

Billing Dispute Between
Rowland Water District/Puente Basin Water Authority
And
La Habra Heights County Water District

Expert Report of
Joseph C. Wheat, CPA

April 20, 2017

Billings Dispute Between RWD and LHCWD

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A. Introduction

La Habra Heights County Water District (LHCWD) and Rowland Water District (RWD), on behalf of Puente Basin Water Authority (PBWA), entered into the Water Production and Delivery Agreement (the Agreement) dated May 16, 2012. The Agreement provides for LHCWD to provide water to RWD to meet RWD's water needs. In return, LHCWD is able to use certain of RWD's water rights. The Agreement also provides that RWD will share in the costs that are incurred as a result of water production and delivery to RWD and that RWD will pay an additional Wheeling Charge for the water it receives. RWD receives monthly invoices related to their water usage resulting from the Agreement. The annual amount that RWD pays to LHCWD is trued up in an invoice sent after LHCWD's fiscal year-end, which occurs June 30.

B. Assignment

We were retained by the law firm Best, Best & Krieger LLP to do the following for fiscal years 2013-2014, 2014-2015 and 2015-2016:

1. Document the billing procedures of LHCWD as it relates to the Water Production and Delivery Agreement between LHCWD and RWD
2. Document any differences between the billing procedures of LHCWD and the terms specified in the Agreement
3. Review the invoices issued by LHCWD to RWD and the underlying support for those invoices
4. Provide an opinion as to the amounts that should have been billed by LHCWD to RWD and the amount of any over/under billings
5. Review RWD's payments to any other parties, including the Water Replenishment District of Southern California and Orchard Dale Water District that were made in connection with and in reliance upon the accuracy of LHCWD's billings to RWD and provide an opinion as to whether the amounts are correct as well as compute any under/overpayments that may have occurred

C. Opinions

1. Rowland/Puente Basin Water Authority was over billed by, and issued overpayments to, LHCWD in the amount \$149,797.31

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2. Rowland/Puente Basin Water Authority was over billed by, and issued overpayments to, Orchard Dale in the amount of \$1,050.51
3. Rowland/Puente Basin Water Authority was over billed by, and issued over payments to, the Water Replenishment District in the amount of \$21,376.29
4. Overbillings that occurred as a result of the billing procedures of LHCWD total \$172,224.11

D. Basis for Opinions

There are five general categories of billings that RWD is responsible for relating to the Agreement:

1. Joint Facilities Costs
2. Costs to Move Water
3. Wheeling Charge – LHCWD
4. Wheeling Charge – Orchard Dale
5. Water Replenishment District Charge

Joint Facilities Costs

The Agreement states that RWD is responsible for Joint Facilities Costs including:

1. The direct cost of the production. These costs include:
 - a. Energy costs associated with the production of water
 - b. Any other variable cost directly attributable to the production of water
2. A proportionate share of the actual cost to repair and maintain the facilities used to produce water. These facilities include:
 - a. Wells 8, 10 and 11
 - b. La Mirada Conduit
 - c. La Mirada Reservoir

It is our opinion that RWD was overbilled for Joint Facilities Costs for the following reasons:

1. LHCWD included a 10% overhead charge that should be covered by the LHCWD Wheeling Charge
2. RWD was billed for 77.78 Acre Feet more water than they received

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3. LHCWD included costs in the Joint Facilities Analysis that were not directly variable based on levels of water production
4. LHCWD overcharged RWD due to seasonal fluctuations in energy costs during months that RWD did not receive water
5. LHCWD overcharged RWD by including replacement/capital improvement costs as normal maintenance costs
6. We also noted other small variances in the billings that are noted in the schedules that accompany this report

Costs to Move Water

The Agreement states that RWD is responsible for Costs to Move Water including:

1. Direct cost of moving water. These costs include:
 - a. Energy costs associated with the delivery of the water
 - b. Any other variable cost directly attributable to the delivery of water
2. A proportionate share of the actual cost to repair and maintain the facilities used to deliver water. These facilities include:
 - a. La Mirada Plant and Treatment Facility
 - b. Plants no. 1, 5 and 6

In our opinion RWD was overbilled for Costs to Move Water for the following reasons:

1. LHCWD included a 10% overhead charge that should be covered by the LHCWD Wheeling Charge
2. RWD was billed for 77.78 Acre Feet more water than they received
3. LHCWD included costs in the Costs to Move Water Analysis that were not directly variable based on levels of water delivered to RWD
4. LHCWD overcharged RWD due to seasonal fluctuations in energy costs during months that RWD did not receive water.
5. We also noted other small variances in the billings that are noted in the schedules that accompany this report

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LHCWD Wheeling Charge

The LHCWD wheeling charge is to be \$50 per acre foot of water received by RWD. This charge is intended to compensate LHCWD for all indirect and incidental costs as well as provide a reasonable return to LHCWD.

In our opinion LHCWD overbilled RWD because RWD was billed for 77.78 Acre Feet more water than they received.

Orchard Dale Wheeling Charge

The Orchard Dale wheeling charge is \$10 per acre foot of water received. The rate is subject to annual increases based on CPI.

In our opinion Orchard Dale overbilled RWD because RWD was billed for 77.78 Acre Feet more water than they received. We also believe that Orchard Dale used an incorrect rate.

Water Replenishment District Charge

The Water Replenishment District Charge is based on a rate determined by the Water Replenishment District and the amount of water utilized by RWD.

In our opinion the Water Replenishment District overbilled RWD because RWD was billed for 77.78 Acre Feet more water than they received.

E. Information Considered

1. Water Production and Delivery Agreement dated May 16, 2012
2. Monthly LHCWD Invoices to RWD
3. Annual LHCWD Analysis of Joint Facilities Expenditures
4. Annual LHCWD Analysis of Cost to Move Water Expenditures
5. Monthly LHCWD water production worksheets
6. Orchard Dale wheeling agreement invoices to RWD
7. Water Replenishment District Groundwater Production and Assessment invoices to RWD
8. Annual LHCWD labor fringe benefit calculation
9. Payroll and labor distribution reports for shared payroll expenditures
10. Invoices for vendors and expenses included in LHCWD's shared expenses
11. Payment support in the form of canceled checks and General Ledger Detail for payments to LHCWD, Orchard Dale and the Water Replenishment District

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E. Other

I certify that, to the best of my knowledge and belief:

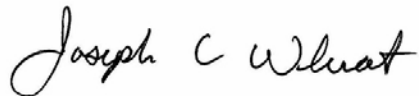
1. The statements of fact in this report are true and correct.
2. The reported opinions are my personal, unbiased professional opinions.
3. I have no direct or indirect, present, or contemplated future interest in Plaintiffs or Defendants.
4. My fee for this assignment is not contingent on the opinions presented in this report.

F. Qualifications

The undersigned is a partner in the firm Hagen, Streiff, Newton & Oshiro, Accountants, P.C., an accounting firm specializing in forensic accounting and measurement of economic damages. The undersigned is located in the Newport Beach office. He is a Certified Public Accountant licensed to practice in California since 1993. He has been with the firm for over 13 years.

Sincerely,

Hagen, Streiff, Newton & Oshiro, Accountants, PC



By: Joseph C. Wheat
Certified Public Accountant

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Summary of Findings

Description	Ref.	As Invoiced	Suggested Corrections	Recomputed Amount	Total Payments	Outstanding Balance/ (Refund) Due
Sch 56.0						
2015/2016						
Joint Facilities Costs	Sch 1	\$ 58,760.08	\$ (24,720.35)	\$ 34,039.73	\$ (58,760.08)	\$ (24,720.35)
Cost to Move Water	Sch 13	121,574.78	(28,063.57)	93,511.21	(121,574.78)	(28,063.57)
LHHCWD Wheeling Charge	Sch 20	22,411.50	(1,707.00)	20,704.50	(22,411.50)	(1,707.00)
ODWD Wheeling Charge	Sch 21	4,868.55	(458.51)	4,410.04	(4,868.55)	(458.51)
WRD Replenishment Fee	Sch 22	126,849.09	(9,661.62)	117,187.47	(126,870.92)	(9,683.45)
2015/2016 Total		\$ 334,464.00	\$ (64,611.05)	\$ 269,852.95	\$(334,485.83)	\$ (64,632.88)
2014/2015						
Joint Facilities Costs	Sch 24	\$ 64,160.71	\$ (45,206.53)	\$ 18,954.18	\$ (64,160.71)	\$ (45,206.53)
Cost to Move Water	Sch 29	124,469.87	(31,043.72)	93,426.15	(124,469.87)	(31,043.72)
LHHCWD Wheeling Charge	Sch 36	23,064.50	(1,565.00)	21,499.50	(23,064.50)	(1,565.00)
ODWD Wheeling Charge	Sch 37	4,937.57	(425.10)	4,512.47	(4,937.57)	(425.10)
WRD Replenishment Fee	Sch 38	123,625.72	(8,388.40)	115,237.32	(123,625.72)	(8,388.40)
2014/2015 Total		\$ 340,258.37	\$ (86,628.75)	\$ 253,629.62	\$(340,258.37)	\$ (86,628.75)
2013/2014						
Joint Facilities Costs	Sch 40	\$ 10,260.68	\$ (5,163.58)	\$ 5,097.10	\$ (10,260.68)	\$ (5,163.58)
Cost to Move Water	Sch 46	46,241.17	(11,711.06)	34,530.11	(46,241.17)	(11,711.06)
LHHCWD Wheeling Charge	Sch 52	9,218.00	(616.50)	8,601.50	(9,218.00)	(616.50)
ODWD Wheeling Charge	Sch 53	1,955.65	(166.90)	1,788.75	(1,955.65)	(166.90)
WRD Replenishment Fee	Sch 54	49,408.48	(3,304.44)	46,104.04	(49,408.48)	(3,304.44)
2013/2014 Total		\$ 117,083.98	\$ (20,962.48)	\$ 96,121.50	\$(117,083.98)	\$ (20,962.48)
Total						
Joint Facilities Costs		\$ 133,181.47	\$ (75,090.46)	\$ 58,091.01	\$(133,181.47)	\$ (75,090.46)
Cost to Move Water		292,285.82	(70,818.35)	221,467.47	(292,285.82)	(70,818.35)
LHHCWD Wheeling Charge		54,694.00	(3,888.50)	50,805.50	(54,694.00)	(3,888.50)
ODWD Wheeling Charge		11,761.77	(1,050.51)	10,711.26	(11,761.77)	(1,050.51)
WRD Replenishment Fee		299,883.29	(21,354.46)	278,528.83	(299,905.12)	(21,376.29)
Grand Total		\$ 791,806.35	\$(172,202.28)	\$ 619,604.07	\$(791,828.18)	\$ (172,224.11)

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Joint Facilities - 2015/2016

Description	Ref.	Adjusted & Allocated Amount
Labor	Sch 2	\$ 2,849.25
Power	Sch 3.0	10,616.81
Water Treatment	Sch 4	0.00
Maint & Repair	Sch 5.0	1,587.75
Replacement and Rehabilitation	Sch 5.1	17,885.26
Property Taxes	Sch 6	0.00
Telephone	Sch 7	0.00
SCADA	Sch 8	0.00
Water-SGVWD	Sch 9	71.71
Fees-Health Dept.	Sch 10	0.00
Rent-Railroad	Sch 11	0.00
Total		\$ 33,010.78
Vehicle Expense	Sch 12	252.53
Labor Overhead Percentage	Sch 19	27.25%
Computed Labor Overhead		776.42
Rowland Share of Joint Facilities		\$ 34,039.73
Overhead %	Note 1	0.00%
Computed Overhead		\$ 0.00
Grand Total - Rowland Share of Joint Facilities		\$ 34,039.73
<p>Note 1 - LHHCWWD includes an Overhead Percentage of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHCWWD.</p>		

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Analysis of Labor Costs - 2015/2016

Description	Ref.	Joint Facilities Wells	La Mirada Conduit	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount	Comments
		62000	72000	82000				
July 15 payroll	PYRL 1	\$ 6,697.59	\$ 302.12	\$ 151.37	\$ 7,151.08	\$ (1,674.40)	\$ 5,476.68	Note 1
Aug 15 payroll	PYRL 1	2,584.61	812.53	134.08	3,531.22	(646.15)	2,885.07	Note 1
Sept. 15 payroll	PYRL 1	2,104.12	160.97	138.46	2,403.55	(526.03)	1,877.52	Note 1
Oct. 15 payroll	PYRL 1	1,321.15	324.96	116.05	1,762.16	(330.29)	1,431.87	Note 1
Nov. 15 payroll	PYRL 1	1,648.98	76.12	18.80	1,743.90	(412.25)	1,331.65	Note 1
Dec. 15 payroll	PYRL 1	3,722.70	213.94	139.11	4,075.75	(930.68)	3,145.07	Note 1
Jan. 16 payroll	PYRL 2	1,561.96	355.57	48.58	1,966.11	(390.49)	1,575.62	Note 1
Feb. 16 payroll	PYRL 2	2,834.04	482.58	52.83	3,369.45	(708.51)	2,660.94	Note 1
March 16 payroll	PYRL 2	2,128.55	228.58	84.46	2,441.59	(532.14)	1,909.45	Note 1
April 16 payroll	PYRL 2	3,594.29	250.21	341.39	4,185.89	(898.57)	3,287.32	Note 1
May 16 payroll	PYRL 2	4,285.22	0.00	374.74	4,659.96	(1,071.31)	3,588.65	Note 1
June 16 payroll	PYRL 2	7,144.88	222.02	80.08	7,446.98	(1,786.22)	5,660.76	Note 1
June 16 payroll Accrual	Note 2	152.58	122.40	220.07	495.05	(38.15)	456.90	Note 2
July 15 payroll reverse Accrual	Note 2	(1,932.14)	(269.53)	(126.91)	(2,328.58)	483.04	(1,845.54)	Note 2
Total		<u>\$37,848.53</u>	<u>\$ 3,282.47</u>	<u>\$ 1,773.11</u>	<u>\$42,904.11</u>	<u>\$ (9,462.15)</u>	<u>\$33,441.96</u>	
Annual Allocation Percentage	Sch 23						<u>8.52%</u>	
RWD Total							<u>\$ 2,849.25</u>	

Note 1 - During our review, we vouched the Payroll Expense for each month to the Payroll Distribution report without exception. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks. We noted that the Labor Costs include the cost of labor for Wells 8, 9, 10 and 11. As Well 9 is not included in the Water Production and Delivery Agreement, 25% of the Labor Costs were removed.

Note 2 - We noted that LHCWD accounts for the difference in payroll accrual at year-end. These adjustments are not found in the payroll reports but appear reasonable.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Summary and Allocation of Power Charges - 2015/2016

Month	Amount	Usage Allocation	Recomputed Amount
	Sch 3.1	Sch 23	
July 2015	\$ 17,743.25	0.00%	\$ 0.00
August 2015	18,007.78	0.77%	138.66
September 2015	16,233.46	0.00%	0.00
October 2015	12,900.31	4.27%	550.84
November 2015	14,418.91	14.20%	2,047.49
December 2015	10,330.60	22.34%	2,307.86
January 2016	7,328.15	20.75%	1,520.59
February 2016	10,549.50	22.85%	2,410.56
March 2016	7,854.53	20.89%	1,640.81
April 2016	6,012.60	0.00%	0.00
May 2016	6,900.51	0.00%	0.00
June 2016	12,372.64	0.00%	0.00
Total 2015/2016	<u>\$ 140,652.24</u>		<u>\$ 10,616.81</u>
<p>Note 1 - Due to the change in power charges during the on-peak and off-peak times of the year it was necessary to allocate power costs on a monthly basis to more accurately reflect the cost of power used in the production of water for RWD.</p>			

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 Re: La Habra Heights County Water District Billings

Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 11	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	7/7/15	8/5/15	\$ 14,257.88		\$ 14,257.88	
Southern California Edison	SCE 127	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	7/6/15	8/4/15	5,601.85	\$ (2,116.48)	3,485.37	Note 2
Total July 2015						<u>\$ 19,859.73</u>	<u>\$ (2,116.48)</u>	<u>\$ 17,743.25</u>	
Southern California Edison	SCE 1	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	8/5/15	9/3/15	\$ 14,484.97		\$ 14,484.97	
Southern California Edison	SCE 3	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	8/4/15	9/1/15	7,828.28	\$ (4,305.47)	3,522.81	Note 2
Total August 2015						<u>\$ 22,313.25</u>	<u>\$ (4,305.47)</u>	<u>\$ 18,007.78</u>	

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Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 19	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	9/3/15	10/5/15	\$ 12,799.05		\$ 12,799.05	
Southern California Edison	SCE 13	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	9/2/15	10/2/15	35.47	\$ (35.47)	0.00	Note 2
Southern California Edison	SCE 23	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	9/1/15,	10/1/2015	7,625.04	(4,190.63)	3,434.41	
Total September 2015						<u>\$ 20,459.56</u>	<u>\$ (4,226.10)</u>	<u>\$ 16,233.46</u>	
Southern California Edison	SCE 35	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	10/5/15	11/5/15	\$ 10,029.22		10,029.22	
Southern California Edison	SCE 23	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	10/1/2015	11/2/2015	6,396.38	\$ (3,525.29)	2,871.09	Note 2
Total October 2015						<u>\$ 16,425.60</u>	<u>\$ (3,525.29)</u>	<u>\$ 12,900.31</u>	

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Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 39	2-02-678-2102	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	11/2/15	12/3/15	\$ 6,354.06	\$ (3,505.56)	\$ 2,848.50	Note 2
Southern California Edison	SCE 49	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	11/5/15	12/7/15	11,570.41		11,570.41	
Total November 2015						<u>\$ 17,924.47</u>	<u>\$ (3,505.56)</u>	<u>\$ 14,418.91</u>	
Southern California Edison	SCE 53	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	12/7/15	1/6/16	7,647.29		7,647.29	
Southern California Edison	SCE 55	2-02-678-2102	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	12/3/15	1/4/16	6,029.33	(3,346.02)	2,683.31	Note 2
Total December 2015						<u>\$ 13,676.62</u>	<u>\$ (3,346.02)</u>	<u>\$ 10,330.60</u>	

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Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 65	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	1/6/16	2/4/16	\$ 5,154.92		\$ 5,154.92	
Southern California Edison	SCE 67	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	1/4/16	2/3/16	4,938.41	\$ (2,765.18)	2,173.23	Note 2
Total January 2016						<u>\$ 10,093.33</u>	<u>\$ (2,765.18)</u>	<u>\$ 7,328.15</u>	
Southern California Edison	SCE 75	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	2/4/16	3/7/16	\$ 8,246.20		\$ 8,246.20	
Southern California Edison	SCE 79	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	2/3/16	3/3/16	5,114.12	\$ (2,810.82)	2,303.30	Note 2
Total February 2016						<u>\$ 13,360.32</u>	<u>\$ (2,810.82)</u>	<u>\$ 10,549.50</u>	

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Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 87	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	3/7/16	4/6/16	\$ 5,419.69		\$ 5,419.69	
Southern California Edison	SCE 91	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	3/3/16	4/5/16	5,342.31	\$ (2,907.47)	2,434.84	Note 2
Total March 2016						<u>\$ 10,762.00</u>	<u>\$ (2,907.47)</u>	<u>\$ 7,854.53</u>	
Southern California Edison	SCE 107	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	4/6/16	5/5/16	3,891.19		3,891.19	
Southern California Edison	SCE 99	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	4/5/16	5/3/16	4,638.29	(2,516.88)	2,121.41	Note 2
Total April 2016						<u>\$ 8,529.48</u>	<u>\$ (2,516.88)</u>	<u>\$ 6,012.60</u>	

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Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
Southern California Edison	SCE 113	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	5/5/16	6/6/16	\$ 4,466.86		\$ 4,466.86	
Southern California Edison	SCE 117	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	5/3/16	6/2/16	5,224.82	\$ (2,791.17)	2,433.65	Note 2
Total May 2016						<u>\$ 9,691.68</u>	<u>\$ (2,791.17)</u>	<u>\$ 6,900.51</u>	
Southern California Edison	SCE 139	2-02-678-2102	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	6/2/16	7/1/16	\$ 6,024.39	\$ (3,235.70)	\$ 2,788.69	Note 2
Southern California Edison	SCE 137	2-21-976-5062	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	6/6/16	7/6/16	9,583.95		9,583.95	
Total June 2016						<u>\$ 15,608.34</u>	<u>\$ (3,235.70)</u>	<u>\$ 12,372.64</u>	
						<u>\$ 178,704.38</u>	<u>\$ (38,052.14)</u>	<u>\$ 140,652.24</u>	

