



Board of Directors

REGULAR MEETING

February 10, 2026, at 6:00 p.m.

W
welcoming

Be warm, grateful, and fun

H
humble

Be selfless, generous, and kind

O
original

Be creative, impactful, and unique





AGENDA

Regular Meeting of the Board of Directors
3021 Fullerton Road
Rowland Heights, CA 91748
February 10, 2026 -- 6:00 PM

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ADDITION(S) TO THE AGENDA

PUBLIC COMMENT ON NON-AGENDA ITEMS

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

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Gabriela Palomares, Executive Services Manager, at (562) 383-2323, or writing to Rowland Water District, at 3021 Fullerton Road, Rowland Heights, CA 91748. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Anyone requesting a disability-related accommodation should make the request with adequate time prior to the meeting in order for the District to provide the requested accommodation.

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

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)

- Notifications Due to Just Cause
- Requests Due to Emergency Circumstances

1. JPIA Leadership Essentials for the Water Industry Program

[Recognition of Robert Leamy, Water Systems Supervisor](#)

2. PUBLIC HEARING – Consider Adoption of Miscellaneous User Fees and Penalties and Finding of Exemption from the California Environmental Quality Act

Recommendation: The Board of Directors hold a public hearing to receive and respond to public comment and, if there is no majority protest, consider adoption of RWD Resolution No. 2-2026, a Resolution of the Rowland Water District Adopting Miscellaneous Rates, Fees, and Penalties and Taking Other Actions Relating Thereto.

2.1 Open Public Hearing

2.2 [Report by Staff](#)

2.3 Receive Public Comment

2.4 Close Public Hearing

2.5 Consider Adoption of Rowland Water District Resolution No. 2-2026

3. CONSENT CALENDAR

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

3.1 [Approval of the Minutes of Regular Board Meeting held on January 13, 2026](#)

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

3.2 [Approval of the Minutes of Special Board Meeting held on January 27, 2026](#)

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

3.3 [Demands on General Fund Account for January 2026](#)

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

3.4 [Investment Report for December 2025](#)

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

3.5 [Water Purchases for December 2025](#) - For information only.

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

Special Board Meeting: February 24, 2026

Regular Board Meeting: March 10, 2026

4. ACTION ITEMS

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

4.1 [Review and Approve Directors' Meeting Reimbursement for January 2026](#)

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

4.2 [Review and Approve "Final" Rowland Water District Financial Audit Report for Fiscal Year 2024-2025, Prepared by Nigro & Nigro, PCR](#)

Recommendation: The Board of Directors review and approve the "Final" RWD Financial Audit Report for FY 2024-2025.

4.3 Local Agency Formation Commission Nomination of Candidates for Independent Special Voting Member and Special District Alternate Member

Recommendation: The Board of Directors discuss LAFCO's nomination memorandum and provide direction if any.

5. INFORMATIONAL ITEMS

- 5.1 Metropolitan Water District of Southern California State Water Project Allocation Statement**
(January 26, 2026)

6. PUBLIC RELATIONS

- 6.1 Community Relations and Education Report** Gabriela Palomares
6.2 Communications Outreach CV Strategies

7. DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS

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

- 7.1 California Special District Association Special Districts Legislative Days**
Sacramento, CA (April 7-8, 2026)
- 7.2** Urban Water Institute Spring Conference - Indian Wells, CA (February 25-27, 2026)
- 7.3 California Special District Association San Gabriel Valley Chapter Mixer** - Pomona, CA
(March 11, 2026)
- 7.4** ACWA/JPIA Spring Conference – Sacramento, CA (May 4-7, 2026)

8. LEGISLATIVE INFORMATION

9. REVIEW OF CORRESPONDENCE

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

- 10.1** Joint Powers Insurance Authority (JPIA) Directors Lu-Yang/Hsu
- 10.2** Three Valleys Municipal Water District (TVMWD) Directors Lima/Bellah
- 10.3** Association of California Water Agencies (ACWA) Directors Lewis/Bellah
- 10.4** Puente Basin Water Agency (PBWA) Directors Lewis/Lima
- 10.5** Project Ad-Hoc Committee Directors Lima/Lu-Yang
- 10.6** P-W-R Joint Water Line Commission Directors Lima/Bellah
- 10.7** Rowland Heights Community Coordinating Council (RHCCC) Directors Lu-Yang/Bellah
- 10.8** California Special District Association (CSDA) SGV Chapter Director Bellah
- 10.9** Local Agency Formation Commission (LAFCO) Director Lewis

11. OTHER REPORTS AND COMMENTS

- 11.1** Finance Report Mrs. Malner
- 11.2** Operations Report Mr. Davidson

11.3 Project Updates

Mr. Moisio

11.4 Personnel Report

Mr. Coleman

12. ATTORNEY'S REPORT

Mr. Joseph Byrne

13. CLOSED SESSION

a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

14. RECONVENVE/REPORT ON CLOSED SESSION

General Manager's and Directors' Comments

Future Agenda Items

Late Business

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

ADJOURNMENT

President Anthony Lima, Presiding



October 2, 2025

Mr. Tom Coleman
Rowland WD
3021 S. Fullerton Road
Rowland Heights, CA 91748

ACWA JPIA

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Core Values

- People
- Service
- Integrity
- Innovation

Re: Graduation of the JPIA Leadership Essentials for the Water Industry Program

Dear Mr. Coleman,

Thank you for the financial and professional support of Robert Leamy's participation in the JPIA Leadership Essentials for the Water Industry Program from November 2024 to November 2025.

This year-long, highly immersive program requires a true commitment to professional growth on the part of the participants, attending 4 in-person sessions along with 12 conference calls and countless Back-at-Work activities. While growing and developing leadership skills, Robert was also performing regular job duties at the agency, not an easy task.

I was personally impressed with Robert's involvement in the sessions and application of the theories learned. Robert has grown in self-awareness and leadership skills, and I hope you will recognize the accomplishment.

I am confident the application of learnings from this program will result in a more inspired and committed workforce at your agency, which leads to less employee-related issues and thus a positive impact on the JPIA pool. Thank you again for your support.

Sincerely,

A handwritten signature in black ink that reads 'Sarah Crawford'. The signature is written in a cursive, flowing style.

Sarah Crawford
Member Education Manager, ACWA JPIA

February 10, 2026

ITEM NO. 2

ROWLAND WATER DISTRICT

TO: Honorable President and Members of the Board

SUBMITTED BY: Tom Coleman, General Manager

PREPARED BY: Myra Malner, Director of Finance

SUBJECT: **Consider Adoption of Miscellaneous User Fees and Penalties and Finding of Exemption from the California Environmental Quality Act**

PURPOSE:

Staff is requesting the Board conduct a public hearing and adoption RWD Resolution No. 2-2026 imposing increases to the certain miscellaneous user fees and penalties of the District to recover the costs of providing various services and regulatory activities (“Services”) that it provides within the District’s boundaries, and penalties for violations of any of the District’s Rules and Regulations for Potable and Recycled Water Service (“Rules and Regulations”).

BACKGROUND:

Staff has studied and analyzed the estimated reasonable costs to provide the Services and has determined that the costs of providing the Services has increased and therefore it is necessary to increase the rates of the user fees for Services and penalties for violations of the District’s Rules and Regulations. These materials are on file with District staff and have been made available for public inspection.

Based upon the results of the study, staff has concluded the proposed user fees and penalties comply with California Constitution, article XIII C, section 1(e) (“Proposition 26”) because:

1. The user fees:
 - a. are imposed for a specific government service provided directly to the payer, or for reasonable regulatory costs of the District for issuing licenses and permits, performing investigations, inspections, and administrative enforcements of the District’s Rules and Regulations;
 - b. are no more than necessary to cover the reasonable costs of the governmental activity for which the fee is imposed; and
 - c. the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity for which the fee is imposed.

2. The penalties are imposed for violations of District Rules and Regulations, are comparable to similar penalties for other similar organizations, and are not excessive for their purposes.

Based upon these findings, the user fees and penalties are not considered taxes requiring voter approval because they comply with the requirements of Proposition 26.

In addition to approving the user fees and penalties, the attached resolution authorizes the user fees and penalties to be increased annually effective February 1, 2027, and each February 1 thereafter, based on the percentage increase in the annual Consumer Price Index – All Urban Consumers for Los Angeles-Long Beach-Anaheim, California (“CPI”), calculated by the 12-month change as of October each year as published by the U.S. Bureau of Labor Statistics, or a similar index if the CPI is no longer published or is otherwise not available. If the CPI does not change or decreases in any given year, no change shall be made to the user fee schedule applicable that year.

To increase the user fees and penalties, the District must conduct a noticed public hearing where members of the community may provide oral or written comments. The District has provided notice of this public hearing in compliance with applicable state law. Following this public hearing the Board may consider adopting the user fees and penalties included in Exhibit “A” of the attached resolution.

RECOMMENDATION:

1. Open the public hearing, receive public testimony, close the public hearing, and adopt a Resolution that establishes a schedule of proposed user fees and penalties to be effective immediately.
2. Find and determine that this action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA). The District has determined that this resolution is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a “project” as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

Attachment: Resolution No. 2-2026 Approving Misc. User Fees and Penalties



RESOLUTION NO. 2-2026

ROWLAND WATER DISTRICT RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING MISCELLANEOUS RATES, FEES AND PENALTIES

WHEREAS, Rowland Water District (the “District”) is organized and operates pursuant to the County Water District Law, commencing with Section 30000 of the California Water Code (the “County Water District Law”); and

WHEREAS, the District is the purveyor of potable water and recycled water services within its service area and provides other related services to customers and applicants; and

WHEREAS, pursuant to the County Water District Law, the District has the authority to establish and impose fees to recover the costs of providing various services and regulatory activities (the “Services”) that it provides within the District’s boundaries, and penalties for violations of any of its Rules and Regulations for Potable and Recycled Water Service (the “Rules and Regulations”); and

WHEREAS, the Board of Directors finds that providing these Services is of direct benefit to applicants both separate and apart from the general benefit to the public; and therefore, in the interests of fairness to the general public, the District desires to better recover the costs of providing these Services from applicants who have sought or require them by revising its schedule of user fees; and

WHEREAS, the District has studied the costs to provide the Services and has determined that the costs of providing the Services has increased and that it is appropriate to increase the rates for such fees and to amend the District’s Rules and Regulations to reflect such rate increases; and

WHEREAS, the District has further determined that it is appropriate to increase the rates of certain penalties imposed pursuant to its Rules and Regulations and amend such Rules and Regulations to reflect such increases; and

WHEREAS, the user fees and penalties are subject to the provisions of the Mitigation Fee Act, codified pursuant to Government Code section 66000 et. seq. and more specifically the public hearing requirements of section 66018; and

WHEREAS, the District has held a duly noticed public hearing at which all oral and written presentations were made as part of a regularly scheduled meeting; and

WHEREAS, prior to holding said public hearing, the District published notice in a newspaper of general circulation at least ten (10) days prior to the date of the public hearing pursuant to

Government Code section 6062a and said notice provided the date, time, and location of the public hearing; and

WHEREAS, the Board of Directors has considered the question of whether or not to adjust the user fees for the Services to recover the estimated reasonable costs to the District in providing such Services and penalties for violation of District Rules and Regulations; and

WHEREAS, the Board of Directors now desires to adopt the user fees and penalties; and

WHEREAS, in adopting this Resolution, the Board of Directors is taking action only on those fees for the Services and penalties set forth in Exhibit "A," attached hereto and incorporated herein by this reference, all other fees and charges imposed by the District that have not been modified by this Resolution shall remain in full force and effect.

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

- Section 1. The matters set forth in the recitals to this Resolution are true and correct statements and by this reference incorporated herein and made findings and determinations of the Board of Directors.
- Section 2. The Board of Directors of the District has been presented with data showing the estimated reasonable costs of providing the Services for which the fees set forth in Exhibit "A" are imposed and the revenue sources available to recover the costs of providing such services. The fees and penalties set forth in Exhibit "A" are imposed in accordance with the District's Rules and Regulations.
- Section 3. The Board of Directors called a public hearing for February 10, 2026, at 6:00 p.m., at the office of the District for the purpose of receiving public comments to the proposed fees and penalties. Notice of the public hearing was given by publication in a newspaper of general circulation within the District once a week for two weeks commencing at least ten (10) days prior to the public hearing, with at least 5 days intervening between the first and last publication. On February 10, 2026, at the time and place set for the public hearing, the Board heard and considered all oral and written presentations and comments made regarding the proposed fees and penalties.
- Section 4. The Board of Directors finds and determines that:
 - (a) The fees established by this Resolution:
 - (1) are imposed for a specific government service provided directly to the payer, or for reasonable regulatory costs of the District for

issuing licenses and permits, performing investigations, inspections, and administrative enforcements of the District's Rules and Regulations;

(2) are no more than necessary to cover the reasonable costs of the governmental activity for which the fee is imposed; and

(3) the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity for which the fee is imposed.

(b) The penalties established by this Resolution are imposed pursuant to the District's Rules and Regulations.

(c) The fees and penalties are not taxes within the meaning of California Constitution article XIII C, section 1(e).

Section 5. (a) The Board finds that the fees are necessary and reasonable to fund the administration and operating expenses of the District. Based on these findings, the Board hereby determines that this Resolution as it pertains to the fees or penalties is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

(b) The documents and materials that constitute the record of proceedings on which these findings have been based are located at 3021 Fullerton Road, Rowland Heights, California. The custodian for these records is the Secretary of the Board.

Section 6. The rates for the fees and penalties set forth in Exhibit "A" are hereby adopted and shall take effect immediately upon the adoption of this Resolution. The General Manager of the District is hereby authorized and directed to take all actions necessary to: (a) effectuate the authorizations set forth herein; (b) collect all such fees and penalties at the rates and in the amounts set forth in Exhibit "A"; and (c) revise the District's Rules and Regulations to reflect the changes to the rates for the fees and penalties set forth in Exhibit "A" and adopted herein.

Section 7. The Board further authorizes annually, effective February 1, 2027 and each February 1 thereafter, that the General Manager, or designee, may administratively adjust the user fees and penalties, without additional Board action or approval, based on the percentage increase in the annual Consumer Price Index – All Urban Consumers for Los Angeles-Long Beach-Anaheim, California ("CPI"), calculated by the 12-month change as of October each year as published by the U.S. Bureau of Labor Statistics, or a similar index if the CPI is no longer published or is otherwise not available. If the CPI does not change or decreases in any given year, no

change shall be made to the user fee schedule applicable that year. In no event shall the user fees be increased annually to exceed the costs of providing the Services. This authorization shall remain effective until revoked by the Board of Directors or until new user fees are adopted.

Section 8. If any section, subsection, clause or phrase in this Resolution or the application thereof to any person or circumstance is for any reason held invalid by a court of competent jurisdiction, the validity of the remainder of this Resolution or the application of such provision to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

Section 9. To the extent that this Resolution and the rates for the fees and penalties set forth herein are inconsistent with any prior resolution, ordinance, Rules and Regulations, or actions of the Board, it is the explicit intention of the Board that this Resolution shall prevail.

Section 10. This Resolution shall take effect immediately upon adoption.

ADOPTED at a regular meeting of the Board of Directors of the Rowland Water District held on February 10, 2026, by the following vote, to wit;

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

TOM COLEMAN
Board Secretary

ANTHONY J. LIMA
Board President

EXHIBIT "A"

SCHEDULE OF MISCELLANEOUS FEES AND PENALTIES

Fee or Penalty	Amount
New Customer Application Fee	\$35.00
New Customer Service Turn On	\$60.00
Termination Notice Fee – Residential	\$18.00
Termination Notice Fee - Commercial (Door Hanger)	\$77.00
Turn On/Turn Off Fee	\$50.00
Reconnection Fee – After Business Hours	\$150.00
Returned Payment Fee	\$25.00
Meter Test Deposit	\$290.00
Cross Connection Control Administration Fee (Per Year/Per Unit)	\$12.00
Cross Connection Control Delinquent Notice Fee	\$15.00
Cross Connection Control Termination Notice Fee	\$77.00
Cross Connection Control Turn Off/Turn On Fee – During Business Hours	\$154.00
Cross Connection Control Plan Check/Inspection Fee	\$567.00
Fee For Each Additional Cross Connection Control Assembly	\$46.00
Recycled Water Plan Check/Inspection Fee	\$1,169.00
Fire Flow Test Fee	\$210.00
Fire Service Usage Penalty (Per Day)	\$200.00

CONSTRUCTION METER FEE SCHEDULE

Description	Amount
Construction Meter Deposit	\$2,629.00
Administration Fee- Construction Meter	\$243.00
Monthly Rental Fee Construction Meter	\$77.00
Relocate Construction Meter (cost per hour)	\$128.00



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
January 13, 2026 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

Vice President Vanessa Hsu

OTHERS PRESENT:

Joseph Byrne, Partner, Best, Best & Krieger
Mike Ti, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Erin LaCombe, CV Strategies
Jared Solmosen, Nigro & Nigro, PC (participated remotely)
Paul Kaymark, Nigro & Nigro, PC (participated remotely)

ROWLAND WATER DISTRICT STAFF

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

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)

- Notifications Due to Just Cause – None.

- Requests Due to Emergency Circumstances – None.

1. REORGANIZATION OF OFFICER POSITIONS

Upon motion by Director Lu-Yang, second by Director Lewis, the Board unanimously conducted a rotation of officer positions and unanimously approved as follows:

- Anthony J. Lima, to serve as Board President for the calendar year 2026
- Vanessa Hsu, to serve continue to serve as Board Vice-President for the calendar year 2026 (Motion carried 4-0)

2. CONSENT CALENDAR

Upon motion by Director Lu-Yang, seconded by Director Bellah the Consent Calendar was unanimously approved as follows:

- 2.1 Approval of Minutes of Regular Board Meeting held on December 9, 2025
- 2.2 Demands on General Fund Account for December 2025
- 2.3 Investment Report for November 2025
- 2.4 Water Purchases for November 2025
- 2.5 California Reservoir Conditions

- Board members took a moment to note the January 27, 2026, Special Board Meeting and February 10, 2026, Regular Board Meeting dates in their calendars.

3. ACTION ITEMS

3.1 Review and Approve “Draft” Rowland Water District Financial Audit Report for Fiscal Year 2024-2025 Prepared by Nigro & Nigro, PC

The Board received a presentation by Mr. Jared Solmons, CPA, of Nigro & Nigro, PC, a Professional Accountancy Corporation, highlighting elements of the “draft” 2024-2025 RWD Audited Financial Statements. Mr. Solmons advised that in the firm’s opinion, the financial statements presented fairly, in all material respects, the financial position of the District as of June 30, 2025, and the respective changes in financial position and cash flows for the fiscal year ended in accordance with accounting principles generally accepted in the United States. As a result, an unmodified opinion was provided.

Upon motion by Director Lu-Yang, seconded by Director Lewis, the Directors unanimously approved (4-0) the “draft” RWD Financial Statements and Independent Auditor’s Report for Fiscal Year ended June 30, 2025.

(Motion carried 4-0)

3.2 Review and Approve Directors’ Meeting Reimbursements for December 2025

Upon motion by Director Lewis, seconded by Director Lu-Yang, the Board unanimously approved the Directors’ Meeting Reimbursement Report. (Motion carried 4-0)

3.3 Proposed Annexation of Territory and CEQA Exemption

Assistant General Manager Dusty Mosio spoke on staff’s recommendation in annexing portions of Hambeldon Avenue and Valley Boulevard into the District. He explained that this annexation would formalize the inclusion of approximately 1.638 acres of land into the District’s service area, which the District already serves. Mr. Moisiso further explained why the annexation project

does not qualify as a “project” subject to substantive review under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378.

Upon motion made by Director Lu-Yang, seconded by Director Bellah, the Board declared the annexation of Hambeldon Avenue and Valley Boulevard (as outlined in the staff report and Exhibits A and B included the Board packet) as categorically exempt from CEQA and authorized the General Manager to take official action as reasonably necessary to carry out the proposed actions of the annexation. (Motion carried 4-0)

3.4 Approve Change in Mileage Reimbursement Rate from 70 Cents to 72.5 Cents Effective January 1, 2026

Upon motion by Director Lu-Yang, seconded by Director Lewis, the Board unanimously approved changes in the IRS mileage rate from 70 cents to 72.5 cents effective January 1, 2026. (Motion carried 4-0)

3.5 Receive and File Puente Basin Water Agency Financial Statements for Fiscal Year 2024-2025 Prepared Nigro & Nigro, PC

Following discussion, upon motion by Director Bellah, seconded by Director Lu-Yang, the Board unanimously received and filed the Puente Basin Water Agency Audit Report for Fiscal Year 2024-2025. Motion carried (4-0)

3.6 Receive and File the Pomona-Walnut-Rowland Joint Water Line Commission Financial Statements for FY 2024-2025 Prepared by Nigro & Nigro, PC

Following discussion, upon motion by Director Lu-Yang, seconded by Director Bellah, the Board unanimously received and filed the Pomona-Walnut-Rowland Joint Water Line Commission Financial Statements for Fiscal Year 2024-2025. (Motion carried 4-0)

3.7 Authorize the Allocation of Funds for the Purchase of Three (3) Mixers

Assistant General Manager Dusty Moisio presented a request for an allocation of \$75,000 for the purchase of three (3) D&H mixers. Mr. Moisio explained that water tank mixers are designed to improve water quality in reservoir tanks by keeping water circulating to ensure uniformity in disinfectant levels to inhibit bacterial/nitrification growth.

