120.00</b>
11826	Fedak & Brown LLP	7/23/2021	Progress Billing on 6/30/21 Audit	\$ 1,140.00
<b>Total</b>				<b>\$ 1,140.00</b>
11827	Walnut Valley Water District	6/30/2021	Administrative, Ops, Secretary	\$ 13,500.00
		6/30/2021	USA Markups	\$ 2,550.00
		6/30/2021	Mileage	\$ 68.32
		6/30/2021	Water Quality Testing	\$ 270.00
		6/30/2021	Goldline Foothill Extension Proj	\$ 86,613.09
<b>Total</b>				<b>\$ 103,001.41</b>
EFT	Three Valleys Municipal Water District	6/30/2021	PM-15A	\$ 512,107.20
		6/30/2021	PM-15B	\$ 873,349.20
		6/30/2021	PM-21	\$ 755,204.40
		6/30/2021	LRP Credit (City of Pomona	\$ (17,300.00)
		6/30/2021	TVMWD Capacity	\$ 6,150.27
		6/30/2021	TVMWD Water Use	\$ 6,077.02
		6/30/2021	MWD Capacity	\$ 26,876.46
<b>Total</b>				<b>\$ 2,162,464.55</b>
<b>Total Expenditures</b>				<b>\$ 2,266,725.96</b>





**POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION**  
**LIST OF WARRANTS & CHARGES**  
**SEPTEMBER 2021**

Check No.	Payee	Inv. Date	Description	Amount
11828	Caselle, Inc.	9/1/2021	Contract Support and Maint. for 10/1/21 to 10/3/21	\$ 120.00
<b>Total</b>				<b>\$ 120.00</b>
11829	Fedak & Brown LLP	8/27/2021	Progress Billing on 6/30/21 Audit	\$ 2,165.00
<b>Total</b>				<b>\$ 2,165.00</b>
EFT	Three Valleys Municipal Water District	7/31/2021	PM-15A	\$ 1,613,730.60
		7/31/2021	PM-21	\$ 677,575.80
		7/31/2021	TVMWD Capacity	\$ 6,150.27
		7/31/2021	TVMWD Water Use	\$ 6,077.02
		7/31/2021	MWD Capacity	\$ 26,876.46
<b>Total</b>				<b>\$ 2,330,410.15</b>
<b>Total Expenditures</b>				<b>\$ 2,332,695.15</b>



**POMONA-WALNUT-ROWLAND JWLC**  
**BALANCE SHEET**  
**JUNE 2021**

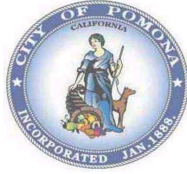
<b>1 Assets</b>		
<b>2 Cash &amp; Investments</b>		
3 Citizens Business Bank	\$	226,132
4 LAIF		1,477,956
5 LAIF - Fair Market Value		123
<b>6 Total Cash &amp; Investments</b>		<b>1,704,211</b>
<b>7 Other Current Assets</b>		
8 Accounts Receivable - Water Sales		4,000,955
9 Interest Receivable		1,207
10 Prepaid Expenses		1,907
<b>11 Total Other Current Assets</b>		<b>4,004,069</b>
<b>12 Fixed Assets</b>		
13 Pipeline		2,281,203
14 Service Connections		85,277
15 Telemetry System		104,000
16 Accumulated Depreciation		(994,750)
<b>17 Total Fixed Assets</b>		<b>1,475,731</b>
<b>18 Total Assets</b>	<b>\$</b>	<b>7,184,011</b>
<b>19 Liabilities &amp; Fund Balance</b>		
<b>20 Current Liabilities</b>		
21 Accounts Payable	\$	4,071,166
<b>22 Total Current Liabilities</b>		<b>4,071,166</b>
<b>23 Fund Balance</b>		
24 Net Investment in Fixed Assets		1,381,606
25 Unappropriated Surplus		782,783
26 Retained Earnings		929,773
27 Net Income		18,683
<b>28 Total Fund Balance</b>		<b>3,112,845</b>
<b>29 Total Liabilities &amp; Fund Balance</b>	<b>\$</b>	<b>7,184,011</b>