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Power Charges - 2015/2016

Description	Ref.	Customer Account	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
				Start Date	End Date	62100			
<p>Note 1 - During our review, we vouched 100% of the Power Charges for the 2015/2016 year that were included in the Joint Facilities invoice without</p> <p>Note 2 - We noted that LHHCWCD included the Power Charges for service accounts 3-042-5993-39 and 3-042-5993-67, which relates to Wells 9 and 5 respectively. The Power Charges for Wells 9 and 5 are not included in the Water Production and Delivery Agreement and were therefore removed.</p>									

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Water Treatment Costs - 2015/2016

Description GL No.	Ref.	Invoice Date	Invoice No.	Joint Facilities Wells	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount
				62000	82000			
Note 1								
Clinical Lab	CL 22	8/12/15	944861	\$ 682.50		\$ 682.50	\$ (682.50)	\$ 0.00
Clinical Lab	CL 24	8/12/15	944862	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 27	7/9/15	944234	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 21	6/9/15	943646	58.75		58.75	(58.75)	0.00
Clinical Lab				430.00		430.00	(430.00)	0.00
Clinical Lab	CL 28	7/13/15	950930	47.00		47.00	(47.00)	0.00
Clinical Lab				430.00		430.00	(430.00)	0.00
Clinical Lab				47.00		47.00	(47.00)	0.00
Clinical Lab	CL 20	6/9/15	943645	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 18	9/10/15	945449	47.00		47.00	(47.00)	0.00
Clinical Lab	CL 19	9/10/15	945448	430.00		430.00	(430.00)	0.00
Clinical Lab				94.00		94.00	(94.00)	0.00
Clinical Lab	CL 15	10/8/15	946033	47.00		47.00	(47.00)	0.00
Clinical Lab	CL 16	10/8/15	946032	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 13	11/11/15	946615	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 14	11/11/15	946616	47.00		47.00	(47.00)	0.00
Clinical Lab	CL 12	2/10/16	948243	47.00		47.00	(47.00)	0.00
Clinical Lab	CL 11	2/10/16	948242	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 9	3/11/16	948838	47.00		47.00	(47.00)	0.00
Clinical Lab	CL 10	3/11/16	948839	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 8	4/12/16	949423	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 5	5/9/16	949875	94.00		94.00	(94.00)	0.00
Clinical Lab	CL 1	6/13/16	950424	188.00		188.00	(188.00)	0.00
Clinical Lab	CL 3	6/22/16	950689	215.00		215.00	(215.00)	0.00
Clinical Lab	CL 4	5/9/16	949874	430.00		430.00	(430.00)	0.00
Clinical Lab	CL 7	4/12/16	949422	47.00		47.00	(47.00)	0.00
Clinical Lab				(430.00)		(430.00)	430.00	0.00
Clinical Lab				(58.75)		(58.75)	58.75	0.00
Water Replenishment District	WRD 12	10/5/15	150701-17	3,270.00		3,270.00	(3,270.00)	0.00
Water Replenishment District	WRD 1	5/4/16	160504-17	5,041.00		5,041.00	(5,041.00)	0.00
Weck Lab	WECK 1	6/2/16	W6F0124	103.00		103.00	(103.00)	0.00
Weck Lab	WECK 6	6/8/16	W6F0506	863.00		863.00	(863.00)	0.00
Clinical Lab	CL 28	7/13/15	950930		\$ 51.00	51.00	(51.00)	0.00
Clinical Lab	CL 18	9/10/15	945449		51.00	51.00	(51.00)	0.00
Clinical Lab	CL 15	10/8/15	946033		62.75	62.75	(62.75)	0.00
Clinical Lab	CL 14	11/11/15	946616		23.50	23.50	(23.50)	0.00
Clinical Lab					51.00	51.00	(51.00)	0.00
Clinical Lab	CL 25	7/9/15	944235		62.75	62.75	(62.75)	0.00
Clinical Lab	CL 12	2/10/16	948243		51.00	51.00	(51.00)	0.00
Clinical Lab	CL 9	3/11/16	948838		51.00	51.00	(51.00)	0.00
Clinical Lab	CL 7	4/12/16	949422		62.75	62.75	(62.75)	0.00
Clinical Lab	CL 5	5/9/16	949875		53.00	53.00	(53.00)	0.00
Clinical Lab	CL 1	6/13/16	950424		86.25	86.25	(86.25)	0.00
Clinical Lab					51.00	51.00	(51.00)	0.00
Total				\$ 15,656.50	\$ 657.00	\$ 16,313.50	\$(16,313.50)	\$ 0.00
Annual Allocation Percentage Sch 23								8.52%
RWD Total								\$ 0.00

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Water Treatment Costs - 2015/2016

Description GL No.	Ref.	Invoice Date	Invoice No.	Joint Facilities Wells	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount
				62000	82000			
<p>Note 1 - During our review, we vouched 98% of the Water Treatment Costs for the 2015/2016 year that were included in the Joint Facilities invoice without exception. These fees represent the cost of having the water tested as is required by the state. The Water Treatment Costs are not a variable expense directly attributable to the production of water for Rowland. As such, we have not included Water Treatment Costs in our computation of joint facilities expenditures.</p>								

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair Expenses - 2015/2016

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested Corrections	HSNO Amount	Comments
					Wells	Conduit	Reservoir				
					62000	72000	82000				
					Note 1						
Best Drilling	BD 1	4/30/16	2247	Well 11 rehab	\$ 68,148.25			\$ 68,148.25	\$ (68,148.25)	\$ 0.00	Note 7
Best Drilling	BD 1			Well 11 rehab	3,586.75			3,586.75	(3,586.75)	0.00	Note 7
Best Drilling	BD 3	6/30/16	2280	Well 10 rehab	50,097.30			50,097.30	(50,097.30)	0.00	Note 7
Best Drilling	BD 3			Well 10 rehab	2,636.70			2,636.70	(2,636.70)	0.00	Note 7
Best Drilling	BD 6	6/30/16	2281	Well 11 rehab	54,758.95			54,758.95	(54,758.95)	0.00	Note 7
Best Drilling	BD 6	6/30/16	2281	Well 11 rehab	2,882.05			2,882.05	(2,882.05)	0.00	Note 7
Cannings	CAH 1	7/2/15	457266		19.03			19.03	(19.03)	0.00	Note 2
Cannings	CAH 2	7/17/15	457540		35.85			35.85	(35.85)	0.00	Note 2
Cannings	CAH 3	7/17/15	457544		22.19			22.19	(22.19)	0.00	Note 2
Cannings	CAH 4	7/21/15	457593		16.11			16.11	(16.11)	0.00	Note 2
Cannings	CAH 5	8/3/15	457839		14.09			14.09	0.00	14.09	
Cannings	CAH 6	8/5/15	457894		24.79			24.79	0.00	24.79	
Cannings	CAH 7	10/7/15	459094		5.39			5.39	0.00	5.39	
Cannings	CAH 8	11/3/15	459625		2.48			2.48	(2.48)	0.00	Note 2
Cannings	CAH 9	11/24/15	460036		44.39			44.39	0.00	44.39	
Cannings	CAH 10	11/30/15	460082		24.93			24.93	(24.93)	0.00	Note 2
Cannings	CAH 11	11/30/15	460091		(14.09)			(14.09)	0.00	(14.09)	
Cannings	CAH 12	12/1/15	460117		72.45			72.45	0.00	72.45	
Cannings	CAH 14	1/15/16	460876		5.92			5.92	(2.96)	2.96	Note 4
Cannings	CAH 16	2/10/16	461349		3.19			3.19	0.00	3.19	
Cannings	CAH 17	2/10/2016	461359		50.91			50.91	(50.91)	0.00	Note 2
Cannings	CAH 18	5/2/2016	462777		3.23			3.23	0.00	3.23	
Cannings	CAH 20	5/4/2016	462825/415728		5.96			5.96	0.00	5.96	
Cannings	CAH 22	5/31/16	463235		19.52			19.52	(19.52)	0.00	Note 2
Cannings	CAH 19	6/7/16	463325		1.63			1.63	0.00	1.63	
Cannings	CAH 23	6/14/16	463453		4.33			4.33	0.00	4.33	
Civiltec	CT 2	8/6/15	34932	Well 9 Rehab	5,123.75			5,123.75	(5,123.75)	0.00	Note 2
Civiltec	CT 3	11/11/15	35240	Well 9 Rehab	1,401.25			1,401.25	(1,401.25)	0.00	Note 2
Civiltec	CT 16	1/6/16	35482	Well 10 & 11 rehab	16,191.09			16,191.09	(16,191.09)	0.00	Note 7
Civiltec	CT 14	2/8/16	35566	Well 10 & 11 rehab	9,645.85			9,645.85	(9,645.85)	0.00	Note 7
Civiltec	CT 11	5/10/16	35783	Well 10 & 11 rehab	3,125.00			3,125.00	(3,125.00)	0.00	Note 7
Civiltec	CT 10	4/6/16	35793	Well 10 & 11 rehab	10,388.19			10,388.19	(10,388.19)	0.00	Note 7
Civiltec	CT 8	5/10/16	35947	Well 10 & 11 rehab	12,510.57			12,510.57	(12,510.57)	0.00	Note 7
Civiltec	CT 6	6/1/16	36028	Well 10 & 11 rehab	2,580.58			2,580.58	(2,580.58)	0.00	Note 7
Civiltec	CT 4	6/1/16	36029	Well 10-water quality	1,718.75			1,718.75	(1,718.75)	0.00	Note 7

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair Expenses - 2015/2016

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested Corrections	HSNO Amount	Comments	
					Wells	Conduit	Reservoir					
					62000	72000	82000					
Civiltec	CT 17	7/5/16	36157	Well 10 & 11 rehab	5,582.17			5,582.17	(5,582.17)	0.00	Note 7	
Delta Motor Company	DM 1	4/14/16	20000	Well 11-motor repair	5,409.77			5,409.77	(5,409.77)	0.00		
Golden Meters Service	GM 1	10/6/15	685	Well 8 & 9-meter test	2,007.93			2,007.93	(1,003.97)	1,003.96	Note 4	
Golden West Elec					(6.60)			(6.60)	0.00	(6.60)		
Golden West Elec	GWE 1	10/13/15	2995	Well 10-claval	446.60			446.60	0.00	446.60		
Grainger	GRA 3	10/21/15	9873369483		210.68			210.68	0.00	210.68		
Grainger	GRA 2	1/28/16	9011589323		345.35			345.35	0.00	345.35		
Griswold Industries	GI 2	5/20/16	692767	Well 11-valve 12" & 8"	1,899.43			1,899.43	0.00	1,899.43		
Hasco Oil Company	HO 2	7/24/15			210.34			210.34	0.00	210.34		
Hasco Oil Company	HO 1	9/22/15	0195794-IN		552.98			552.98	0.00	552.98		
Home Depot	HD 1	7/17/15			279.93			279.93	0.00	279.93		
Inventory Issue	II7	7/8/15			18.40			18.40	0.00	18.40		
Inventory Issue	II8	7/21/15			17.63			17.63	0.00	17.63		
Inventory Issue	II8	7/22/15			117.60			117.60	0.00	117.60		
Inventory Issue	II9	9/23/15			8.13			8.13	0.00	8.13		
Inventory Issue	II10	12/1/15			27.78			27.78	0.00	27.78		
Inventory Issue	II10	12/1/15			74.53			74.53	0.00	74.53		
Inventory Issue	II10	12/4/15			14.41			14.41	0.00	14.41		
Inventory Issue	II11	2/19/16			924.52			924.52	0.00	924.52		
Inventory Issue	II12	3/21/16			219.92			219.92	0.00	219.92		
Inventory Issue	II13	6/1/16			14.77			14.77	0.00	14.77		
Inventory Issue	II14	6/9/16			671.02			671.02	0.00	671.02		
KT Industries	KTI 1	7/21/16	2015832	Well 8,9,10,11-ARC fan	3,918.75			3,918.75	(979.69)	2,939.06	Note 3	
WRD	WRD 19	12/4/15	CBWM16-58		4,854.72			4,854.72	0.00	4,854.72		
Matt-Chlor	MC 2	7/27/15	15412	Well 9-declor	1,340.00			1,340.00	(1,340.00)	0.00	Note 2	
Matt-Chlor	MC 1	7/31/15	15521	Well 9-declor	1,440.00			1,440.00	(1,440.00)	0.00	Note 2	
Office Depot	OD 1	1/27/16	1772340		27.74			27.74	0.00	27.74		
Petty Cash	PT 1	2/19/16			18.31			18.31	0.00	18.31		
Petty Cash	PT 2	3/21/16			14.04			14.04	(14.04)	0.00	Note 2	
Petty Cash	PT 3	4/5/16			10.89			10.89	0.00	10.89		
Univar	UNI 3	5/11/16	LA234159	Well 10-discharge water	169.23			169.23	0.00	169.23		
SCE rebate	SCER 1			Well 11 rehab	(22,500.00)			(22,500.00)	22,500.00	0.00	Note 7	
SCE	SCE 111				400.00			400.00	0.00	400.00		
Terrys Testing	TT 1	6/2/16	22444		55.00			55.00	0.00	55.00		
Univar	UNI 1	5/23/16	LA237519	Well 10 flushing	755.60			755.60	0.00	755.60		
Whittier Mobile Country Club	WM 2	9/1/15			338.37			338.37	(338.37)	0.00	Note 2	

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair Expenses - 2015/2016

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested Corrections	HSNO Amount	Comments	
					Wells	Conduit	Reservoir					
					62000	72000	82000					
Golden Meter Service, Inc						\$ 870.00		870.00	0.00	870.00		
California Arborists	CA 1	1/1/16	22597A				\$ 300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 2	12/1/15	22539				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 3	11/1/15	22410				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 4	3/1/16	22856				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 6	5/1/16	23103				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 7	4/1/16	22987				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 8	2/1/16	22713				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 9	9/1/15	22152				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 10	8/1/15	22028				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 11	7/1/15	21890				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 12	6/1/15	21750				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 13	5/1/15	21613				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 5	3/17/16	22935				200.00	200.00	(200.00)	0.00	Note 5	
California Arborists	CA 14	4/1/15	21510				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists	CA 15	10/1/15	22297				300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
Cannings	CAN 13	12/8/15	460262				6.27	6.27	0.00	6.27		
Cannings	CAN 19	6/7/16	463325				1.62	1.62	0.00	1.62		
Cannings	CAN 21	5/4/16	462825				13.44	13.44	0.00	13.44		
Dive/Corr							1,100.00	1,100.00	0.00	1,100.00		
Golden Meters	GM 2	3/23/16	746	Orchard Dale meter			12,854.60	12,854.60	(12,854.60)	0.00	Note 6	
Golden Meters	GM 3	5/16/16	767				425.00	425.00	(425.00)	0.00	Note 6	
Grainger	GRA 1	5/5/16	9103593902				193.93	193.93	0.00	193.93		
SCE							400.00	400.00	0.00	400.00		
SCE							(400.00)	(400.00)	0.00	(400.00)		
TOTAL							\$ 255,047.27	\$ 870.00	\$ 19,294.86	\$ 275,212.13	\$ (256,576.62)	\$ 18,635.51
Annual Allocation Percentage	Sch 23											8.52%
RWD Total												\$ 1,587.75

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair Expenses - 2015/2016

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested Corrections	HSNO Amount	Comments
					Wells	Conduit	Reservoir				
					62000	72000	82000				
<p>Note 1 - During our review, we vouched 99% of the Maintenance and Repair Costs for the 2015/2016 year that were included in the Joint Facilities invoice without exception. These costs represent the cost of parts and services used to maintain and repair the joint facilities.</p> <p>Note 2 - This expense relates to the maintenance of well 9. The maintenance expenses for Well 9 are not included in the Water Production and Delivery Agreement and were therefore removed.</p> <p>Note 3 - This expense relates to the maintenance of wells 8, 9, 10 and 11. The maintenance expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total invoiced amount.</p> <p>Note 4 - This expense relates to the maintenance of wells 8 and 9. The maintenance expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 50% of the total invoiced amount.</p> <p>Note 5 - This expense appears to be for landscaping and is not a variable expense directly attributable to the production of water for Rowland and was therefore removed.</p> <p>Note 6 - This expense relates to the purchase and testing of a new meter purchased for Orchard Dale and was therefore removed.</p> <p>Note 7 - This expense relates to the rehabilitation of Wells 10 and 11. Section 12 (b) of the Water Production and Delivery Agreement states that replacement expenses should be shared based on a three year production analysis. As such we have analyzed rehabilitation expenses on Schedule 5.1.</p>											

Re: La Habra Heights County Water District Billings

Rehabilitation and Replacement Expenses - 2015/2016

Vendor	Ref.	Invoice Date	Invoice No.	Description	Total	Suggested Corrections	HSNO Amount
					Note 1		
Best Drilling	BD 1	4/30/16	2247	Well 11 rehab	\$ 68,148.25	\$ 0.00	\$ 68,148.25
Best Drilling	BD 1			Well 11 rehab	3,586.75	0.00	3,586.75
Best Drilling	BD 3	6/30/16	2280	Well 10 rehab	50,097.30	0.00	50,097.30
Best Drilling	BD 3			Well 10 rehab	2,636.70	0.00	2,636.70
Best Drilling	BD 6	6/30/16	2281	Well 11 rehab	54,758.95	0.00	54,758.95
Best Drilling	BD 6	6/30/16	2281	Well 11 rehab	2,882.05	0.00	2,882.05
Civiltec	CT 16	1/6/16	35482	Well 10 & 11 rehab	16,191.09	0.00	16,191.09
Civiltec	CT 14	2/8/16	35566	Well 10 & 11 rehab	9,645.85	0.00	9,645.85
Civiltec	CT 11	5/10/16	35783	Well 10 & 11 rehab	3,125.00	0.00	3,125.00
Civiltec	CT 10	4/6/16	35793	Well 10 & 11 rehab	10,388.19	0.00	10,388.19
Civiltec	CT 8	5/10/16	35947	Well 10 & 11 rehab	12,510.57	0.00	12,510.57
Civiltec	CT 6	6/1/16	36028	Well 10 & 11 rehab	2,580.58	0.00	2,580.58
Civiltec	CT 4	6/1/16	36029	Well 10-water quality	1,718.75	0.00	1,718.75
Civiltec	CT 17	7/5/16	36157	Well 10 & 11 rehab	5,582.17	0.00	5,582.17
SCE rebate	SCER 1			Well 11 rehab	(22,500.00)	0.00	(22,500.00)
TOTAL					<u>\$ 221,352.20</u>	<u>\$ 0.00</u>	<u>\$ 221,352.20</u>
3 Year Average Allocation %	Sch 5.2						<u>8.08%</u>
RWD Total (Note 1)							<u>\$ 17,885.26</u>
<p>Note 1 - Section 12 (b) of the Water Production and Delivery Agreement states that Rowland's share of the replacement costs of any facilities would be equal to the quantity of water produced and delivered to RWD as a percentage of water produced by those facilities for all parties for the previous fiscal three years.</p>							

Re: La Habra Heights County Water District Billings

Three Year Average Water Usage for Well Replacement Allocation - 2015/2016

Vendor	Ref.	Total Production	RWD Usage	RWD Usage
2013/2014 Annual Allocation Rate	Sch 55	2,375.46	172.03	
2014/2015 Annual Allocation Rate	Sch 39	5,338.94	429.99	
2015/2016 Annual Allocation Rate	Sch 23	4,858.25	414.09	
3 Year Average Allocation Rate	Note 1	12,572.65	1,016.11	8.08%

Note 1 - Section 12 (b) of the Water Production and Delivery Agreement states that Rowland's share of the replacement costs of any facilities would be equal to the quantity of water produced and delivered to RWD as a percentage of water produced by those facilities for all parties for the previous fiscal three years.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Taxes - 2015/2016