Following discussion, upon motion by Director Lu-Yang, seconded by Director Lewis, the Board unanimously authorized an allocation of \$75,000 for the purchase of three (3) D&H mixers. (Motion carried 4-0)

4. INFORMATIONAL ITEMS – None.

5. PUBLIC RELATIONS

5.1 Community Relations and Education Update

Ms. Palomares, Executive Services Manager, reported that that Rowland Elementary School will host the Wyland Foundation Mobile Science Lab through an RWD-led initiative funded by a Metropolitan Water District (MWD) “MAAP” grant. She also highlighted MWD’s ‘Water is Life’ 2026 calendar, noting that the artwork of a Nogales High School student is featured in October’s page. Ms. Palomares shared that student submission for the current poster contest have been collected, with finalist to be notified and recognized at a future Board of Directors meeting. She concluded with an update on the Scholar Dollar Program and December’s social media outreach.

Director of Operations Allen Davidson continued the discussion on Caring for our Neighbors Committee initiatives. He reported that the next phase of quarterly in-house food drive will focus on collecting fruit snack donations. In addition to the food drives, the Committee has scheduled three (3) internal bike-building events, with the completed bicycles to be donated to a local foster care facility. Mr. Davidson added that the Committee continues to seek charitable opportunities that reflect the District's commitment to community enrichment.

5.2 Communications Outreach (CV Strategies)

During December 2025, CV Strategies continued work on a video project for RWD. Ms. Erin LaCombe reported that filming of District staff included multiple interviews and on-site recordings, several of which have been completed. In addition to the video production efforts, CV Strategies is also providing legislative support related to water utility worker identification legislation, as well as press release and media support.

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

6.1 Board members interested in attending ACWA's DC 2026 Conference February 24-26, 2026, were asked to advise staff accordingly.

6.2 Board members interested in attending Three Valleys Leadership Breakfast on February 26, 2026, we asked to advise staff accordingly.

7. LEGISLATIVE INFORMATION

General Manager Tom Coleman spoke on RWD's co-sponsoring and support for Senator Archuleta's legislation on water utility worker identification.

8. REVIEW OF CORRESPONDENCE – None.

9. COMMITTEE REPORTS

9.1 **Joint Powers Insurance Authority** – Director Lu Yang referenced the ACWA/JPIA's President's Special Recognition Certificate included in the Board packet and summarized the criteria the District satisfied to receive this recognition.

9.2 **Three Valleys Municipal Water District** – Board President Lima and Director Bellah reported on the December 6, 2025, TVMWD Board meeting activities.

9.3 **Association of California Water Agencies** – None.

9.4 **Puente Basin Water Agency (PBWA)** – The next PBWA meeting is scheduled for February 5, 2026.

9.5 **Project Ad-Hoc Committee** – None.

9.6 **Regional Chamber of Commerce Government Affairs Committee (GAC)** – None.

9.7 **P-W-R Joint Waterline Commission** – None.

9.8 **Rowland Heights Community Coordinating Council (RHCCC)** – None.

9.9 **California Special District Association (CSDA) SGV Chapter** – None.

9.10 Local Agency Formation Commission – None.

10. OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

10.1 Finance Report

Director of Finance, Myra Malner, presented a year-to-date Financial Dashboard containing comparative graphs of Revenue and Expense by Category and Consumption by Class through November 2025 and answered questions posed by Board members.

10.2 Operations Report

Director of Operations Allen Davidson provided an Operations report detailing services completed for December 2025 and calendar year 2025 totals, explaining the Field Operations services listed below. He also presented additional Water Systems departmental updates such as leaks and fire hydrant data, and water quality results (total chlorine and nitrite).

Field Operations – December 2025

- Water Samples - 253
- Site Inspections – 85
- Service Orders Completed - 341
- Meters Replaced - 36
- Modules Replaced - 13
- Dig Alerts - 3275
- Leaks - 7
- System Valves Replaced - 0
- Air Releases Inspections – 0
- Fire Hydrant Repairs – 2
- Recycled Water Inspections – 21

Field Operations – Calendar Year 2025

- Water Samples – 2,772
- Site Inspections – 872
- Service Orders Completed – 5,026
- Meters Replaced - 409
- Modules Replaced - 333
- Dig Alerts – 4,237
- Leaks - 75
- System Valves Replaced - 25
- Air Releases Inspections – 67
- Fire Hydrant Repairs – 19
- Recycled Water Inspections – 139

10.3 Project Update – Assistant General Manager Dusty Moisio spoke on the District’s SCADA upgrade project. He referred to PowerPoint slides as he detailed system investments made to increase system resilience and public safety.

Mr. Moisio segued to the Fullerton Road Grade Separation Project, noting an expected installation of RWD waterlines by April 2026 and anticipated road opening by July 2026.

10.4 Personnel Report – General Manager Tom Coleman reported on the status of the Customer Service Representative and Water Efficiency Specialist recruitments.

11. ATTORNEY’S REPORT – General Counsel updated the Board on litigation related to the Delta Conveyance Project.

12. ADJOURN TO CLOSED SESSION – 7:52 p.m.

a. Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 One case.

13. RECONVENE/REPORT ON CLOSED SESSION – 7:58 p.m.

Closed Session Announcements – It was reported by Legal Counsel that the Board was briefed on the facts and circumstances of the closed session matters and no reportable action was taken on the matters.

General Manager’s and Directors’ Comments – None.

Future Agenda Item(s) – None.

Late Business – None.

Director Lu-Yang adjourned the meeting at 8:02 p.m.

ANTHONY J. LIMA
Presiding Director

Attest: _____
TOM COLEMAN
Board Secretary



Minutes of the Special Meeting
of the Board of Directors of the Rowland Water District
January 27, 2026 – 6:00 p.m.
3021 Fullerton Road
Rowland Heights, CA 91748

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

Vice President Vanessa Hsu

OTHERS PRESENT:

Jim Uhl, Breaking the Chain Consulting
Erin LaCombe, CV Strategies

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Dusty Moisiso, Assistant General Manager
Myra Malner, Director of Finance
Allen Davidson, Director of Operations
Gabriela Palomares, Executive Services Manager

ADDITION(S) TO THE AGENDA – None.

PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

DIRECTOR REMOTE PARTICIPATION PURSUANT TO GOV. CODE §54953(f)

- Notifications Due to Just Cause – None.
- Requests Due to Emergency Circumstances – None.

1. ACTION ITEMS

1.1 Discussion Regarding Miscellaneous Rates, Fees, and Penalties

General Manager Tom Coleman and Director of Finance Myra Malner provided an overview of the proposed increases to miscellaneous user fees and penalties that will be presented for Board consideration at the February 10, 2026, public hearing. Staff explained that the proposed increases are intended to recover the costs associated with providing various service and regulatory activities within the District's service area, as well as to address penalties for violations of the District's Rules and Regulations for Potable and Recycled Water Service. Additionally, staff is recommending the Board authorize the user fees and penalties to be increased annually effective February 1, 2027, and each February 1 thereafter, based on the percentage increase in the annual Consumer Price Index – All Urban Consumers for Los Angeles-Long Beach-Anaheim, California ("CPI"), calculated by the 12-month change as of October each year as published by the U.S. Bureau of Labor Statistics, or a similar index if the CPI is no longer published or is otherwise not available.

As this was an informational presentation only, no Board action was taken.

1.2 Board Development Workshop Facilitated by Jim Uhl, Breaking the Chain Consulting

The Board participated in a leadership development session facilitated by Jim Uhl of Breaking the Chain Consulting.

2. CLOSED SESSION – None.

3. RECONVENE/REPORT ON CLOSED SESSION

General Manager's and Directors' Comments – None.

Future Agenda Item(s) – None.

Late Business – None.

Director Bellah adjourned the meeting at 8:11 p.m.

ANTHONY J. LIMA
Presiding Director

Attest: _____
TOM COLEMAN
Board Secretary

Report Criteria:
 Report type: GL detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
35443						
01/26	01/07/2026	35443	62949	SMARTSIGHTS TECHNOLOGIES, LLC	WIN-911 LICENSES RENEWAL 3-YEAR	13,100.00-
Total 35443:						13,100.00-
35695						
01/26	01/07/2026	35695	62920	AIS TRUST ACCOUNT NEWPORT	EMPLOYEE RECOGNITION DINNER-ADDITIONAL I	304.00
Total 35695:						304.00
35696						
01/26	01/07/2026	35696	62886	BODY TECHNIQUES LLC	RWD WELLNESS PROGRAM	1,110.66
Total 35696:						1,110.66
35697						
01/26	01/07/2026	35697	62810	BREAKING THE CHAIN CONSULTING	2 DAY COACHING/CONSULTING	6,000.00
Total 35697:						6,000.00
35698						
01/26	01/07/2026	35698	6966	CINTAS	UNIFORM RENTAL	1,712.57
01/26	01/07/2026	35698	6966	CINTAS	UNIFORM RENTAL	1,747.90
01/26	01/07/2026	35698	6966	CINTAS	UNIFORM RENTAL	1,627.15
01/26	01/07/2026	35698	6966	CINTAS	UNIFORM RENTAL	1,701.86
01/26	01/07/2026	35698	6966	CINTAS	UNIFORM RENTAL	1,627.15
Total 35698:						8,416.63
35699						
01/26	01/07/2026	35699	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM	4,158.00
Total 35699:						4,158.00
35700						
01/26	01/07/2026	35700	62309	CITY OF INDUSTRY CITY HALL	RECYCLED WATER SYSTEM-CIP	2,979.30
Total 35700:						2,979.30
35701						
01/26	01/07/2026	35701	62705	COMP	BAT TEST	60.00
01/26	01/07/2026	35701	62705	COMP	QUICK TEST	79.00
01/26	01/07/2026	35701	62705	COMP	PHYSICAL EXAM	110.00
01/26	01/07/2026	35701	62705	COMP	LIFT TEST	120.00
Total 35701:						369.00
35702						
01/26	01/07/2026	35702	62439	CVSTRATEGIES	COMMUNICATION SERVICES-218	1,150.00
01/26	01/07/2026	35702	62439	CVSTRATEGIES	COMMUNICATION SERVICES-ANNUAL REPORT	3,842.67
01/26	01/07/2026	35702	62439	CVSTRATEGIES	COMMUNICATION SERVICES-VIDEO	2,573.75
01/26	01/07/2026	35702	62439	CVSTRATEGIES	COMMUNICATION SERVICES-PRESS RELEASES	800.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 35702:						8,366.42
35703						
01/26	01/07/2026	35703	62957	EYECATCH PHOTO BOOTH	PHOTO BOOTH FOR EVENT	450.00
Total 35703:						450.00
35704						
01/26	01/07/2026	35704	2300	FEDERAL EXPRESS	POSTAGE	48.61
Total 35704:						48.61
35705						
01/26	01/07/2026	35705	62960	FOSTER LOVE	FOSTER KIDS BIKE BUILD	2,325.00
Total 35705:						2,325.00
35706						
01/26	01/07/2026	35706	2550	FRONTIER	PHONE SERVICE	658.19
Total 35706:						658.19
35707						
01/26	01/07/2026	35707	62951	GE VERNOVA ELECTRIFICATION SOF	2025 SOFTWARE SUPPORT GE QUOTE MFG-09192	13,740.99
Total 35707:						13,740.99
35708						
01/26	01/07/2026	35708	2690	HARPER & ASSOCIATES ENG.	RES 7 REHAB-UPDATE PLANS & SPECS, BIDDING	665.00
Total 35708:						665.00
35709						
01/26	01/07/2026	35709	62624	HASA INC	CHEMICALS FOR RCS	1,626.77
01/26	01/07/2026	35709	62624	HASA INC	CHEMICALS FOR RCS	1,439.54
01/26	01/07/2026	35709	62624	HASA INC	CHEMICALS FOR RCS	573.97
01/26	01/07/2026	35709	62624	HASA INC	CHEMICALS FOR RCS	503.38
01/26	01/07/2026	35709	62624	HASA INC	CHEMICALS FOR RCS	715.17
Total 35709:						4,858.83
35710						
01/26	01/07/2026	35710	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	523.40
01/26	01/07/2026	35710	27211	HILL BROS CHEMICAL CO	CHEMICAL FOR RES	1,091.24
Total 35710:						1,614.64
35711						
01/26	01/07/2026	35711	62834	HPS WEST, INC.	1" METER	489.62
Total 35711:						489.62
35712						
01/26	01/07/2026	35712	244	INFOSEND INC	BILLING SERVICE	2,314.32
01/26	01/07/2026	35712	244	INFOSEND INC	BILLING SERVICE	33.04

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 35712:						2,347.36
35713						
01/26	01/07/2026	35713	62777	J DE SIGIO CONSTRUCTION INC	VALVE REPLACEMENTS	63,257.89
01/26	01/07/2026	35713	62777	J DE SIGIO CONSTRUCTION INC	LARGE METER REPLACEMENTS	18,612.11
Total 35713:						81,870.00
35714						
01/26	01/07/2026	35714	3299	LA HABRA FENCE COMPANY LLC	REPAIR THE PERIMETER FENCE AT TOMICH RES	743.00
Total 35714:						743.00
35715						
01/26	01/07/2026	35715	62664	M & J TREE SERVICE	INSTALL & COMPACT 15 YARD OF DG WITH STABIL	5,000.00
Total 35715:						5,000.00
35716						
01/26	01/07/2026	35716	62735	MUTUAL OF OMAHA	LIFE INSURANCE	636.50
01/26	01/07/2026	35716	62735	MUTUAL OF OMAHA	SHORT/LONG TERM DISABILITY	1,801.82
01/26	01/07/2026	35716	62735	MUTUAL OF OMAHA	DIRECTORS LIFE INSURANCE	66.50
Total 35716:						2,504.82
35717						
01/26	01/07/2026	35717	62932	NAZ ELECTRIC AND CONTROLS INC	FIXED STEP LIGHT ON ENTRY RAMP	1,525.00
Total 35717:						1,525.00
35718						
01/26	01/07/2026	35718	62786	NIGRO & NIGRO PC	FINAL AUDIT 6/30/25	12,500.00
Total 35718:						12,500.00
35719						
01/26	01/07/2026	35719	62640	ROWLAND UNIFED SCHOOL DISTRIC	FIELD TRIP #5613	315.00
01/26	01/07/2026	35719	62640	ROWLAND UNIFED SCHOOL DISTRIC	FIELD TRIP #5422	306.00
01/26	01/07/2026	35719	62640	ROWLAND UNIFED SCHOOL DISTRIC	FIELD TRIP #5417	307.00
01/26	01/07/2026	35719	62640	ROWLAND UNIFED SCHOOL DISTRIC	FIELD TRIP #5468	359.25
Total 35719:						1,287.25
35720						
01/26	01/07/2026	35720	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	837.61
01/26	01/07/2026	35720	62502	S & J SUPPLY COMPANY, INC	TOOLS & SUPPLIES	493.88
01/26	01/07/2026	35720	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR VALVES	2,537.42
Total 35720:						3,868.91
35721						
01/26	01/07/2026	35721	5900	SOCALGAS	GAS UTILITY BILL	314.31
Total 35721:						314.31

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
35722						
01/26	01/07/2026	35722	62521	TRIPEPI SMITH & ASSOCIATES	MONTHLY WEBSITE MAINTENANCE	375.00
Total 35722:						375.00
35723						
01/26	01/07/2026	35723	7950	WESTERN WATER WORKS SUPPLY	MATERIAL FOR SERVICES	1,791.12
Total 35723:						1,791.12
35724						
01/26	01/07/2026	35724	62949	SMARTSIGHTS TECHNOLOGIES, LLC	WIN-911 LICENSES RENEWAL 3-YEAR	13,100.00
01/26	01/07/2026	35724	62949	SMARTSIGHTS TECHNOLOGIES, LLC	WIN-911 LICENSES RENEWAL 3-YEAR	13,100.00-
Total 35724:						.00
35725						
01/26	01/07/2026	35725	62949	SMARTSIGHTS LLC	WIN-911 LICENSES RENEWAL 3-YEAR	13,100.00
Total 35725:						13,100.00
35726						
01/26	01/13/2026	35726	62233	JOHN BELLAH	MILEAGE REIMBURSMENT	67.20
01/26	01/13/2026	35726	62233	JOHN BELLAH	TOTAL EXPENSES-ACWA CONFERENCE	1,266.99
Total 35726:						1,334.19
35727						
01/26	01/13/2026	35727	3360	ROBERT LEWIS	MILEAGE REIMBURSEMENT	151.20
01/26	01/13/2026	35727	3360	ROBERT LEWIS	TOTAL EXPENSES-ACWA CONFERENCE	865.22
Total 35727:						1,016.42
35728						
01/26	01/13/2026	35728	62831	VANESSA HSU	TOTAL EXPENSES-ACWA CONFERENCE	1,032.13
Total 35728:						1,032.13
35729						
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	PM 22/PM 9 CONNECTION	320,014.80
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	TVMWD CONNECTION CAPACITY	2,155.73
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	TVMWD EQUIVALENT SMALL METER	2,729.45
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	TVMWD WATER USE CHARGE	1,510.53
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	MWD CAPACITY CHARGE	8,294.25
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	MWD LRP CREDIT-NOVEMBER 2025	2,645.00-
01/26	01/14/2026	35729	62558	PUENTE BASIN WATER AGENCY	ADJUSTMENT FOR CAL DOMESTIC PRODUCTION	56,813.92
Total 35729:						388,873.68
35730						
01/26	01/14/2026	35730	4750	PWR JT WATER LINE COMMISSION	PM 15 Water Use	193,179.62
01/26	01/14/2026	35730	4750	PWR JT WATER LINE COMMISSION	PM 21 Water Use	391,011.86
01/26	01/14/2026	35730	4750	PWR JT WATER LINE COMMISSION	MWD CAPACITY RESERVATION CHARGE	8,378.02
01/26	01/14/2026	35730	4750	PWR JT WATER LINE COMMISSION	TVMWD CONNECTED CAPACITY CHARGE	1,738.95
01/26	01/14/2026	35730	4750	PWR JT WATER LINE COMMISSION	TVMWD WATER USE CHARGE	2,882.06