**POMONA-WALNUT-ROWLAND JWLC**  
**STATEMENT OF INCOME & EXPENSES**  
**For The Period Ending June 30, 2021**

	<b>JUNE 2021 YTD</b>	<b>ANNUAL BUDGET</b>	<b>\$ DIFFERENCE</b>	<b>% OF BUDGET</b>
<b>1 Income</b>				
2 Water Sales				
3 MWD PM-15	13,503,281	15,480,018	1,976,737	87%
4 TVMWD PM-21	8,444,218	4,037,790	(4,406,428)	209%
5 Total Water Sales	21,947,499	19,517,808	(2,429,691)	112%
6 Fixed Charges				
7 MWD CRC Charge	293,890	293,890	(0)	100%
8 TVMWD Connected Capacity	71,027	71,027	0	100%
9 TVMWD Water Use Charge	72,257	72,257	(0)	100%
10 Total Fixed Charges	437,174	437,174	(0)	100%
11 Depr. & Replacement				
12 Depreciation Charge	18,989	18,989	-	100%
13 Replacement Charge	24,334	24,334	-	100%
14 Total Depr. & Replacement	43,323	43,323	-	100%
15 Admin. Budget Assessment	99,800	99,800	(0)	100%
16 Interest Income	8,274	12,750	4,476	65%
17 Other Income	1,390	-	(1,390)	0%
18 <b>Total Income</b>	<b>\$ 22,530,382</b>	<b>\$ 20,110,855</b>	<b>\$ (2,419,527)</b>	<b>112%</b>
<b>19 Expenses</b>				
20 Water Purchases				
21 MWD PM-15	13,503,281	15,480,018	1,976,737	87%
22 TVMWD PM-21	8,444,218	4,037,790	(4,406,428)	209%
23 Total Water Purchases	21,947,499	19,517,808	(2,429,691)	112%
24 Fixed Charges				
25 MWD Capacity Charge	293,890	293,890	(0)	100%
26 TVMWD Connected Capacity	71,027	71,027	0	100%
27 TVMWD Water Use Charge	72,258	72,257	(1)	100%
28 Total Fixed Charges	437,174	437,174	(0)	100%
29 Equipment & Line Maintenance	20,686	18,000	(2,686)	115%
30 Depreciation	27,586	-	(27,586)	0%
31 Contract Services				
32 WWWD	54,000	54,000	-	100%
33 RWD	10,200	10,200	-	100%
34 Total Contract Services	64,200	64,200	-	100%
35 Administrative				
36 Legal	215	5,000	4,785	4%
37 Insurance	2,183	2,200	17	99%
38 Audit & Bookkeeping	6,912	5,500	(1,412)	126%
39 Other Admin Costs / Supplies	2,520	2,900	380	87%
40 ACWA Dues	2,723	2,000	(723)	136%
41 Total Administrative	14,553	17,600	3,047	83%
42 Project Development	-	450,000	450,000	0%
43 <b>Total Expenses</b>	<b>\$ 22,511,699</b>	<b>\$ 20,504,782</b>	<b>\$ (2,006,917)</b>	<b>110%</b>
44 <b>Net Income</b>	<b>\$ 18,683</b>	<b>\$ (393,927)</b>	<b>\$ (412,610)</b>	<b>-5%</b>

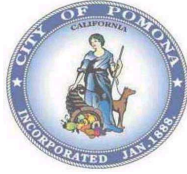
*No assurance is provided on these financial statements. The financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included.*