Description	Ref.	Joint Facilities	La Mirada	La Mirada	Total	Suggested	HSNO
		Wells	Conduit	Reservoir	LHHCWD		
		62000	72000	82000	Amount		
							Note 1
LA County Tax Assessor	Note 1	\$ 17.67	\$ 0.00	\$ 0.00	\$ 17.67	\$ (17.67)	\$ 0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
LA County Tax Assessor	Note 1	17.67	0.00	0.00	17.67	(17.67)	0.00
TOTAL		\$ 212.04	\$ 0.00	\$ 0.00	\$ 212.04	\$ (212.04)	\$ 0.00
Annual Allocation Percentage	Sch 23						8.52%
RWD Total							\$ 0.00
<p>Note 1 - The Property Tax expense represents the allocation of the property taxes paid by LHHCWD and is modeled based on a computation used in an agreement with another district. The property taxes are not a variable expense directly attributable to the production of water for Rowland. As such, we have not included property taxes in our computation of joint facilities expenditures.</p>							

Re: La Habra Heights County Water District Billings

Analysis of Telephone Charges - 2015/2016

Description	Ref.	Invoice Date	Invoice No.	Joint Facilities	La Mirada Conduit	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount
				62000	72000	82000			
Telepacific Communication				\$ 1,929.69	\$ 0.00	\$ 0.00	\$ 1,929.69	\$ (1,929.69)	\$ 0.00
Telepacific Communication	TPC 21	7/31/15	69434041-0	524.77	0.00	0.00	524.77	(524.77)	0.00
Telepacific Communication	TPC 19	8/31/15	70382429-0	525.05	0.00	0.00	525.05	(525.05)	0.00
Telepacific Communication	TPC 17	9/30/15	71291758-0	525.05	0.00	0.00	525.05	(525.05)	0.00
Telepacific Communication				(37.80)	0.00	0.00	(37.80)	37.80	0.00
Telepacific Communication				37.80	0.00	0.00	37.80	(37.80)	0.00
Telepacific Communication	TPC 15	10/31/15	72221135-0	525.38	0.00	0.00	525.38	(525.38)	0.00
Telepacific Communication	TPC 13	11/30/15	73189623-0	532.09	0.00	0.00	532.09	(532.09)	0.00
Telepacific Communication	TPC 11	12/31/15	74141381-0	525.38	0.00	0.00	525.38	(525.38)	0.00
Telepacific Communication	TPC 9	1/31/16	75111891-0	525.40	0.00	0.00	525.40	(525.40)	0.00
Telepacific Communication	TPC 7	2/29/16	76111042-0	525.40	0.00	0.00	525.40	(525.40)	0.00
Telepacific Communication	TPC 5	3/31/16	77097548-0	525.40	0.00	0.00	525.40	(525.40)	0.00
Telepacific Communication	TPC 1	5/31/16	79080987-0	525.39	0.00	0.00	525.39	(525.39)	0.00
Telepacific Communication	TPC 3	4/30/16	78084012-0	525.39	0.00	0.00	525.39	(525.39)	0.00
Telepacific Communication	TPC 23	6/30/15	68484248-0	524.78	0.00	0.00	524.78	(524.78)	0.00
Telepacific Communication				(1,929.69)	0.00	0.00	(1,929.69)	1,929.69	0.00
Verizon	VZ 51	7/28/15	N/A	37.70	0.00	0.00	37.70	(37.70)	0.00
Verizon	VZ 46	8/28/15	N/A	37.95	0.00	0.00	37.95	(37.95)	0.00
Verizon	VZ 41	9/28/15	N/A	37.80	0.00	0.00	37.80	(37.80)	0.00
Verizon	VZ 36	10/28/15	N/A	38.24	0.00	0.00	38.24	(38.24)	0.00
Verizon	VZ 31	11/28/15	N/A	38.43	0.00	0.00	38.43	(38.43)	0.00
Verizon	VZ 26	12/28/15	N/A	38.19	0.00	0.00	38.19	(38.19)	0.00
Verizon	VZ 21	1/28/16	N/A	38.32	0.00	0.00	38.32	(38.32)	0.00
Verizon	VZ 16	2/28/16	N/A	38.41	0.00	0.00	38.41	(38.41)	0.00
Verizon	VZ 11	3/28/16	N/A	38.44	0.00	0.00	38.44	(38.44)	0.00
Frontier	VZ 6	4/30/16	N/A	37.38	0.00	0.00	37.38	(37.38)	0.00
Frontier Communications	VZ 3	5/30/16	N/A	37.22	0.00	0.00	37.22	(37.22)	0.00
TOTAL				\$ 6,727.56	\$ 0.00	\$ 0.00	\$ 6,727.56	\$ (6,727.56)	\$ 0.00
Annual Allocation Percentage	Sch 23								8.52%
RWD Total									\$ 0.00
<p>Note 1 - During our review, we vouched 100% of the telephone expenditure balance for the 2015/2016 year that was included in the Joint Facilities invoice without exception. The telephone expense relates to lines used to communicate data between the various La Habra facilities. The telephone expense is not a variable expense directly attributable to the production of water for Rowland. As such, we have not included telephone expenditures in our computation of joint facilities expenditures.</p>									

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of SCADA Costs - 2015/2016

Description	Ref.	Invoice Date	Invoice No.	Joint Facilities Wells	La Mirada Conduit	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount
				62000	72000	82000			
EPM Power & Water Solutions	EPM 11	7/11/15	9055231	\$ 132.34	\$ 0.00	\$ 0.00	\$ 132.34	\$ (132.34)	Note 1 \$ 0.00
EPM Power & Water Solutions	EPM 10	9/11/15	9056137	257.27	0.00	0.00	257.27	(257.27)	0.00
EPM Power & Water Solutions				140.21	0.00	0.00	140.21	(140.21)	0.00
EPM Power & Water Solutions	EPM 9	10/11/15	9056617	136.13	0.00	0.00	136.13	(136.13)	0.00
EPM Power & Water Solutions				(140.21)	0.00	0.00	(140.21)	140.21	0.00
EPM Power & Water Solutions	EPM 8	11/11/15	9057120	128.63	0.00	0.00	128.63	(128.63)	0.00
EPM Power & Water Solutions	EPM 7	12/11/15	9057584	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 6	1/11/16	9058036	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 5	2/11/16	9058492	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 4	3/11/16	9058992	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 3	4/12/16	9059444	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 2	5/11/16	9059846	128.64	0.00	0.00	128.64	(128.64)	0.00
EPM Power & Water Solutions	EPM 1	6/13/16	9060300	128.64	0.00	0.00	128.64	(128.64)	0.00
TOTAL				\$ 1,554.85	\$ 0.00	\$ 0.00	\$ 1,554.85	\$ (1,554.85)	\$ 0.00
Annual Allocation Percentage	Sch 23								8.52%
RWD Total									\$ 0.00

Note 1 - During our review, we vouched 100% of the SCADA expense balance for the 2015/2016 year that was included in the Joint Facilities invoice without exception. The SCADA expense item is related to the maintenance costs and other costs related to software utilized by La Habra to run the water system. The SCADA expense is not a variable expense directly attributable to the production of water for Rowland. As such, we have not included SCADA expenditures in our computation of joint facilities expenditures.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis Of Water Costs - 2015/2016

Description	Ref.	Period End Date	Joint Facilities Wells	La Mirada Conduit	La Mirada Reservoir	Total	Suggested	HSNO Amount
			62000	72000	82000		Corrections	
San Gabriel Valley Water Company	SGVWC 11	8/7/15	\$ 21.34	\$ 0.00	\$ 0.00	\$ 21.34	Note 1 Note 2 (5.34)	\$ 16.00
San Gabriel Valley Water Company	SGVWC 10	9/8/15	24.50	0.00	0.00	24.50	(6.13)	18.37
San Gabriel Valley Water Company	SGVWC 9	10/7/15	21.34	0.00	0.00	21.34	(5.34)	16.00
San Gabriel Valley Water Company	SGVWC 8	11/4/15	24.64	0.00	0.00	24.64	(6.16)	18.48
San Gabriel Valley Water Company	SGVWC 7	12/4/15	21.34	0.00	0.00	21.34	(5.34)	16.00
San Gabriel Valley Water Company	SGVWC 6	1/5/16	24.56	0.00	0.00	24.56	(6.14)	18.42
San Gabriel Valley Water Company	SGVWC 5	2/4/16	21.27	0.00	0.00	21.27	(5.32)	15.95
San Gabriel Valley Water Company	SGVWC 4	3/7/16	24.56	0.00	0.00	24.56	(6.14)	18.42
San Gabriel Valley Water Company	SGVWC 3	4/7/16	319.51	0.00	0.00	319.51	(79.88)	239.63
San Gabriel Valley Water Company	SGVWC 2	5/6/16	274.33	0.00	0.00	274.33	(68.58)	205.75
San Gabriel Valley Water Company	SGVWC 1	6/7/16	34.24	0.00	0.00	34.24	(8.56)	25.68
San Gabriel Valley Water Company	SGVWC 12	7/8/16	310.56	0.00	0.00	310.56	(77.64)	232.92
TOTAL			<u>\$ 1,122.19</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,122.19</u>	<u>\$ (280.57)</u>	<u>\$ 841.62</u>
Annual Allocation Percentage	Sch 23							8.52%
RWD Total								<u>\$ 71.71</u>

Note 1 - During our review, we vouched 100% of the San Gabriel Valley Water Company expense balance for the 2015/2016 year that was included in the Joint Facilities invoice without exception. The water purchased from San Gabriel Valley Water Company is used to run the wells.

Note 2 - The San Gabriel Water Company expenditures represent water that is purchased in order to run Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total invoiced amount.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis Of Public Health and SWRCB Fees - 2015/2016

Description	Ref.	Invoice Date	Invoice No.	Joint Facilities	La Mirada	La Mirada	Total	Suggested Corrections	HSNO Amount
				Wells	Conduit	Reservoir			
				62000	72000	82000	Note 1		
SWRCB/AFRS	SWRCB 1	10/15/15	LW-1001814	\$ 5,590.42	\$ 0.00	\$ 0.00	\$ 5,590.42	\$ (5,590.42)	\$ 0.00
SWRCB/AFRS	SWRCB 4	11/2/15	WD-0109725	2,037.00	0.00	0.00	2,037.00	(2,037.00)	0.00
SWRCB/AFRS	SWRCB 3	11/2/15	WD-0109812	657.00	0.00	0.00	657.00	(657.00)	0.00
SWRCB/AFRS	SWRCB 2	4/4/16	LW-1005927	1,570.84	0.00	0.00	1,570.84	(1,570.84)	0.00
SWRCB/AFRS	SWRCB 1	10/15/15	LW-1001814	0.00	0.00	294.87	294.87	(294.87)	0.00
SWRCB/AFRS	SWRCB 2	4/4/16	LW-1005927	0.00	0.00	43.68	43.68	(43.68)	0.00
TOTAL				\$ 9,855.26	\$ 0.00	\$ 338.55	\$ 10,193.81	\$(10,193.81)	\$ 0.00
Annual Allocation %	Sch 23								8.52%
RWD Total									\$ 0.00

Note 1 - During our review, we vouched 100% of the Public Health and SWRCB fees for the 2015/2016 year that were included in the Joint Facilities invoice without exception. These fees represent the cost of having the water testing results reviewed and analyzed by the State Water Resources Control Board. The Public Health and SWRCB fees are not a variable expense directly attributable to the production of water for Rowland. As such, we have not included Public Health and SWRCB fees in our computation of joint facilities expenditures.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis Of Railroad Rental Expenses - 2015/2016

Description	Ref.	Invoice Date	Invoice No.	Joint Facilities Wells	La Mirada Conduit	La Mirada Reservoir	Total	Suggested Corrections	HSNO Amount
				62000	72000	82000			Note 1
Burlington Northern	BUR 1	5/12/16	516436	\$ 7,629.90	\$ 0.00	\$ 0.00	\$ 7,629.90	\$(7,629.90)	\$ 0.00
TOTAL				<u>\$ 7,629.90</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 7,629.90</u>	<u>\$(7,629.90)</u>	<u>\$ 0.00</u>
Annual Allocation Percentage	Sch 23								8.52%
RWD Total									<u>\$ 0.00</u>

Note 1 - During our review, we vouched 100% of the Railroad Rental expenses for the 2015/2016 year that were included in the Joint Facilities invoice without exception. The railroad rental represents an easement that allows La Habra to transport water underneath the railroad and was in place prior to the contract with Rowland. The railroad rental is not a variable expense directly attributable to the production of water for Rowland. As such, we have not included the railroad rental in our computation of joint facilities expenditures.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Vehicle Expense - 2015/2016

Description	Ref.	Amount
Auto & Truck Expenses		\$ 30,765.91
Depreciation		10,815.28
Insurance		18,831.03
Total Vehicle Expenses		\$ 60,412.22
Number of Employees		10.00
Number of Hours Per Year		2,080.00
Amount Per Hour		\$ 2.90
Labor Hours for Vehicle Cost		1,360.68
Vehicle Costs		\$ 3,952.00
Adjustment for Well 9 (Note 1)		(988.00)
Total Adjusted Vehicle Costs		\$ 2,964.00
Annual Allocation Percentage	Sch 23	8.52%
RWD Allocation Amount		\$ 252.53

Note 1 - The Vehicle Expenses include the expense related to Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total computed Vehicle Expense.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Calculation Of Cost To Move Water - 2015/2016

Description	Ref.	Recomputed Amount
Accumulative Costs:		
52300-Power-La Mirada Plant, Plant 1,Reservoirs	Sch 14.0	\$ 60,790.65
52310-Power-Plant 5&6	Sch 14.1	15,134.72
52100-Labor-Pumping	Sch 15.0	5,003.60
52110-Labor -Pumping Plant 5&6	Sch 15.0	2,822.24
52200-Maintenance-Pumping	Sch 16.0	1,548.96
52210-Maintenance-Pumping-Upper	Sch 16.0	810.20
53200-Chlorination	Sch 16.0	5,088.58
56209-SCADA	Sch 17	0.00
Total Costs		<u>\$ 91,198.95</u>
Labor overhead:	Sch 15.0	2,312.26
Total Costs		<u>\$ 93,511.21</u>
10% overhead	Note 1	0.00
Total		<u><u>\$ 93,511.21</u></u>
<p>Note 1 - LHHCWD includes an Overhead % of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHCWD.</p>		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power-La Mirada Plant, Plant 1 and Reservoirs (Account 52300) - 2015/2016

Month	Ref.	Service Account	Invoice Period		Power 52300	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total
			Start Date	End Date					
Sch 18									
July	SCE 147	3-000-1879-67, 3-017-8685-38	6/26/15	7/28/15	\$ 50,372.43	\$ 0.00	\$ 50,372.43	0.00%	\$ 0.00
August	SCE 167	3-000-1879-67, 3-017-8685-38	7/28/15	8/26/15	50,004.33	0.00	50,004.33	1.38%	690.06
September	SCE 189	3-000-1879-67, 3-017-8685-38	8/26/15	9/25/15	48,509.48	0.00	48,509.48	0.00%	0.00
October	SCE 211	3-000-1879-67, 3-017-8685-38	9/25/15	10/27/15	39,457.30	0.00	39,457.30	7.26%	2,864.60
November	SCE 229	3-000-1879-67, 3-017-8685-38	10/27/15	11/25/15	36,547.71	0.00	36,547.71	23.40%	8,552.16
December	SCE 263	3-000-1879-67, 3-017-8685-38	11/25/15	12/28/15	38,041.03	0.00	38,041.03	37.68%	14,333.86
January	SCE 285	3-000-1879-67, 3-017-8685-38	12/28/15	1/27/16	27,852.86	0.00	27,852.86	37.71%	10,503.31
February	SCE 303	3-000-1879-67, 3-017-8685-38	1/27/16	2/26/16	33,581.36	0.00	33,581.36	36.88%	12,384.81
March	SCE 329	3-000-1879-67, 3-017-8685-38	2/26/16	3/29/16	32,488.23	0.00	32,488.23	35.28%	11,461.85
April	SCE 343	3-000-1879-67, 3-017-8685-38	3/29/16	4/27/16	29,979.70	0.00	29,979.70	0.00%	0.00
May	SCE 371	3-000-1879-67, 3-017-8685-38	4/27/16	5/26/16	21,715.83	0.00	21,715.83	0.00%	0.00
June	SCE 393	3-000-1879-67, 3-017-8685-38	5/26/16	6/27/16	39,870.19	0.00	39,870.19	0.00%	0.00
Total					<u>\$448,420.45</u>	<u>\$ 0.00</u>	<u>\$448,420.45</u>		<u>\$60,790.65</u>

Note 1 - During our review, we vouched 100% of the Power Charges related to La Mirada Plant, Plant 1 and the Reservoirs for the 2015/2016 year that were included in the Cost-to-Move-Water invoice without exception. The Power Charges represent the power used to run move the water from La Mirada Plant to the various reservoirs. No Adjustment was made.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power-Plant 5&6 (Account 52310) - 2015/2016

Month	Ref.	Power-335 reposado 52310	Ref.	Power-2000 Coban 52310	Ref.	Power- Reservoirs 52310	Total For 52310	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total	Comment
Sch 18												
July	SCE 163	\$ 6,502.73	SCE 183	\$ 3,021.15	SCE 153	\$ 123.85	\$ 9,647.73	\$ 0.00	\$ 9,647.73	0.00%	\$ 0.00	
August	SCE 183	7,007.93	SCE 205	3,049.35	SCE 173	112.59	10,169.87	0.00	10,169.87	1.38%	140.34	
September	SCE 205	6,412.92	SCE 217	2,594.22	SCE 195	116.55	9,123.69	0.00	9,123.69	0.00%	0.00	
October	SCE 217	6,073.22	SCE 223	2,671.20	SCE 245	121.42	8,865.84	0.00	8,865.84	7.26%	643.66	
November	SCE 223	4,198.35	SCE 257	5,763.18	SCE 235	109.79	10,071.32	(0.97)	10,070.35	23.40%	2,356.46	Note 1
December	SCE 257	3,299.68	SCE 279	4,923.03	SCE 269	123.25	8,345.96	0.00	8,345.96	37.68%	3,144.76	
January	SCE 279	2,967.13	SCE 317	4,401.68	SCE 291	111.33	7,480.14	0.00	7,480.14	37.71%	2,820.76	
February	SCE 317	3,344.15	SCE 323	5,793.38	SCE 309	111.12	9,248.65	0.00	9,248.65	36.88%	3,410.90	
March	SCE 323	3,348.95	SCE 357	3,952.77	SCE 335	118.45	7,420.17	0.00	7,420.17	35.28%	2,617.84	
April	SCE 357	3,217.52	SCE 377	1,531.37	SCE 349	107.41	4,856.30	0.00	4,856.30	0.00%	0.00	
May	SCE 377	3,671.03	SCE 383	1,790.85	SCE 365	107.38	5,569.26	0.00	5,569.26	0.00%	0.00	
June	SCE 383	6,315.79	SCE 413	3,192.91	SCE 401	113.10	9,621.80	0.00	9,621.80	0.00%	0.00	
Total		<u>\$ 56,359.40</u>		<u>\$ 42,685.09</u>		<u>\$ 1,376.24</u>	<u>\$ 100,420.73</u>		<u>\$ 100,419.76</u>		<u>\$ 15,134.72</u>	

Note 1 - During our review, we vouched 100% of the Power Charges related to Plants 5 & 6 for the 2015/2016 year that were included in the Cost-to-Move-Water invoice identifying one exception. The exception was a variance of \$0.97 deemed inconsequential.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor - 2015/2016

GL Account	Ref.	52100	Suggested Corrections	Recomputed Amount	52110	Suggested Corrections	Recomputed Amount	53200	Suggested Corrections	Recomputed Amount	Total Recomputed Amount
				Note 1			Note 1			Noe 1	
July	Note 2	\$ 2,966.58	\$ 0.00	\$ 2,966.58	\$ 1,721.33	\$ 0.00	\$ 1,721.33	\$ 220.09	\$ 0.00	\$ 220.09	\$ 4,908.00
August	PYRL 1	2,399.29	0.00	2,399.29	1,200.96	0.00	1,200.96	169.70	0.00	169.70	3,769.95
September	PYRL 1	1,859.80	0.00	1,859.80	1,356.44	0.00	1,356.44	880.24	0.00	880.24	4,096.48
October	PYRL 1	1,844.54	0.00	1,844.54	1,464.72	0.00	1,464.72	262.28	0.00	262.28	3,571.54
November	PYRL 1	2,045.42	0.00	2,045.42	1,186.67	0.00	1,186.67	173.35	0.00	173.35	3,405.44
December	PYRL 1	3,931.27	0.00	3,931.27	2,210.01	0.00	2,210.01	810.03	0.00	810.03	6,951.31
January (Note 3)	PYRL 2	3,182.84	0.00	3,182.84	2,143.65	0.00	2,143.65	757.21	(656.32)	100.89	5,427.38
February (Note 3)	PYRL 2	2,544.92	0.00	2,544.92	1,244.43	0.00	1,244.43	5,186.74	(5,136.61)	50.13	3,839.48
March	PYRL 2	3,140.35	0.00	3,140.35	1,345.99	0.00	1,345.99	446.55	0.00	446.55	4,932.89
April	PYRL 2	2,867.68	0.00	2,867.68	1,610.11	0.00	1,610.11	145.90	0.00	145.90	4,623.69
May	PYRL 2	2,715.06	0.00	2,715.06	1,235.23	0.00	1,235.23	848.32	0.00	848.32	4,798.61
June	Note 2	3,859.59	0.00	3,859.59	2,095.36	0.00	2,095.36	289.24	0.00	289.24	6,244.19
Total		\$33,357.34	\$ 0.00	\$ 33,357.34	\$18,814.90	\$ 0.00	\$ 18,814.90	\$10,189.65	\$ (5,792.93)	\$ 4,396.72	\$ 56,568.96
Annual Allocation Percentage				15.00%			15.00%			15.00%	15.00%
RWD Total				\$ 5,003.60			\$ 2,822.24			\$ 659.51	\$ 8,485.34

Note 1 - During our review, we vouched the Payroll Expense to the Payroll Distribution report. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks.