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 35730:						597,190.51
35731						
01/26	01/15/2026	35731	1000	ACWA JPIA	EMPLOYEE HEALTH BENEFITS	67,130.20
01/26	01/15/2026	35731	1000	ACWA JPIA	EMPLOYEE VISION BENEFITS	698.10
01/26	01/15/2026	35731	1000	ACWA JPIA	EMPLOYEE ASSISTANCE PROGRAM	62.00
01/26	01/15/2026	35731	1000	ACWA JPIA	EMPLOYEE DENTAL BENEFITS	4,422.37
01/26	01/15/2026	35731	1000	ACWA JPIA	RETIREEES HEALTH BENEFITS	17,625.24
01/26	01/15/2026	35731	1000	ACWA JPIA	DIRECTORS HEALTH BENEFITS	10,102.12
Total 35731:						100,040.03
35732						
01/26	01/15/2026	35732	1050	ACWA JPIA	WORKERS' COMP QUARTERLY PREMIUM	13,939.69
Total 35732:						13,939.69
35733						
01/26	01/15/2026	35733	62554	APPLIED TECHNOLOGY GROUP	EMERGENCY RADIOS	469.75
01/26	01/15/2026	35733	62554	APPLIED TECHNOLOGY GROUP	EMERGENCY RADIOS	469.75
Total 35733:						939.50
35734						
01/26	01/15/2026	35734	62854	ARIGATO RENTAL SERVICES	STAFF NEW YEARS LUNCHEON	2,499.80
Total 35734:						2,499.80
35735						
01/26	01/15/2026	35735	400	AT&T MOBILITY	MOBILE PHONES, IPADS & NEW DEVICE	2,286.32
Total 35735:						2,286.32
35736						
01/26	01/15/2026	35736	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-GENERAL COUNSEL	6,303.59
01/26	01/15/2026	35736	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-CELL LEASES AND RELATED ISSUES	2,426.80
01/26	01/15/2026	35736	62597	BEST BEST & KRIEGER LLP	LEGAL FEES-WATER RATES	299.60
Total 35736:						9,029.99
35737						
01/26	01/15/2026	35737	62700	CITIZENS TRUST C/O CITIZEN BUSIN	TRUSTEES FEES	2,613.71
Total 35737:						2,613.71
35738						
01/26	01/15/2026	35738	62309	CITY OF INDUSTRY CITY HALL	WATER SUPPLY PRODUCTION-BREA CYN/57 FWY	903.04
Total 35738:						903.04
35739						
01/26	01/15/2026	35739	62705	COMP	QUICK TEST	79.00
01/26	01/15/2026	35739	62705	COMP	BAT TEST	60.00
01/26	01/15/2026	35739	62705	COMP	PHYSICAL EXAM	110.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
Total 35739:						249.00
35740						
01/26	01/15/2026	35740	62149	DMV	PERMANENT TRAILER ID FEE	10.00
01/26	01/15/2026	35740	62149	DMV	PERMANENT TRAILER ID FEE	10.00
Total 35740:						20.00
35741						
01/26	01/15/2026	35741	62433	EMPLOYEE RELATIONS INC	BACKGROUND VERIFICATION	190.15
Total 35741:						190.15
35742						
01/26	01/15/2026	35742	2550	FRONTIER	INTERNET ACCESS	890.00
Total 35742:						890.00
35743						
01/26	01/15/2026	35743	62822	GABRIELA S PALOMARES	MILEAGE REIMBURSEMENT	172.62
01/26	01/15/2026	35743	62822	GABRIELA S PALOMARES	TOTAL EXPENSES-ACWA CONFERENCE	5.97
Total 35743:						178.59
35744						
01/26	01/15/2026	35744	62961	GENE LEE	BOOT ALLOWANCE	150.00
Total 35744:						150.00
35745						
01/26	01/15/2026	35745	62812	GROWING ROOTS LLC	MONTHLY PLANT CARE	375.00
Total 35745:						375.00
35746						
01/26	01/15/2026	35746	62624	HASA INC	CHEMICALS FOR RCS	1,098.84
01/26	01/15/2026	35746	62624	HASA INC	CHEMICALS FOR RCS	426.64
01/26	01/15/2026	35746	62624	HASA INC	CHEMICALS FOR RCS	859.43
Total 35746:						2,384.91
35747						
01/26	01/15/2026	35747	62863	HIGH-TECH SYSTEMS	JOINT LINE CHLORAMINE BOOSTING SYSTEM	4,259.65
Total 35747:						4,259.65
35748						
01/26	01/15/2026	35748	62899	IB CONSULTING, LLC	CONSULTING SERVICES-CAPACITY FEES AND ATT	1,680.00
Total 35748:						1,680.00
35749						
01/26	01/15/2026	35749	62435	INDUSTRY PUBLIC UTILITY COMMISSI	PUMPING POWER-PUMPSTATION 2A	508.00
Total 35749:						508.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
35750						
01/26	01/15/2026	35750	244	INFOSEND INC	BILLING SERVICE	2,216.34
01/26	01/15/2026	35750	244	INFOSEND INC	BILLING SERVICE	83.49
01/26	01/15/2026	35750	244	INFOSEND INC	BILLING SERVICE	2,079.08
Total 35750:						4,378.91
35751						
01/26	01/15/2026	35751	62777	J DE SIGIO CONSTRUCTION INC	INSTALL 1" WATER SERVICE	8,345.00
Total 35751:						8,345.00
35752						
01/26	01/15/2026	35752	62066	JANITORIAL SYSTEMS	MONTHLY JANITORIAL SERVICES	660.00
Total 35752:						660.00
35753						
01/26	01/15/2026	35753	62664	M & J TREE SERVICE	MAINTENANCE SERVICE 6 SITES	6,600.00
01/26	01/15/2026	35753	62664	M & J TREE SERVICE	WEED CLEARING AND BRUSH	600.00
Total 35753:						7,200.00
35754						
01/26	01/15/2026	35754	62573	MANAGED MOBILE INC	FLEET MAINTENANCE MANAGEMENT FEE	55.00
Total 35754:						55.00
35755						
01/26	01/15/2026	35755	189	NOBEL SYSTEMS	GEOVIEWER INTERNET OF THINGS (IoT) SUBSCRI	9,035.00
01/26	01/15/2026	35755	189	NOBEL SYSTEMS	GEOVIEWER WORK ORDER SYSTEM SUBSCRIPTI	9,800.00
01/26	01/15/2026	35755	189	NOBEL SYSTEMS	GEOVIEWER MOBILE ANNUAL SUBSCRIPTION	22,908.00
01/26	01/15/2026	35755	189	NOBEL SYSTEMS	GEOVIEWER UNLIMITED FIELD FORMS ANNUAL S	9,800.00
01/26	01/15/2026	35755	189	NOBEL SYSTEMS	GEOVIEWER METER ROUTES MODULE ANNUAL S	5,000.00
Total 35755:						56,543.00
35756						
01/26	01/15/2026	35756	62649	OPARC	PAINTING FIRE HYDRANTS	2,491.87
Total 35756:						2,491.87
35757						
01/26	01/15/2026	35757	62502	S & J SUPPLY COMPANY, INC	SUPPLIES FOR HYDRANTS	2,688.88
Total 35757:						2,688.88
35758						
01/26	01/15/2026	35758	5625	SAN GABRIEL VALLEY WATER ASSN	2026 MEMBERSHIP DUES	100.00
Total 35758:						100.00
35759						
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-TOM COLEMAN	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-DUSTY MOISIO	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-MYRA MALNER	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-ALLEN DAVIDSON	40.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-GABRIELA PALOMARES	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-CRYSTAL RODRIGUEZ	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-ROBERT LEAMY	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-RYAN WHITE	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-KEITH FOUTS	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-ELISABETH MENDEZ	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-ALIX STAYTON	40.00
01/26	01/15/2026	35759	339	SCWUA	MEMBERSHIP RENEWAL-LUIS CARDENAS	40.00
Total 35759:						480.00
35760						
01/26	01/15/2026	35760	62534	SHRED IT C/O STERICYCLE INC	SHREDDING SERVICE	201.26
Total 35760:						201.26
35761						
01/26	01/15/2026	35761	62936	SOCAL #1 DETAILING & MOBILE WAS	TRUCKS INTERIOR AND EXTERIOR WASH-SERVIC	300.00
Total 35761:						300.00
35762						
01/26	01/15/2026	35762	62813	SOUTHLAND CIVIL ENGINEERING & S	ESTABLISH PARCEL BOUNDARY FOR PROPERTY	6,245.50
Total 35762:						6,245.50
35763						
01/26	01/15/2026	35763	62895	STAPLES	OFFICE SUPPLIES	114.32
Total 35763:						114.32
35764						
01/26	01/15/2026	35764	6950	UNDERGROUND SERVICE ALERT	SERVICE ALERT	328.00
Total 35764:						328.00
35765						
01/26	01/15/2026	35765	62958	UNIFIED FIELD SERVICES CORPORAT	RESERVOIR 7 REHABILITATION	69,837.83
Total 35765:						69,837.83
35766						
01/26	01/15/2026	35766	62355	USA BLUE BOOK	HACH NITRITE CHEMKEY REAGENTS	1,975.87
Total 35766:						1,975.87
35767						
01/26	01/15/2026	35767	62850	VALLEY VISTA SERVICES INC	TRASH SERVICE	284.35
Total 35767:						284.35
35768						
01/26	01/15/2026	35768	62432	WASTE MANAGEMENT COMPANY	HAUL DIRT	2,614.66
Total 35768:						2,614.66

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
35769						
01/26	01/15/2026	35769	62927	WEST YOST	AWIA CYBER ASSESSMENTS	1,173.00
Total 35769:						1,173.00
35770						
01/26	01/15/2026	35770	7950	WESTERN WATER WORKS SUPPLY	SUPPLIES FOR MAINS	255.72
01/26	01/15/2026	35770	7950	WESTERN WATER WORKS SUPPLY	MATERIAL FOR FULLERTON RD GRADE SEPARATI	5,258.41
Total 35770:						5,514.13
35771						
01/26	01/29/2026	35771	62548	CORPORATE BUSINESS INTERIORS	BOARDROOM TABLE	23,662.96
Total 35771:						23,662.96
1022026						
01/26	01/02/2026	102202	1476	BUSINESS CARD (VISA)	MISC EXPENSES	1,170.67
Total 1022026:						1,170.67
1022027						
01/26	01/06/2026	102202	5800	SO CALIFORNIA EDISON	PUMPING POWER	33,715.34
01/26	01/06/2026	102202	5800	SO CALIFORNIA EDISON	OFFICE POWER	3,181.49
Total 1022027:						36,896.83
1052026						
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MISC EXPENSES	17,041.71
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MISC EXPENSES	17,041.71-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CONFERENCE & MEETINGS	5,082.05
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CONFERENCE & MEETINGS	5,082.05-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	571.64
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	VEHICLE EXPENSE	571.64-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	347.82
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	TOOLS & SUPPLIES	347.82-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MAINTENANCE & OPERATIONS	86.04
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MAINTENANCE & OPERATIONS	86.04-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	EQUIPMENT EXPENSE	505.32
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	EQUIPMENT EXPENSE	505.32-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	SEMINAR & TRAINING EXPENSE	1,866.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	SEMINAR & TRAINING EXPENSE	1,866.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	PERMITS	694.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	PERMITS	694.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MEMBERSHIP DUES	155.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	MEMBERSHIP DUES	155.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COMMUNITY OUTREACH	379.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COMMUNITY OUTREACH	379.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CONSERVATION EXPENSE	261.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CONSERVATION EXPENSE	261.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COI EXPENSE	337.10-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COI EXPENSE	337.10
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	IT LICENSING	191.88-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	IT LICENSING	191.88
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COMPLIANCE PERMITS	387.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	COMPLIANCE PERMITS	387.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	SPECTRUM	899.00-

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Check Amount
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	SPECTRUM	899.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	NEXTIVA	78.59-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	NEXTIVA	78.59
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	GOTO CONNECT	710.62-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	GOTO CONNECT	710.62
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	STARLINK	120.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	STARLINK	120.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	STARLINK	155.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	STARLINK	155.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CHATGPT PLUS	20.00-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CHATGPT PLUS	20.00
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CENTRAL COMMUNICATION	737.15-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	CENTRAL COMMUNICATION	737.15
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	DIRECTV	109.99-
01/26	01/05/2026	105202	1070	AMERICAN EXPRESS	DIRECTV	109.99
Total 1052026:						.00
1212026						
01/26	01/21/2026	121202	62849	HAYES AUTOMATION INC.	WATER QUALITY TESTING SUPPLIES	2,874.38
Total 1212026:						2,874.38
1232026						
01/26	01/23/2026	123202	6300	STATE OF CALIFORNIA-EDD	UNEMPLOYMENT INSURANCE	367.96
Total 1232026:						367.96
Grand Totals:						1,539,770.35

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
11505-0	194,388.47	.00	194,388.47
222100	59,580.91	1,599,351.26-	1,539,770.35-
51310-0	961,923.24	2,645.00-	959,278.24
51410-1	4,392.59	.00	4,392.59
51410-2	3,894.68	.00	3,894.68
51410-3	2,729.45	.00	2,729.45
51410-5	16,672.27	.00	16,672.27
51510-0	7,137.30	.00	7,137.30
52310-0	34,223.34	.00	34,223.34
54210-0	255.72	.00	255.72
54211-0	5,099.78	694.00-	4,405.78
54213-0	743.00	.00	743.00
54214-0	2,537.42	.00	2,537.42
54215-0	5,180.75	.00	5,180.75
54216-0	39,940.99	26,200.00-	13,740.99
54217-0	8,858.38	.00	8,858.38
54218-0	337.10	337.10-	.00
56210-0	926.64	571.64-	355.00
56211-0	2,613.71	.00	2,613.71
56214-0	114.32	.00	114.32
56215-0	735.00	155.00-	580.00

GL Account	Debit	Credit	Proof
56216-0	48.61	.00	48.61
56217-0	391.02	.00	391.02
56218-0	9,029.99	.00	9,029.99
56219-0	8,361.01	1,636.35-	6,724.66
56220-0	2,459.00	1,194.00-	1,265.00
56221-0	11,070.42	379.00-	10,691.42
56223-0	8,252.36	5,082.05-	3,170.31
56226-0	56,734.88	191.88-	56,543.00
56311-0	13,939.69	.00	13,939.69
56312-0	25,456.91	.00	25,456.91
56320-0	7,866.00	1,866.00-	6,000.00
56411-0	67,130.20	.00	67,130.20
56413-0	4,422.37	.00	4,422.37
56414-0	367.96	.00	367.96
56415-0	698.10	.00	698.10
56416-0	636.50	.00	636.50
56417-0	17,625.24	.00	17,625.24
56418-0	1,801.82	.00	1,801.82
56419-0	62.00	.00	62.00
56421-0	10,168.62	.00	10,168.62
56710-0	525.32	505.32-	20.00
56811-0	12,500.00	.00	12,500.00
56812-0	22,916.99	17,041.71-	5,875.28
57310-0	7,418.50	.00	7,418.50
57312-0	1,679.31	347.82-	1,331.49
57314-0	7,211.04	86.04-	7,125.00
57319-0	1,548.25	261.00-	1,287.25
57321-0	5,468.25	.00	5,468.25
57322-0	387.00	387.00-	.00
57323-0	469.75	.00	469.75
Grand Totals:	<u>1,658,932.17</u>	<u>1,658,932.17-</u>	<u>.00</u>

Report Criteria:
 Report type: GL detail

Check Number	Check Issue Date	Payee	Check Amount	
35676	01/07/2026	MIRANDA CHEN	224.74	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		DEPOSIT REFUND-18255 GALLINETA ST	22810-0	224.74
35677	01/07/2026	BLANDFORD ELEMENTARY SCHOOL	1,500.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-SCIENCE CAMP	57319-0	1,500.00
35678	01/07/2026	BLANDFORD ELEMENTARY SCHOOL	2,000.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-WATER, ANIMAL AND ME	57319-0	2,000.00
35679	01/07/2026	BROWN TSUI	173.30	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		CREDIT REFUND-18921 GRANBY	15210-0	173.30
35680	01/07/2026	DING CHEN	919.46	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		PROJECT REFUND	24110-0	919.46
35681	01/07/2026	ISABEL HERRERA	962.47	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		PROJECT REFUND	24110-0	962.47
35682	01/07/2026	JELICK ELEMENTARY SCHOOL	2,000.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-GROWING TOGETHER GARDEN	57319-0	2,000.00
35683	01/07/2026	JELICK ELEMENTARY SCHOOL	3,000.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-JELICK OUTDOOR SCIENCE SCHO	57319-0	3,000.00
35684	01/07/2026	JELICK ELEMENTARY SCHOOL	1,500.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-AQUARIUM ON WHEELS	57319-0	1,500.00
35685	01/07/2026	KERRY FRANCO	160.81	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		CREDIT REFUND-2310 RUSTIC GATE	15210-0	160.81
35686	01/07/2026	NORTHAM ELEMENTARY SCHOOL	1,500.00	
<u>Sequence</u>	<u>Source</u>	<u>Description</u>	<u>GL Account</u>	<u>Amount</u>
1		SPLASH CASH-WATER WONDERS AT OUTDOOR SCI	57319-0	1,500.00
35687	01/07/2026	QING ZHANG	132.20	

Check Number	Check Issue Date	Payee	Check Amount	
Sequence	Source	Description	GL Account	
Amount				
	1	CREDIT REFUND-1311 HEATHERTON	15210-0	132.20
35688	01/07/2026	ROWLAND ELEMENTARY SCHOOL		1,800.00
	1	SPLASH CASH-6TH GRADE OUTDOOR CAMP	57319-0	1,800.00
35689	01/07/2026	ROWLAND ELEMENTARY SCHOOL		1,740.00
	1	SPLASH CASH-6TH GRADE SCIENCE CAMP	57319-0	1,740.00
35690	01/07/2026	SANTANA HIGH SCHOOL		1,500.00
	1	SPLASH CASH-SANTANA HIGH SCHOOL SCIENCE	57319-0	1,500.00
35690	01/30/2026	SANTANA HIGH SCHOOL		-1,500.00
	1	Void - SPLASH CASH-SANTANA HIGH SCHOOL SCIE	57319-0	-1,500.00
35691	01/07/2026	SANTANA HIGH SCHOOL		1,500.00
	1	SPLASH CASH-GROWING MORE WITH LESS	57319-0	1,500.00
35691	01/30/2026	SANTANA HIGH SCHOOL		-1,500.00
	1	Void - SPLASH CASH-GROWING MORE WITH LESS	57319-0	-1,500.00
35692	01/07/2026	SINCERE ORIENT COMMERCIAL CORPORATION		2,357.30
	1	PROJECT REFUND	24110-0	2,357.30
35693	01/07/2026	SKY LIVING INVESTMENTS		73.21
	1	CREDIT REFUND-2215 COUNTRY CANYON	15210-0	73.21
35694	01/07/2026	STEVE PULBROOK C/O JOANNE CURRAN		141.60
	1	CREDIT REFUND-18623 BELLORITA ST	15210-0	141.60
Grand Totals:				<u>20,185.09</u>



ROWLAND WATER DISTRICT

CASH AND INVESTMENTS

As of December 31, 2025

Description / Type	Term	Shares / Units Held	Purchase Price	Current Price	Maturity Date	Current Yield	Current Value	% of Portfolio
Cash								
Citizens Business Bank							\$ 3,619,435	
Total Cash							\$ 3,619,435	
Local Agency Investment Fund (LAIF)	N/A					4.03%	\$ 4,100,088	15.74%
California Class (CA Class)	N/A					3.90%	\$ 504,293	1.94%
Citizens Trust Investments (US Bank Custodian)								
Fed'l Home Loan Mtg. Corp. - B2B6	4 Year	1,000,000	99.7800	99.7780	10/15/2029	3.76%	\$ 997,780	3.83%
Fed'l Home Loan Mtg. Corp. - A4H3	3 Year	500,000	100.0000	99.9740	1/21/2028	4.62%	\$ 499,870	1.92%
Fed'l National Mtg. Assn. - C5D3	4 Year	900,000	100.0000	100.1320	11/13/2029	3.81%	\$ 901,188	3.46%
Fed'l National Mtg. Assn. - AX89	3 Year	400,000	99.5500	100.2220	7/21/2028	4.09%	\$ 400,888	1.54%
Fed'l National Mtg. Assn. - A5M7	3 Year	300,000	99.9800	100.0280	1/13/2028	4.55%	\$ 300,084	1.15%
Fed'l National Mtg. Assn. - AZT1	3 Year	400,000	100.0000	99.9330	3/2/2029	4.63%	\$ 399,732	1.53%
Fed'l National Mtg. Assn. - AXH7	5 Year	1,000,000	99.6000	99.7300	8/27/2030	3.76%	\$ 997,300	3.83%
Fed'l National Mtg. Assn. - APH6	5 Year	500,000	99.9700	100.0580	8/27/2030	4.06%	\$ 500,290	1.92%
Fed'l Home Loan Banks - LGR9	5 Year	500,000	100.0000	99.5670	2/26/2026	0.85%	\$ 497,835	1.91%
Fed'l Home Loan Banks - LLD4	5 Year	250,000	99.9250	99.4180	3/17/2026	0.88%	\$ 248,545	0.95%
Fed'l Home Loan Banks - MUX8	5 Year	200,000	99.9300	99.3470	3/30/2026	0.88%	\$ 198,694	0.76%
Fed'l Home Loan Banks - P6M2	5 Year	200,000	100.0000	98.1150	9/30/2026	1.04%	\$ 196,230	0.75%
Fed'l Home Loan Bank - Q7E7	5 Year	200,000	99.9050	98.9920	6/30/2026	1.51%	\$ 197,984	0.76%
Fed'l Home Loan Bank - QJD6	4 Year	200,000	99.7190	98.2730	10/27/2026	1.53%	\$ 196,546	0.75%
Fed'l Home Loan Bank - 8E32	5 Year	1,000,000	99.7600	99.8790	10/28/2030	3.75%	\$ 998,790	3.83%
Fed'l Home Loan Bank - 7WX8	3 Year	1,200,000	100.0000	100.0810	10/2/2028	3.80%	\$ 1,200,972	4.61%
Fed'l Home Loan Bank - 7WY6	4 Year	800,000	100.0000	100.0160	10/2/2029	3.90%	\$ 800,128	3.07%
Fed'l Home Loan Bank - 4ZD6	3 Year	500,000	100.0000	100.0650	4/28/2028	4.10%	\$ 500,325	1.92%
Fed'l Home Loan Bank - 6VG8	3 Year	200,000	100.0000	100.4090	6/26/2028	4.08%	\$ 200,818	0.77%
Fed'l Home Loan Bank - 6CN4	5 Year	200,000	100.0000	99.9680	5/3/2030	4.13%	\$ 199,936	0.77%
Fed'l Home Loan Bank - 3ED1	3 Year	500,000	100.0000	100.0760	10/21/2027	4.15%	\$ 500,380	1.92%
Fed'l Home Loan Bank - 5MR6	5 Year	400,000	99.9590	100.7250	3/20/2030	4.22%	\$ 402,900	1.55%
Fed'l Home Loan Bank - 6LD6	3 Year	200,000	100.0000	100.3360	5/26/2028	4.24%	\$ 200,672	0.77%
Fed'l Home Loan Bank - 36C2	4 Year	700,000	100.0000	100.0530	10/10/2028	4.25%	\$ 700,371	2.69%
Fed'l Home Loan Bank - 3G72	3 Year	200,000	100.0000	100.1060	10/22/2027	4.24%	\$ 200,212	0.77%
Fed'l Home Loan Bank - 6JZ0	2 Year	300,000	100.0000	100.1740	11/22/2027	4.24%	\$ 300,522	1.15%
Fed'l Home Loan Bank - 72H6	5 Year	500,000	100.0000	100.4300	7/15/2030	4.28%	\$ 502,150	1.93%
Fed'l Home Loan Bank - 4RC7	3 Year	500,000	100.0000	101.0590	7/27/2029	4.45%	\$ 505,295	1.94%
Fed'l Home Loan Bank - 5AV0	3 Year	300,000	100.0000	99.9930	2/25/2028	4.55%	\$ 299,979	1.15%
Fed'l Home Loan Bank - 4P70	5 Year	500,000	100.0000	101.6630	1/10/2030	4.52%	\$ 508,315	1.95%
Fed'l Home Loan Bank - WLZ1	2 Year	180,000	99.9180	100.4850	6/12/2026	4.73%	\$ 180,873	0.69%
Fed'l Home Loan Bank - 0UQ0	3 Year	500,000	100.0000	100.2480	4/15/2027	4.99%	\$ 501,240	1.92%
Apple Inc. - 3DU1	5 Year	400,000	91.0880	90.9290	8/4/2026	1.81%	\$ 363,716	1.40%
Apple Inc. - 3BZ2	2 Year	300,000	94.5180	99.2640	8/4/2026	2.47%	\$ 297,792	1.14%
Apple Inc. - 3CJ7	3 Year	200,000	96.8220	99.6800	2/9/2027	3.36%	\$ 199,360	0.77%
Applied Mats Inc - 2AS4	4 Year	200,000	100.5370	102.4890	6/15/2029	4.68%	\$ 204,978	0.79%
Applied Mats Inc - 2AS4	4 Year	200,000	100.0650	102.4890	6/15/2029	4.68%	\$ 204,978	0.79%
Applied Mats Inc - 2AS4	4 Year	200,000	102.9740	102.4890	6/15/2029	4.68%	\$ 204,978	0.79%
Caterpillar Financial Services - UAJ9	4 Year	200,000	103.2490	102.7510	2/27/2029	4.72%	\$ 205,502	0.79%
Deere John Capital - EWT2	2 Year	150,000	100.5690	100.1910	3/3/2026	5.04%	\$ 150,287	0.58%
Emerson Elec Co - 1BQ6	4 Year	200,000	90.3290	94.8480	12/21/2028	2.11%	\$ 189,696	0.73%
Emerson Elec Co - 1BQ6	4 Year	400,000	94.7290	94.8480	12/21/2028	2.11%	\$ 379,392	1.46%
Florida Pwr & Lt Co - 1GP6	5 Year	300,000	102.5340	101.9680	5/15/2030	4.54%	\$ 305,904	1.17%
Florida Pwr & Lt Co - 1GN1	3 Year	200,000	99.6340	101.2450	5/15/2028	4.35%	\$ 202,490	0.78%
Florida Pwr & Lt Co - 1GN1	3 Year	200,000	100.4060	101.2450	5/15/2028	4.35%	\$ 202,490	0.78%
Home Depot Inc - 6BN1	2 Year	200,000	93.7730	98.8330	9/15/2026	2.15%	\$ 197,666	0.76%
Home Depot Inc - 6CW0	4 Year	200,000	100.7790	102.8840	4/15/2029	4.76%	\$ 205,768	0.79%
Home Depot Inc - 6CW0	4 Year	200,000	103.3300	102.8840	4/15/2029	4.76%	\$ 205,768	0.79%
Honeywell International - 6BL9	2 Year	150,000	94.6540	98.9200	11/1/2026	2.53%	\$ 148,380	0.57%
Honeywell International - 6CL8	4 Year	200,000	98.6090	100.7110	1/15/2029	4.22%	\$ 201,422	0.77%
John Deere Capital Corporation - EXB0	4 Year	200,000	101.1140	102.6930	7/14/2028	4.82%	\$ 205,386	0.79%
Texas Instruments - 8CE2	3 Year	400,000	100.6293	100.8530	2/8/2027	4.56%	\$ 403,412	1.55%
Texas Instruments - 8CG7	4 Year	200,000	99.9590	102.1570	2/8/2029	4.50%	\$ 204,314	0.78%
Texas Instruments - 8CK8	5 Year	200,000	102.2880	101.5930	5/23/2030	4.43%	\$ 203,186	0.78%
Toyota Mtr Corp - TNJ0	5 Year	400,000	103.0850	102.6070	5/15/2030	4.68%	\$ 410,428	1.58%
Toyota Mtr Corp - TLB9	3 Year	200,000	101.5440	103.5100	9/11/2028	5.07%	\$ 207,020	0.79%
Cash Reserve Account						3.64%	\$ 503,677	1.93%
Total Citizens Trust Investments							\$ 21,444,833	82.32%
Total Investments							\$ 26,049,213	100.00%
Total Cash & Investments							\$ 29,668,648	