**POMONA-WALNUT-ROWLAND JWLC**  
**INVESTMENT REPORT**  
*For The Period Ending June 30, 2021*

Account Type	Issuer	Par Value	Market Value	Coupon Rate	Effective Yield	Accrued Interest Current Quarter*	Interest Deposited Fiscal YTD	Total Accrued & Deposited Interest Fiscal YTD	% of Portfolio
Investment Account	Local Agency Investment Fund	\$ 1,477,956	\$ 1,478,079	0.26%	0.26%	\$ 1,207	\$ 7,067	\$ 8,274	86.73%
Checking	Citizens Business Bank	\$ 226,132	\$ 226,132	0.00%	0.00%	N/A	N/A	N/A	13.27%
<b>Total Cash &amp; Investments</b>		<b>\$ 1,704,088</b>	<b>\$ 1,704,211</b>	<b>0.23%</b>	<b>0.23%</b>	<b>\$ 1,207</b>	<b>\$ 7,067</b>	<b>\$ 8,274</b>	<b>100.00%</b>
				<i>Weighted Average %</i>					

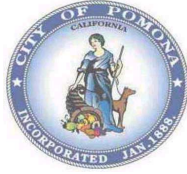
*All investments listed in this report comply with the Commission's Statement of Investment Policy. The Commission's cash balances and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations, excluding the purchase of water, for at least a six month period of time. All investment interest values shown above are based on annual rates of return.*



**POMONA-WALNUT-ROWLAND JWLC**  
**INVESTMENT REPORT**  
*For The Period Ending July 31, 2021*

Account Type	Issuer	Par Value	Market Value	Coupon Rate	Effective Yield	Accrued Interest Current Quarter*	Interest Deposited Fiscal YTD	Total Accrued & Deposited Interest Fiscal YTD	% of Portfolio
Investment Account	Local Agency Investment Fund	\$ 1,479,163	\$ 1,479,286	0.22%	0.22%	\$ -	\$ -	\$ -	86.90%
Checking	Citizens Business Bank	\$ 223,022	\$ 223,022	0.00%	0.00%	N/A	N/A	N/A	13.10%
<b>Total Cash &amp; Investments</b>		<b>\$ 1,702,185</b>	<b>\$ 1,702,308</b>	<b>0.19%</b>	<b>0.19%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>
				<i>Weighted Average %</i>					

*All investments listed in this report comply with the Commission's Statement of Investment Policy. The Commission's cash balances and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations, excluding the purchase of water, for at least a six month period of time. All investment interest values shown above are based on annual rates of return.*



**POMONA-WALNUT-ROWLAND JWLC**  
**INVESTMENT REPORT**  
*For The Period Ending August 31, 2021*

Account Type	Issuer	Par Value	Market Value	Coupon Rate	Effective Yield	Accrued Interest Current Quarter*	Interest Deposited Fiscal YTD	Total Accrued & Deposited Interest Fiscal YTD	% of Portfolio
Investment Account	Local Agency Investment Fund	\$ 1,479,163	\$ 1,479,286	0.22%	0.22%	\$ -	\$ -	\$ -	65.52%
Checking	Citizens Business Bank	\$ 778,493	\$ 778,493	0.00%	0.00%	N/A	N/A	N/A	34.48%
<b>Total Cash &amp; Investments</b>		<b>\$ 2,257,656</b>	<b>\$ 2,257,779</b>	<b>0.14%</b>	<b>0.14%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100.00%</b>
				<i>Weighted Average %</i>					

*All investments listed in this report comply with the Commission's Statement of Investment Policy. The Commission's cash balances and investment portfolio provides sufficient cash flow and liquidity to meet all normal obligations, excluding the purchase of water, for at least a six month period of time. All investment interest values shown above are based on annual rates of return.*

# POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

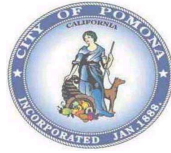
271 South Brea Canyon Road  
Walnut, California 91789-3002  
(909) 595-1268 • (626) 964-6551 • FAX (909) 594-9532

## MEMORANDUM

**TO:** Commissioners Kwong, Lima, and Preciado      **DATE:** October 14, 2021  
**FROM:** Administrative Officer  
**SUBJECT:** Joint Water Line Operations Report for June 2020 – September 2021

Inspection Report: During the four-month period ending on September 30, 2021, all paved portions of the JWL were driven weekly and visually checked for leaks, vandalism, and other potential problems. Additionally, the cross-country sections of the line were walked and nothing unusual was found. Routine maintenance was performed as needed.