Note 2 - We noted that LHHWCWD accounts for the difference in payroll accrual at year-end. These adjustments are not found in the payroll reports but appear reasonable.

Note 3 - We noted that the January and February payroll amounts for GL Account 53200 did not agree with the Payroll Distribution Report. We discussed the matter with Tammy Wagstaff, Treasurer and Office Manager for LHHWCWD and it was determined that the amounts included in the invoice for these two months were grabbed from the wrong part of the payroll report. Therefore, we adjusted them to reflect the correct payroll amount for January and February 2016.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor Overhead Computation - 2015/2016

GL Account	Ref.	Recomputed Amount - 52100	Recomputed Amount - 52110	Recomputed Amount - 53200	Total Allocated Payroll
Allocated Payroll Amount	Sch 15.0	\$ 5,003.60	\$ 2,822.24	\$ 659.51	\$ 8,485.35
Labor overhead %	Sch 19	27.25%	27.25%	27.25%	27.25%
Computed Labor Overhead		<u>\$ 1,363.48</u>	<u>\$ 769.06</u>	<u>\$ 179.72</u>	<u>\$ 2,312.26</u>

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water Maintenance Summary - 2015/2016

Description	Ref.	Maint. Pumping 52200	Maint. Pumping Upper 52210	Treatment 53200
		Sch 16.1	Sch 16.2	Sch 16.3
July		\$ 1,903.30	\$ 347.13	\$ 1,675.26
August		41.64		3,051.56
September				3,175.42
October		669.90		1,742.46
November				4,640.17
December			10.88	2,309.62
January		59.48		757.21
February		42.93		5,186.74
March		60.54		1,943.17
April		723.23	800.00	1,677.01
May		1,610.37	25.85	5,593.45
June		5,215.00	4,217.50	2,171.82
Total		\$ 10,326.39	\$ 5,401.36	\$ 33,923.89
Annual Allocation Percentage Sch 18		15.00%	15.00%	15.00%
RWD Total		\$ 1,548.96	\$ 810.20	\$ 5,088.58

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Pumping (Account 52200) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 1		07/13/15	457436	Cannings Hardware	\$ 7.51		
MPT 1		07/22/15	C Transaction Batch	IC Inventory Issu	56.49		
MPT 1	HO 2	07/24/15	01914604-IN	Hasco Oil Company Inc.	210.34		
MPT 1	HO 2	07/24/15	01914604-IN	Hasco Oil Company Inc.	210.34		
MPT 1	II 2	07/24/15	C Transaction Batch	IC Inventory Issu	1,369.03		
MPT 1	HD 1	07/30/15	JULY15	Home Depot Crc, The	33.34		
MPT 1		07/31/15	457935	Cannings Hardware	16.25		
		Total July			\$ 1,903.30	\$ 0.00	\$ 1,903.30
MPT 1	MP 5	08/20/15	9809101018	Grainger Inc	\$ 41.64		
		Total August			\$ 41.64	\$ 0.00	\$ 41.64
MPT 1	GWE 1	10/13/15	2995	Golden West Electric	\$ 669.90		
		Total October			\$ 669.90	\$ 0.00	\$ 669.90
MPT 1		01/31/16	461209	Cannings Hardware	\$ 57.40		
MPT 1		01/31/16	461222	Cannings Hardware	2.08		
		Total January			\$ 59.48	\$ 0.00	\$ 59.48
MPT 1		02/29/16	461760	Cannings Hardware	\$ 14.08		
MPT 1		02/29/16	461765	Cannings Hardware	6.49		
MPT 1		02/29/16	461862	Cannings Hardware	32.73		
MPT 1		02/29/16	461863	Cannings Hardware		\$ 10.85	
MPT 2		02/29/16	461883	Cannings Hardware	10.38		
MPT 2		02/29/16	5	Golden West Elec Refnd Inv2995		9.90	
		Total February			\$ 63.68	\$ 20.75	\$ 42.93
MPT 2		03/22/16	462084	Cannings Hardware	\$ 36.86		
MPT 2	MP 12	03/30/16	MAR16	Home Depot Crc, The	14.07		
MPT 2		03/31/16	462363	Cannings Hardware	9.61		
		Total March			\$ 60.54	\$ 0.00	\$ 60.54
MPT 2	II 3	04/04/16	IC Transaction Batch	Ic Inventory Issue	\$ 287.46		
MPT 2	MP 1	04/28/16	240052	Southern Calif Edison Co.	400.00		
MPT 2		04/30/16	462795	Cannings Hardware	8.67		
MPT 2		04/30/16	462797	Cannings Hardware	26.03		
MPT 2		04/30/16	462870	Cannings Hardware	1.07		
		Total April			\$ 723.23	\$ 0.00	\$ 723.23
MPT 2	II 4	5/3/16	IC Transaction Batch	Ic Inventory Issue	\$ 76.97		
MPT 2	II 5	5/10/16	IC Transaction Batch	Ic Inventory Issue	928.84		
MPT 2		5/11/16	462936	Cannings Hardware	16.26		
MPT 2	MP 4	5/26/16	20142	A & B Electric	185.50		
MPT 2		5/31/16	20	Rc Sce#240348	400.00		
MPT 2		5/31/16	463245	Cannings Hardware	39.64		
MPT 2		5/31/16	463250	Cannings Hardware		36.84	
		Total May			\$ 1,647.21	\$ 36.84	\$ 1,610.37

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Pumping (Account 52200) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 2	MP 13	6/9/16	172019	Bell Pipe & Supply Co.	\$ 320.64		
MPT 2	II 6	6/11/16	IC Transaction Batch	Ic Inventory Issue	77.05		
MPT 2		6/23/16	463596	Cannings Hardware	28.86		
MPT 2	MP 9	6/28/16	695809	Griswold Industries	2,175.95		
MPT 2	KTI 1	6/30/16	58	Kt Ind #2015832	2,612.50		
		Total June		Maintenance-Pumping Total:	<u>\$ 5,215.00</u>	<u>\$ 0.00</u>	<u>\$ 5,215.00</u>
		Grand Total			<u>\$10,383.98</u>	<u>\$ 57.59</u>	<u>\$10,326.39</u>

Note 1 - We vouched 100% of the expenses included in the Maintenance Pumping expense category to the GL Account Ledger. We further vouched a selection of 16 items to their supporting invoices or source documents without exception. No adjustment was made for this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Pumping Upper - (Account 52210) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 2	HO 2	7/24/15	01914604-IN	Hasco Oil Company Inc.	\$ 280.46		
MPT 2	HD 1	7/30/15	JULY15	Home Depot CRC	66.67		
		Total July			<u>\$ 347.13</u>	\$ 0.00	\$ 347.13
MPT 2		12/14/15	430398	Cannings Hardware	\$ 2.48		
MPT 2		12/31/15	460782	Cannings Hardware	8.40		
		Total December			<u>\$ 10.88</u>	\$ 0.00	\$ 10.88
MPT 2	MP 2	4/28/16	240065	Southern California Edison	\$ 400.00		
MPT 3	MP 3	4/29/16	240063	Southern California Edison	400.00		
		Total April			<u>\$ 800.00</u>	\$ 0.00	\$ 800.00
MPT 3		5/26/16	463177	Cannings Hardware	\$ 15.47		
MPT 3		5/26/16	463179	Cannings Hardware	2.80		
MPT 3		5/31/16	13	RC Cannings #462488	7.58		
		Total May			<u>\$ 25.85</u>	\$ 0.00	\$ 25.85
MPT 3	MP 7	6/2/16	772	Golden Meters Service Inc.	\$ 1,605.00		
MPT 3	KTI 1	6/30/16	58	KT IND#2015832	2,612.50		
		Total June			<u>\$ 4,217.50</u>	\$ 0.00	\$ 4,217.50
		Total			<u><u>\$ 5,401.36</u></u>	\$ 0.00	<u><u>\$ 5,401.36</u></u>

Note 1 - We vouched 100% of the expenses included in the Maintenance Pumping Upper expense category to the GL Account Ledger. We further vouched a selection of 6 items representing over 50% of the balance and vouched them to their supporting invoices without exception. No adjustment was made for this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 4		07/17/15	LA146535	Univar USA, Inc.	\$ 1,455.17		
MPT 4	PYRL 1	07/31/15	1-1	P/R Distrib	311.31		
MPT 4		07/31/15	1-2	Reverse 6/14-30 P/R		\$ 91.22	
Total July					\$ 1,766.48	\$ 91.22	\$ 1,675.26
MPT 4	CL 22	08/12/15	944861	Clinical Lab. Of S.B., Inc.	\$ 177.00		
MPT 4		08/13/15	LA155097	Univar Usa, Inc.	1,238.43		
MPT 4		08/26/15	943646	Clinical Lab. Of S.B., Inc.	228.00		
MPT 4	PYRL 1	08/31/15	1-1	P/R Distrib	169.70		
MPT 4		08/31/15	LA161026	Univar USA, Inc.	1,238.43		
Total August					\$ 3,051.56	\$ 0.00	\$ 3,051.56
MPT 4		09/10/15	945449	Clinical Lab. Of S.B., Inc.	\$ 448.75		
MPT 4		09/29/15	12015-0751	D&H Water Systems	608.00		
MPT 4	PYRL 1	09/30/15	1-1	P/R Distrib	880.24		
MPT 4		09/30/15	LA170189	Univar USA, Inc.	1,238.43		
Total September					\$ 3,175.42	\$ 0.00	\$ 3,175.42
MPT 4	CL 15	10/08/15	946033	Clinical Lab. Of S.B., Inc.	\$ 241.75		
MPT 4		10/21/15	LA176702	Univar USA, Inc.	1,238.43		
MPT 4	PYRL 1	10/31/15	1-1	P/R Distrib	262.28		
Total October					\$ 1,742.46	\$ 0.00	\$ 1,742.46
MPT 4		11/11/15	946616	Clinical Lab. Of S.B., Inc.	\$ 184.25		
MPT 4		11/13/15	IN0221530	Los Angeles County Fire Dept.	363.00		
MPT 4		11/13/15	LA183837	Univar USA, Inc.	1,238.43		
MPT 4		11/17/15	LW-1001814	SWRCB/AFRS	1,440.46		
MPT 4	PYRL 1	11/30/15	1-1	P/R Distrib	173.35		
MPT 4		11/30/15	19	Rvs Clinical Lab #943646		\$ 228.00	
MPT 4		11/30/15	947199	Clinical Lab. Of S.B., Inc.	230.25		
MPT 4		11/30/15	LA190123	Univar USA, Inc.	1,238.43		
Total November					\$ 4,868.17	\$ 228.00	\$ 4,640.17
MPT 4		12/11/15	12015-0962	D&H Water Systems	\$ 260.35		
MPT 4		12/15/15	460420	Cannings Hardware	0.81		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 4	PYRL 1	12/31/15	1-1	P/R Distrib	810.03		
MPT 4		12/31/15	LA195640	Univar USA, Inc.	1,238.43		
Total December					\$ 2,309.62	\$ 0.00	\$ 2,309.62
MPT 4		01/13/16	947751	Clinical Lab. Of S.B., Inc.	\$ 241.75		
MPT 4		01/22/16	9569533	Hach Company	414.57		
MPT 5	PYRL 2	01/31/16	1-1	Fir Distrib	100.89		
Total January					\$ 757.21	\$ 0.00	\$ 757.21
MPT 5		02/05/16	LA205688	Univar USA, Inc.	\$ 1,238.43		
MPT 5		02/10/16	948243	Clinical Lab. Of S.B., Inc.	156.75		
MPT 5		02/24/16	0118162-IN	Integra Chemical Company	2,503.00		
MPT 5		02/26/16	LA211720	Univar USA, Inc.	1,238.43		
MPT 5	PYRL 2	02/29/16	1-1	P/R Distrib	50.13		
Total February					\$ 5,186.74	\$ 0.00	\$ 5,186.74
MPT 5		03/11/16	948838	Clinical Lab. Of S.B., Inc	\$ 177.00		
MPT 5		03/24/16	12016-0205	D&H Water Systems	81.19		
MPT 5		03/30/16	LA221554	Univar USA, Inc.	1,238.43		
MPT 5	PYRL 2	03/31/16		P/R Distrib	446.55		
Total March					\$ 1,943.17	\$ 0.00	\$ 1,943.17
MPT 5	CL 7	04/12/16	949422	Clinical Lab. Of S.B., Inc.	\$ 230.25		
MPT 5		04/25/16	K62650	Cannings Hardware	21.58		
MPT 5		04/26/16	002J3647	Harrington Industrial Plastics	40.85		
MPT 5		04/27/16	LA230405	Univar USA, Inc.	1,238.43		
MPT 5	PYRL 2	04/30/16	1-1	P/R Distrib	145.90		
Total April					\$ 1,677.01	\$ 0.00	\$ 1,677.01
MPT 5		05/04/16	9915865	Hach Company	\$ 209.63		
MPT 5		05/09/16	949875	Clinical Lab. Of S.B., Inc.	177.00		
MPT 5		05/11/16	9108810061	Grainger Inc. - Grainger Inc.	38.69		
MPT 5	UNI 3	05/11/16	LA234159	Univar USA, Inc.	169.23		
MPT 5		05/16/16	12016-0384	D&H Water Systems	228.90		
MPT 5		05/20/16	0119269-IN	Integra Chemical Company	2,503.00		
MPT 5		05/23/16	LA237821	Univar Usa, Inc.	1,238.43		
MPT 5		05/30/16	MAY16	Home Depot Crc, The	68.33		
MPT 5	PYRL 2	05/31/16	1-1	P/R Distrib	848.32		
MPT 5		05/31/16	21	Rc Univar #La234159		\$ 169.23	
MPT 5		05/31/16	LW-1005927	SWRCB/AFRS	281.15		
Total May					\$ 5,762.68	\$ 169.23	\$ 5,593.45
MPT 5	CL 1	06/13/16	950424	Clinical Lab. Of S.B., Inc.	\$ 212.25		
MPT 5		06/21/16	0046926	Pollardwater.Com-East	487.75		
MPT 5		06/21/16	LA247388	Univar Usa, Inc - Univar Usa, Inc.	1,548.06		
MPT 5	PYRL 2	06/30/16	1-1	P/R Distrib	289.24		
MPT 5		06/30/16	26	Rc Home Depot #8084934		\$ 68.33	
MPT 5		06/30/16	950930	Clinical Lab. Of S.B., Inc.	177.00		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2015/2016

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
MPT 5		06/30/16	CM002396	Pollardwater.Com-East		474.15	
		Total June			<u>\$ 2,714.30</u>	<u>\$ 542.48</u>	<u>\$ 2,171.82</u>
					<u>\$ 34,954.82</u>	<u>\$ 1,030.93</u>	<u>\$ 33,923.89</u>

Note 1 - We vouched 100% of the expenses included in the Maintenance and Labor - Treatment category to the GL Account Ledger. We further vouched a selection of 17 items to their supporting invoices without exception. No adjustment was made for this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

SCADA - 2015/2016

GL #56209	Ref.	Invoice Date	Invoice No.	Telepacific P1,P5,P6,R1, OA, R5A,R9,	Telepacific P2	Total Telepacific	Ref.	Invoice Date	Invoice No.	EPM Power & Water	EPM & Water Alloc. %	Allocated EPM Power & Water	Total SCADA Costs	Suggested Corrections	Recomputed Amount
												Note 1			Note 2
July	TPC 21	7/31/15	69434041-0	\$ 1,736.44	\$ 193.25	\$ 1,929.69	EPM 11	7/11/15	9055231	\$ 595.53	90.01%	\$ 536.04	\$ 2,272.48	\$ (2,272.48)	\$ 0.00
August	TPC 19	8/31/15	70382429-0	1,737.67	193.25	1,930.92		8/11/15		578.87	90.01%	521.04	2,258.71	(2,258.71)	0.00
September	TPC 17	9/30/15	71291758-0	1,737.67	193.25	1,930.92	EPM 10	9/11/15	9056137	578.86	90.01%	521.03	2,258.70	(2,258.70)	0.00
October	TPC 15	10/31/15	72221135-0	1,739.15	193.25	1,932.40	EPM 9	10/11/15	9056617	612.57	90.01%	551.37	2,290.52	(2,290.52)	0.00
November	TPC 13	11/30/15	73189623-0	1,769.38	193.25	1,962.63	EPM 8	11/11/15	9057120	578.87	90.01%	521.04	2,290.42	(2,290.42)	0.00
December	TPC 11	12/31/15	74141381-0	1,739.15	193.25	1,932.40	EPM 7	12/11/15	9057584	578.86	90.01%	521.03	2,260.18	(2,260.18)	0.00
January	TPC 9	1/31/16	75111891-0	1,739.23	193.25	1,932.48	EPM 6	1/11/16	9058036	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
February	TPC 7	2/29/16	76111042-0	1,739.23	193.25	1,932.48	EPM 5	2/11/16	9058492	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
March	TPC 5	3/31/16	77097548-0	1,739.23	193.25	1,932.48	EPM 4	3/11/16	9058992	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
April	TPC 3	4/30/16	78084012-0	1,739.23	193.25	1,932.48	EPM 3	4/12/16	9059444	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
May	TPC 1	5/31/16	79080987-0	1,739.23	193.25	1,932.48	EPM 2	5/11/16	9059846	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
June				1,739.23	193.25	1,932.48	EPM 1	6/13/16	9060300	578.86	90.01%	521.03	2,260.26	(2,260.26)	0.00
Total				\$ 20,894.84	\$ 2,319.00	\$ 23,213.84				\$ 6,996.72		\$ 6,297.73	\$ 27,192.57	\$ (27,192.57)	\$ 0.00
Computation of Percentage Used in Shared Costs				90.01%	9.99%	100.00%									
RWD Usage Allocation Percentage															15.00%
RWD Total															\$ 0.00
<p>Note 1 - EPM and Water charges are allocated at 90.01% which represents the percentage of Telepacific charges related to joint facilities vs total charges.</p> <p>Note 2 - The SCADA expense item is related to the maintenance costs and other costs related to software utilized by La Habra to run the water system. The SCADA expense is not a variable expense directly attributable to the production of water for Rowland. As such, we have not included SCADA expenditures in our computation of joint facilities expenditures.</p>															

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost to Move Water Usage Allocation - 2015/2016