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

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



ROWLAND WATER DISTRICT PROFIT & LOSS (Unaudited)

December 2025

	Dec-25	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
1 OPERATING REVENUE						
2 Water Sales	\$ 1,168,076	\$ 9,381,356	\$ 18,459,100	\$ 9,077,744	51%	\$ 9,727,537
3 Meter Charges	1,074,595	6,451,984	13,484,000	7,032,016	48%	6,255,580
4 Customer Fees	19,835	176,123	421,400	245,277	42%	810,080
5 Contract Income	20,727	102,385	224,600	122,215	46%	125,393
6 RWD Labor Sales/Reimbursements	42,103	128,281	191,800	63,519	67%	165,842
7 Capacity Fees	2,962	4,975	50,000	45,025	10%	69,770
8 Flow Tests	1,625	9,750	19,200	9,450	51%	10,725
9 Return Check Fees	840	3,870	6,900	3,030	56%	2,700
10 Uncollectable	-	-	(63,900)	(63,900)	0%	-
11 TOTAL OPERATING REVENUE	2,330,763	16,258,723	32,793,100	16,534,377	50%	17,167,627
12 NON-OPERATING REVENUE						
13 Property Taxes	158,322	173,945	467,100	293,155	37%	168,695
14 Interest Income	92,214	443,337	600,000	156,663	74%	434,380
15 Miscellaneous Income	223	500	25,000	24,500	2%	98,469
16 TOTAL NON-OPERATING REVENUE	250,759	617,782	1,092,100	474,318	57%	701,543
17 TOTAL REVENUES	2,581,522	16,876,505	33,885,200	17,008,695	50%	17,869,169
18 OPERATING EXPENSES						
19 Source of Supply						
20 Water Purchases	937,699	6,553,586	13,844,800	7,291,214	47%	6,356,787
21 Pumping Power	34,328	244,773	578,100	333,327	42%	283,800
22 Fixed Charges	100,649	237,211	470,800	233,589	50%	160,235
23 Chemicals	11,936	83,127	97,000	13,873	86%	46,800
24 Total Source of Supply	1,084,611	7,118,698	14,990,700	7,872,002	47%	6,847,623
25 Maintenance of Water System	77,588	440,722	763,700	322,978	58%	458,902
26 Service Contracts	25,926	260,988	461,700	200,712	57%	223,934
27 Assessments	33,408	116,916	328,200	211,284	36%	145,129
28 Vehicle Expense	4,710	65,042	173,600	108,558	37%	70,116
29 Tools & Supplies	2,740	22,859	50,200	27,341	46%	25,730
30 Equipment Expense	505	5,937	45,500	39,563	13%	28,968
31 Maintenance & Operations	9,102	33,642	60,300	26,658	56%	33,704
32 Engineering	8,094	56,999	250,000	193,002	23%	122,333
33 Water Tests	3,528	22,445	32,000	9,556	70%	14,664
34 Conservation	20,168	60,597	80,000	19,403	76%	42,561
35 Community Outreach	11,116	104,498	152,300	47,802	69%	52,177
36 TOTAL OPERATING EXPENSES	1,281,496	8,309,342	17,388,200	9,078,858	48%	8,065,838
37 ADMINISTRATIVE EXPENSES						
38 Liability Insurance	-	297,248	335,400	38,152	89%	304,945
39 IT Support Services	9,890	81,163	144,300	63,137	56%	63,120
40 IT Licensing	67,877	168,629	328,300	159,671	51%	161,728
41 Director Expense	14,309	78,270	200,900	122,630	39%	77,927
42 Bank / Management Fees	24,675	161,132	345,600	184,468	47%	150,452
43 Legal Fees	11,140	99,386	200,000	100,614	50%	89,956
44 Compliance	75,788	132,523	177,100	44,577	75%	131,209
45 Auditing & Accounting	12,500	24,850	35,000	10,150	71%	25,950
46 Utility Services	7,854	64,194	137,600	73,406	47%	65,549



ROWLAND WATER DISTRICT PROFIT & LOSS (Unaudited)

December 2025

		Dec-25	Year-to-Date (YTD)	Budget (Annual)	Under / (Over) Budget	YTD Budget %	Prior YTD (Unaudited)
47	Dues & Memberships	992	50,284	75,200	24,916	67%	50,374
48	Conference & Meetings	8,252	26,044	76,000	49,956	34%	39,916
49	Office Expenses	163	12,869	41,600	28,731	31%	13,214
50	Seminars/Training	7,866	43,923	114,300	70,377	38%	57,082
51	Miscellaneous Expense	27,235	90,864	160,200	69,336	57%	99,311
52	TOTAL ADMINISTRATIVE EXPENSES	268,541	1,331,379	2,371,500	1,040,121	56%	1,330,732
53	PERSONNEL EXPENSES						
54	Wages						
55	Operations	101,200	594,866	1,432,300	837,434	42%	580,529
56	Distribution	112,432	700,264	1,588,700	888,436	44%	668,760
57	Administration	159,870	952,097	2,083,000	1,130,903	46%	873,799
58	Total Wages	373,502	2,247,227	5,104,000	2,856,773	44%	2,123,088
59	Payroll Taxes	16,955	135,593	363,900	228,307	37%	130,034
60	Workers Compensation	13,940	27,017	109,100	82,083	25%	40,235
61	Unemployment	368	593	6,400	5,807	9%	-
62	CalPERS	51,437	526,126	937,000	410,874	56%	400,979
63	OPEB Contributions	-	-	-	-	0%	-
64	EE & Retiree Health Insurance	112,241	514,105	1,095,900	581,795	47%	457,862
65	TOTAL PERSONNEL EXPENSES	568,443	3,450,662	7,616,300	4,165,638	45%	3,152,198
66	TOTAL EXPENSES	2,118,480	13,091,383	27,376,000	14,284,617	48%	12,548,769
67	NET INCOME / (LOSS) - BEFORE DEBT SERVICE & CAPITAL EXPENDITURES	463,041	3,785,122	6,509,200	2,724,078	58%	5,320,400
68	Less: Total Debt Service	-	-	(2,439,200)	2,439,200	0%	(355,899)
69	Less: Capital Expenses (Current Year)	(18,612)	(220,762)	(4,131,300)	3,910,538	5%	(510,661)
70	CASH INCREASE / (DECREASE)	\$ 444,429	\$ 3,564,360	\$ (61,300)	\$ 3,625,660		\$ 4,453,840

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



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2025

1. OPERATING REVENUE

2. Water Sales – volumetric water sales revenue from all customer types including residential, commercial, public, industrial, recycled and construction. YTD is at 51%.
3. Meter Charges – the fixed monthly base rate charged to water customers each month (includes all customer types). YTD is at 48%.
4. Customer Fees – various fees conditionally charged to customers such as penalties, new service connections, reconnections, backflow administration, cross connections, connections and recycled water checks/inspections. These types of fees are unpredictable in nature and can often trend over/under expected budget. YTD is at 42%.
5. Contract Income – contains revenues from cell tower lease contracts. YTD is at 46%.
6. RWD Labor Sales/Reimbursements – water sold on construction invoices, City of Industry labor sales and Puente Basin Water Agency (PBWA) and Pomona-Walnut-Rowland Joint Water Line Commission (PWR JWLC) treasurer fees. The frequency and amounts of these revenues are unknown and can occasionally trend over/under budget due to their unpredictable nature. YTD is at 67%.
7. Capacity Fees – fees imposed on any property or person requesting a new, additional or larger connection to the District’s potable water system (fees vary by meter size). These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is at 10%.
8. Flow Tests – fire flow tests performed by District personnel to measure the volume of water available at a specific hydrant (\$350 per test). YTD is at 51%.
9. Return Check Fees – customers are charged a fee when the District is paid with insufficient funds checks and checks are returned by the bank. These receipts are uncertain and can trend over/under budget due to their unpredictable nature. YTD is currently at 56%.
10. Uncollectable – the District analyzes customer receivables at the end of each year and recognizes an expense equal to the estimated amount of cash that may not be collected. Uncollectable expense will be zero until assessed at the year-end audited financial statements.

11. TOTAL OPERATING REVENUE

12. NON-OPERATING REVENUE

13. Property Taxes – includes tax contributions from the County of Los Angeles. YTD is at 37% since the bulk of receipts happen between December and May each year and can cause YTD% to trend over/under expected budget %.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2025

14. Interest Income – includes interest and dividends received on District investments. YTD is high at 74% due to timing of interest income.
15. Miscellaneous Income – includes income from various sources such as recycling and refunds. YTD is at 2%.
16. **TOTAL NON-OPERATING REVENUE**
17. **TOTAL REVENUES**
18. **OPERATING EXPENSES**
19. **SOURCE OF SUPPLY**
20. Water Purchases – Includes variable costs of potable water from Three Valleys Municipal Water District (TVMWD) and California Domestic Water Company (CalDomestic), and recycled water purchases from City of Industry and Walnut Valley Water District (WVWD). YTD is at 47%.
21. Pumping Power – the cost of electricity used for pumping water. YTD is at 42%.
22. Fixed Charges – includes fixed charges from TVMWD and CalDomestic. YTD is at 50%.
23. Chemicals – the cost of chemicals used to treat water sold to customers. YTD is high at 86% due to additional chemicals for the Joint Line Chloramine Boosting System.
24. **TOTAL SOURCE OF SUPPLY**
25. Maintenance of Water System – the costs of repairs and maintenance on elements of the District water system such as main lines, services, meters, reservoirs, valves, hydrants, and telemetry system. YTD is at 58%.
26. Service Contracts – includes costs for services such as billing printing and mailing, bulk paper shredding, copier leasing and services, landscaping, janitorial, uniforms, security system monitoring and maintenance, Caselle maintenance and support, Harmony renewal and other services. YTD is at 57%.
27. Assessments – operating costs billed to RWD for their share of PWR JWLC, which is billed quarterly, and PBWA, which is billed monthly. YTD can trend over/under budget due to the timing of billing. YTD is currently at 36%.
28. Vehicle Expense – includes repair and maintenance costs for District vehicles as well as the cost of fuel. YTD can trend over/under budget due to the timing of truck maintenance and fuel purchases. YTD is at 37%.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2025

29. Tools & Supplies – small tools and supplies used in the field. YTD can trend over/under budget due to the timing of tools and supplies. YTD is at 46%.
30. Equipment Expense – various costs incurred related to District equipment. YTD can trend over/under budget due to the timing of equipment expenses. YTD is at 13%.
31. Maintenance & Operations – various costs incurred for District maintenance and operations not directly related to the water system. YTD can trend over/under budget due to the timing of maintenance and operations. YTD is at 56%.
32. Engineering – general engineering costs related to District operations. YTD is at 23%.
33. Water Tests – laboratory testing and sampling of District water. YTD is high at 70% due to timing of water tests billing and budgeting method used.
34. Conservation – water conservation programs and efforts. YTD is at high at 76% due to timing of conservation expenses.
35. Community Outreach – costs related to public relations and community outreach. YTD is high at 69% due to timing of community outreach expenses and budgeting method used.
36. **TOTAL OPERATING EXPENSES**
37. **ADMINISTRATIVE EXPENSES**
38. Liability Insurance – coverage through ACWA JPIA for the District insurance package. YTD is high at 89% due to timing of insurance bill received and budgeting method used.
39. IT Support Services – information technology support services. YTD is at 56%.
40. IT Licensing – includes costs for various software licenses. YTD is at 51%.
41. Director Expense – costs for director compensation and benefits. YTD is at 39% of budget.
42. Bank/Management Fees – includes various banking fees, Paymentus and InvoiceCloud fees (for processing customer payments) and investment administrative fees. YTD is at 47%.
43. Legal Fees – legal costs related to RWD, PBWA and Public Water Agencies Group (PWAG). YTD is at 50%.
44. Compliance – includes costs for State Water Resources Control Board (SWRCB) compliance, LA County property taxes, various employee certifications, District permits, and maintenance costs for equipment compliance. YTD is at 75% due to timing of compliance bills.
45. Auditing & Accounting – includes consulting services for complex accounting matters and annual audit assurance services related to District financial reporting. YTD is at 71%.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2025

46. Utility Services – costs related to office electricity, office phones, gas and district cell phones. YTD is at 47%.
47. Dues & Memberships – costs for district memberships, dues and subscriptions to various agencies such as the Water Education Foundation, Association of California Water Agencies, Urban Water Institute, California Special Districts Association and American Water Works Association. YTD is high at 67% due to timing of dues and membership expenses which are paid on an annual basis.
48. Conference & Meetings – conference attendance and meeting expenses. YTD is at 34%.
49. Office Expenses – costs for office supplies, postage, printing and stationery. YTD is at 31%.
50. Seminars/Training – employee seminars and training. YTD is at 38%.
51. Miscellaneous Expense – includes costs for travel, books & subscriptions, and miscellaneous general expenses. YTD is at 57%.
52. **TOTAL ADMINISTRATIVE EXPENSES**
53. **PERSONNEL EXPENSES**
54. **WAGES**
55. Operations – wages expense (regular, standby, OT) attributable to Operations. YTD is at 42%.
56. Distribution – wages expense (regular, standby, OT) attributable to Distribution. YTD is at 44%.
57. Administration – wages expense (regular) attributable to Administration. YTD is at 46%.
58. **TOTAL WAGES**
59. Payroll Taxes – employer payroll taxes paid by the District. YTD is trending at 37%.
60. Workers Compensation – the District is billed quarterly for workers compensation insurance which can occasionally cause this line item to trend over/under expected budget. YTD is at 25%.
61. Unemployment – state unemployment insurance is paid quarterly which can cause this line to occasionally trend over/under expected budget. YTD is at 9%.
62. CalPERS – includes retirement costs for employee pension plans through the California Public Employee Retirement System. Contributions are made monthly and an annual payment is made at the beginning of each fiscal year for the plan's unfunded accrued liability. YTD is at 56% due to the annual payment of the plan's unfunded accrued liability.



Rowland Water District

Profit & Loss Analysis and Variance Report

December 2025

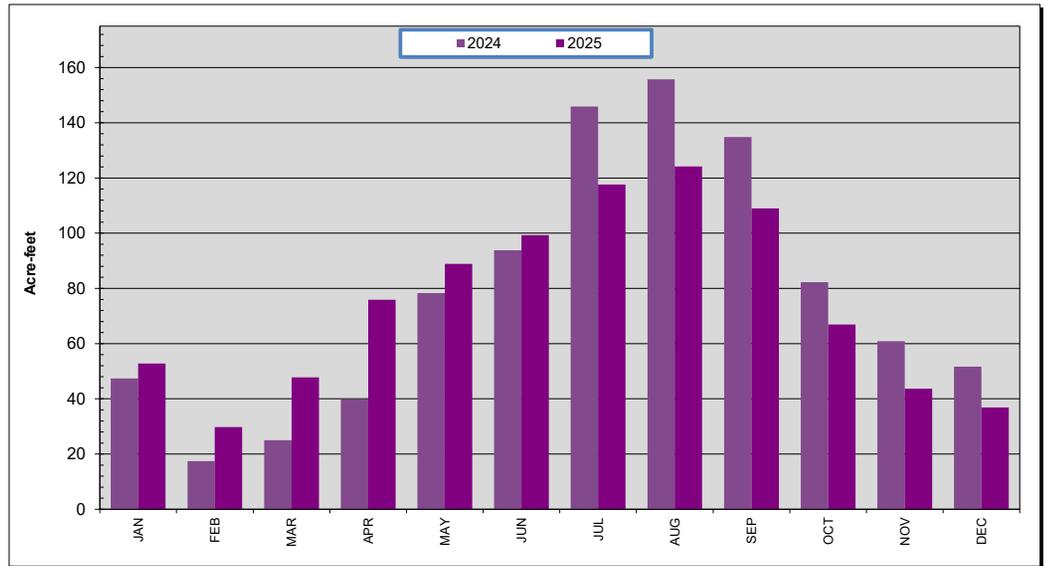
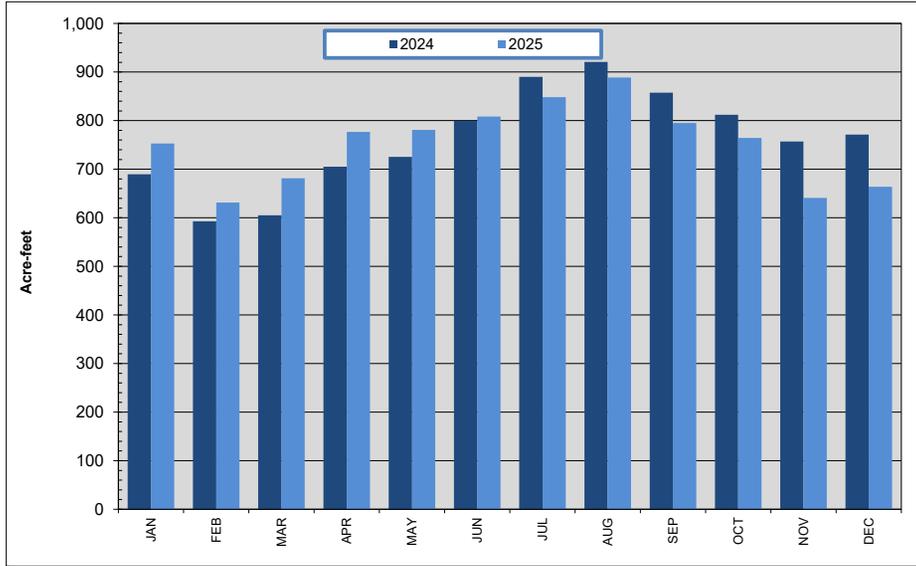
63. OPEB Contributions – includes retirement costs for other post-employment benefits that provides medical, dental and vision coverage. There will be no OPEB contributions for the current fiscal year as the Public Agency Retirement Services (PARS) trust is fully funded.
64. EE & Retiree Health Insurance – includes the cost of health, dental, vision, life, and disability insurance for current employees as well as health insurance for retired employees. YTD is at 47%.
65. **TOTAL PERSONNEL EXPENSES**
66. **TOTAL EXPENSES**
67. **NET INCOME / (LOSS) BEFORE DEBT SERVICE & CAPITAL EXPENSES** – Financially, the District has performed as expected through December 2025.
68. Less: Total Debt Service – includes interest and principal payments on outstanding District debt as well as related administrative expenses. Interest payments on outstanding debt are made twice per year (December/June).
69. Less: Capital Expenses (Current-Year) – includes expenses related to current-year district projects and capital assets, excluding projects funded by bond proceeds (debt). YTD is at 5%.
70. **CASH INCREASE / (DECREASE)**