Meter Testing: On Thursday August 26, 2021, staff tested and calibrated the JWL meters. All meters tested within the established parameters.



## POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

### WATER USE DISTRIBUTION & BILLING

MAY 2021

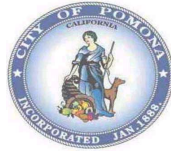
CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	349.977	22.092%
Walnut	804.587	50.788%
Rowland	429.646	27.121%
LaVerne	-	0.000%
<b>TOTAL</b>	<b>1,584.210</b>	<b>100.000%</b>

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	644.70	39.991%
TVMWD	967.40	60.009%
LaVerne	-	0.000%
Total	1,612.100	100.000%
PWR	1,584.210	
Difference	27.890	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				39.991%	60.009%	0.000%	100.000%
Pomona	349.977	6.161	356.138	356.1	142.4	213.7	356.1
Walnut	804.587	14.165	818.752	818.8	327.4	491.3	818.8
Rowland	429.646	7.564	437.210	437.2	174.8	262.4	437.2
LaVerne	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,584.210</b>	<b>27.890</b>	<b>1,612.100</b>	<b>1,612.1</b>	<b>644.7</b>	<b>967.4</b>	<b>1,612.1</b>

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	142.4	213.7							64.8	
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 156,382.00	\$ 234,657.90	\$ 9,635.21	\$ 3,198.14	\$ 1,587.32	\$ -	\$ -	\$ -	\$ (6,480.00)	\$ 398,980.57
Walnut Valley Water District	Cons. (AF)	327.4	491.3							-	
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 359,517.70	\$ 539,471.72	\$ 11,156.42	\$ 1,722.08	\$ 2,843.44	\$ -	\$ -	\$ -	\$ -	\$ 914,711.36
Rowland Water District	Cons. (AF)	174.8	262.4							-	
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 191,980.90	\$ 288,075.58	\$ 6,084.83	\$ 1,230.05	\$ 1,646.26	\$ -	\$ -	\$ -	\$ -	\$ 489,017.62
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total (A.F.)</b>		<b>644.7</b>	<b>967.4</b>								<b>1,612.1</b>
<b>Total (\$)</b>		<b>\$ 707,880.60</b>	<b>\$ 1,062,205.20</b>	<b>\$ 26,876.46</b>	<b>\$ 6,150.27</b>	<b>\$ 6,077.02</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,480.00)</b>	<b>\$ 1,802,709.55</b>





## POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

### WATER USE DISTRIBUTION & BILLING

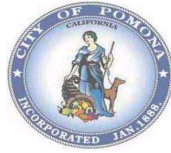
JUNE 2021

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	488.223	24.860%
Walnut	936.782	47.700%
Rowland	538.898	27.440%
LaVerne	-	0.000%
<b>TOTAL</b>	<b>1,963.903</b>	<b>100.000%</b>

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	1,261.80	64.721%
TVMWD	687.80	35.279%
LaVerne	-	0.000%
Total	1,949.600	100.000%
PWR	1,963.903	
Difference	(14.303)	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				64.721%	35.279%	0.000%	100.000%
Pomona	488.223	(3.556)	484.667	484.7	313.7	171.0	484.7
Walnut	936.782	(6.823)	929.959	930.0	601.9	328.1	930.0
Rowland	538.898	(3.925)	534.973	535.0	346.2	188.7	535.0
LaVerne	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,963.903</b>	<b>(14.303)</b>	<b>1,949.600</b>	<b>1,949.6</b>	<b>1,261.8</b>	<b>687.8</b>	<b>1,949.6</b>