Month	LHHCWD Production	LHHCWD Reads on RWD	Total	% RWD to Total
July	242.44	0.00	242.44	0.00%
August	273.85	3.82	277.67	1.38%
September	224.24	0.00	224.24	0.00%
October	239.42	18.73	258.15	7.26%
November	200.30	61.19	261.49	23.40%
December	154.54	93.45	247.99	37.68%
January	109.42	66.24	175.66	37.71%
February	157.20	91.84	249.04	36.88%
March	144.60	78.82	223.42	35.28%
April	201.81	0.00	201.81	0.00%
May	136.63	0.00	136.63	0.00%
June	262.60	0.00	262.60	0.00%
Total	2,347.05	414.09	2,761.14	15.00%

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Labor Overhead Percentage Analysis - 2015/2016

Description	Total Labor Overhead	Suggested Corrections	Variable Labor Overhead	Allocation Percentage	Comment
	Note 1				
Gross Payroll	\$ 873,619.38	\$ 0.00	\$ 873,619.38	100.00%	
Overhead					
Payroll Taxes - Employer	\$ 67,561.90	\$ 0.00	\$ 67,561.90	7.73%	
Retirement	136,574.63	0.00	136,574.63	15.63%	
Worker's Compensation	33,917.71	0.00	33,917.71	3.88%	
Medical Insurance	320,816.37	(320,816.37)	0.00	0.00%	Note 1
Dental Expenses	8,234.80	(8,234.80)	0.00	0.00%	Note 1
Uniforms & Certification	2,620.44	(2,620.44)	0.00	0.00%	Note 1
Employee Recognition Dinner	0.00	0.00	0.00	0.00%	Note 1
Vacation	60,571.84	(60,571.84)	0.00	0.00%	Note 1
Sick Leave	36,965.90	(36,965.90)	0.00	0.00%	Note 1
Holidays	33,885.41	(33,885.41)	0.00	0.00%	Note 1
Physicals	718.39	(718.39)	0.00	0.00%	Note 1
Total	\$ 701,867.39	\$ (463,813.15)	\$ 238,054.24	27.25%	

Note 1 - This expense does not appear to be a variable expense directly attributable to the production of water for Rowland. As such it was removed from our computation of the Labor Overhead Percentage.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

LHHCWD Wheeling Charge - 2015/2016

Description	Ref.	As Invoiced	Suggested Corrections	Computed Amount
Water Delivered (AF)	Sch 18	448.24		414.09
LHHCWD Wheeling Charge	Note 1	<u>\$ 50.00</u>		<u>\$ 50.00</u>
Computed Wheeling Charge		<u>\$ 22,412.00</u>	<u>\$ (1,707.50)</u>	<u>\$ 20,704.50</u>
<p>Note 1 - Section 8(c) of the Water Production and Delivery Agreement states that the Wheeling Charge paid to LHHCWD shall be \$50 per acre-foot.</p>				

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

ODWD Wheeling Charge - 2015/2016

ODWD Wheeling Charge	Ref.	As Invoiced	Suggested Corrections	Computed Amount
ODWD Wheeling Charge - Jul 2015-Feb 2016	Sch 57	\$ 10.82		\$ 10.61
Total Acre-feet (AF) - Jul 2015-Feb 2016	Sch 23	363.26		335.27
Jul 2015-Feb 2016 Wheeling Charge		<u>\$ 3,930.47</u>		<u>\$ 3,557.21</u>
ODWD Wheeling Charge - Mar-Jun 2016	Sch 57	\$ 11.04		\$ 10.82
Total Acre-feet (AF) - Mar-Jun 2016	Sch 23	84.98		78.82
Mar-Jun 2016 Wheeling Charge		<u>\$ 938.18</u>		<u>\$ 852.83</u>
Total Wheeling Charge		<u>\$ 4,868.65</u>	<u>\$ (458.61)</u>	<u>\$ 4,410.04</u>

Prepared for: Best, Best & Krieger LLP
Re: La Habra Heights County Water District Billings

WRD Replenishment Fee - 2015/2016

Description	Ref.	As Originally Invoiced	Suggested Corrections	Computed Amount
WRD Replenishment Fee		\$ 283.00		\$ 283.00
Total Acre-feet (AF) (Period Jul 2015-Jun 2016)	Sch 23	448.24		414.09
Total		\$ 126,851.92	\$ (9,664.45)	\$117,187.47

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Water Usage - 2015/2016

Month	LHHCWD Computed Amount	Suggested Corrections	RWD Usage	Total Production	Total Production Allocation Percentage
			Note 1/Note 2	Note 1	
July	0.01	(0.01)	0.00	451.68	0.00%
August	4.11	(0.29)	3.82	498.43	0.77%
September	0.00	0.00	0.00	415.75	0.00%
October	20.13	(1.40)	18.73	439.07	4.27%
November	65.42	(4.23)	61.19	431.01	14.20%
December	102.00	(8.55)	93.45	418.23	22.34%
January	72.19	(5.95)	66.24	319.28	20.75%
February	99.40	(7.56)	91.84	401.85	22.85%
Total July- February	<u>363.26</u>	<u>(27.99)</u>	<u>335.27</u>	<u>3,375.30</u>	
March	84.98	(6.16)	78.82	377.27	20.89%
April	0.00	0.00	0.00	373.91	0.00%
May	0.00	0.00	0.00	285.64	0.00%
June	0.00	0.00	0.00	446.13	0.00%
Total March - June	<u>84.98</u>	<u>(6.16)</u>	<u>78.82</u>	<u>1,482.95</u>	
Total July 2015 - June 2016	<u><u>448.24</u></u>	<u><u>(34.15)</u></u>	<u><u>414.09</u></u>	<u><u>4,858.25</u></u>	8.52%
<p>Note 1 - Obtained from invoice sent at year end that trues up the annual costs to Rowland.</p> <p>Note 2 - The RWD Usage represents the readings taken by LHHCWD on the Rowland Meter.</p>					

Prepared for:
Re: La Habra Heights Water District

Joint Facilities - 2014/2015

Description	Ref.	Adjusted & Allocated Amount
Labor	Sch 25	\$ 2,429.23
Power	Sch 26.0	13,752.50
Water Treatment	Note 1	0.00
Maint & Repair	Sch 27	1,859.28
Property Taxes	Note 1	0.00
Telephone	Note 1	0.00
SCADA	Note 1	0.00
Water-SGVWD	Sch 28	16.30
Fees-Health Dept.	Note 1	0.00
Rent-Railroad	Note 1	0.00
Total		\$ 18,057.31
Vehicle Expense	Sch 35	209.15
Labor Overhead Percentage	Sch 34	28.31%
Computed Labor Overhead		687.72
Rowland Share of Joint Facilities		\$ 18,954.18
Overhead % (Note 2)	Note 2	0.00%
Computed Overhead		\$ 0.00
Grand Total - Rowland Share of Joint Facilities		\$ 18,954.18
<p>Note 1 - During our review it was determined that this expense category is not a variable expense directly attributable to the production of water for Rowland. As such, we have removed it from our computation of Joint Facilities expenses.</p>		
<p>Note 2 - LHHCWWD includes an Overhead Percentage of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHCWWD.</p>		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Labor Costs - 2014/2015

Description	Ref.	Joint Facilities Wells 62000	La Mirada Conduit 72000	La Mirada Reservoir 82000	Total	Suggested Corrections	HSNO Amount	Comments
July 14 payroll	2PYRL	\$ 2,017.56	\$ 567.74	\$ 247.20	\$ 2,832.50	\$ (504.39)	\$ 2,328.11	Note 1
Aug 14 payroll	2PYRL	2,586.99	279.13	274.87	3,140.99	(646.75)	2,494.24	Note 1
Sept. 14 payroll	2PYRL	1,598.42	241.80	191.64	2,031.86	(399.61)	1,632.25	Note 1
Oct. 14 payroll	2PYRL	3,299.75	207.56	195.30	3,702.61	(824.94)	2,877.67	Note 1
Nov. 14 payroll	2PYRL	1,636.27	356.55	92.05	2,084.87	(409.07)	1,675.80	Note 1
Dec. 14 payroll	2PYRL	2,596.48	542.23	171.34	3,310.05	(649.12)	2,660.93	Note 1
Jan. 15 payroll	2PYRL	2,677.05	341.52	116.47	3,135.04	(669.26)	2,465.78	Note 1
Feb. 15 payroll	2PYRL	2,005.25	80.90	51.02	2,137.17	(501.31)	1,635.86	Note 1
March 15 payroll	2PYRL	1,933.99	266.51	20.46	2,220.96	(483.50)	1,737.46	Note 1
April 15 payroll	2PYRL	3,146.24	271.47	313.15	3,730.86	(786.56)	2,944.30	Note 1
May 15 payroll	2PYRL	3,032.57	91.78	258.29	3,382.64	(758.14)	2,624.50	Note 1
June 15 payroll	2PYRL	4,546.63	308.28	277.48	5,132.39	(1,136.66)	3,995.73	Note 1
June 15 payroll Accrual	2PYRL	1,932.14	269.53	126.91	2,328.58	(483.04)	1,845.54	Note 2
July 14 payroll reverse Accrual	2PYRL	(514.45)	(251.42)	(104.11)	(869.98)	128.61	(741.37)	Note 2
Total		<u>\$ 32,494.89</u>	<u>\$ 3,573.58</u>	<u>\$ 2,232.07</u>	<u>\$ 38,300.54</u>	<u>\$ (8,123.74)</u>	<u>\$ 30,176.80</u>	
Annual Allocation Percentage	Sch 39						<u>8.05%</u>	
RWD Total							<u>\$ 2,429.23</u>	

Note 1 - During our review of 2015/2016, we vouched the Payroll Expense to the Payroll Distribution report without exception. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. We vouched 100% of the 2014/2015 Labor Costs to the Labor Distribution. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks. We noted that the Labor Costs include the cost of labor for Wells 8, 9, 10 and 11. As Well 9 is not included in the Water Production and Delivery Agreement, 25% of the Labor Costs for the Joint Facilities Wells were removed.

Note 2 - We noted that LHCWD accounts for the difference in payroll accrual at year-end. These adjustments are not found in the payroll reports but appear reasonable.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power Charges Summary and Allocation- 2014/2015

Month	Usage Allocation		Recomputed Amount
	Sch 26.1	Sch 39	
July 2014	\$ 20,119.03	0.00%	\$ 0.00
August 2014	21,479.89	0.00%	0.00
September 2014	20,409.81	0.00%	0.00
October 2014	15,747.04	0.95%	149.60
November 2014	14,855.51	9.73%	1,445.44
December 2014	8,535.88	4.85%	413.99
January 2015	11,797.12	20.35%	2,400.71
February 2015	13,511.75	24.36%	3,291.46
March 2015	15,769.00	15.79%	2,489.93
April 2015	14,137.54	5.73%	810.08
May 2015	13,722.61	19.12%	2,623.76
June 2015	19,926.15	0.64%	127.53
Total 2014/2015	<u>\$ 190,011.33</u>		<u>\$ 13,752.50</u>

Note 1 - Due to the change in power charges during the on-peak and off-peak times of the year it was necessary to allocate power costs on a monthly basis to more accurately reflect the cost of power used in the production of water for RWD.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power Charges Analysis - 2014/2015

Description	Ref.	Service Account	Invoice Period		Joint Facilities Wells Elec.	Suggested Corrections	HSNO Amount	Comment
			Start Date	End Date	62100			
Southern California Edison	2SCE 5	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	7/7/14	8/5/14	\$ 16,112.70		\$ 16,112.70	
Southern California Edison	2SCE 1	3-000-6863-84 10528 Dunlap Crossing Rd	7/2/14	8/1/14	4,006.33		4,006.33	
Total July 2014					<u>\$ 20,119.03</u>	<u>\$ 0.00</u>	<u>\$ 20,119.03</u>	
Southern California Edison	2SCE 11	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	8/5/14	9/4/14	\$ 17,258.08		\$ 17,258.08	
Southern California Edison	2SCE 27	3-000-6863-84 10528 Dunlap Crossing Rd	8/1/14	9/3/14	4,221.81		4,221.81	
Total August 2014					<u>\$ 21,479.89</u>	<u>\$ 0.00</u>	<u>\$ 21,479.89</u>	
Southern California Edison	2SCE 31	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	9/4/14	10/3/14	\$ 16,616.11		\$ 16,616.11	
Southern California Edison	2SCE 35	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	9/3/14	10/1/14	3,904.12	\$ (110.42)	3,793.70	Note 2
Total September 2014					<u>\$ 20,520.23</u>	<u>\$ (110.42)</u>	<u>\$ 20,409.81</u>	
Southern California Edison	2SCE 55	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	10/3/14	11/4/14	\$ 12,706.94		\$ 12,706.94	
Southern California Edison	2SCE 47	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	10/1/14	10/31/14	3,119.28	\$ (79.18)	3,040.10	Note 2
Total October 2014					<u>\$ 15,826.22</u>	<u>\$ (79.18)</u>	<u>\$ 15,747.04</u>	
Southern California Edison	2SCE 59	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	11/4/14	12/5/14	\$ 11,593.90		\$ 11,593.90	
Southern California Edison	2SCE 71	3-000-6863-84, 3-042-5993- 39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	10/31/14	12/3/14	3,339.55	\$ (77.94)	3,261.61	Note 2
Total November 2014					<u>\$ 14,933.45</u>	<u>\$ (77.94)</u>	<u>\$ 14,855.51</u>	

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power Charges Analysis - 2014/2015

Description	Ref.	Service Account	Invoice Period		Joint Facilities	Suggested	HSNO	Comment
			Start Date	End Date	Wells Elec.			
					62100	Corrections	Amount	
Southern California Edison	2SCE 67	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	12/5/2014	1/6/2015	\$ 5,482.16		\$ 5,482.16	
Southern California Edison	2SCE 63	3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	12/4/14	1/5/15	36.63	\$ (36.63)	0.00	Note 2
Southern California Edison	2SCE 81	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	12/3/14	1/2/15	3,096.14	(42.42)	3,053.72	Note 2
Total December 2014					<u>\$ 8,614.93</u>	<u>\$ (79.05)</u>	<u>\$ 8,535.88</u>	
Southern California Edison	2SCE 77	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	1/6/15	2/4/15	\$ 9,349.20		\$ 9,349.20	
Southern California Edison	2SCE 81	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	1/2/15	2/2/15	2,524.39	\$ (76.47)	2,447.92	Note 2
Total January 2015					<u>\$ 11,873.59</u>	<u>\$ (76.47)</u>	<u>\$ 11,797.12</u>	
Southern California Edison	2SCE 91	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	2/4/2015	3/6/2015	\$ 10,584.58		\$ 10,584.58	
Southern California Edison	2SCE 97	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	2/2/15	3/4/15	3,004.72	\$ (77.55)	2,927.17	Note 2
Total February 2015					<u>\$ 13,589.30</u>	<u>\$ (77.55)</u>	<u>\$ 13,511.75</u>	
Southern California Edison	2SCE 105	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	3/6/15	4/6/15	\$ 12,851.06		\$ 12,851.06	
Southern California Edison	2SCE 109	3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	3/5/15	4/3/15	33.09	\$ (33.09)	0.00	Note 2
Southern California Edison	2SCE 117	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	3/4/15	4/3/15	2,961.30	\$ (43.36)	2,917.94	Note 2
Total March 2015					<u>\$ 15,845.45</u>	<u>\$ (76.45)</u>	<u>\$ 15,769.00</u>	

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power Charges Analysis - 2014/2015

Description	Ref.	Service Account	Invoice Period		Joint Facilities	Suggested	HSNO	Comment
			Start Date	End Date	Wells Elec. 62100			
Southern California Edison	2SCE 113	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	4/6/15	5/6/15	\$ 12,099.11		\$ 12,099.11	
Southern California Edison	2SCE 117	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	4/3/15	5/4/15	2,118.31	\$ (79.88)	2,038.43	Note 2
Total April 2015					<u>\$ 14,217.42</u>	<u>\$ (79.88)</u>	<u>\$ 14,137.54</u>	
Southern California Edison	2SCE 127	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	5/4/15	6/3/15	\$ 4,378.98	\$ (1,477.71)	\$ 2,901.27	Note 2
Southern California Edison	2SCE 137	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	5/6/15	6/5/15	10,821.34		10,821.34	
Total May 2015					<u>\$ 15,200.32</u>	<u>\$ (1,477.71)</u>	<u>\$ 13,722.61</u>	
Southern California Edison	2SCE 15	3-000-6863-84, 3-042-5993-39, 3-042-5993-67 10528 Dunlap Crossing RD PMP Whittier, Ca	6/3/15	7/6/15	\$ 5,495.38	\$ (1,666.50)	\$ 3,828.88	Note 2
Southern California Edison	2SCE 23	3-017-9150-95 7412 Norwalk Well Whittier, Ca 90606	6/5/15	7/7/15	16,097.27		16,097.27	
Total June 2015					<u>\$ 21,592.65</u>	<u>\$ (1,666.50)</u>	<u>\$ 19,926.15</u>	
Grand Total					<u>\$ 193,812.48</u>	<u>\$ (3,801.15)</u>	<u>\$ 190,011.33</u>	

Note 1 - During our review, we vouched 100% of the Power Charges for the 2014/2015 year that were included in the Joint Facilities invoice without exception. The Power Charges represent the power used to run the wells utilized by LHHCWd.

Note 2 - We noted that LHHCWd included the Power Charges for service accounts 3-042-5993-39 and 3-042-5993-67, which relates to Wells 9 and 5 respectively. The Power Charges for Wells 9 and 5 are not included in the Water Production and Delivery Agreement and were therefore removed.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair - 2014/2015

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested	HSNO	Comments	
					Wells	Conduit	Reservoir					
					62000	72000	82000					
A&B Electric	2AB 1	11/25/14	19779		\$ 897.92			\$ 897.92		\$ 897.92		
Air Resources Board	2ARB 1	4/30/15			570.00			570.00	\$ (570.00)	0.00	Note 4	
Cannings					18.52			18.52		18.52		
Cannings					17.45			17.45		17.45		
Cannings					80.48			80.48		80.48		
Cannings					11.14			11.14		11.14		
Cannings					13.07			13.07		13.07		
Cannings					16.05			16.05		16.05		
Cannings					4.33			4.33		4.33		
Cannings					10.35			10.35		10.35		
Cannings					6.28			6.28		6.28		
Cannings	2CAN 7				5.73			5.73	(5.73)	0.00	Note 2	
Cannings	2CAN 8				2.16			2.16	(2.16)	0.00	Note 2	
Cannings	2CAN 6				25.90			25.90	(25.90)	0.00	Note 2	
Cannings					(10.94)			(10.94)		(10.94)		
Cannings	2CAN 3				43.50			43.50	(43.50)	0.00	Note 2	
Cannings	2CAN 4				7.30			7.30	(7.30)	0.00	Note 2	
Cannings	2CAN 2				21.45			21.45	(21.45)	0.00	Note 2	
Various				Well 9 Rehab	109,590.60			109,590.60	(109,590.60)	0.00	Note 2	
Various				Well 9 Rehab	93,581.57			93,581.57	(93,581.57)	0.00	Note 2	
GM Sager Construction	2GM 1	2/24/15	33481		1,689.20			1,689.20		1,689.20		
Golden Meters Service					340.00			340.00		340.00		
Grainger Inc					88.41			88.41		88.41		
Hasco Oil Company					523.94			523.94		523.94		
Hasco Oil Company	2HSC 1	3/3/15	0191050-IN		676.89			676.89		676.89		
Home Depot					84.49			84.49		84.49		
Inventory					88.51			88.51		88.51		
Inventory					47.42			47.42		47.42		
Inventory					7.13			7.13		7.13		
Inventory					153.06			153.06		153.06		
Inventory					11.72			11.72		11.72		
Layne Christensen				Well 9-Clean after shutdown	8,238.18			8,238.18	(8,238.18)	0.00	Note 2	
Office Depot					39.63			39.63		39.63		
Inventory					(74.54)			(74.54)		(74.54)		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair - 2014/2015