Water Purchases for CY 2025 (Acre-feet)

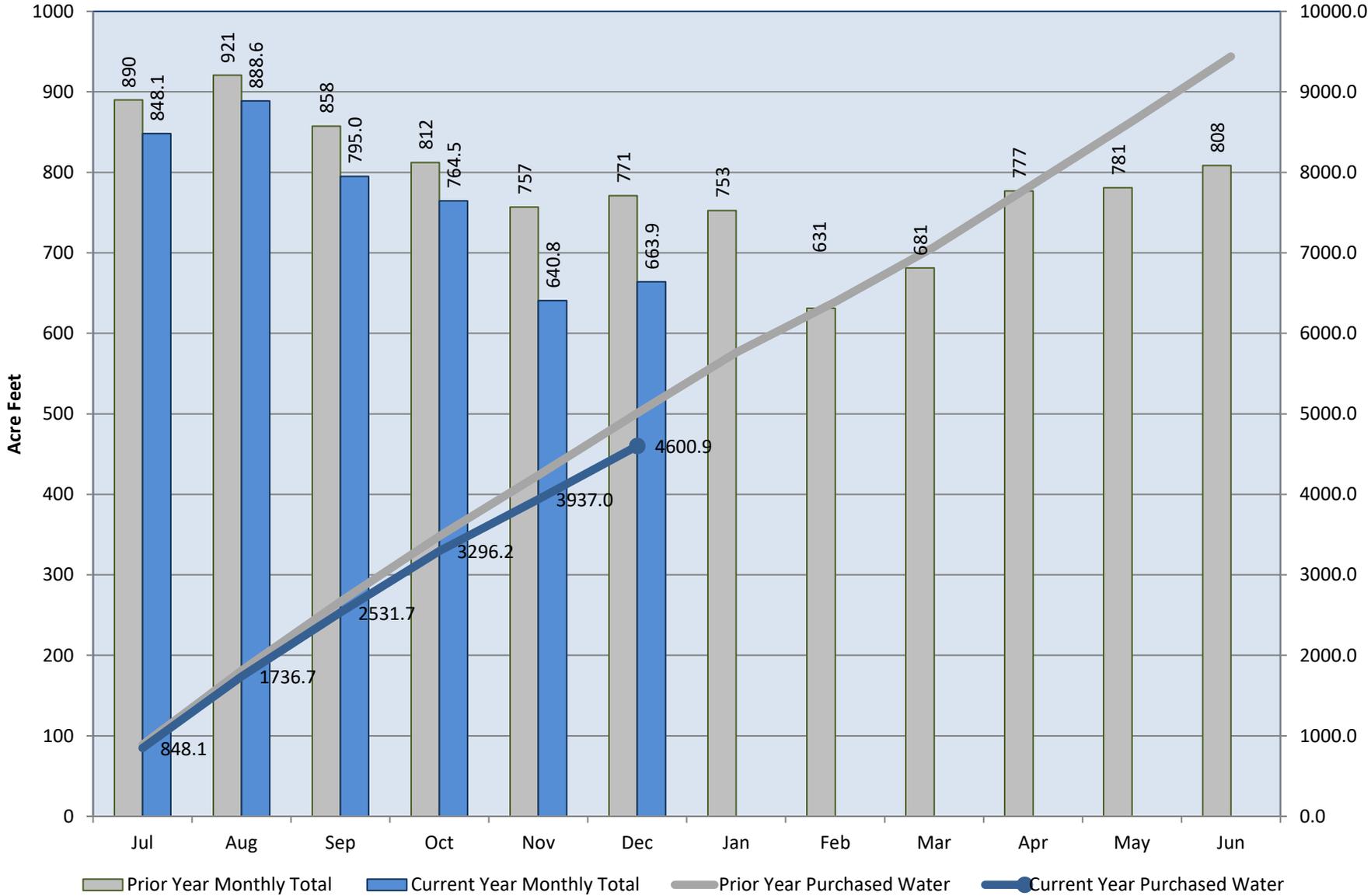
	POTABLE SYSTEM						TOTAL
	WBS	LHH	PM-9	PM-22	JWL		
					PM-15	Miramar	
JAN	131.4	0.0	0.0	240.8	121.1	259.4	752.7
FEB	145.9	0.0	0.0	209.3	195.1	80.9	631.2
MAR	153.5	0.0	0.0	250.3	67.4	210.1	681.3
APR	170.1	0.0	0.0	277.1	71.4	258.3	776.9
MAY	168.7	0.0	0.0	291.0	75.7	245.5	780.9
JUN	170.7	0.0	0.0	277.1	126.0	234.6	808.4
JUL	44.4	0.0	0.0	279.3	261.9	262.5	848.1
AUG	0.0	0.0	0.0	294.7	357.2	236.7	888.6
SEP	0.0	0.0	0.0	297.5	263.8	233.7	795.0
OCT	80.5	0.0	0.0	216.0	199.8	268.2	764.5
NOV	0.0	0.0	0.0	226.8	136.9	277.1	640.8
DEC	0.0	0.0	0.0	234.2	95.0	334.7	663.9
TOTAL	1,065.2	0.0	0.0	3,094.1	1,971.3	2,901.7	9,032.3

RECYCLED SYSTEM							TOTAL
Well 1	Wet Well	WVWD	Industry	Potable Make-up	Nogales Dewatering	Fullerton Dewatering	
0.0	17.4	1.0	21.6	0.0	12.8	0.0	52.8
0.0	10.4	0.0	7.2	0.0	12.2	0.0	29.8
3.1	10.4	1.0	19.7	0.0	13.6	0.0	47.8
28.6	10.0	1.0	23.6	0.0	12.7	0.0	75.9
24.2	19.8	2.0	29.8	0.0	13.1	0.0	88.9
30.3	14.7	3.0	38.9	0.0	12.4	0.0	99.3
29.9	12.2	3.0	59.9	0.0	12.6	0.0	117.6
30.3	4.7	3.0	73.7	0.0	12.5	0.0	124.2
28.5	11.9	3.0	53.7	0.0	11.9	0.0	109.0
26.3	1.3	1.0	24.2	1.9	12.2	0.0	66.9
17.5	3.3	0.0	9.9	0.0	13.0	0.0	43.7
14.2	6.7	1.0	1.1	0.0	13.9	0.0	36.9
232.9	122.8	19.0	363.3	1.9	152.9	0.0	892.8



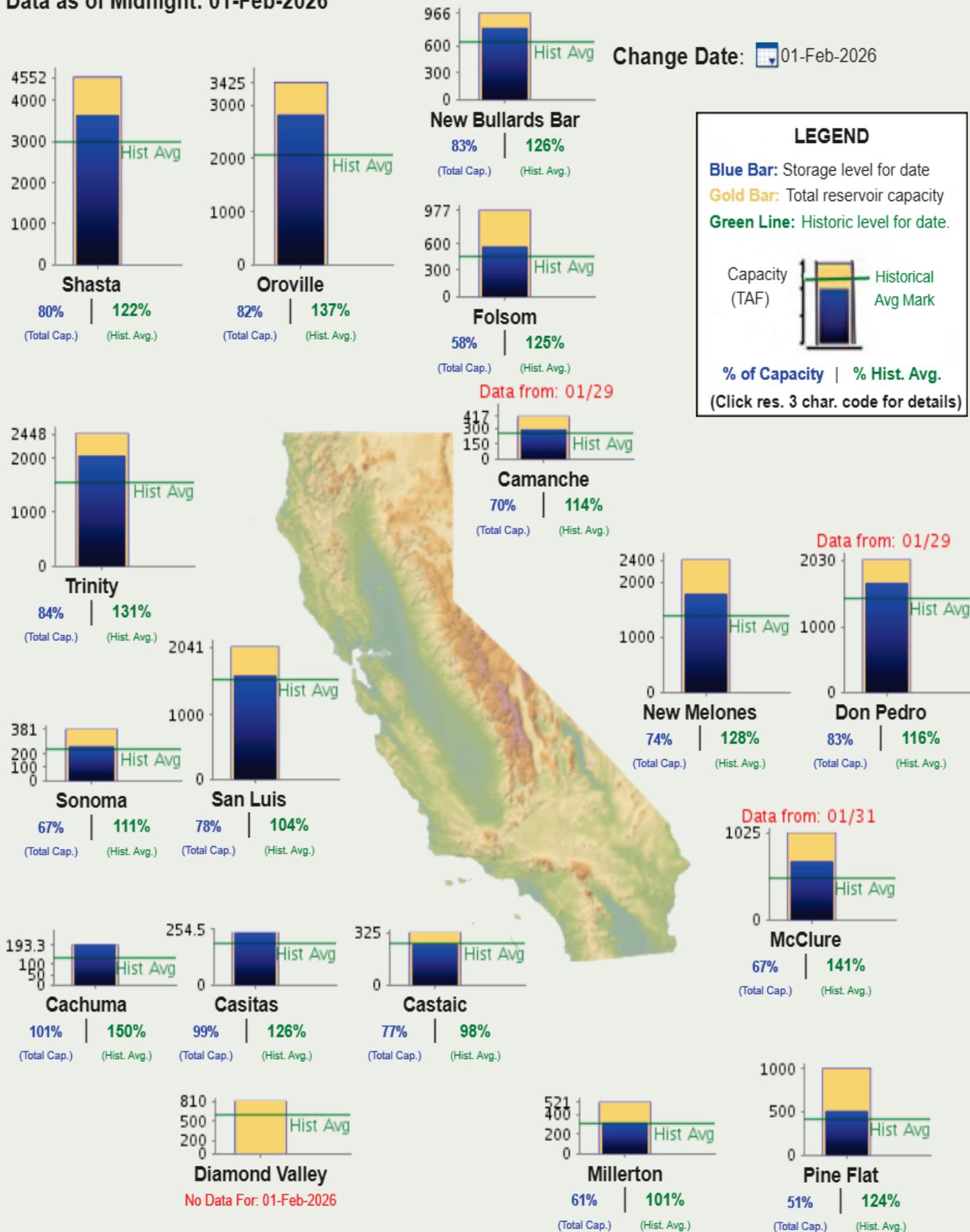
Potable Water Purchases For FY 2025-2026

(Acre-feet)



CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:01-FEB-2026

Data as of Midnight: 01-Feb-2026



[Click to download printable version of current data.](#)

Report Generated: 02-Feb-2026 9:51 AM

The CSI link has been disabled to zoom in, for the lack of historical data.



DIRECTOR REIMBURSEMENTS

January 2026 Board of Director Meetings and Activities

Director	Date of Meeting/Event	Meeting/Event Attended	Reimbursement	No Charge	Additional Comments <i>(Submit expense report if claiming mileage and/or meal reimbursement)</i>
Anthony J. Lima					
	1/13/2026	RWD Board Meeting	\$230.00		
	1/21/2026	TVMWD Board Meeting	\$230.00		Mileage
	1/27/2026	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$690.00		
John Bellah					
	1/8/2026	SGV CSDA Chapter Meeting	\$230.00		
	1/12/2026	RHCCC	\$230.00		
	1/13/2026	RWD Board Meeting	\$230.00		
	1/27/2026	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$920.00		
Robert W. Lewis					
	1/13/2026	RWD Board Meeting	\$230.00		
	1/14/2026	LAFCO		X	
	1/27/2026	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$460.00		
Szu Pei Lu-Yang					
	1/13/2026	RWD Board Meeting	\$230.00		
	1/27/2026	RWD Special Board Meeting	\$230.00		
		TOTAL PAYMENT	\$460.00		
Vanessa Hsu					
		No activities to disclose for the month of January 2026.			
		TOTAL PAYMENT	\$0.00		

APPROVED FOR PAYMENT:

Tom Coleman

Board Meeting: February 10, 2026

**ROWLAND WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts as of June 30, 2024)**

NIGRO & NIGRO^{PC}

ROWLAND WATER DISTRICT
For the Fiscal Year Ended June 30, 2025
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Rowland Water District
Rowland Heights, California

Opinion

We have audited the accompanying financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2025, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Notes 1, 6, and 16 to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences and Statement No. 102, Certain Risk Disclosures. Our opinion is not modified with respect to these matters

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated January 13, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
January 13, 2026

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

Management's Discussion and Analysis (MD&A) offers readers of Rowland Water District's financial statements a narrative overview of the District's financial activities for the year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2025, the District's net position increased 7.47%, or \$6,633,626 from the prior year's net position of \$88,749,439 to \$95,383,065 as a result of the year's operations.
- In fiscal year 2025, operating revenues increased 10.24%, or \$3,023,820 from \$29,530,756 to \$32,554,576, from the prior year, primarily due to increases in water sales.
- In fiscal year 2025, operating expenses before depreciation expense increased by 8.75% or \$1,924,399 from \$21,991,931 to \$22,916,330, from the prior year, primarily due to increases in source of supply expenses.

REQUIRED FINANCIAL STATEMENTS

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

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

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT

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

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

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

Condensed Balance Sheets

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Assets:			
Current assets	\$ 24,220,854	\$ 25,283,147	\$ (1,062,293)
Non-current assets	38,160,026	34,818,504	3,341,522
Capital assets, net	<u>73,579,070</u>	<u>71,498,570</u>	<u>2,080,500</u>
Total assets	<u>135,959,950</u>	<u>131,600,221</u>	<u>4,359,729</u>
Deferred outflows of resources	<u>5,128,233</u>	<u>6,645,899</u>	<u>(1,517,666)</u>
Total assets and deferred outflows of resources	<u>\$ 141,088,183</u>	<u>\$ 138,246,120</u>	<u>\$ 2,842,063</u>
Liabilities:			
Current liabilities	\$ 6,614,524	\$ 7,544,492	\$ (929,968)
Non-current liabilities	<u>34,584,795</u>	<u>36,485,236</u>	<u>(1,900,441)</u>
Total liabilities	<u>41,199,319</u>	<u>44,029,728</u>	<u>(2,830,409)</u>
Deferred inflows of resources	<u>4,505,799</u>	<u>5,466,953</u>	<u>(961,154)</u>
Net position:			
Net investment in capital assets	43,329,070	39,678,570	3,650,500
Restricted	4,145,548	3,316,790	828,758
Unrestricted	<u>47,908,447</u>	<u>45,754,079</u>	<u>2,154,368</u>
Total net position	<u>95,383,065</u>	<u>88,749,439</u>	<u>6,633,626</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 141,088,183</u>	<u>\$ 138,246,120</u>	<u>\$ 2,842,063</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$95,383,065 as of June 30, 2025.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (45% as of June 30, 2025) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of year 2025, the District showed a positive balance in its unrestricted net position of \$47,904,000 which may be utilized in future years.

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Operating revenues	\$ 32,554,576	\$ 29,530,756	\$ 3,023,820
Operating expenses	<u>(23,916,330)</u>	<u>(21,991,931)</u>	<u>(1,924,399)</u>
Operating income before depreciation	8,638,246	7,538,825	1,099,421
Depreciation expense	<u>(3,676,907)</u>	<u>(3,363,615)</u>	<u>(313,292)</u>
Operating income	4,961,339	4,175,210	786,129
Non-operating revenues (expenses), net	<u>1,123,960</u>	<u>755,860</u>	<u>368,100</u>
Change in net position before capital	6,085,299	4,931,070	1,154,229
Capital contributions:			
Contributed capital—other	<u>548,327</u>	<u>1,100,000</u>	<u>(551,673)</u>
Change in net position	6,633,626	6,031,070	602,556
Net position:			
Beginning of year	<u>88,749,439</u>	<u>82,718,369</u>	<u>6,031,070</u>
End of year	<u>\$ 95,383,065</u>	<u>\$ 88,749,439</u>	<u>\$ 6,633,626</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased 7.47%, or \$6,633,626 from the prior year's net position of \$88,749,439 to \$95,383,065, as a result of the year's operations.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating revenues:			
Water sales	\$ 18,207,104	\$ 15,926,705	\$ 2,280,399
Water service charges	12,722,423	12,312,083	410,340
New service connections	897,274	466,217	431,057
Reimbursements	311,263	262,840	48,423
Other operating revenues	416,512	562,911	(146,399)
Total operating revenues	<u>32,554,576</u>	<u>29,530,756</u>	<u>3,023,820</u>
Non-operating revenues:			
Property taxes	679,721	638,141	41,580
Investment earnings	1,419,074	1,137,818	281,256
Rental and contract revenue	252,084	235,211	16,873
Sale of assets	48,000	-	48,000
Other non-operating revenues	104,562	27,643	76,919
Change in investment in joint-ventures	275,211	658,677	(383,466)
Contributed capital-other	548,327	1,100,000	(551,673)
Total non-operating revenues	<u>3,326,979</u>	<u>3,797,490</u>	<u>(470,511)</u>
Total revenues	<u>\$ 35,881,555</u>	<u>\$ 33,328,246</u>	<u>\$ 2,553,309</u>

In fiscal year 2025, operating revenues increased 10.24%, or \$3,023,820 from \$29,530,756 to \$32,554,576, from the prior year, primarily due to increases in water sales.

Also, non-operating revenues decreased by 12.39%, or \$470,511 from \$3,797,490 to \$3,326,979 due to the decrease in contributed capital.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Operating expenses:			
Source of supply	\$ 12,879,744	\$ 11,266,648	\$ 1,613,096
Pumping and power	1,715,884	1,736,997	(21,113)
Transmission and distribution	2,438,006	2,002,932	435,074
Other operating expenses	581,582	568,097	13,485
General and administrative	6,301,114	6,417,257	(116,143)
Total operating expenses	<u>23,916,330</u>	<u>21,991,931</u>	<u>1,924,399</u>
Depreciation expense	<u>3,676,907</u>	<u>3,363,615</u>	<u>313,292</u>
Non-operating expenses:			
Interest expense	870,787	878,415	(7,628)
Contributions to joint-venture	783,905	1,063,215	(279,310)
Total non-operating expenses	<u>1,654,692</u>	<u>1,941,630</u>	<u>(286,938)</u>
Total expenses	<u>\$ 29,247,929</u>	<u>\$ 27,297,176</u>	<u>\$ 1,950,753</u>

In fiscal year 2025, operating expenses before depreciation expense increased by 8.75% or \$1,924,399 from \$21,991,931 to \$23,916,330, from the prior year, primarily due to increases in source of supply expenses.

Capital Assets

	<u>Balance June 30, 2025</u>	<u>Balance June 30, 2024</u>
Capital assets:		
Non-depreciable assets	\$ 8,302,006	\$ 6,852,285
Depreciable assets	116,431,846	112,424,801
Accumulated depreciation	<u>(51,154,782)</u>	<u>(47,778,516)</u>
Total capital assets, net	<u>\$ 73,579,070</u>	<u>\$ 71,498,570</u>

At the end of year 2025, the District's investment in capital assets amounted to \$73,579,070 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$5,757,407 for various projects and equipment. See Note 6 for further information.

ROWLAND WATER DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2025 (With Comparable Amounts as of June 30, 2024)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

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

Long-term debt:	Balance	Balance
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Bonds payable	<u>\$ 33,055,000</u>	<u>\$ 34,790,000</u>

Long-term debt had no change during the 2025 fiscal year. There were no principal payments due during the year. See Note 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

CONDITIONS AFFECTING CURRENT AND FUTURE FINANCIAL POSITION

The District's Board of Directors and management considered many factors when setting the fiscal year 2025, user fees, and charges. A projection is made on the acre feet of water that will be purchased and sold. The District also looks at the increased cost of the Source of Supply. Since the District heavily relies on import water, the costs are directly passed through by Metropolitan Water District and Three Valleys Municipal Water District. Some are fixed costs that do not vary depending upon the amount of water sold. Other expenses are budgeted individually to account for increases in such things as vehicle expenses and insurance coverages. The District's customer base has not changed significantly; therefore, revenue and costs are more easily projected. Questions concerning the information about the economic analysis, revenue and expense assumptions, and other budgetary process parameters utilized in the annual budget preparation can be obtained from the District's Finance Officer.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Director of Finance, 3021 S. Fullerton Rd., Rowland Heights, CA 91748 - (562) 697-1726.