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	313.7	171.0							173.0	
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 5,699.00	\$ 4,592.00	\$ 24,950.00	\$ (100.00)	
	<b>Total</b>	<b>\$ 344,422.14</b>	<b>\$ 187,742.55</b>	<b>\$ 9,635.21</b>	<b>\$ 3,198.14</b>	<b>\$ 1,587.32</b>	<b>\$ 1,424.75</b>	<b>\$ 1,148.00</b>	<b>\$ 8,316.67</b>	<b>\$ (17,300.00)</b>	<b>\$ 540,174.78</b>
Walnut Valley Water District	Cons. (AF)	601.9	328.1							-	
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 7,734.00	\$ 12,102.00	\$ 24,950.00	\$ (100.00)	
	<b>Total</b>	<b>\$ 660,862.89</b>	<b>\$ 360,232.60</b>	<b>\$ 11,156.42</b>	<b>\$ 1,722.08</b>	<b>\$ 2,843.44</b>	<b>\$ 1,933.50</b>	<b>\$ 3,025.50</b>	<b>\$ 8,316.67</b>	<b>\$ -</b>	<b>\$ 1,050,093.10</b>
Rowland Water District	Cons. (AF)	346.2	188.7							-	
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 5,556.00	\$ 7,640.00	\$ 24,950.00	\$ (100.00)	
	<b>Total</b>	<b>\$ 380,171.37</b>	<b>\$ 207,229.25</b>	<b>\$ 6,084.83</b>	<b>\$ 1,230.05</b>	<b>\$ 1,646.26</b>	<b>\$ 1,389.00</b>	<b>\$ 1,910.00</b>	<b>\$ 8,316.67</b>	<b>\$ -</b>	<b>\$ 607,977.43</b>
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total (A.F.)</b>		<b>1,261.8</b>	<b>687.8</b>								<b>1,949.6</b>
<b>Total (\$)</b>		<b>\$ 1,385,456.40</b>	<b>\$ 755,204.40</b>	<b>\$ 26,876.46</b>	<b>\$ 6,150.27</b>	<b>\$ 6,077.02</b>	<b>\$ 4,747.25</b>	<b>\$ 6,083.50</b>	<b>\$ 24,950.00</b>	<b>\$ (17,300.00)</b>	<b>\$ 2,198,245.30</b>



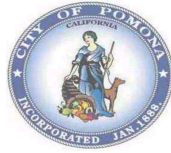
## POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION WATER USE DISTRIBUTION & BILLING JULY 2021

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	558.356	26.602%
Walnut	925.057	44.073%
Rowland	615.521	29.325%
LaVerne	-	0.000%
<b>TOTAL</b>	<b>2,098.934</b>	<b>100.000%</b>

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	1,469.70	70.428%
TVMWD	617.10	29.572%
LaVerne	-	0.000%
Total	2,086.800	100.000%
PWR	2,098.934	
Difference	(12.134)	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				70.428%	29.572%	0.000%	100.000%
Pomona	558.356	(3.228)	555.128	555.1	391.0	164.2	555.1
Walnut	925.057	(5.348)	919.709	919.7	647.7	272.0	919.7
Rowland	615.521	(3.558)	611.963	612.0	431.0	181.0	612.0
LaVerne	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,098.934</b>	<b>(12.134)</b>	<b>2,086.800</b>	<b>2,086.8</b>	<b>1,469.7</b>	<b>617.1</b>	<b>2,086.8</b>

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	391.0	164.2								
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	<b>\$ 429,282.75</b>	<b>\$ 180,247.93</b>	<b>\$ 9,635.21</b>	<b>\$ 3,198.14</b>	<b>\$ 1,587.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Walnut Valley Water District	Cons. (AF)	647.7	272.0								
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	<b>\$ 711,214.73</b>	<b>\$ 298,625.99</b>	<b>\$ 11,156.42</b>	<b>\$ 1,722.08</b>	<b>\$ 2,843.44</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Rowland Water District	Cons. (AF)	431.0	181.0								
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	<b>\$ 473,233.12</b>	<b>\$ 198,701.88</b>	<b>\$ 6,084.83</b>	<b>\$ 1,230.05</b>	<b>\$ 1,646.26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
City of LaVerne	Cons. (AF)	-	-								
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total (A.F.)</b>		<b>1,469.7</b>	<b>617.1</b>								<b>2,086.8</b>
<b>Total (\$)</b>		<b>\$ 1,613,730.60</b>	<b>\$ 677,575.80</b>	<b>\$ 26,876.46</b>	<b>\$ 6,150.27</b>	<b>\$ 6,077.02</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,330,410.15</b>



## POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

### WATER USE DISTRIBUTION & BILLING

AUGUST 2021

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	705.556	31.462%
Walnut	923.448	41.178%
Rowland	613.546	27.359%
LaVerne	-	0.000%
<b>TOTAL</b>	<b>2,242.550</b>	<b>100.000%</b>

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	1,634.50	73.749%
TVMWD	581.80	26.251%
LaVerne	-	0.000%
Total	2,216.300	100.000%
PWR	2,242.550	
Difference	(26.250)	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				73.749%	26.251%	0.000%	100.000%
Pomona	705.556	(8.259)	697.297	697.3	514.2	183.0	697.3
Walnut	923.448	(10.809)	912.639	912.6	673.1	239.6	912.6
Rowland	613.546	(7.182)	606.364	606.4	447.2	159.2	606.4
LaVerne	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,242.550</b>	<b>(26.250)</b>	<b>2,216.300</b>	<b>2,216.3</b>	<b>1,634.5</b>	<b>581.8</b>	<b>2,216.3</b>

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	514.2	183.0							87.8	
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 564,646.47	\$ 200,985.82	\$ 9,635.21	\$ 3,198.14	\$ 1,587.32	\$ -	\$ -	\$ -	\$ (8,780.00)	\$ 771,272.96
Walnut Valley Water District	Cons. (AF)	673.1	239.6							-	
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 739,022.35	\$ 263,054.88	\$ 11,156.42	\$ 1,722.08	\$ 2,843.44	\$ -	\$ -	\$ -	\$ -	\$ 1,017,799.17
Rowland Water District	Cons. (AF)	447.2	159.2							-	
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 491,012.18	\$ 174,775.70	\$ 6,084.83	\$ 1,230.05	\$ 1,646.26	\$ -	\$ -	\$ -	\$ -	\$ 674,749.02
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total (A.F.)</b>		<b>1,634.5</b>	<b>581.8</b>								<b>2,216.3</b>
<b>Total (\$)</b>		<b>\$ 1,794,681.00</b>	<b>\$ 638,816.40</b>	<b>\$ 26,876.46</b>	<b>\$ 6,150.27</b>	<b>\$ 6,077.02</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,780.00)</b>	<b>\$ 2,463,821.15</b>

**POMONA-WALNUT-ROWLAND  
JOINT WATER LINE COMMISSION**

271 South Brea Canyon Road  
Walnut, California 91789-3002  
(909) 595-1268 • (626) 964-6551 • FAX (909) 594-9532

**MEMORANDUM**

**TO:** Commissioners Kwong, Lima and Preciado      **DATE:** October 14, 2021  
**FROM:** Administrative Officer  
**RE:** 2022 Calendar/Meeting Schedule

Attached for your information is the 2022 P-W-R Meeting Calendar denoting three regularly scheduled meetings on February 10, June 9, and October 13.

## 2022 Calendar

JANUARY						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

MARCH						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

AUGUST						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

### Holidays

#### January

- 1 New Year's Day
- 17 Martin Luther King, Jr. Day

#### February

- 21 President's Day

#### May

- 30 Memorial Day

#### July

- 4 Independence Day

#### September

- 5 Labor Day

#### November

- 11 Veterans' Day
- 24 Thanksgiving Day

#### December

- 25 Christmas Day

P-W-R Commission meetings scheduled to begin at 4:00 p.m.