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested	HSNO	Comments	
					Wells	Conduit	Reservoir					
					62000	72000	82000					
Terry's Testing					85.00			85.00		85.00		
Terry's Testing					95.00			95.00		95.00		
Terry's Testing					55.00			55.00		55.00		
Various				Well 9 rehab WO# 910	77,286.50			77,286.50	(77,286.50)	0.00	Note 2	
Various				Well 9 rehab WO# 910	43,471.83			43,471.83	(43,471.83)	0.00	Note 2	
Various				Well 9 rehab WO# 910	5,982.86			5,982.86	(5,982.86)	0.00	Note 2	
Inventory						\$ 281.48		281.48		281.48		
JA Salazar	2JAS 1	12/23/14	157-1			3,554.30		3,554.30		3,554.30		
JA Salazar	2JAS 2	1/5/15	157-2			14,283.23		14,283.23		14,283.23		
California Arborists							\$ 300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							325.00	325.00	(325.00)	0.00	Note 5	
California Arborists							350.00	350.00	(350.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
California Arborists							1,600.00	1,600.00	(1,600.00)	0.00	Note 5	
California Arborists							300.00	300.00	(300.00)	0.00	Note 5	
Cannings							1.62	1.62		1.62		
Cannings							0.53	0.53		0.53		
TOTAL					\$ 343,803.09	\$ 18,119.01	\$ 4,977.15	\$ 366,899.25	\$ (343,802.58)	\$ 23,096.67		
Annual Allocation Percentage Sch 39											<u>8.05%</u>	
RWD Total											<u>\$ 1,859.28</u>	

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Maintenance and Repair - 2014/2015

Vendor	Ref.	Invoice Date	Invoice No.	Description	Joint Facilities	La Mirada	La Mirada	Total	Suggested	HSNO	Comments
					Wells	Conduit	Reservoir				
					62000	72000	82000				
<p>Note 1 - During our review, we vouched 99% of the Maintenance and Repair Costs for the 2015/2016 year that were included in the Joint Facilities invoice without exception. We tested a selection of 12 for the 2014/2015 year without exception. These costs represent the cost of parts and services used to maintain and repair the joint facilities.</p> <p>Note 2 - This expense relates to the maintenance or repair of well 9. The maintenance expenses for Well 9 are not included in the Water Production and Delivery Agreement and were therefore removed.</p> <p>Note 3 - This expense appears to be for landscaping and is not a variable expense directly attributable to the production of water for Rowland and was therefore removed.</p> <p>Note 4 - The Air Resource Board expense is for the renewal of statewide portable equipment registration program certificates. The renewal does not appear to be a variable expense directly attributable to the production of water for Rowland. As such, we have not included the Air Resources Board fees in our computation of joint facilities expenditures.</p>											

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis Of Water Costs - 2014/2015

Description	Ref.	Joint Facilities	Total	Suggested	HSNO
		Wells			
		62000			
			Note 1	Note 2	
San Gabriel Valley Water Company		\$ 21.34	\$ 21.34	\$ (5.34)	\$ 16.00
San Gabriel Valley Water Company		24.05	24.05	(6.01)	18.04
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
San Gabriel Valley Water Company		24.12	24.12	(6.03)	18.09
San Gabriel Valley Water Company		24.11	24.11	(6.03)	18.08
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
San Gabriel Valley Water Company		24.20	24.20	(6.05)	18.15
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
San Gabriel Valley Water Company		24.20	24.20	(6.05)	18.15
San Gabriel Valley Water Company		21.34	21.34	(5.34)	16.00
TOTAL		\$ 270.06	\$ 270.06	\$ (67.55)	\$ 202.51
Annual Allocation Percentage	Sch 39				8.05%
RWD Total					\$ 16.30
<p>Note 1 - During our review, we vouched 100% of the San Gabriel Valley Water Company expense balance for the 2015/2016 year that was included in the Joint Facilities invoice without exception. The water purchased from San Gabriel Valley Water Company is used to run the wells.</p> <p>Note 2 - The San Gabriel Water Company expenditures represent water that is purchased in order to run Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total invoiced amount.</p>					

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Calculation Of Cost To Move Water - Rowland 2014/2015

Description	Ref.	Recomputed Amount
Accumulative Costs:		
52300-Power-La Mirada Plant, Plant 1, Reservoirs	Sch 30.0	\$ 62,268.72
52310-Power-Plant 5&6	Sch 30.1	16,554.88
52100-Labor-Pumping	Sch 31.0	3,919.22
52110-Labor -Pumping Plant 5&6	Sch 31.0	2,455.19
52200-Maintenance-Pumping	Sch 32.0	1,488.89
52210-Maintenance-Pumping-Upper	Sch 32.0	2.21
53200-Chlorination	Sch 32.0	4,707.71
56209-SCADA	Note 1	0.00
Total Costs		\$ 91,396.82
Labor overhead:	Sch 31.1	2,029.33
Total Costs		\$ 93,426.15
10% overhead	Note 1	0.00
Total		\$ 93,426.15
<p>Note 1 - During our review it was determined that this expense category is not a variable expense directly attributable to the production of water for Rowland. As such, we have removed it from our computation of Joint Facilities expenses.</p> <p>Note 1 - LHHCWd includes an Overhead Percentage of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHCWd.</p>		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power-La Mirada Plant, Plant 1 and Reservoirs (Account 52300) - 2014/2015

Month	Ref.	Service Account	Invoice Period		Power 52300	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total	Comments
			Start Date	End Date						
Sch 33										
July	2SCE 151	3-000-1879-67, 3-017-8685-38	6/26/14	7/28/14	\$ 46,801.51	\$ 0.00	\$ 46,801.51	0.00%	\$ 0.00	
August	2SCE 171	3-000-1879-67, 3-017-8685-38	7/28/14	8/26/14	55048.44	0.00	55,048.44	0.00%	0.00	
September	2SCE 209	3-000-1879-67, 3-017-8685-38	8/26/14	9/25/14	54440.27	0.00	54,440.27	0.00%	0.00	
October	2SCE 237	3-000-1879-67, 3-017-8685-38	9/25/14	10/27/14	42,574.54	0.00	42,574.54	1.75%	745.05	
November	2SCE 263	3-000-1879-67, 3-017-8685-38	10/27/14	11/25/14	37,763.46	0.00	37,763.46	16.77%	6,332.93	
December	2SCE 285	3-000-1879-67, 3-017-8685-38	11/25/14	12/26/14	27,090.22	0.00	27,090.22	11.33%	3,069.32	
January	2SCE 309	3-000-1879-67, 3-017-8685-38	12/26/14	1/27/15	32,396.41	0.00	32,396.41	34.80%	11,273.95	
February	2SCE 339	3-000-1879-67, 3-017-8685-38	1/27/14	2/26/15	38,355.18	0.00	38,355.18	39.14%	15,012.22	
March	2SCE 351	3-000-1879-67, 3-017-8685-38	2/26/14	3/27/15	38,540.20	0.00	38,540.20	25.51%	9,831.61	
April	2SCE 381	3-000-1879-67, 3-017-8685-38	3/27/15	4/28/15	40,217.19	0.00	40,217.19	9.74%	3,917.15	
May	2SCE 413	3-000-1879-67, 3-017-8685-38	4/28/15	5/28/15	36,905.34	(321.74)	36,583.60	31.51%	11,527.49	Note 2
June	2SCE 421	3-000-1879-67, 3-017-8685-38	5/28/15	6/26/15	48,713.05	321.74	49,034.79	1.14%	559.00	Note 2
Total					<u>\$498,845.81</u>	<u>\$ 0.00</u>	<u>\$498,845.81</u>		<u>\$ 62,268.72</u>	

Note 1 - During our review, we vouched 100% of the Power Charges related to La Mirada Plant, Plant 1 and the Reservoirs for the 2014/2015 year that were included in the Cost-to-Move-Water invoice without exception. The Power Charges represent the power used to move the water from La Mirada Plant to the various reservoirs.

Note 2 - We noted that there was a variance of (\$321.74) in May 2015 and \$321.74 in June of 2015. It appears that an overpayment was made in May 2015. The Power Charges schedule reflects the amount paid rather than the amount invoiced. We note that the total amount for the year is correct. We have adjusted the \$321.74 to be reflected in the month invoiced.

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 Re: La Habra Heights County Water District Billings

Power-Plant 5&6 (Account 52310) - 2014/2015

Month	Ref.	Power-335 reposado 52310	Ref.	Power-2000 Coban 52310	Ref.	Power- Reservoirs 52310	Total For 52310	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total	Comments
Sch 33												
July	2SCE 197	\$10,518.57	2SCE 191	\$ 4,104.34	2SCE 151	\$ 125.49	\$ 14,748.40	\$ 0.00	\$ 14,748.40	0.00%	\$ 0.00	
August	2SCE 191	9,824.12	2SCE 203	4,617.49	2SCE 171	114.05	14,555.66	0.00	14,555.66	0.00%	0.00	
September	2SCE 203	9,954.36	2SCE 257	4,455.24	2SCE 209	118.24	14,527.84	0.00	14,527.84	0.00%	0.00	
October	2SCE 257	8,249.52	2SCE 229	3,220.75	2SCE 237	123.35	11,593.62	0.00	11,593.62	1.75%	202.89	
November	2SCE 229	4,698.45	2SCE 279	3,709.09		109.56	8,517.10	0.00	8,517.10	16.77%	1,428.32	Note 1
December	2SCE 279	3,744.77	2SCE 303	1,299.00	2SCE 285	116.71	5,160.48	0.00	5,160.48	11.33%	584.68	
January	2SCE 303	4,475.43	2SCE 345	5,129.55	2SCE 309	120.25	9,725.23	0.00	9,725.23	34.80%	3,384.38	
February	2SCE 345	3,827.50	2SCE 369	6,390.15	2SCE 329	112.74	10,330.39	0.00	10,330.39	39.14%	4,043.31	
March	2SCE 369	4,859.09	2SCE 375	5,156.75	2SCE 359	108.88	10,124.72	0.00	10,124.72	25.51%	2,582.82	
April	2SCE 375	6,123.81	2SCE 387	2,993.11	2SCE 393	120.41	9,237.33	0.00	9,237.33	9.74%	899.72	
May	2SCE 387	5,191.16	2SCE 429	5,202.95	2SCE 403	112.70	10,506.81	0.00	10,506.81	31.51%	3,310.70	
June	2SCE 429	6,947.59	2SCE 461	3,296.92	2SCE 451	111.33	10,355.84	0.00	10,355.84	1.14%	118.06	
Total		<u>\$78,414.37</u>		<u>\$49,575.34</u>		<u>\$1,393.71</u>	<u>\$129,383.42</u>		<u>\$129,383.42</u>		<u>\$16,554.88</u>	

Note 1 - During our review, we vouched 99% of the Power Charges related to Plants 5 & 6 for the 2015/2016 year that were included in the Cost-to-Move-Water invoice without exception. No adjustment was made to this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor - 2014/2015

Description	Ref.	52100	Suggested Corrections	Recomputed Amount	Ref.	52110	Suggested Corrections	Recomputed Amount	Ref.	53200	Suggested Corrections	Recomputed Amount	Total Recomputed Amount
			Note 1				Note 1				Note 1		
July (Note 2)		\$ 1,650.54	\$ 0.00	\$ 1,650.54		\$ 1,055.65	\$ 0.00	\$ 1,055.65		\$ 678.47	\$ 0.00	\$ 678.47	\$ 3,384.66
August	2PYRL	1,737.84	0.00	1,737.84	2PYRL	1,229.27	0.00	1,229.27	2PYRL	524.25	0.00	524.25	3,491.36
September	2PYRL	1,789.69	0.00	1,789.69	2PYRL	1,275.50	(6.50)	1,269.00	2PYRL	58.38	0.00	58.38	3,117.07
October	2PYRL	1,970.28	0.00	1,970.28	2PYRL	1,473.85	0.00	1,473.85	2PYRL	989.97	0.00	989.97	4,434.10
November	2PYRL	2,099.65	0.00	2,099.65	2PYRL	1,297.22	0.00	1,297.22	2PYRL	245.13	0.00	245.13	3,642.00
December	2PYRL	4,109.42	0.00	4,109.42	2PYRL	2,422.74	0.00	2,422.74	2PYRL	727.30	0.00	727.30	7,259.46
January	2PYRL	2,583.43	0.00	2,583.43	2PYRL	1,310.67	0.00	1,310.67	2PYRL	37.22	0.00	37.22	3,931.32
February	2PYRL	2,204.82	0.00	2,204.82	2PYRL	1,448.19	0.00	1,448.19	2PYRL	1,096.79	0.00	1,096.79	4,749.80
March	2PYRL	1,914.86	0.00	1,914.86	2PYRL	1,181.62	0.00	1,181.62	2PYRL	24.69	0.00	24.69	3,121.17
April	2PYRL	1,962.93	0.00	1,962.93	2PYRL	1,202.01	0.00	1,202.01	2PYRL	445.89	0.00	445.89	3,610.83
May	2PYRL	2,269.46	0.00	2,269.46	2PYRL	1,305.71	0.00	1,305.71	2PYRL	180.98	0.00	180.98	3,756.15
June (Note 2)		3,037.77	0.00	3,037.77		1,925.33	0.00	1,925.33		526.67	0.00	526.67	5,489.77
Total		<u>\$27,330.69</u>	<u>\$ 0.00</u>	<u>\$ 27,330.69</u>		<u>\$17,127.76</u>	<u>\$ (6.50)</u>	<u>\$ 17,121.26</u>		<u>\$ 5,535.74</u>	<u>\$ 0.00</u>	<u>\$ 5,535.74</u>	<u>\$ 49,987.69</u>
Annual Allocation Percentage				14.34%				14.34%				14.34%	14.34%
RWD Total				<u>\$ 3,919.22</u>				<u>\$ 2,455.19</u>				<u>\$ 793.83</u>	<u>\$ 7,168.23</u>

Note 1 - During our review of the 2015/2016 year, we vouched the Payroll Expense to the Payroll Distribution report. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. We vouched 99% of 2014/2015 Payroll Expense to the Distribution report with one exception in the amount of \$6.50. Due to the nominal nature of the exception we waived further review. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks. We noted that the Labor Costs include the Labor for Wells 8, 9, 10 and 11. As Well 9 is not included in the Water Production and Delivery Agreement, 25% of the Labor Costs were removed. We only noted 2 exceptions which appeared to be an isolated error. As such we made no adjustment for the 2014/2015 year.

Note 2 - We noted that LHHWCWD accounts for the difference in payroll accrual at year-end. These adjustments are not found in the payroll reports but appear reasonable.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor Overhead Computation - 2014/2015

GL Account	Ref.	Recomputed Amount - 52100	Recomputed Amount - 52110	Recomputed Amount - 53200	Total Allocated Payroll
Allocated Payroll Amount	Sch 31.0	\$ 3,919.22	\$ 2,455.19	\$ 793.83	\$ 7,168.24
Labor overhead %	Sch 34	28.31%	28.31%	28.31%	28.31%
Computed Labor Overhead		<u>\$ 1,109.53</u>	<u>\$ 695.06</u>	<u>\$ 224.73</u>	<u>\$ 2,029.33</u>

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Summary - 2014/2015

Description	Ref.	Maint. Pumping	Maint. Pumping	Treatment
		52200	Upper 52210	53200
		Sch 32.1	Sch 32.2	Sch 32.3
July		\$ 7,268.30		\$ 2,185.63
August		0.00		2,748.14
September		445.38	\$ 4.76	1,744.93
October		4.75	7.78	4,578.59
November		1,821.68		3,513.41
December		172.58		1,526.43
January		166.15	2.90	3,603.60
February		0.00		3,037.66
March		23.60		1,475.99
April		78.09		1,990.12
May		389.48		3,686.87
June		12.78		2,737.82
Total		\$ 10,382.79	\$ 15.44	\$ 32,829.19
Annual Allocation Percentage Sch 33		14.34%	14.34%	14.34%
RWD Total		\$ 1,488.89	\$ 2.21	\$ 4,707.71

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Pumping (Acct 52200) - 2014/2015

GL Ref	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 1		7/7/14	33790	MCR Technologies	\$ 1,127.30		
2MPT 1		7/31/14	10	MCR Technologies	1,127.30		
2MPT 1		7/31/14	31	RVS JE 18-7-10 MCR Tech		\$1,127.30	
2MPT 1	2MP 1	7/31/14	31541	Layne Christensen Company	7,245.00		
2MPT 1		7/31/14	32	CRT RVS MCR Tech 33790		1,127.30	
2MPT 1	2MP 14	7/31/14	450419	Cannings Hardware	4.87		
2MPT 1		7/31/14	IC Transaction Batch	IC Inventory Issue	18.43		
Total July					\$ 9,522.90	\$2,254.60	\$ 7,268.30
2MPT 1		9/22/14	IC Transaction Batch	IC Inventory Issue	\$ 422.35		
2MPT 1	2MP 13	9/30/14	451844	Cannings Hardware	23.03		
Total September					\$ 445.38	\$ 0.00	\$ 445.38
2MPT 1	2MP 16	10/16/14	452279	Cannings Hardware	\$ 1.37		
2MPT 1		10/31/14	IC Transaction Batch	IC Inventory Issue	3.38		
Total October					\$ 4.75	\$ 0.00	\$ 4.75
2MPT 1	2MP 5	11/6/14	19606	A&B Electric	\$ 1,121.00		
2MPT 1	2MP 6	11/30/14	19607	A&B Electric	325.19		
2MPT 1	2MP 3	11/30/14	19822	A&B Electric	375.49		
Total November					\$ 1,821.68	\$ 0.00	\$ 1,821.68
2MPT 1	2MP 12	12/29/14	454150	Cannings Hardware	\$ 172.58		
Total December					\$ 172.58	\$ 0.00	\$ 172.58
2MPT 1	2MP 4	1/31/15	JAN15	Home Depot CRC	\$ 14.05		
2MPT 1		1/31/15	IC Transaction Batch	IC Inventory Issue	152.10		
Total January					\$ 166.15	\$ 0.00	\$ 166.15
2MPT 1	2MP 11	3/2/15	455291	Cannings Hardware	\$ 0.41		
2MPT 1	2MP 10	3/25/15	455574	Cannings Hardware	23.19		
Total March					\$ 23.60	\$ 0.00	\$ 23.60
2MPT 1	2MP 15	4/30/15	456340	Cannings Hardware	\$ 78.09		
Total April					\$ 78.09	\$ 0.00	\$ 78.09
2MPT 1	2MP 9	5/4/15	456116	Cannings Hardware	\$ 0.48		
2MPT 1	2MP 2	5/15/15	19	A&B Electric	389.00		
Total May					\$ 389.48	\$ 0.00	\$ 389.48

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance Pumping (Acct 52200) - 2014/2015

GL Ref	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 1	2MP 7	6/4/15	456690	Cannings Hardware	\$ 24.16		
2MPT 1		6/4/15	456693	Cannings Hardware		\$ 11.38	
		Total June			<u>\$ 24.16</u>	<u>\$ 11.38</u>	<u>\$ 12.78</u>
		Total 2014-2015			<u>\$12,648.77</u>	<u>\$2,265.98</u>	<u>\$10,382.79</u>
<p>Note 1 - We vouched 100% of the expenses included in the Maintenance Pumping expense category to the GL Account Ledger. We further vouched a selection of 15 items to their supporting invoices or source documents without exception. No adjustment was made for this expense category.</p>							

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 Re: La Habra Heights County Water District Billings

Maintenance Pumping Upper (Account 52210) - 2014/2015

GL Ref	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 2	2MPU 1	9/2/14	OCT2014	O'Reilly Auto Parts	\$ 4.76		
		Total September			<u>\$ 4.76</u>	\$ 0.00	<u>\$ 4.76</u>
2MPT 2	2MPU 2	10/16/14	451733	Cannings Hardware	\$ 1.28		
2MPT 2	2MPU 3	10/16/14	451738	Cannings Hardware	6.50		
		Total October			<u>\$ 7.78</u>	\$ 0.00	<u>\$ 7.78</u>
2MPT 2	2MPU4	1/31/15	454127	Cannings Hardware	\$ 2.90		
		Total April			<u>\$ 2.90</u>	\$ 0.00	<u>\$ 2.90</u>
		Total			<u>\$ 15.44</u>	<u>\$ 0.00</u>	<u>\$ 15.44</u>

Note 1 - We vouched 100% of the expenses included in the Maintenance Pumping Upper expense category to the GL Account Ledger. We further vouched the expenses to their supporting invoices without exception. No adjustment was made for this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2014/2015