ROWLAND WATER DISTRICT

Balance Sheets

June 30, 2025 (With Comparative Amounts as of June 30, 2024)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024
Current assets:		
Cash and cash equivalents (Note 2)	\$ 13,465,231	\$ 15,223,774
Investments (Note 2)	5,484,420	5,299,761
Accrued interest receivable	248,831	200,161
Accounts receivable, net (Note 3)	3,675,946	3,525,229
Property taxes receivable	9,074	12,793
Lease receivable (Note 4)	200,240	154,307
Other receivables	373,966	146,691
Inventory – water-in-storage	143,215	118,881
Inventory – materials and supplies	475,589	461,195
Prepaid expenses	144,342	140,355
Total current assets	24,220,854	25,283,147
Non-current assets:		
Investments (Note 2)	9,616,952	7,122,572
Restricted – investments (Note 2)	1,566,557	1,253,621
Investments in joint-ventures (Note 5)	23,924,477	23,882,056
Lease receivable (Note 4)	473,049	497,086
Net OPEB asset (Note 9)	2,578,991	2,063,169
Capital assets – not being depreciated (Note 6)	8,302,006	6,852,285
Capital assets – being depreciated, net (Note 6)	65,277,064	64,646,285
Total non-current assets	111,739,096	106,317,074
Total assets	135,959,950	131,600,221
Deferred outflows of resources:		
Deferred amounts related to refunding of long-term debt (Note 8)	2,805,000	2,970,000
Deferred amounts related to net OPEB liability(asset) (Note 9)	196,997	609,483
Deferred amounts related to net pension liability (Note 10)	2,126,236	3,066,416
Total deferred outflows of resources	5,128,233	6,645,899
Total assets and deferred outflows of resources	\$ 141,088,183	\$ 138,246,120
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,803,513	\$ 3,002,969
Deposits and unearned revenues	1,887,931	2,648,175
Accrued interest payable	55,005	56,002
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	123,075	102,346
Bonds payable (Note 8)	1,745,000	1,735,000
Total current liabilities	6,614,524	7,544,492
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	369,224	307,038
Bonds payable (Note 8)	31,310,000	33,055,000
Net pension liability (Note 10)	2,905,571	3,123,198
Total non-current liabilities	34,584,795	36,485,236
Total liabilities	41,199,319	44,029,728
Deferred inflows of resources:		
Deferred amounts related to leases (Note 4)	637,998	620,616
Deferred amounts related to net OPEB liability(asset) (Note 9)	2,450,006	2,712,718
Deferred amounts related to net pension liability (Note 10)	1,417,795	2,133,619
Total deferred inflows of resources	4,505,799	5,466,953
Net position:		
Net investment in capital assets (Note 11)	43,329,070	39,678,570
Restricted for OPEB expenses (Note 9)	2,578,991	2,063,169
Restricted for pension expenses (Note 2)	1,566,557	1,253,621
Unrestricted	47,908,447	45,754,079
Total net position	95,383,065	88,749,439
Total liabilities, deferred inflows of resources and net position	\$ 141,088,183	\$ 138,246,120

ROWLAND WATER DISTRICT*Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Water sales	\$ 18,207,104	\$ 15,926,705
Water service charges	12,722,423	12,312,083
New service connections	897,274	466,217
Reimbursements	311,263	262,840
Other operating revenues	416,512	562,911
Total operating revenues	<u>32,554,576</u>	<u>29,530,756</u>
Operating expenses:		
Source of supply	12,879,744	11,266,648
Pumping and power	1,715,884	1,736,997
Transmission and distribution	2,438,006	2,002,932
Other operating	581,582	568,097
General and administrative	6,301,114	6,417,257
Total operating expenses	<u>23,916,330</u>	<u>21,991,931</u>
Operating income before depreciation	8,638,246	7,538,825
Depreciation expense	<u>(3,676,907)</u>	<u>(3,363,615)</u>
Operating income	<u>4,961,339</u>	<u>4,175,210</u>
Non-operating revenues(expenses):		
Property taxes	679,721	638,141
Investment earnings	1,419,074	1,137,818
Rental and contract revenue	252,084	235,211
Sale of assets	48,000	-
Other non-operating revenues	104,562	27,643
Interest expense	(870,787)	(878,415)
Contributions to joint-venture (Note 5)	(783,905)	(1,063,215)
Change in investment in joint-ventures (Note 5)	275,211	658,677
Total non-operating revenues(expenses), net	<u>1,123,960</u>	<u>755,860</u>
Change in net position before capital contributions	<u>6,085,299</u>	<u>4,931,070</u>
Capital contributions:		
Contributed capital-other	<u>548,327</u>	<u>1,100,000</u>
Total capital contributions	<u>548,327</u>	<u>1,100,000</u>
Change in net position	6,633,626	6,031,070
Net position:		
Beginning of year	<u>88,749,439</u>	<u>82,718,369</u>
End of year	<u>\$ 95,383,065</u>	<u>\$ 88,749,439</u>

ROWLAND WATER DISTRICT*Statements of Cash Flows**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 31,816,472	\$ 33,386,536
Cash paid to employees for salaries and wages	(4,525,422)	(4,136,555)
Cash paid to vendors and suppliers for materials and services	<u>(19,909,483)</u>	<u>(17,263,659)</u>
Net cash provided by operating activities	<u>7,381,567</u>	<u>11,986,322</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>683,440</u>	<u>640,028</u>
Net cash provided by non-capital financing activities	<u>683,440</u>	<u>640,028</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,757,407)	(4,114,565)
Principal paid on long-term debt	(1,735,000)	(1,380,000)
Interest paid on long-term debt	(706,784)	(713,986)
Proceeds from sale of assets	<u>48,000</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(8,151,191)</u>	<u>(6,208,551)</u>
Cash flows from investing activities:		
Change in investments	(2,994,016)	(1,913,669)
Investment earnings	1,321,657	949,417
Contributions to joint-ventures	<u>-</u>	<u>(939,977)</u>
Net cash used in investing activities	<u>(1,672,359)</u>	<u>(1,904,229)</u>
Net increase(decrease) in cash and cash equivalents	<u>(1,758,543)</u>	<u>4,513,570</u>
Cash and cash equivalents:		
Beginning of year	<u>15,223,774</u>	<u>10,710,204</u>
End of year	<u>\$ 13,465,231</u>	<u>\$ 15,223,774</u>

ROWLAND WATER DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,961,339	\$ 4,175,210
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,676,907	3,363,615
Allowance for bad debt	12,686	(83,284)
Rental and contract revenue	252,084	235,211
Other non-operating revenues	104,562	27,643
Change in assets – (increase)decrease:		
Accounts receivable, net	(163,403)	(85,139)
Lease receivable	(21,896)	161,226
Other receivables	(227,275)	3,803,804
Inventory – water-in-storage	(24,334)	(9,591)
Inventory – materials and supplies	(14,394)	(188,267)
Prepaid expenses	(3,987)	(39,248)
Change in deferred outflows of resources – (increase)decrease		
Deferred amounts related to net OPEB liability	412,486	538,231
Deferred amounts related to net pension liability	940,180	1,870,012
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	(199,456)	393,491
Deposits and unearned revenues	(760,244)	(37,930)
Compensated absences	82,915	27,552
Net OPEB liability(asset)	(515,822)	(2,182,434)
Net pension liability	(217,627)	(1,085,933)
Change in deferred inflows of resources – increase(decrease)		
Deferred amounts related to leases	17,382	(165,751)
Deferred amounts related to net OPEB liability	(262,712)	1,480,583
Deferred amounts related to net pension liability	(715,824)	(212,679)
Total adjustments	<u>2,420,228</u>	<u>7,811,112</u>
Net cash provided by operating activities	<u>\$ 7,381,567</u>	<u>\$ 11,986,322</u>
Noncash investing, capital and financing transactions:		
Change in fair-value of investments	<u>\$ 48,747</u>	<u>\$ 71,153</u>
Amortization of deferred amounts related to refunding of long-term debt	<u>\$ (165,000)</u>	<u>\$ (165,000)</u>

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

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

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

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

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

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

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

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

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

3. Receivables and Allowance for Doubtful Accounts

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

4. Prepaids

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

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

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

5. Lease Receivable and Deferred Inflows of Resources

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

6. Inventories and Water in Storage

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

7. Capital Assets

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

<u>Description</u>	<u>Estimated Lives</u>
Transmission and distribution system	15-75 years
Equipment	5-10 years

8. Deferred Outflows/Inflows of Resources

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

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

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

9. Compensated Absences

In accordance with GASB Statement No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences, and the District's policies related to compensated absences. The measurement of compensated absences includes salary-related payment such as the employer portion of social security and Medicare taxes.

10. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2023 to June 30, 2024

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

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

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

11. Postemployment Benefits Other Than Pensions (OPEB)

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

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Measurement Period July 1, 2023 to June 30, 2024

12. Net Position

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

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

D. Use of Estimates

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

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

E. Property Taxes

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

The property tax calendar is as follows:

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

F. New Pronouncements– Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2025, the District has implemented new GASB pronouncements as follows:

GASB Statement No. 101 – Compensated Absences

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employees and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 6 for the effect of this Statement.

GASB Statement No. 102 – Certain Risk Disclosures

This GASB Statement requires state and local governments to disclose vulnerabilities due to certain concentrations and constraints that could significantly impact their financial health. A concentration refers to a dependency on a specific source—such as a major revenue stream, customer, supplier, or workforce—while a constraint involves legal, regulatory, contractual, or other external limitations that restrict an entity's ability to respond to those risks. If these factors make the government vulnerable to a near-term severe impact, disclosure is required in the notes to the financial statements. The goal of Statement No. 102 is to improve transparency and provide users with better insight into potential risks that could affect a government's financial condition. The District adopted the Statement as of July 1, 2024. See Note 16 for the effect of this Statement.

ROWLAND WATER DISTRICT
Notes to Financial Statements
 June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

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

<u>Description</u>	<u>June 30, 2025</u>
Cash and cash equivalents	\$ 13,465,231
Investments – current	5,484,420
Investments – non-current	9,616,952
Restricted – investments	<u>1,566,557</u>
Total cash and investments	<u>\$ 30,133,160</u>

Cash and investments consisted of the following:

<u>Description</u>	<u>June 30, 2025</u>
Petty cash	\$ 1,000
Demand deposits held with financial institutions	4,059,539
Local Agency Investment Fund (LAIF)	9,404,692
Investments in Section 115 Trust	1,566,557
Investments	<u>15,101,372</u>
Total cash and investments	<u>\$ 30,133,160</u>

Demand Deposits with Financial Institutions

At June 30, 2025, the carrying amount of the District’s demand deposits were \$4,059,539 and the financial institution’s balances were \$4,096,391. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution’s balance and the District’s balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2025, the District’s deposits were covered by the Federal Deposit Insurance Corporation insurance limits or collateralized as required by California law.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests its funds to manage the State’s cash flow and strengthen the financial security of local public agencies. PMIA’s policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and has a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District’s investment in this pool is reported at an amount based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers funds in LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held \$10,139,166 in LAIF.

Investments in Section 115 Trust

The District established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District’s CalPERS pension plans. The Section 115 Pension Trust’s specific cash and investments are managed by a third party portfolio manager under guidelines approved by the District.

Investments

The District’s investments as of June 30, 2025 are presented in the following Investment Table:

Type of Investments	Measurement Input	Credit Rating	Total Fair Value	Maturity		
				12 Months or Less	13 to 24 Months	25 to 120 Months
U.S. government sponsored agency securities	Level 2	A to AAA	\$ 10,742,664	\$ 3,575,071	\$ 3,964,049	\$ 3,203,544
Medium-term notes	Level 2	A to AAA	3,858,860	1,409,500	1,039,908	1,409,452
Money-market mutual funds	N/A	AAA	499,848	499,848	-	-
Total investments			\$ 15,101,372	\$ 5,484,419	\$ 5,003,957	\$ 4,612,996

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

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

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by in the Investment Table that shows the distribution of the District's investments by maturity as of June 30, 2025.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the Investment Table are Standard & Poor's credit ratings for the District's investments as of June 30, 2025. U.S. treasury obligations are not required to be rated and therefore no rating has been assigned.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Amount</u>
U.S. government sponsored agency securities:	
Federal Home Loan Bank	\$ 8,494,349
Federal Home Loan Mortgage Corpoartion	\$ 1,548,107

Fair Value Measurements

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

NOTE 3 – ACCOUNTS RECEIVABLE, NET

The balance at June 30, 2025 consists of the following;

<u>Description</u>	<u>June 30, 2025</u>
Accounts receivable	\$ 3,730,673
Allowance for doubtful accounts	<u>(54,727)</u>
Total accounts receivable, net	<u>\$ 3,675,946</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

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

Changes in the District’s lease receivable for the year ended June 30, 2025 was as follows:

Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Cellular antenna site rental 1	\$ 92,198	\$ -	\$ (25,687)	\$ 66,511
Cellular antenna site rental 2	-	218,818	(42,615)	176,203
Cellular antenna site rental 3	97,497	-	(49,730)	47,767
Cellular antenna site rental 4	317,941	-	(39,765)	278,176
Cellular antenna site rental 5	143,757	-	(39,125)	104,632
	<u>\$ 651,393</u>	<u>\$ 218,818</u>	<u>\$ (196,922)</u>	<u>\$ 673,289</u>

Changes in the District’s lease receivable for the year ended June 30, 2024 was as follows:

Description	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Cellular antenna site rental 1	\$ 96,313	\$ 21,064	\$ (25,179)	\$ 92,198
Cellular antenna site rental 2	33,814	-	(33,814)	-
Cellular antenna site rental 3	144,767	-	(47,270)	97,497
Cellular antenna site rental 4	355,610	-	(37,669)	317,941
Cellular antenna site rental 5	182,115	-	(38,358)	143,757
	<u>\$ 812,619</u>	<u>\$ 21,064</u>	<u>\$ (182,290)</u>	<u>\$ 651,393</u>

The District is reporting a total lease receivable of \$673,289 and \$651,393 and a total related deferred inflows of resources of \$637,996 and \$620,616 for the years ending June 30, 2025 and 2024, respectively. Also, the District is reporting total lease revenue of \$196,922 and \$182,290 and interest revenue of \$16,284 and \$16,991 related to lease payments received for the years ending June 30, 2025 and 2024, respectively. The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered “volatile leases.” Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District’s leases are summarized as follows:

Cellular Antenna Site Rental 1

The District, on January 1, 2023, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$106,489. There was a remeasurement of the lease to account for an amendment as of July 1, 2023. The lease receivable was remeasured to \$117,377 as of July 1, 2023. As of June 30, 2025 the value of the lease receivable was \$66,511. The lease is required to make monthly fixed payments of \$2,271 for the remaining 60 months, then increasing 10% every 5 years. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$66,511 as of June 30, 2025. The District recognized lease revenue of \$25,687 and interest revenue of \$1,564 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

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

Cellular Antenna Site Rental 2

The District, on July 1, 2024, renewed a continuous lease for 57 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$218,818. As of June 30, 2025, the value of the lease receivable was \$176,203. The lease is required to make monthly fixed payments of \$3,942 for the next 9 months, then increasing 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$172,751 as of June 30, 2025. The District recognized lease revenue of \$42,614 and interest revenue of \$3,989 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 3

The District, on June 1, 2021, renewed a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$235,795. As of June 30, 2025, the value of the lease receivable was \$47,767. The lease is required to make monthly fixed payments of \$4,798 for the next 11 months, then increasing 3.0% per year. The lease had a monthly rental increase of \$1,212 effective as of March 2022 due to additional site rental space. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$43,229 as of June 30, 2025. The District recognized lease revenue of \$49,730 and interest revenue of \$1,497 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 4

The District, on May 1, 2021, commenced a continuous lease for 120 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$430,536. As of June 30, 2025, the value of the lease receivable was \$278,176. The lease is required to make monthly fixed payments of \$3,824 for the remaining 6 months, then increasing 3.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$254,016 as of June 30, 2025. The District recognized lease revenue of \$39,765 and interest revenue of \$6,359 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Cellular Antenna Site Rental 5

The District, on February 1, 2023, commenced a continuous lease for 60 months as lessor for the use of a cellular Antenna site rental. An initial lease receivable was recorded in the amount of \$198,952. As of June 30, 2025, the value of the lease receivable was \$104,632. The lease is required to make monthly fixed payments of \$3,713 for the remaining 7 months, then increasing 3.0% every year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resource was \$102,792 as of June 30, 2025. The District recognized lease revenue of \$39,125 and interest revenue of \$2,875 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 200,240	\$ 12,301	\$ 212,541
2027	157,920	8,751	166,671
2028	132,333	5,650	137,983
2029	86,337	3,221	89,558
2030	51,541	1,929	53,470
2031	44,918	749	45,667
Total	\$ 673,289	\$ 32,601	\$ 705,890
Current	<u>(200,240)</u>		
Long-term	<u>\$ 473,049</u>		

Changes in the District’s deferred inflows of resources related to leases for June 30, 2025 is as follows:

<u>Description</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Cellular antenna site rental 1	\$ 91,293	\$ -	\$ (26,084)	\$ 65,209
Cellular antenna site rental 2	-	218,818	(46,067)	172,751
Cellular antenna site rental 3	90,388	-	(47,159)	43,229
Cellular antenna site rental 4	296,353	-	(42,337)	254,016
Cellular antenna site rental 5	142,582	-	(39,791)	102,791
	<u>\$ 620,616</u>	<u>\$ 218,818</u>	<u>\$ (201,438)</u>	<u>\$ 637,996</u>

Changes in the District’s deferred inflows of resources related to leases for June 30, 2024 is as follows:

<u>Description</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Cellular antenna site rental 1	\$ 95,840	\$ 21,537	\$ (26,084)	\$ 91,293
Cellular antenna site rental 2	31,918	-	(31,918)	-
Cellular antenna site rental 3	137,547	-	(47,159)	90,388
Cellular antenna site rental 4	338,689	-	(42,336)	296,353
Cellular antenna site rental 5	182,373	-	(39,791)	142,582
	<u>\$ 786,367</u>	<u>\$ 21,537</u>	<u>\$ (187,288)</u>	<u>\$ 620,616</u>

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2025, will be amortized in future periods as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 197,506
2027	154,277
2028	124,656
2029	76,886
2030	42,336
2031	42,335
Total	<u>\$ 637,996</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 5 – INVESTMENTS IN JOINT-VENTURES

The balance at June 30, 2025 consists of the following;

<u>Investments in Joint-Ventures</u>	<u>PBWA</u>	<u>PWR-JWLC</u>	<u>Total</u>
Balance – beginning of year	\$ 22,932,690	\$ 949,365	23,882,055
Change in investment in joint-ventures	11,854	30,568	42,422
Balance – end of year	<u>\$ 22,944,544</u>	<u>\$ 979,933</u>	<u>\$ 23,924,477</u>

Puente Basin Water Agency (PBWA)

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

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

The changes in its investment in Puente Basin Water Agency consist of the following as of June 30, 2025:

<u>Description</u>	<u>June 30, 2025</u>
Balance – beginning of year	\$ 22,932,690
Share of net income	<u>11,854</u>
Balance – end of year	<u>\$ 22,944,544</u>

The following is condensed financial information of the investment in Puente Basin Water Agency as of and for the year ended June 30, 2025, including the participants' approximate percentage shares:

<u>Description</u>	<u>June 30, 2025</u>	<u>District Share</u> <u>50%</u>
Total assets	<u>\$ 83,427,424</u>	
Total liabilities	\$ 37,538,334	
Total net position	<u>45,889,090</u>	<u>\$ 22,944,545</u>
Total liabilities and net position	<u>\$ 83,427,424</u>	

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 5 – INVESTMENTS IN JOINT-VENTURES (continued)

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

The District is a member of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission). The Commission was formed under the Joint Powers Agreement (the JPA) of 1956 between the City of Pomona, the Walnut Valley Water District (WVWD), and the Rowland Water District (RWD). The JPA's purpose is to acquire, construct, maintain, repair, manage, and operate a water transmission pipeline for the benefit of the members' water supplies. The Commission is governed by a three-member board composed of one appointee from each member agency. Each year, every member agency is charged an assessment for their share of the general and administrative costs of the Commission, which is allocated to each agency on a one-third basis. A budget assessment is collected each fiscal year and each agency pays one-third of the amount of the assessment as well as a capital surcharge for the future replacement of the pipeline. For the year ended June 30, 2025, the District did not remit assessments for their share of general and administrative costs and future replacement costs. Upon dissolution of the Commission, the net position will be divided in proportion to the contribution each agency made to the maintenance and operation account during the last prior 12-month period. The District, consequently, has an ongoing financial responsibility in the activities of the Commission. However, the JPA does not explicitly require the measurement of the District's equity interest in the Commission. Complete financial statements for the Commission can be obtained by written request at P.O. Box 508, Walnut, California.