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 2		7/14/14	449896	Cannings Hardware	\$ 27.16		
2MPT 2		7/21/14	2014-333	D&H Water Systems	301.22		
2MPT 2		7/31/14	1-1	P/R Distribution	678.47		
2MPT 2		7/31/14	1-12	Reverse 6/15-30P/R	0.00	\$ 35.96	
2MPT 2	2UNI 32	7/31/14	LA034174	Univar USA, Inc.	1,214.74		
Total July					\$ 2,221.59	\$ 35.96	\$ 2,185.63
2MPT 2	2CL 14	8/21/14	937584	Clinical Lab of S.B.	\$ 218.25		
2MPT 2	2UNI 30	8/21/14	LA040998	Univar USA, Inc.	790.90		
2MPT 2		8/31/14	42736	P/R Distribution	524.25		
2MPT 2	2UNI 28	8/31/14	LA045037	Univar USA, Inc.	1,214.74		
Total August					\$ 2,748.14	\$ 0.00	\$ 2,748.14
2MPT 2	2CL 13	9/22/14	938283	Clinical Lab of S.B.	\$ 437.00		
2MPT 2		9/30/14	1-1	P/R Distribution	58.38		
2MPT 2		9/30/14	451377	Cannings Hardware	5.41		
2MPT 2		9/30/14	451684	Cannings Hardware	29.40		
2MPT 2	2UNI 26	9/30/14	LA051890	Univar USA, Inc.	1,214.74		
Total September					\$ 1,744.93	\$ 0.00	\$ 1,744.93
2MPT 2		10/13/14	002H5369	Harrington Industrial Plastics	\$ 54.00		
2MPT 2	2UNI 24	10/16/14	LA057655	Univar USA, Inc.	1,214.74		
2MPT 2	2UNI 22	10/22/14	LA064216	Univar USA, Inc.	1,225.64		
2MPT 2		10/31/14	1-1	P/R Distribution	989.97		
2MPT 2		10/31/14	LW1460255	SWRCB/AFRS	1,094.24		
Total October					\$ 4,578.59	\$ 0.00	\$ 4,578.59
2MPT 2	2UNI 20	11/10/14	LA069916	Univar USA, Inc.	\$ 1,225.64		
2MPT 2	2CL 12	11/12/14	939495	Clinical Lab of S.B.	212.25		
2MPT 2		11/24/14	IN0207909	Los Angeles County Fire	363.00		
2MPT 2	2UNI 18	11/26/14	LA075374	Univar USA, Inc.	1,225.64		
2MPT 2		11/30/14	42736	P/R Distribution	245.13		
2MPT 3		11/30/14		9 RC Clinical	241.75		
Total November					\$ 3,513.41	\$ 0.00	\$ 3,513.41
2MPT 3	2CL 11	12/9/14	940006	Clinical Lab of S.B.	\$ 188.75		
2MPT 3		12/10/14	453141	Cannings Hardware	7.51		
2MPT 3		12/16/14	453195	Cannings Hardware	41.12		
2MPT 3		12/29/14	2014-636	D&H Water Systems	116.61		
2MPT 3		12/29/14	2851	Pollardwater.com-East	445.14		
2MPT 3		12/31/14	42736	P/R Distribution	727.30		
Total December					\$ 1,526.43	\$ 0.00	\$ 1,526.43

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2014/2015

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 3		1/13/15	1/13/15	Home Depot CRC	\$ 0.00	\$ 11.46	
2MPT 3		1/13/15	1/13/15	Home Depot CRC	19.42		
2MPT 3	2CL 10	1/13/15	9400688	Clinical Lab of S.B.	245.25		
2MPT 3	2UNI 16	1/13/15	LA087657	Univar USA, Inc.	1,225.64		
2MPT 3		1/27/15	9179780	Hach Company	405.85		
2MPT 3		1/31/15	1-1	P/R Distribution	37.22		
2MPT 3		1/31/15	12015-0081	D&H Water Systems	313.84		
2MPT 3		1/31/15	454242	Cannings Hardware	142.20		
2MPT 3	2UNI 14	1/31/15	LA094151	Univar USA, Inc.	1,225.64		
Total January					\$ 3,615.06	\$ 11.46	\$ 3,603.60
2MPT 3		2/9/15	9661398967	Grainger Inc.	\$ 34.84		
2MPT 3	2CL 8	2/10/15	941323	Clinical Lab of S.B.	294.50		
2MPT 3		2/20/15	454546	Cannings Hardware	21.46		
2MPT 3		2/20/15	IC Transaction Batch	IC Inventory Issue	23.93		
2MPT 3		2/28/15	1-1	P/R Distribution	1,096.79		
2MPT 3	2UNI 12	2/28/15	LA102211	Univar USA, Inc.	1,566.14		
Total February					\$ 3,037.66	\$ 0.00	\$ 3,037.66
2MPT 3	2CL 7	3/9/15	941880	Clinical Lab of S.B.	\$ 180.25		
2MPT 3		3/26/15	455314	Cannings Hardware	25.50		
2MPT 3		3/26/15	IC Transaction Batch	IC Inventory Issue	19.91		
2MPT 3	2UNI 10	3/26/15	LA110774	Univar USA, Inc.	1,225.64		
2MPT 3		3/31/15	1-1	P/R Distribution	24.69		
Total March					\$ 1,475.99	\$ 0.00	\$ 1,475.99
2MPT 3		4/14/15	1-1LW-1000255	SWRCB/AFRS	\$ 394.89		
2MPT 3	2UNI 8	4/17/15	LA117831	Univar USA, Inc.	1,149.34		
2MPT 3		4/30/15	42736	P/R Distribution	445.89		
Total April					\$ 1,990.12	\$ 0.00	\$ 1,990.12
2MPT 3	2UNI 6	5/7/15	LA124301	Univar USA, Inc.	\$ 1,238.43		
2MPT 3	2CL 5	5/12/15	943083	Clinical Lab of S.B.	608.25		
2MPT 3		5/20/15	456420	Cannings Hardware	0.69		
2MPT 3		5/21/15	456442	Cannings Hardware	51.95		
2MPT 3		5/21/15	456452	Cannings Hardware		\$ 51.95	
2MPT 3	2UNI 4	5/28/15	LA130404	Univar USA, Inc.	1,238.43		
2MPT 3		5/29/15	I2015-0393	D&H Water Systems	201.84		
2MPT 3		5/31/15		P/R Distribution	180.98		
2MPT 4	2CL 3	5/31/15	942437	Clinical Lab of S.B.	218.25		
Total May					\$ 3,738.82	\$ 51.95	\$ 3,686.87

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Maintenance and Labor Treatment (Account 53200) - 2014/2015

GL Ref.	Invoice Ref.	Date	Document	Description	Debits	Credits	Total
2MPT 4		6/3/15	456648	Cannings Hardware	\$ 8.89		
2MPT 4		6/11/15	I2015-0461	D&H Water Systems	226.20		
2MPT 4	2UNI 2	6/26/15	LA140077	Univar USA, Inc.	1,238.43		
2MPT 4		6/30/15		P/R Distribution	435.45		
2MPT 4		6/30/15	1-2	Accrue 6/14-30 P/R	91.22		
2MPT 4		6/30/15	53	Clinical Lab #943646	228.00		
2MPT 4	2CL 1	6/30/15	944235	Clinical Lab of S.B.	241.75		
2MPT 4		6/30/15	9780031952	Grainger Inc.	245.66		
2MPT 4		6/30/15	JUN15	Home Depot CRC	22.22		
		Total June			<u>\$ 2,737.82</u>	<u>\$ 0.00</u>	<u>\$ 2,737.82</u>
		Total 2014/2015			<u>\$32,928.56</u>	<u>\$ 99.37</u>	<u>\$32,829.19</u>

Note 1 - We vouched 100% of the expenses included in the Maintenance and Labor - Treatment category to the GL Account Ledger. We further vouched a selection of 26 items, representing over 65% of the total balance, to their supporting invoices without exception. No adjustment was made for this expense category.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost to Move Water Usage Allocation - 2014/2015

Month	LHHCWD	RWD Usage	Total Production	Annual Allocation %
	Note 1	Note 1		
July	227.81	0.00	227.81	0.00%
August	280.62	0.00	280.62	0.00%
September	277.81	0.00	277.81	0.00%
October	258.74	4.62	263.36	1.75%
November	219.04	44.13	263.17	16.77%
December	102.13	13.05	115.18	11.33%
January	142.66	76.16	218.82	34.80%
February	153.67	98.83	252.50	39.14%
March	225.27	77.15	302.42	25.51%
April	242.29	26.15	268.44	9.74%
May	189.11	87.02	276.13	31.51%
June	250.13	2.88	253.01	1.14%
Total	2,569.28	429.99	2,999.27	14.34%
Note 1 - Obtained from the monthly water production worksheets.				

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Labor Overhead Percentage Analysis - 2014/2015

Description	Total Labor Overhead	Suggested Corrections	Variable Labor Overhead	Allocation Percentage	Comment
Gross Payroll	\$ 841,218.29	\$ 0.00	\$ 841,218.29	100.00%	
Overhead					
Payroll Taxes - Employer	\$ 65,092.74	\$ 0.00	\$ 65,092.74	7.74%	
Retirement	149,913.47	0.00	149,913.47	17.82%	
Worker's Compensation	23,145.10	0.00	23,145.10	2.75%	
Medical Insurance	292,746.79	(292,746.79)	0.00	0.00%	Note 1
Dental Expenses	4,812.99	(4,812.99)	0.00	0.00%	Note 1
Uniforms & Certification	3,765.26	(3,765.26)	0.00	0.00%	Note 1
Employee Recognition Dinner	2,602.10	(2,602.10)	0.00	0.00%	Note 1
Vacation	59,351.78	(59,351.78)	0.00	0.00%	Note 1
Sick Leave	36,240.93	(36,240.93)	0.00	0.00%	Note 1
Holidays	33,220.85	(33,220.85)	0.00	0.00%	Note 1
Physicals	590.50	(590.50)	0.00	0.00%	Note 1
Total	\$ 671,482.51	\$ (433,331.20)	\$ 238,151.31	28.31%	
<p>Note 1 - This expense does not appear to be a variable expense directly attributable to the production of water for Rowland. As such it was removed from our computation of the Labor Overhead Percentage.</p>					

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Vehicle Expense - 2014/2015

Description	Ref.	Amount
Auto & Truck Expenses		\$ 43,512.33
Depreciation		10,815.28
Insurance		8,760.85
Total Vehicle Expenses		\$ 63,088.46
Number of Employees		10.00
Number of Hours Per Year		2,080.00
Amount Per Hour		\$ 3.03
Labor Hours for Vehicle Cost		1,142.11
Vehicle Costs		\$ 3,464.13
Adjustment for Well 9 (Note 2)		(866.03)
Total Adjusted Vehicle Costs		\$ 2,598.10
Annual Allocation Percentage	Sch 39	8.05%
RWD Allocation Amount		\$ 209.15

Note 1 - The Vehicle Expenses include the expense related to Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total computed Vehicle Expense.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

LHHCWD Wheeling Charge - 2014/2015

Description	Ref.	As Invoiced	Suggested Corrections	Computed Amount
Water Delivered (AF)	Sch 18	461.29		429.99
LHHCWD Wheeling Charge	Note 1	<u>\$ 50.00</u>		<u>\$ 50.00</u>
Computed Wheeling Charge		<u>\$ 23,064.50</u>	<u>\$ (1,565.00)</u>	<u>\$ 21,499.50</u>
<p>Note 1 - Section 8(c) of the Water Production and Delivery Agreement states that the Wheeling Charge paid to LHHCWD shall be \$50 per acre-foot.</p>				

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 Re: La Habra Heights County Water District Billings

ODWD Wheeling Charge 2014/2015

ODWD Wheeling Charge	Ref.	As Invoiced	Suggested Corrections	Computed Amount
ODWD Wheeling Charge - Jul 2014-Feb 2015	Sch 57	\$ 10.61		\$ 10.40
Total Acre-feet (AF) - Jul 2014-Feb 2015	Sch 39	255.14		236.79
Jul 2014-Feb 2015 Wheeling Charge		<u>\$ 2,707.04</u>		<u>\$ 2,462.62</u>
ODWD Wheeling Charge - Mar-Jun 2015	Sch 57	\$ 10.82		\$ 10.61
Total Acre-feet (AF) - Mar-Jun 2015	Sch 39	206.15		193.20
Mar-Jun 2015 Wheeling Charge		<u>\$ 2,230.54</u>		<u>\$ 2,049.85</u>
Rounding Difference		<u>\$ (0.01)</u>		
Total Wheeling Charge		<u>\$ 4,937.57</u>	<u>\$ (425.10)</u>	<u>\$ 4,512.47</u>

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Re: La Habra Heights County Water District Billings

WRD Replenishment Fee 2014/2015

Description	Ref.	As Originally Invoiced	Suggested Corrections	Computed Amount
WRD Replenishment Fee		\$ 268.00		\$ 268.00
Total Acre-feet (AF) (Period Jul 2014-Jun 2015)	Sch 23	461.29		429.99
Total		123,625.72	\$ (8,388.40)	115,237.32

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Water Usage 2014/2015

Month	LHHCWD Computed Usage	Suggested Corrections	RWD Usage	Total Production	Total Production Allocation Percentage
			Note 1/Note 2	Note 1	
July	0.00	0.00	0.00	459.95	0.00%
August	0.00	0.00	0.00	531.47	0.00%
September	0.00	0.00	0.00	506.96	0.00%
October	4.97	(0.35)	4.62	488.68	0.95%
November	47.63	(3.50)	44.13	453.63	9.73%
December	14.67	(1.62)	13.05	269.08	4.85%
January	81.69	(5.53)	76.16	374.21	20.35%
February	106.18	(7.35)	98.83	405.78	24.36%
Total July- February	<u>255.14</u>	<u>(18.35)</u>	<u>236.79</u>	<u>3,489.76</u>	
March	81.98	(4.83)	77.15	488.65	15.79%
April	27.94	(1.79)	26.15	456.03	5.73%
May	93.10	(6.08)	87.02	455.12	19.12%
June	3.13	(0.25)	2.88	449.38	0.64%
Total March - June	<u>206.15</u>	<u>(12.95)</u>	<u>193.20</u>	<u>1,849.18</u>	
Total July 2013 - June 2014	<u><u>461.29</u></u>	<u><u>(31.30)</u></u>	<u><u>429.99</u></u>	<u><u>5,338.94</u></u>	8.05%
<p>Note 1 - Obtained from invoice sent at year end that trues up the annual costs to Rowland.</p> <p>Note 2 - The RWD Usage represents the readings taken by LHHCWD on the Rowland Meter.</p>					

Prepared for:
Re: La Habra Heights Water District

Joint Facilities - 2013/2014

Description	Ref.	Adjusted & Allocated Amount
Labor	Sch 41	\$ 493.37
Power	Sch 42.1	4,155.84
Water Treatment	Note 1	0.00
Maint & Repair	Sch 43.0	144.20
Property Taxes	Note 1	0.00
Telephone	Note 1	0.00
SCADA	Note 1	0.00
Water-SGVWD	Sch 44	5.34
Fees-Health Dept.	Note 1	0.00
Rent-Railroad	Note 1	0.00
Total		\$ 4,798.75
Vehicle Expense	Sch 45	159.71
Labor Overhead Percentage	Sch 51	28.10%
Computed Labor Overhead		138.64
Rowland Share of Joint Facilities		\$ 5,097.10
Overhead % (Note 3)	Note 2	0.00%
Computed Overhead		\$ 0.00
Grand Total - Rowland Share of Joint Facilities		\$ 5,097.10
<p>Note 1 - During our review it was determined that this expense category is not a variable expense directly attributable to the production of water for Rowland. As such, we have removed it from our computation of joint facilities expenses.</p>		
<p>Note 2 - LHHWCWD includes an Overhead Percentage of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHWCWD.</p>		

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Labor Costs - 2013/2014

Description	62000	72000	82000	Total	Corrections	Amount	Comments
Joint Facilities Labor 2013/2014	\$ 7,040.69	\$ 1,062.64	\$ 471.28	\$ 8,574.61	\$(1,760.17)	\$ 6,814.44	Note 1
Annual Allocation Percentage	Sch 55					<u>7.24%</u>	
RWD Total						<u>\$ 493.37</u>	

Note 1 - During our review of 2015/2016, we vouched the Payroll Expense to the Payroll Distribution report without exception. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks. We noted that the Labor Costs include the cost of labor for Wells 8, 9, 10 and 11. As Well 9 is not included in the Water Production and Delivery Agreement, 25% of the Labor Costs for the Joint Facilities Wells were removed.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Analysis of Power Charges 2013/2014

Description	Ref.	Computed Adjustment
Power Charges 2013/2014		\$ 64,948.01
Computed Adjustment Factor	Sch 42.1	88.38%
Recomputed Power Charges		\$ 57,401.05
Annual Allocation Percentage	Sch 55	7.24%
Computed Power Charges		\$ 4,155.84

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Power Charge Adjustment Analysis - 2013/2014

Description	Ref.	LHHCWD Amount	Recomputed Amount	Adjustment Factor
2014/2015	Sch 26.1	\$ 193,812.48	\$ 190,011.33	98.04%
2015/2016	Sch 3.1	178,704.38	140,652.24	78.71%
Average Adjustment Factor				<u>88.38%</u>
<p>Note 1 - As no supporting detail or invoices were provided for the 2013/2014 year, we utilized the average adjustment computed for the 2014/2015 and 2015/2016 delivery years.</p>				

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 Re: La Habra Heights County Water District Billings

Analysis of Maintenance Expenditures - 2013/2014

Description	Ref.	Computed Adjustment
Joint Facilities Maintenance 2013/2014		\$ 9,739.63
Computed Adjustment Factor	Sch 43.1	20.45%
Recomputed Maintenance Expenditures		\$ 1,991.75
Annual Allocation Percentage	Sch 55	7.24%
Computed Maintenance Expenditures		\$ 144.20

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 Re: La Habra Heights County Water District Billings

Maintenance Expenditure Adjustment - 2013/2014

Description	Ref.	LHHCWD Amount	Recomputed Amount	Adjustment Factor
2014/2015	Sch 27	\$ 366,899.25	\$ 23,096.67	6.30%
2015/2016 (Note 2)	Sch 3.1	53,859.93	18,635.51	34.60%
Average Adjustment Factor (Note 1)				20.45%
<p>Note 1 - As no supporting detail or invoices were provided for the 2013/2014 year, we utilized the average adjustment computed for the 2014/2015 and 2015/2016 delivery years.</p> <p>Note 2 - As the rehabilitation of Wells 10 & 11 were treated separately, their effects have been removed from the computed adjustment of the maintenance and repair expenditures.</p>				

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 Re: La Habra Heights County Water District Billings

Analysis Of Water Costs - 2013/2014

Description	Ref.	Period	Water Costs	Total	Suggested Corrections	HSNO Amount
				Note 1	Note 2	
San Gabriel Valley Water Company		2013/2014	\$ 98.40	\$ 98.40	\$ (24.60)	\$ 73.80
Annual Allocation Percentage	Sch 55					7.24%
RWD Total						<u>\$ 5.34</u>

Note 1 - During our review, we vouched 100% of the San Gabriel Valley Water Company expense balance for the 2015/2016 year that was included in the Joint Facilities invoice without exception. The water purchased from San Gabriel Valley Water Company is used to run the wells.

Note 2 - The San Gabriel Water Company expenditures represent water that is purchased in order to run Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total invoiced amount.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Vehicle Expense - 2013/2014

Description	Ref.	Amount
Auto & Truck Expenses		\$ 48,107.10
Depreciation		0.00
Insurance		14,447.49
Total Vehicle Expenses		\$ 62,554.59
Number of Employees		10.00
Number of Hours Per Year		2,080.00
Amount Per Hour		\$ 3.01
Labor Hours for Vehicle Cost		977.99
Vehicle Costs		\$ 2,941.24
Adjustment for Well 9 (Note 2)		(735.31)
Total Adjusted Vehicle Costs		\$ 2,205.93
Annual Allocation Percentage	Sch 55	7.24%
RWD Allocation Amount		\$ 159.71

Note 1 - The Vehicle Expenses include the expense related to Wells 8, 9, 10 and 11. The expenses for Well 9 are not included in the Water Production and Delivery Agreement and we therefore removed 25% of the total computed Vehicle Expense.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Calculation Of Cost To Move Water - Rowland 2013/2014

Description	Ref.	Recomputed Amount
Accumulative Costs:		
52300-Power-La Mirada Plant, Plant 1, Reservoirs	Sch 47.0	\$ 22,019.90
52310-Power-Plant 5&6	Sch 47.1	5,840.93
52100-Labor-Pumping	Sch 48.0	1,446.59
52110-Labor -Pumping Plant 5&6	Sch 48.0	779.12
52200-Maintenance-Pumping	Sch 49	647.38
52210-Maintenance-Pumping-Upper	Sch 49	1,601.07
53200-Chlorination	Sch 49	1,527.24
56209-SCADA	Note 1	0.00
Total Costs		\$ 33,862.23
Labor overhead:	Sch 48.1	667.88
Total Costs		\$ 34,530.11
10% overhead	Note 1	0.00
Total		\$ 34,530.11
<p>Note 1 - During our review it was determined that this expense category is not a variable expense directly attributable to the production of water for Rowland. As such, we have removed it from our computation of joint facilities expenses.</p> <p>Note 1 - LHHCWd includes an Overhead Percentage of 10%. We have not included the Overhead % in our computation of shared expenses as it appears to be included in the Wheeling Charge paid to LHHCWd.</p>		

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 Re: La Habra Heights County Water District Billings

52300-Power-La Mirada Plant, Plant 1 and Reservoirs - 2013/2014

Month	Power 52300	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total
Sch 50					
July	\$ 0.00	\$ 0.00	\$ 0.00	0.00%	\$ 0.00
August	0.00	0.00	0.00	0.00%	0.00
September	0.00	0.00	0.00	0.00%	0.00
October	0.00	0.00	0.00	0.00%	0.00
November	0.00	0.00	0.00	0.00%	0.00
December	0.00	0.00	0.00	0.00%	0.00
January	0.00	0.00	0.00	0.00%	0.00
February	3,782.79	0.00	3,782.79	1.01%	38.21
March	34,682.41	0.00	34,682.41	36.70%	12,728.44
April	40,968.48	0.00	40,968.48	21.88%	8,963.90
May	39,637.33	0.00	39,637.33	0.73%	289.35
June	53,104.79	0.00	53,104.79	0.00%	0.00
Total	<u>\$172,175.80</u>	<u>\$ 0.00</u>	<u>\$172,175.80</u>		<u>\$ 22,019.90</u>

Note 1 - We tested the 2015/2016 and 2014/2015 years without any notable exceptions in the Cost-to-Move-Water power expenditures. As such, no adjustment was made for the 2013/2014 year.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

52310-Power-Plant 5&6 - 2013/2014

Month	Power-335 Reposado 52310	Power-2000 Coban 52310	Power- Reservoirs 52310	Total For 52310	Suggested Corrections	Recomputed Amount	Usage Allocation	RWD Total
							Sch 50	Note 1
July	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00%	\$ 0.00
August	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
September	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
October	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
November	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
December	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
February	0.00	523.99	112.74	636.73	0.00	636.73	1.01%	6.43
March	3,976.53	5,893.69	108.88	9,979.10	0.00	9,979.10	36.70%	3,662.33
April	4,606.90	4,905.47	120.41	9,632.78	0.00	9,632.78	21.88%	2,107.65
May	5,699.82	3,026.32	112.70	8,838.84	0.00	8,838.84	0.73%	64.52
June	8,773.44	5,839.26	111.33	14,724.03	0.00	14,724.03	0.00%	0.00
Total	<u>\$ 23,056.69</u>	<u>\$ 20,188.73</u>	<u>\$ 566.06</u>	<u>\$ 43,811.48</u>		<u>\$ 43,811.48</u>		<u>\$ 5,840.93</u>

Note 1 - During our review, we vouched 100% of the Power Charges related to Plants 5 & 6 for the 2015/2016 and 99% for the 2014/2015 year that were included in the Cost-to-Move-Water invoice identifying one exception. The exception was a variance of \$0.97 and was deemed immaterial. As such, no adjustment was made for the 2013/2014 year.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor - 2013/2014

Description	52100			52110			53200			Total Recomputed Amount
	52100	Suggested Corrections	Recomputed Amount	52110	Suggested Corrections	Recomputed Amount	53200	Suggested Corrections	Recomputed Amount	
		Note 1			Note 1			Note 1		
July	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
August	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
September	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
October	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
November	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
December	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
January	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
February	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
March	3,202.86	0.00	3,202.86	1,301.26	0.00	1,301.26	70.93	0.00	70.93	4,575.05
April	2,529.18	0.00	2,529.18	1,886.71	0.00	1,886.71	324.31	0.00	324.31	4,740.20
May	2,253.05	0.00	2,253.05	1,259.01	0.00	1,259.01	408.56	0.00	408.56	3,920.62
June	2,084.11	0.00	2,084.11	1,139.94	0.00	1,139.94	337.69	0.00	337.69	3,561.74
Accrual (Note 2)	1,214.65	0.00	1,214.65	490.47	0.00	490.47	35.96	1.00	36.96	1,742.08
Total	\$11,283.85	\$ 0.00	\$ 11,283.85	\$ 6,077.39	\$ 0.00	\$ 6,077.39	\$ 1,177.45	\$ 1.00	\$ 1,178.45	\$ 18,539.69
Annual Allocation Percentage		Sch 50	12.82%			12.82%			12.82%	12.82%
RWD Total			\$ 1,446.59			\$ 779.12			\$ 151.08	\$ 2,376.79

Note 1 - During our review of the 2015/2016 year, we vouched the Payroll Expense to the Payroll Distribution report. We subsequently vouched a selection of 12 payroll expenses to the ADP Labor Distribution Reports without exception. In 2014 we vouched the Payroll Expense to the Payroll Distribution report. The Labor Costs represent the maintenance field employees that go the joint facilities and perform various maintenance and operational tasks. We noted that the Labor Costs include the Labor for Wells 8, 9, 10 and 11. As Well 9 is not included in the Water Production and Delivery Agreement, 25% of the Labor Costs were removed. We noted 2 exceptions in 2015/2016 which appeared to be related to an isolated error. In 2014/2015 we noted 1 variance in the amount of \$6.50 deemed inconsequential. As such we made no adjustment for the 2013/2014 year.

Note 2 - We noted that LHHCW accounts for the difference in payroll accrual at year-end. These adjustments are not found in the payroll reports but appear reasonable.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Cost of Moving Water - Labor Overhead Computation - 2013/2014

GL Account	Ref.	Recomputed Amount - 52100	Recomputed Amount - 52110	Recomputed Amount - 53200	Total Allocated Payroll
Allocated Payroll Amount	Sch 48.0	\$ 1,446.59	\$ 779.12	\$ 151.08	\$ 2,376.79
Labor overhead %	Sch 51	28.10%	28.10%	28.10%	28.10%
Computed Labor Overhead		\$ 406.49	\$ 218.93	\$ 42.45	\$ 667.88

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 Re: La Habra Heights County Water District Billings

Maintenance and Labor - 2013/2014

Description	Ref.	Account	Account	Account
		52200	52210	53200
		Note 1	Note 1	Note 1
Maintenance Pumping (Account 52200) - 2013/2014		\$ 5,049.79	\$ 12,488.83	\$ 11,912.93
Annual Allocation Percentage	Sch 50	12.82%	12.82%	12.82%
RWD Total		<u>\$ 647.38</u>	<u>\$ 1,601.07</u>	<u>\$ 1,527.24</u>
<p>Note 1 - During our testing of the Maintenance and Labor Accounts in 2014/2015 and 2015/2016 years we noted no exception. As such, no adjustment was made for this expense category in the 2013/2014 year.</p>				

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Cost-to-Move-Water Allocation - 2013/2014

Month	LHHCWD	LHHCWD Reads on RWD Meter	Total	Annual Allocation %
July (Note 1)				
August (Note 1)				
September (Note 1)				
October (Note 1)				
November (Note 1)				
December (Note 1)				
January (Note 1)				
February (Note 2)	180.37	1.84	182.21	1.010%
March (Note 2)	172.42	99.97	272.39	36.700%
April (Note 2)	242.71	67.99	310.70	21.880%
May (Note 2)	303.74	2.23	305.97	0.730%
June (Note 2)	271.04	0.00	271.04	0.000%
Total	<u>1,170.28</u>	<u>172.03</u>	<u>1,342.31</u>	<u>12.820%</u>

Note 1 - No production was noted prior to February 2014

Note 2 - Obtained from the monthly water production worksheets.

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 Re: La Habra Heights County Water District Billings

Labor Overhead Percentage Analysis - 2013/2014

Description	Total Labor Overhead	Suggested Corrections	Variable Labor Overhead	Allocation Percentage	Comment
Gross Payroll	\$ 762,551.67	\$ 0.00	\$ 762,551.67	100.00%	
Overhead					
Payroll Taxes - Employer	\$ 59,897.56	\$ 0.00	\$ 59,897.56	7.85%	
Retirement	137,539.87	0.00	137,539.87	18.04%	
Worker's Compensation	16,841.67	0.00	16,841.67	2.21%	
Medical Insurance	272,515.94	(272,515.94)	0.00	0.00%	Note 1
Dental Expenses	6,795.36	(6,795.36)	0.00	0.00%	Note 1
Uniforms & Certification	2,208.32	(2,208.32)	0.00	0.00%	Note 1
Employee Recognition Dinner	125.00	(125.00)	0.00	0.00%	Note 1
Vacation	55,792.17	(55,792.17)	0.00	0.00%	Note 1
Sick Leave	35,352.57	(35,352.57)	0.00	0.00%	Note 1
Holidays	32,406.52	(32,406.52)	0.00	0.00%	Note 1
Physicals	262.06	(262.06)	0.00	0.00%	Note 1
Total Overhead	\$ 619,737.04	\$ (405,457.94)	\$ 214,279.10	28.10%	
<p>Note 1 - This expense does not appear to be a variable expense directly attributable to the production of water for Rowland. As such it was removed from our computation of the Labor Overhead Percentage.</p>					

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 Re: La Habra Heights County Water District Billings

LHHCWD Wheeling Charge - 2013/2014

Description	Ref.	As Invoiced	Suggested Corrections	Computed Amount
Water Delivered (AF)	Sch 55	184.36		172.03
LHHCWD Wheeling Charge	Note 1	<u>\$ 50.00</u>		<u>\$ 50.00</u>
Computed Wheeling Charge		<u>\$ 9,218.00</u>	<u>\$ (616.50)</u>	<u>\$ 8,601.50</u>
<p>Note 1 - Section 8(c) of the Water Production and Delivery Agreement states that the Wheeling Charge paid to LHHCWD shall be \$50 per acre-foot.</p>				

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 Re: La Habra Heights County Water District Billings

ODWD Wheeling Charge - 2013/2014

ODWD Wheeling Charge	Ref.	As Invoiced	Suggested Corrections	Computed Amount
ODWD Wheeling Charge - Jul 2013-Feb 2014	Sch 57	\$ 10.40		\$ 10.20
Total Acre-feet (AF) - Jul 2013-Feb 2014	Sch 55	1.97		1.84
Jul 2013-Feb 2014 Wheeling Charge		<u>\$ 20.49</u>		<u>\$ 18.77</u>
ODWD Wheeling Charge - Mar-Jun 2014	Sch 57	\$ 10.61		\$ 10.40
Total Acre-feet (AF) - Mar-Jun 2014	Sch 55	182.39		170.19
Mar-Jun 2014 Wheeling Charge		<u>\$ 1,935.16</u>		<u>\$ 1,769.98</u>
Total Wheeling Charge		<u>\$ 1,955.65</u>	<u>\$ (166.90)</u>	<u>\$ 1,788.75</u>

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Re: La Habra Heights County Water District Billings

WRD Replenishment Fee - 2013/2014

Description	Ref.	As Originally Invoiced	Suggested Corrections	Computed Amount
WRD Replenishment Fee		\$ 268.00		\$ 268.00
Total Acre-feet (AF) (Period Jul 2013-Jun 2014)	Sch 55	184.36		172.03
Total		49,408.48	\$ (3,304.44)	46,104.04

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 Re: La Habra Heights County Water District Billings

Water Usage - 2013/2014

Month	LHHCWD Computed Usage	Suggested Corrections	RWD Usage	Total Production	Total Production Allocation Percentage
			Note 1/Note 2	Note 1	
February	1.97	(0.13)	1.84	342.71	0.54%
Total July 2013 - February 2014	1.97	(0.13)	1.84	342.71	
March	107.68	(7.71)	99.97	455.36	21.95%
April	72.34	(4.35)	67.99	507.66	13.39%
May	2.37	(0.14)	2.23	552.06	0.40%
June	0.00	0.00	0.00	517.67	0.00%
Total March - June 2014	182.39	(12.20)	170.19	2,032.75	
Total July 2013 - June 2014	184.36	(12.33)	172.03	2,375.46	7.24%

Note 1 - Obtained from monthly invoices sent at year end that trues up the annual costs to Rowland.

Note 2 - The RWD Usage represents the readings taken by LHHCWD on the Rowland Meter.

Prepared for: Best, Best & Krieger LLP
 Re: La Habra Heights County Water District Billings

Summary of Payments

Check Date	Payments to LHHCWD				Payments to OD	Payments to WRD
	Joint Facilities Amount	Wheeling Charge	Cost-to-Move-Water Amount	Total		
	Sch 56.1	Sch 56.1	Sch 56.1		Sch 56.2	Sch 56.3
2013/2014	\$ 10,260.68	\$ 9,218.00	\$ 46,241.17	\$ 65,719.85	\$ 1,955.65	\$ 49,408.48
2014/2015	64,160.71	23,064.50	124,469.87	211,695.08	4,937.57	123,625.72
2015/2016	58,760.08	22,411.50	121,574.78	202,746.36	4,868.55	126,870.92
Total	\$ 133,181.47	\$ 54,694.00	\$ 292,285.82	\$ 480,161.29	\$ 11,761.77	\$ 299,905.12

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 Re: La Habra Heights County Water District Billings

Listing of Payments Made to LHHCWCD

Check Date	Check No.	Related Invoice #	Joint Facilities Amount	Wheeling Charge	Cost-to-Move-Water Amount	Total
2013/2014						
4/7/2014	844	794	\$ 101.89	\$ 98.50	\$ 532.18	\$ 732.57
4/23/2014	857	798	5,746.84	5,384.00	28,882.52	40,013.36
5/28/2014	868	803	3,878.64	3,617.00	17,846.28	25,341.92
6/18/2014	875	805	473.27	118.50	517.76	1,109.53
1/27/2015	944	821 & 826	60.04		(1,537.57)	(1,477.53)
Total Payments 2013/2014			\$ 10,260.68	\$ 9,218.00	\$ 46,241.17	\$ 65,719.85
2014/2015						
12/8/2014	927	818	\$ 308.74	\$ 248.50	\$ 1,591.94	\$ 2,149.18
12/19/2014	933	820	3,100.27	2,381.50	14,533.64	20,015.41
1/27/2015	944	826	909.72	733.50	3,879.17	5,522.39
2/18/2015	957	829	9,763.95	4,084.50	25,474.22	39,322.67
3/13/2015	19441	833	10,824.09	5,309.00	30,195.54	46,328.63
4/23/2015	19595	835	6,485.84	4,099.00	22,032.97	32,617.81
5/4/2015	19738	840	11,560.35	1,397.00	3,812.04	16,769.39
6/25/2015	19887	843	8,493.83	4,655.00	24,126.27	37,275.10
7/23/2015	20007	846	13,092.29	156.50	(1,812.50)	11,436.29
11/25/2015	20558	853	(378.37)	0.00	636.58	258.21
Total Payments 2014/2015			\$ 64,160.71	\$ 23,064.50	\$ 124,469.87	\$ 211,695.08
2015/2016						
9/25/2015	20289	852	\$ 403.85	\$ 205.50	\$ 1,287.62	\$ 1,896.97
12/9/2015	20645	857	1,418.51	1,006.50	6,071.32	8,496.33
12/22/2015	20711	860	4,561.43	3,271.00	18,244.23	26,076.66
1/28/2016	20833	865	8,897.26	5,100.00	27,482.82	41,480.08
2/25/2016	20941	868	7,125.09	3,609.50	17,743.25	28,477.84
3/23/2016	21094	872	7,300.45	4,970.00	27,111.57	39,382.02
4/26/2016	21244	877	7,218.60	4,249.00	21,818.62	33,286.22
2/13/2017	22515	885/894	21,834.89	0.00	1,815.35	23,650.24
Total Payments 2015/2016			\$ 58,760.08	\$ 22,411.50	\$ 121,574.78	\$ 202,746.36

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 Re: La Habra Heights County Water District Billings

Listing of Payments Made to Orchard Dale

Check Date	Check No.	Related Invoice #	Payment Amount
2014/2015			
4/7/2014	845	2/28/14	\$ 20.49
4/23/2014	858	3/31/14	1,142.48
4/30/2014	871	4/30/14	767.53
6/16/2014	874	5/31/14	25.15
Total Payments 2014/2015			\$ 1,955.65
12/8/2014	19025	10/31/14	\$ 52.73
1/27/2015	941	11/30/14 & 12/31/14	661.00
2/26/2015	19359	1/31/15	866.73
3/24/2015	19485	2/28/15	1,126.57
4/28/2015	19620	3/31/15	887.02
6/3/2015	19777	4/30/15	302.31
6/25/2015	19890	5/31/15	1,007.34
8/4/2015	20053	6/30/15	33.87
Total Payments 2014/2015			\$ 4,937.57
2015/2016			
9/15/2015	20257	8/31/15	\$ 44.47
11/25/2015	20566	10/31/15	217.81
1/5/2016	20756	11/30/15	707.84
2/9/2016	20882	12/31/15	1,103.64
3/2/2016	20988	1/31/16	781.10
3/23/2016	21098	2/29/16	1,075.51
4/19/2016	21209	3/31/16	938.18
Total Payments 2015/2016			\$ 4,868.55

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 Re: La Habra Heights County Water District Billings

Listing of Payments Made to the Water Replenishment District

Check Date	Check No.	Invoice Date	Payment Amount
2013/2014			
6/18/2014	876	2/28/2014	\$ 527.96
6/18/2014	876	3/31/2014	28,858.24
6/18/2014	876	4/30/2014	19,387.12
7/29/2014	891	5/31/2014	635.16
Total Payments 2013/2014			\$ 49,408.48
2014/2015			
12/19/2014	934	10/31/2014	\$ 1,331.96
1/27/2015	945	11/30/2014	12,764.84
2/18/2015	956	12/31/2014	3,931.56
3/30/2015	978	1/31/2015	21,892.92
4/23/2015	984	2/28/2015	28,456.24
5/20/2015	1001	3/31/2015	21,970.64
6/10/2015	19848	4/30/2015	7,487.92
7/23/2015	20028	5/31/2015	24,950.80
8/26/2015	20155	6/30/2015	838.84
Total Payments 2014/2015			\$ 123,625.72
2015/2016			
10/22/2015	20435	8/31/2015	\$ 1,163.13
12/22/2015	20731	10/31/2015	5,696.79
1/5/2016	20766	12/4/2015	21.83
1/20/2016	20825	11/30/2015	18,513.86
3/2/2016	21000	12/31/2015	28,866.00
3/23/2016	21107	1/31/2016	20,429.77
4/26/2016	21258	2/29/2016	28,130.20
5/17/2016	21364	3/31/2016	24,049.34
Total Payments 2015/2016			\$ 126,870.92

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 Re: La Habra Heights County Water District Billings

ODWD Wheeling Charge Rate

Rate Implementation Date	CPI Rate	Contractual Rate	Computed Rate
	Note 2	Note 1	
May 16, 2012			\$ 10.00
March 1, 2013	2.04%	2.04%	10.20
March 1, 2014	1.08%	2.00%	10.40
March 1, 2015	1.35%	2.00%	10.61
March 1, 2016	0.91%	2.00%	10.82
March 1, 2017	1.89%	2.00%	11.04

Note 1 - Section 8(a).5 states that Rowland shall pay \$10 per acre-foot to Orchard Dale for all water delivered by LHHCWD to Rowland. This amount was to be increased by the Consumer Price Index for the Los Angeles Riverside Counties effective March 1, 2013 and all subsequent years on March 1. The increase shall not be less than 2% nor greater than 5%.

Note 2 - Obtained from the Bureau of Labor and Statistics at https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUURA421SA0,CUUSA421SA0