The changes in its investment in the Commission consisted of the following as of June 30, 2025:

Description	June 30, 2025
Balance – beginning of year	\$ 949,365
Share of net income	<u>30,568</u>
Balance – end of year	<u>\$ 979,933</u>

The following is condensed financial information of the investment in Pomona-Walnut-Rowland Joint Water Line Commission as of and for the year ended June 30, 2025, including the participants' approximate percentage shares:

Description	June 30, 2025	Member Share		
		City of Pomona 25.8%	WVWD 45.1%	RWD 29.1%
Total assets	<u>\$ 8,025,512</u>			
Total liabilities	\$ 4,658,045			
Total net position	3,367,467	<u>\$ 868,806</u>	<u>\$ 1,518,728</u>	<u>\$ 979,933</u>
Total liabilities and net position	<u>\$ 8,025,512</u>			

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2025, were as follows:

Description	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Non-depreciable assets:				
Land	\$ 261,340	\$ 212,513	\$ -	\$ 473,853
Water rights	5,000	-	-	5,000
Construction-in-process	6,585,945	5,185,282	(3,948,074)	7,823,153
Total non-depreciable assets	<u>6,852,285</u>	<u>5,397,795</u>	<u>(3,948,074)</u>	<u>8,302,006</u>
Depreciable assets:				
Sources of supply	2,110,034	-	-	2,110,034
Pumping	11,373,143	172,937	-	11,546,080
Transmission and distribution system	83,993,034	3,570,452	(210,898)	87,352,588
Telemetry equipment	2,586,022	-	-	2,586,022
Office building and equipment	9,249,890	86,640	(43,777)	9,292,753
General plant	1,485,205	137,493	-	1,622,698
Transportation equipment	1,627,473	340,164	(45,966)	1,921,671
Total depreciable assets	<u>112,424,801</u>	<u>4,307,686</u>	<u>(300,641)</u>	<u>116,431,846</u>
Accumulated depreciation:				
Sources of supply	(1,459,377)	(67,018)	-	(1,526,395)
Pumping	(6,229,808)	(450,549)	-	(6,680,357)
Transmission and distribution system	(32,914,906)	(2,449,892)	210,898	(35,153,900)
Telemetry equipment	(1,316,051)	(148,928)	-	(1,464,979)
Office building and equipment	(4,174,397)	(289,977)	43,777	(4,420,597)
General plant	(657,840)	(84,600)	-	(742,440)
Transportation equipment	(1,026,137)	(185,943)	45,966	(1,166,114)
Total accumulated depreciation	<u>(47,778,516)</u>	<u>(3,676,907)</u>	<u>300,641</u>	<u>(51,154,782)</u>
Total depreciable assets, net	<u>64,646,285</u>	<u>630,779</u>	<u>-</u>	<u>65,277,064</u>
Total capital assets, net	<u>\$ 71,498,570</u>	<u>\$ 6,028,574</u>	<u>\$ (3,948,074)</u>	<u>\$ 73,579,070</u>

NOTE 7 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2025, were as follows:

Balance July 1, 2024	Net Change	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
\$ 409,384	\$ 82,915	\$ 492,299	\$ 123,075	\$ 369,224

As of June 30, 2025, the total liability for compensated absences was \$492,299, of which \$123,075 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected an immaterial difference upon implementation of GASB Statement No. 101; therefore, no restatement was required.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 8 – BONDS PAYABLE

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

These bonds mature in various amounts through December 1, 2042. Interest is payable semiannually on December 1 and June 1 at rates ranging from 0.317% to 2.863%. The installment payments on these bonds are secured by a first priority lien on the net revenues of the District. The following is a summary of the changes in Water Revenue Refunding Bonds, Series 2021A for the year ended June 30, 2025:

Description	Balance	Additions	Deductions	Balance	Current Portion	Long-term Portion
	July 1, 2024			June 30, 2025		
2021A Series Water Revenue Refunding Bonds	\$ 34,790,000	\$ -	\$ (1,735,000)	\$ 33,055,000	\$ 1,745,000	\$ 31,310,000

Maturities of the Water Revenue Refunding Bonds, Series 2024A and interest payments subsequent to June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,745,000	\$ 706,784	\$ 2,451,784
2027	1,770,000	694,197	2,464,197
2028	1,785,000	677,172	2,462,172
2029	1,820,000	656,599	2,476,599
2030	1,845,000	632,320	2,477,320
2031-2035	9,780,000	2,666,427	12,446,427
2036-2040	11,000,000	1,523,770	12,523,770
2041-2043	3,310,000	271,913	3,581,913
Total	33,055,000	\$ 7,829,182	\$ 40,884,182
Current	(1,745,000)		
Long-term	\$ 31,310,000		

The following is a summary of the changes in deferred amounts related to refunding for the year ended June 30, 2025:

Description	Balance	Additions	Deductions	Balance
	July 1, 2024			June 30, 2025
Deferred amounts related to refunding	\$ 2,970,000	\$ -	\$ (165,000)	\$ 2,805,000

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

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

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

<u>Description</u>	<u>2025</u>
OPEB related deferred outflows	\$ 196,997
Net other post-employment benefits liability(asset)	(2,578,991)
OPEB related deferred inflows	2,450,006

A. General Information about the OPEB Plan

Plan Description

The District has an agent multiple-employer other post-employment benefit plan that provides medical, dental, and vision coverage to 27 active employees, 10 retired employees, and 7 covered dependents of retirees through the ACWA health program as of the measurement date, June 30, 2024. At retirement, the District provides a contribution for the continuation of these coverage's for eligible retirees. Eligibility for a District contribution requires retirement from the District and under CalPERS on or after age 50 with at least 15 years of continuous service. The District provides 100% of the cost of coverage for the retiree and any covered spouse. Employees hired on or after July 1, 2012, are eligible for a District contribution if retiring from the District and under CalPERS on or after age 62 with at least 15 years of continuous District service. The District provides 100% of the cost of coverage for the retiree only and covered spouse.

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

Funding Policy

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

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2024, the measurement period, the District's contributions totaling \$50,041 including an implied subsidy of \$50,041. Payments made during the June 30, 2025 fiscal year end were reimbursed from the OPEB trust.

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

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

A. General Information about the OPEB Plan (continued)

Accounting for the Plan

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

Method Used to Value Investments

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

B. Net OPEB Liability

The District’s total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	6.50%
Inflation	2.50%
Payroll increases	3.25%
Healthcare Trend Rates	Pre-65 - 6.95% trending down annually to 5.0% by 2029 and later Post-65 - 5% trending down annually to 5.0% by 2029 and later
Morbidity	CalPERS 2021 Study
Mortality	CalPERS 2021 Study
Disability	Not valued
Retirement	2021 CalPERS Public Agency Miscellaneous experience study; 2.5% @55 and 2% @62
Percent Married	80% of future retirees would enroll a spouse

ROWLAND WATER DISTRICT
Notes to Financial Statements
 June 30, 2025

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

B. Net OPEB Liability (continued)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
PARS moderate investment policy:		
Equity	30.00%	5.20%
Fixed income	65.50%	1.39%
REITs	2.50%	4.10%
Cash	2.00%	0.10%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.30%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2024 (Measurement date July 1, 2023)	\$ 4,911,601	\$ 6,974,770	\$ (2,063,169)
Changes for the year:			
Service cost	133,442	-	133,442
Interest	310,387	-	310,387
Differences in administrative expenses	-	(1,416)	1,416
Changes in assumption	(135,731)	-	(135,731)
Employer contributions	-	45,811	(45,811)
Net investment income	-	779,525	(779,525)
Benefit payments	(240,219)	(240,219)	-
Net changes	67,879	583,701	(515,822)
Balance at June 30, 2025 (Measurement date June 30, 2024)	<u>\$ 4,979,480</u>	<u>\$ 7,558,471</u>	<u>\$ (2,578,991)</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

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

C. Changes in the Net OPEB Liability (continued)

Changes of Assumptions

In fiscal year 2023-24, the measurement period, there was an increase in the discount rate from 6.3% to 6.5%.

Change of Benefit Terms

In fiscal year 2023-24, the measurement period, there were no changes to the actuarial assumptions.

Subsequent Events

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

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

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

	<u>1% Decrease</u> <u>5.50%</u>	<u>Discount Rate</u> <u>6.50%</u>	<u>1% Increase</u> <u>7.50%</u>
Net OPEB Liability	<u>\$ (1,786,998)</u>	<u>\$ (2,578,991)</u>	<u>\$ (3,225,418)</u>

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

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

	<u>1% Decrease</u> <u>5.50%</u>	<u>Healthcare Cost</u> <u>Discount Rate</u> <u>6.50%</u>	<u>1% Increase</u> <u>7.50%</u>
Net OPEB Liability	<u>\$ (3,311,469)</u>	<u>\$ (2,578,991)</u>	<u>\$ (1,642,050)</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense/(credit) of (\$316,007). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
OPEB contributions made after the measurement date	\$ 50,041	\$ -
Changes in assumptions	-	(912,226)
Differences between expected and actual experience	30,178	(1,537,780)
Differences between projected and actual earnings on OPEB plan investments	116,778	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 196,997</u>	<u>\$ (2,450,006)</u>

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

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

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

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$50,041 as deferred inflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2026	\$ (342,818)
2027	(121,666)
2028	(343,158)
2029	(333,587)
2030	(227,919)
Thereafter	<u>(933,902)</u>
Total	<u>\$ (2,303,050)</u>

At June 30, 2025, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

NOTE 10 – PENSION PLAN

Summary

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

<u>Description</u>	<u>2025</u>
Pension related deferred outflows	\$ 2,126,236
Net pension liability	2,905,571
Pension related deferred inflows	1,417,795

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

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan

The Plan

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

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required member contribution rates	8.000%	7.750%
Required employer contribution rates – FY 2023	14.130%	7.870%

Plan Description

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2023 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

At June 30, 2024 measurement date, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	14	15	29
Transferred and terminated members	13	9	22
Retired members and beneficiaries	22	-	22
Total plan members	49	24	73

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

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided

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

Contributions

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

Contributions for the year ended June 30, 2025, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic	PEPRA	
	Tier 1	Tier 2	
Contributions – employer	\$ 439,265	\$ 102,893	\$ 542,158

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

Proportionate Share of Net Pension Liability and Pension Expense

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2025:

Measurement Date	Percentage Share of Risk Pool		
	Fiscal Year	Fiscal Year	Change
	Ending June 30, 2025	Ending June 30, 2024	Increase/ (Decrease)
June 30, 2024	June 30, 2023		
Percentage of Risk Pool Net Pension Liability	0.060075%	0.062459%	-0.002384%
Percentage of Plan Net Pension Liability	0.060075%	0.025035%	0.035040%

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 10 – PENSION PLAN (continued)

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

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

The District’s proportionate share percentage of the net pension liability for the June 30, 2024, measurement date was as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2023 (Measurement Date)	\$ 25,945,264	\$ 22,822,066	\$ 3,123,198
Balance as of June 30, 2024 (Measurement Date)	\$ 27,443,972	\$ 24,538,401	\$ 2,905,571
Change in Plan Net Pension Liability	\$ 1,498,708	\$ 1,716,335	\$ (217,627)

For the year ended June 30, 2024, the District recognized pension expense of \$548,886. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 542,158	\$ -
Difference between actual and proportionate share of employer contributions	935,784	(388,242)
Adjustment due to differences in proportions	155,132	(1,019,751)
Differences between expected and actual experience	251,213	(9,802)
Differences between projected and actual earnings on pension plan investments	167,270	-
Changes in assumptions	74,679	-
Total Deferred Outflows/(Inflows) of Resources	\$ 2,126,236	\$ (1,417,795)

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

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 10 – PENSION PLAN (continued)

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

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

An amount of \$542,158 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2026	\$ (42,143)
2027	328,598
2028	(62,850)
2029	<u>(57,322)</u>
Total	<u>\$ 166,283</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

Long-term Expected Rate of Return

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 10 – PENSION PLAN (continued)

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

Long-term Expected Rate of Return (continued)

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

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

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current	Discount Rate
	- 1%	Discount Rate 6.90%	+ 1%
CalPERS – Miscellaneous Plan	\$ 6,608,871	\$ 2,905,571	\$ (142,791)

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 10 – PENSION PLAN (continued)

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

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plans

At June 30, 2024, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025.

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30, 2025:

<u>Description</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 8,302,006	\$ 6,852,285
Capital assets, net – being depreciated	65,277,064	64,646,285
Deferred amounts related to refunding of debt	2,805,000	2,970,000
Bonds payable – current portion	(1,745,000)	(1,735,000)
Bonds payable – non-current portion	<u>(31,310,000)</u>	<u>(33,055,000)</u>
Total net investment in capital assets	<u>\$ 43,329,070</u>	<u>\$ 39,678,570</u>

NOTE 12 – DEFERRED COMPENSATION SAVINGS PLAN

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

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

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

ROWLAND WATER DISTRICT
Notes to Financial Statements
June 30, 2025

NOTE 13 – RISK MANAGEMENT POOL

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

A. Entity	ACWA-JPIA	
B. Purpose	To pool member contributions and realize the advantages of self-insurance	
C. Participants	As of September 30, 2024 – 401 member districts	
D. Governing board	Nine representatives employed by members	
E. Condensed financial information	September 30, 2024	
Audit dated	March 27, 2025	
Statement of financial position:		<u>Sept 30, 2024</u>
Total assets		<u>\$ 308,144,466</u>
Deferred outflows		<u>3,099,110</u>
Total liabilities		<u>177,706,110</u>
Deferred inflows		<u>4,357,741</u>
Net position		<u>\$ 129,179,725</u>
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 261,895,930
Total expenses		<u>(253,429,117)</u>
Change in net position		8,466,813
Beginning – net position		<u>120,712,912</u>
Ending – net position		<u>\$ 129,179,725</u>
F. Member agencies share of year-end financial position		Not Calculated

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

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

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

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

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

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 13 – RISK MANAGEMENT POOL (continued)

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

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

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

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2025, 2024, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2022.

NOTE 14 – RISK DISCLOSURE: CONCENTRATION OF REVENUE SOURCE (GASB STATEMENT NO. 102)

The District is subject to systematic risk due to receiving over 50% of its revenues from water sales. This dependence exposes the District to potential service interruptions or financial impacts in the event of drought conditions, regulatory restrictions, or contamination of the water source. Although the District has contingency plans and infrastructure in place to supplement supply in emergencies, such alternatives may not fully meet demand or could result in significant additional costs.

The District continues to evaluate and implement diversification strategies, including the development of additional groundwater sources, recycled water programs, and rate structure adjustments to mitigate these concentration risks.

In accordance with GASB Statement No. 102, Certain Risk Disclosures, this note serves to disclose the concentration of revenue and associated risks that could significantly impact the District's financial position and results of operations.

ROWLAND WATER DISTRICT

Notes to Financial Statements

June 30, 2025

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months or less), including any options to extend, regardless of their probability of being exercised. Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Litigation

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

Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of approximately \$2.5 to \$3.0 million to be paid from a combination of State and local funds.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 13, 2026, the date which the financial statements were available to be issued.

Required Supplementary Information

ROWLAND WATER DISTRICT

*Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.04441%	\$ 3,309,528	\$ 2,161,937	153.08%	78.38%
June 30, 2016	0.04547%	3,934,518	2,099,673	187.39%	75.20%
June 30, 2017	0.04646%	4,607,714	2,167,973	212.54%	74.47%
June 30, 2018	0.04698%	4,527,220	2,279,335	198.62%	75.80%
June 30, 2019	0.04831%	4,950,633	2,353,585	210.34%	74.70%
June 30, 2020	0.04936%	5,370,506	2,587,427	207.56%	74.08%
June 30, 2021	0.05707%	3,086,430	2,715,233	113.67%	86.19%
June 30, 2022	0.03644%	4,209,131	2,572,145	163.64%	82.03%
June 30, 2023	0.02504%	3,123,198	3,183,868	98.09%	87.96%
June 30, 2024	0.06008%	2,905,571	3,668,985	79.19%	89.41%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

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

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

There were no changes in assumptions.

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

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

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

There were no significant changes in assumptions.

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

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

From fiscal year June 30, 2023 to June 30, 2024:

There were no significant changes in assumptions.

ROWLAND WATER DISTRICT

*Schedule of the District's Contributions to the Defined Benefit Pension Plan
For the Year Ended June 30, 2025*

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 337,455	\$ (337,455)	\$ -	\$ 2,099,673	16.07%
June 30, 2017	371,209	(371,209)	-	2,167,973	17.12%
June 30, 2018	414,273	(414,273)	-	2,279,335	18.18%
June 30, 2019	483,791	(483,791)	-	2,353,585	20.56%
June 30, 2020	570,560	(570,560)	-	2,587,427	22.05%
June 30, 2021	642,042	(642,042)	-	2,715,233	23.65%
June 30, 2022	710,829	(3,072,829)	(2,362,000)	2,572,145	119.47%
June 30, 2023	657,138	(2,095,073)	(1,437,935)	3,183,868	65.80%
June 30, 2024	409,733	(409,733)	-	3,668,985	11.17%
June 30, 2025	542,158	(542,158)	-	3,987,761	13.60%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Market Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Market Value	2.30%	6.90%
June 30, 2025	June 30, 2023	Entry Age	Market Value	2.30%	6.90%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

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

Mortality

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

ROWLAND WATER DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2025

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*						
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability:							
Service cost	\$ 133,442	\$ 110,543	\$ 105,279	\$ 152,983	\$ 145,698	\$ 124,022	\$ 99,230
Interest	310,387	425,284	417,637	442,272	417,667	427,189	394,763
Changes of assumptions	(135,731)	(585,641)	-	(168,050)	-	(262,190)	-
Differences between expected and actual experience	-	(1,282,972)	(3,185)	(410,394)	51,531	(253,977)	11,333
Changes of benefit terms	-	-	-	-	-	-	151,163
Benefit payments	(240,219)	(375,809)	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)
Net change in total OPEB liability	67,879	(1,708,595)	87,664	(249,965)	393,672	(150,732)	477,337
Total OPEB liability - beginning	4,911,601	6,620,196	6,532,532	6,782,497	6,388,825	6,539,557	6,062,220
Total OPEB liability - ending	4,979,480	4,911,601	6,620,196	6,532,532	6,782,497	6,388,825	6,539,557
Plan fiduciary net position:							
Contributions - employer	45,811	375,809	432,067	1,686,776	641,224	605,776	599,152
Net investment income	779,525	473,839	(990,225)	1,194,246	166,568	264,426	203,849
Administrative expense	(1,416)	-	-	-	-	-	(10,222)
Benefit payments	(240,219)	(375,809)	(432,067)	(266,776)	(221,224)	(185,776)	(179,152)
Net change in plan fiduciary net position	583,701	473,839	(990,225)	2,614,246	586,568	684,426	613,627
Plan fiduciary net position - beginning	6,974,770	6,500,931	7,491,156	4,876,910	4,290,342	3,605,916	2,992,289
Plan fiduciary net position - ending	7,558,471	6,974,770	6,500,931	7,491,156	4,876,910	4,290,342	3,605,916
District's net OPEB liability	\$ (2,578,991)	\$ (2,063,169)	\$ 119,265	\$ (958,624)	\$ 1,905,587	\$ 2,098,483	\$ 2,933,641
Plan fiduciary net position as a percentage of the total OPEB liability	151.79%	142.01%	98.20%	114.67%	71.90%	67.15%	55.14%
Covered-employee payroll	\$ 3,965,402	\$ 3,341,037	\$ 3,301,898	\$ 3,095,166	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510
District's net OPEB liability as a percentage of covered-employee payroll	-65.04%	-61.75%	3.61%	-30.97%	66.72%	76.90%	128.36%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
 Measurement Date June 30, 2018 – Coverage expanded to spouses for future retirees hired on or after July 1, 2009 if they have 25 years of service, effective fiscal year ending June 30, 2

Measurement Date June 30, 2019 – There were no changes in benefits
 Measurement Date June 30, 2020 – There were no changes in benefits
 Measurement Date June 30, 2021 – There were no changes in benefits
 Measurement Date June 30, 2022 – There were no changes in benefits
 Measurement Date June 30, 2023 – There were no changes in benefits
 Measurement Date June 30, 2024 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – Average per capita claims cost was updated to reflect actual 2017 premiums, health care cost trend rate was updated to reflect 2018 industry survey mortality table was updated to reflect most recent CalPERS studies.
 Measurement Date June 30, 2018 – There were no changes in benefits
 Measurement Date June 30, 2019 – Census data from the plans participants was updated, which decreased the total OPEB liability by \$262,190.
 Measurement Date June 30, 2020 – There were no changes in benefits
 Measurement Date June 30, 2021 – There were no changes in benefits
 Measurement Date June 30, 2022 – There were no changes in benefits
 Measurement Date June 30, 2023 – The discount rate was reduced to 6.30% from 6.5% and CalPERS 2021 Experience Study was used for assumptions
 Measurement Date June 30, 2024 – There were no changes in benefits

ROWLAND WATER DISTRICT

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan For the Year Ended June 30, 2025

Fiscal Year Ended	Last Ten Fiscal Years*						
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially determined contribution	\$ 50,041	\$ 45,811	\$ 393,663	\$ 296,665	\$ 308,417	\$ 354,481	\$ 343,260
Contributions in relation to the actuarially determined contributions	(50,041)	(45,811)	(375,809)	(1,686,776)	(641,224)	(605,776)	(599,152)
Contribution deficiency (excess)	\$ -	\$ -	\$ 17,854	\$ (1,390,111)	\$ (332,807)	\$ (251,295)	\$ (255,892)
Covered payroll	\$ 3,965,402	\$ 3,341,037	\$ 3,301,898	\$ 3,095,166	\$ 2,856,168	\$ 2,728,686	\$ 2,285,510
Contributions as a percentage of covered payroll	1.26%	1.37%	11.38%	54.50%	22.45%	22.20%	26.22%

Notes to Schedule:

Valuation Date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay (1)	(1)	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	6.50%	6.30%	6.50%	6.50%	6.50%	6.50%	6.50%
Inflation	2.50%	2.50%	2.26%	2.26%	2.26%	2.26%	2.26%
Payroll increases	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Mortality	(6)	(6)	(2)	(2)	(2)	(2)	(2)
Morbidity	(6)	(6)	(3)	(3)	(3)	(3)	(3)
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Percent Married	80%	80%	80%	80%	80%	80%	80%
Healthcare trend rates	(7)	(7)	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2014 Study

(3) CalPERS 2013 Study

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

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

Post-65 - 5.50% trending down 0.25% annually to 5.00% in 2021 and later

(6) CalPERS 2021 Study

(7) Pre-65 - 7.74% trending down to 4.50%

Post-65 - 4.85% trending down to 4.50%

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

Supplementary Information

ROWLAND WATER DISTRICT

Schedule of Other Operating Expenses

For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
Other Operating Expenses:		
Certification, fees and permits	\$ 158,619	\$ 135,545
Engineering	259,261	241,544
Maintenance and operations	83,546	116,407
Small tools and supplies	52,486	42,859
Water tests	<u>27,670</u>	<u>31,742</u>
Total Other Operating Expenses	<u>\$ 581,582</u>	<u>\$ 568,097</u>

ROWLAND WATER DISTRICT*Schedule of General and Administrative Expenses**For the Year Ended June 30, 2025 (With Comparative Amounts as of June 30, 2024)*

	<u>2025</u>	<u>2024</u>
General and Administrative Expenses:		
Salaries and wages	\$ 1,828,337	\$ 1,671,168
Payroll taxes	297,501	282,485
Employee benefits	792,665	751,465
OPEB expenses	(362,363)	(200,638)
Pension expenses	737,608	1,157,117
Director's fees and expenses	159,433	155,068
Bank service charges	309,918	235,476
Community outreach	158,209	121,111
Conferences, training and travel	175,407	162,859
Conservation rebate program	61,256	63,047
Information technology	490,740	492,593
Insurance – liability and workers' compensation	368,317	275,192
Membership fees and dues	59,405	57,053
Miscellaneous	193,923	182,766
Office supplies	30,858	23,022
Professional services	196,340	198,683
Repairs and maintenance	77,343	42,617
Service contracts	414,918	438,635
Taxes, permits and fees	14,582	13,272
Uncollectable accounts	22,928	(22,982)
Utilities	117,910	130,573
Vehicle expenses	155,879	186,675
Total General and Administrative Expenses	<u>\$ 6,301,114</u>	<u>\$ 6,417,257</u>

Other Independent Auditors' Reports



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

Board of Directors
Rowland Water District
Rowland Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rowland Water District (District), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenses and changes in net position and cash flows for the fiscal year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

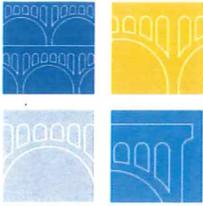
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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



Murrieta, California
January 13, 2026



MEMORANDUM

To: Los Angeles County Independent Special Districts

From: William F. Kruse, Special Counsel

Date: January 12, 2026

Subject: Nomination of Candidates for Special District Voting Member and Special District Alternate Member

As you know, since 1994 special districts in Los Angeles County have been represented by two voting members and one alternate member of the Local Agency Formation Commission. On May 4, 2026, the four-year terms for Special District Voting Member Robert Lewis and Special District Alternate Voting Member Micah Ali will conclude. On behalf of the special districts of Los Angeles County, LAFCO has appointed us to assist in conducting the elections to fill these vacancies.

By law, independent special district seats on LAFCO are filled by the Special District Selection Committee. That Committee is made up of the presiding officers of each independent special district in Los Angeles County.

In order to expedite the process of electing the voting member and the alternate member, I have included a form to be used to nominate candidates for consideration for each of the positions. After nominations are received, each district will receive a complete package of nominee resumes, together with a ballot for consideration by the presiding officer of your board. Voting will be conducted by mailed ballot.

Nominations for the Committee's consideration are welcome. Please provide as much relevant information about the candidates as reasonably possible. Any biographical information and/or candidate statement should be **limited to one page**. Please remember that, to be eligible, the nominee must be an elected official or appointed to your board for a fixed term but may not be a member of a City Council or the Board of Supervisors. Nominations must be received in the office of Lagerlof, LLP, **ATTN: WILLIAM F. KRUSE**, no later than **5:00 p.m. on March 6, 2026**.

Please feel free to contact me directly with any questions.

Voice: (626) 793-9400

Fax: (626) 793-5900

NOMINATION
OF
INDEPENDENT SPECIAL DISTRICT **VOTING MEMBER**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

_____ is pleased to nominate
_____ as a candidate for appointment as special district **voting member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

NOMINATION

OF
INDEPENDENT SPECIAL DISTRICT **ALTERNATE MEMBER**
TO THE
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

_____ is pleased to nominate
_____ as a candidate for appointment as special district **alternate member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

Local Agency Formation for the County of Los Angeles
Voting Member representing Independent Special Districts
AND the Alternate Member representing Independent Special Districts
Four-year term beginning on May 4, 2026 and ending on May 6, 2030

Appointment Schedule

Monday, January 12, 2026:	Appointment Process Commences Open nomination Period Mail Nomination Memorandum
Friday, March 6, 2026:	Close Nomination Period Nominations due by 5:00 p.m.
Monday, March 9, 2026:	Open Voting Period Mail ballots
Friday, May 1, 2026:	Close Voting Period Ballots due by 5:00p.m.
Monday, May 4, 2026:	Tally and Verify Votes Received Notify Candidates
Tuesday, May 5, 2026:	Appointment Process Concludes Mail Results Memorandum Post Results to LAFCO Website

Notes:

- 1. Responsibility for submitting nominations and votes by the dates/times specified herein lies with independent special district representatives. To be considered valid, nominations and votes must be received by the dates/times specified herein. Nominations and votes may be submitted via U.S. Mail, overnight delivery (UPS, DHL, FedEx, UPS etc.), courier/messenger service, or hand-delivered to:*

*William Kruse, Partner
Lagerlof LLP
155 North Lake Avenue, 11th floor
Pasadena, CA 91101
(626) 793-9400*

Notes (continued):

2. Pursuant to Government Code § 56332, and for an election to be valid, LAFCO must receive votes from a majority (26) of eligible independent special districts (51) by the close of the voting period. If a quorum is not received, the voting period will be extended for a minimum of 60 days.
3. Pursuant to Government Code § 56334, incumbents remain in office for four years and until the appointment of a successor.
4. Pursuant to Government Code § 5633(c), to be eligible, a nominee must be an elected official or appointed to your board for a fixed term, but shall not be a member of the legislative body of a city or county.

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

Voting Members

Donald Dear
Chair

Gerard McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Ryan Altoon
Kathryn Barger
John Lee
Robert Lewis
John Mirisch
Hilda Solis

Alternate Members

Micah Ali
Wendy Celaya
Angie Reyes English
Holly Mitchell
Imelda Padilla
Panida Rzonca

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Taylor Morris
Alisha O'Brien

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lalafco.org

January 7, 2026

William F. Kruse, Esq.
Lagerlof, LLP
155 No. Lake Avenue
11th Floor
Pasadena, CA 91101

Dear Bill:

I am writing to follow-up on our previous communications concerning the appointment of a Voting Member (incumbent Robert Lewis) and Alternate Member (Incumbent Micah Ali) for a four-year term beginning on May 4, 2026 and concluding on May 4, 2030.

Consistent with authority found in Government Code §56332(g), I hereby appoint you to conduct the election as my designee. You are authorized to solicit nominations from all independent special districts in Los Angeles County, mail ballots to each independent district, and arrange for the return of nominations and ballots to your office. Once that process concludes, and as we have done in the past, we can arrange a meeting to open ballots and tabulate the results.

This afternoon my staff will post the election schedule (enclosed) to LAFCO's website. At my request, LAFCO Clerk Adriana Flores will email you LAFCO's current list of contact information for the independent special districts in Los Angeles County. I would be most grateful if you would copy me on all correspondence relative to the solicitation of nominations and conduct of the election.

As we agreed, your service in this capacity will be conducted at no cost to LAFCO. As we agreed, LAFCO will reimburse you for direct costs (copying and postage) upon receipt of an invoice.

Should you require additional information, please contact me or LAFCO Deputy Officer Adriana Romo.

Thank you.

Sincerely,



Paul A. Novak, AICP
Executive Officer

News for Immediate Release__

Contacts:

Rebecca Kimitch, (213) 217-6450; (202) 821-5253, mobile; rkimitch@mwdh2o.com
Maritza Fairfield, (213) 217-6853; (909) 816-7722, mobile; mfairfield@mwdh2o.com

Metropolitan issues statement on increased State Water Project allocation

Jan. 29, 2026

Metropolitan Water District General Manager Shivaji Deshmukh issues the following statement on the California Department of Water Resources' [increase of the State Water Project allocation to 30%](#):

"This increased allocation reflects the wet December enjoyed across much of our state, coupled with smart water management by the Department of Water Resources. And thanks to Metropolitan's investment in the State Water Project, it means we will be able to meet more Southern California demands with state supplies this year.

"The state's ability to capture that December rainfall and store it in Lake Oroville is all the more valuable given what has happened since those storms: a very dry January and limited snowpack in the northern Sierra. At the same time, snowpack conditions in Metropolitan's other source of imported water, the Colorado River Basin, remain at historically low levels, underscoring the importance of capturing and managing available supplies when and where we can.

"Together, the State Water Project and Colorado River supply half of all the water used in Southern California. Metropolitan's investment in these diverse imported supplies, as well as in new local supplies, expanded storage and increased water efficiency, help ensure we can reliably meet Southern California water demands, regardless of the allocation. That is our mission – to deliver the water our communities need, no matter the weather."



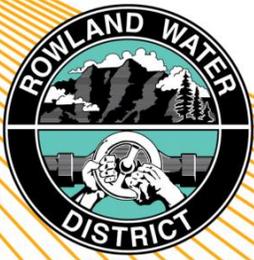
**BE INFORMED,
BE INVOLVED**

www.mwdh2o.com



@mwdh2o

The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provide water for 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.



Community Relations & Education

February 2026 Update

COMMUNITY RELATIONS & OUTREACH ENGAGEMENT

Donation of Markers – On January 28, District staff delivered markers to Northam Elementary School and the Family Resource Center. This donation is part of the District’s ongoing effort to support local students by providing essential school supplies to enhance creativity, learning, and classroom experiences.

Donation of RWD Swag to Women of AT&T – The District donated merchandise to the Women of AT&T for inclusion in attendee giveaway bags at the Career Day event scheduled for February 11, at Mount San Antonio Community College.

Kiwanis Club of the Heights Literacy Fair – The District will participate in the Kiwanis Club of the Heights Literacy Fair on March 21, from 10:00 a.m. – 2:00 p.m., at Rowland High School. As part of “Fairytale” sponsorship, the District will support the donation of 20 books and host an informational booth.

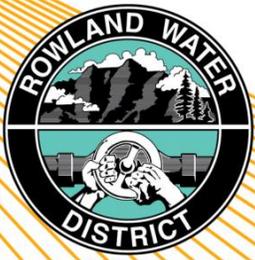
Caring for our Neighbors Food Drive- The Caring for Our Neighbors Committee launched a quarterly food drive in partnership with the Los Angeles Food Bank. In this initiative, each quarter period is dedicated to collecting particular high-demand food items to help support families and individuals throughout Los Angeles County. December’s food drive focused on collecting crackers (of any brand or type), which were delivered to the food bank on December 18, 2025. This quarter’s current food drive is collecting fruit snacks. All donations are due by March 13, 2026.

Caring for Our Neighbors Bike Building- The Caring for Our Neighbors Committee has partnered with Foster Love, a local charity that supports foster children by providing them with essential items. This year, the Committee chose to sponsor bicycles for children and participate in Foster Love’s bike-building service activity.

This team-building experience will allow staff to work together in building 15 bicycles ranging from 12-inch to 20-inch. Appropriately sized helmets will be gifted as well so children receive safety gear along with their new bike. Bicycles will be delivered by staff to a local foster home for the opportunity to witness the direct impact of this initiative on the community.

Direct Install Program- Below are the metrics of completion for the Direct Install Program:

- ✓ Total survey requests-103
- ✓ Total surveys completed-55
- ✓ Total installs completed-8



Community Relations & Education

February 2026 Update

EDUCATIONAL OUTREACH

2026 Water Awareness Poster Contest- Below are the metrics for the Poster Contest:

- 505 poster submissions
 - o 30 posters judged internally and the top nine (9) posters in our contest have been submitted to MWD for their regional poster contest.
- 35 teachers participated
- 7 total schools

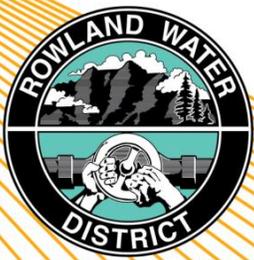
Mini Solar Challenge- The 2025-2026 Mini Solar Challenge is underway. Supplemental research materials were provided to each participating classroom to serve as reference guides in writing their reports and the PSA. Awards for the race, writing, and PSA challenges will be presented to the winners in May during assemblies at their schools.

Scholar Dollar Program- The CET Scholar Dollar Program launched in December 2025, with flyers mailed to all teachers who have a senior in their class. The submission deadline is February 12, 2026. The top four applicants will be eligible to receive scholarships of up to \$1,000 each.

Wyland Foundation Mobile Lab Experience- Last year, the District began offering the Wyland Mobile Learning Experience (MLE) to schools within our service area via a lottery selection process. This year, Rowland Elementary School was selected. Their lab experience will be scheduled for early 2026.

The Wyland Mobile Learning Experience offers six (6) interactive stations designed to engage students in exploring the critical relationship between water quality, availability, and their daily lives.

Other Water Education/Outreach Activities - Staff continues attending monthly Conservation and Education Team (CET) meetings. Teachers are encouraged to visit: <https://pwagcet.org/> for resources on water-related lessons and grants.



Community Relations & Education

February 2026 Update

SOCIAL MEDIA

Featured January 2026 Social Media Postings:

Let's Celebrate
The Rowland Water District Employees for the month of January!



Kevin
6 Years

Allen
15 Years

Luis
1 Year

Thank you for your incredible dedication, hard work, and all-around awesomeness!



! Please take note of our new rates effective January 1, 2026.

SINGLE-FAMILY RESIDENTIAL MONTHLY FIXED CHARGE

Meter Size	Monthly Service Charge				
	Effective January 1, 2026	Effective January 1, 2027	Effective January 1, 2028	Effective January 1, 2029	Effective January 1, 2030
Single-Family Residential Monthly Fixed Charge					
5/8"	\$48.03	\$52.12	\$56.56	\$61.37	\$66.59
1"	\$48.03	\$52.12	\$56.56	\$61.37	\$66.59
1 1/2"	\$207.11	\$224.72	\$243.83	\$264.56	\$287.05
2"	\$326.42	\$354.17	\$384.28	\$416.95	\$452.40
3"	\$1,002.51	\$1,087.73	\$1,180.19	\$1,280.51	\$1,389.36
4"	\$1,996.76	\$2,166.49	\$2,350.65	\$2,550.46	\$2,767.25
6"	\$3,189.86	\$3,461.00	\$3,755.19	\$4,074.39	\$4,420.72
8"	\$5,576.06	\$6,050.03	\$6,564.29	\$7,122.26	\$7,727.66
10"	\$10,945.01	\$11,875.34	\$12,884.75	\$13,979.96	\$15,168.26
12"	\$10,945.01	\$11,875.34	\$12,884.75	\$13,979.96	\$15,168.26

*These charges do not include any pass through rates or charges

FREE!

Residential Water Survey & Irrigation Retrofit

- ▶ Indoor & outdoor residential water survey is FREE to all customers.
- ▶ Irrigation retrofit is available to qualified residential customers who are in an identified Disadvantaged Community (DAC).

WWW.RWD.ORG/DIRECT-INSTALL



Rowland Water District continually posts updates regarding District information, careers in water, conservation, and water education. These posts are shared on Facebook, Instagram, X, Nextdoor, LinkedIn and YouTube when necessary.

CONSTANT CONTACT- Electronic information sent to customer emails.

Total Subscribed Contacts-19,895



Rowland Water District

February 2026

District Outreach



- Legislation Support
 - Advancing utility worker legislation
- New Outreach Letterhead



Press Releases/Media



- Water Theft Ordinance
- Board Reorganization and Committees
- Annual Audit
- District Rates and Fees

Industry Press



- ACWA Member News – Board Reorganization
- CSDA - Member Submission News Area

Board of Directors

ANTHONY J. LIMA <i>President</i>	VANESSA HSU <i>Vice President</i>	JOHN E. BELLAH	ROBERT W. LEWIS	SZU PEI LU-YANG
-------------------------------------	--------------------------------------	----------------	-----------------	-----------------

General Manager: TOM COLEMAN Legal Counsel: JOSEPH P. BYRNE



Video Projects

- Interview logging complete
- Sizzle Reel sneak peek available 2/10
- Full video in editing process



Additional Comments

- Communications planning
 - Multi-lingual effort
 - Award submissions



HOME / NEWSROOM

ANTHONY J. LIMA NAMED BOARD PRESIDENT AS DISTRICT ANNOUNCES NEW LEADERSHIP

BY ROWLAND WATER DISTRICT JAN 23, 2026 MEMBER SUBMITTED NEWS

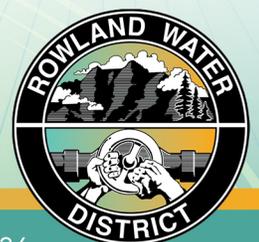
The Rowland Water District (RWD) Board of Directors is pleased to announce new leadership assignments and committee appointments for the coming year. The five-member elected Board, composed of Directors Anthony J. Lima, Vanessa Hsu, Robert W. Lewis, Szu Pei Lu-Yang, and John E. Bellah, collectively brings decades of public service and diverse professional expertise to the governance of RWD.

Mr. Anthony J. Lima has been selected to serve as Board President. President Lima has been a dedicated member of the Rowland Water District Board of Directors since 1995, bringing nearly three decades of experience and community service to this leadership role. He actively participates in various district committees and water-related organizations, and has extensive experience in local business ownership, having previously operated a trucking company in Fontana.

“Serving as Board President is both a privilege and a responsibility to represent the voices of our

NEWSROOM

- All News
- News Releases
- Member Innovation
- Member Submitted News
- Voices on Water
- Newsletters
- Water News





California Special
Districts Association
Districts Stronger Together

April 7 – 8, 2026
HYATT REGENCY SACRAMENTO

2026 SPECIAL DISTRICTS LEGISLATIVE DAYS

Don't miss your chance to come together with local leaders from all types of special districts throughout the state to engage and advocate on behalf of the communities you serve.

*No matter what type of special district you represent, as local service specialists we share one cause: **LOCAL CONTROL**. And our voice is stronger when we are united.*

With affordability challenges at the forefront in 2026, this is a critical year to educate policymakers on the value of special districts and our priorities. Whether your district provides water, fire protection, recreation and parks, sanitation, cemeteries, mosquito abatement, healthcare, resource conservation, libraries, transit, ports, harbors, or airports, these major issues on the docket in Sacramento will impact the ability to best meet the needs of our mutual constituents:

- CEQA
- Revenue for Infrastructure
- Public Works Planning, Permitting, and Contracting
- Brown Act Open Meeting Requirements
- Artificial Intelligence and Automated Decision Systems
- Emergency Preparedness and Response
- Employment Practices and Workers' Compensation



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Tuesday, April 7, 2026

8:00 am – 6:30 pm

8:00 – 8:30 am

Registration and Breakfast Buffet Line Opens

Sponsored by SDRMA

8:30 – 9:30 am

Breakfast with the Legislator of the Year

9:30 – 11:00 am

State Legislative Update

11:00 – 11:30 am

Advocacy Briefing

11:30 am – 12:30 pm

Lunch and Group Preparations

12:30 – 1:00 pm

Shuttles Depart to Capitol Annex Swing Space

1:00 – 5:00 pm

Legislative Office Visits

- CSDA-arranged group visits in Legislative Offices

5:00 – 6:30 pm

Private Legislative Reception

Wednesday, April 8, 2026

8:00 – 11:30 am

8:00 – 8:30 am

Registration and Breakfast Buffet Line Opens

8:30 – 10:30 am

Capitol Conversations: Insights from Public Policy Veterans

10:30 – 11:30 am

Next Steps for Engaging Legislators and Your Community

11:30 am

Closing

Legislative Office Visits

CSDA is pre-arranging legislative office visits for attendees to meet with Legislators and Capitol staff in the Capitol Annex Swing Space. Attendees will be grouped with special districts by region to advocate for issues important to all special districts. Make sure you indicate your participation on the registration form.



SAN GABRIEL VALLEY CHAPTER MIXER

**March 11
5 - 7pm**



Event Sponsored by

**Vita Italian Bar & Grill
3101 W Temple Ave
Pomona, CA 91768**

RSVP: jodymroberto@gmail.com



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