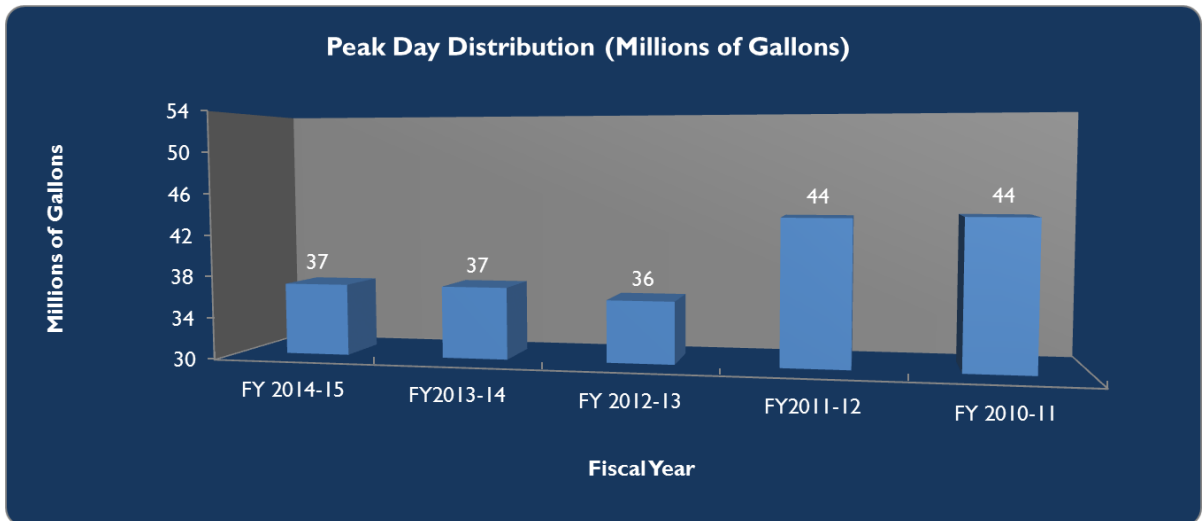
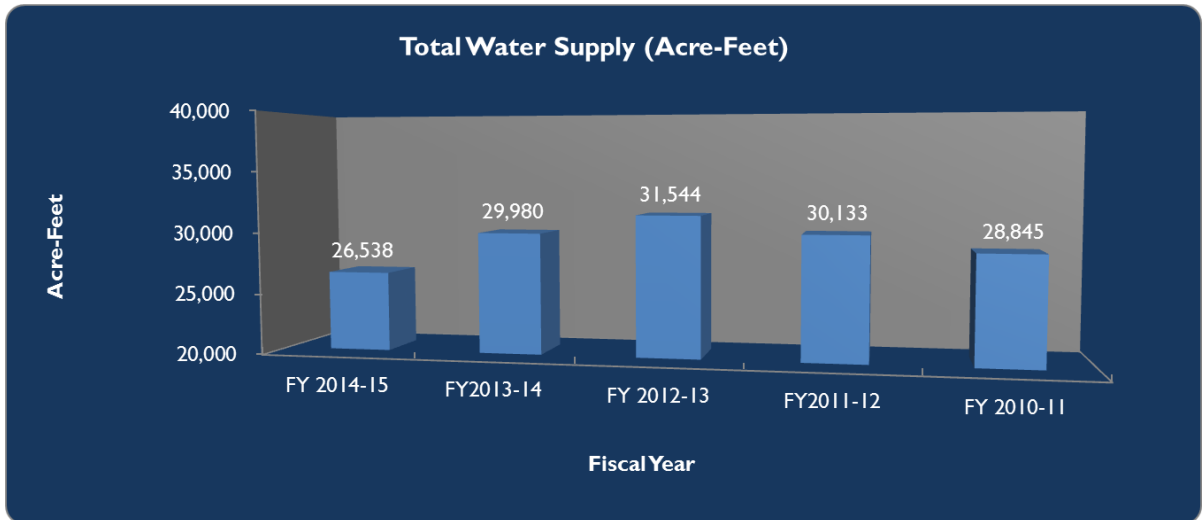
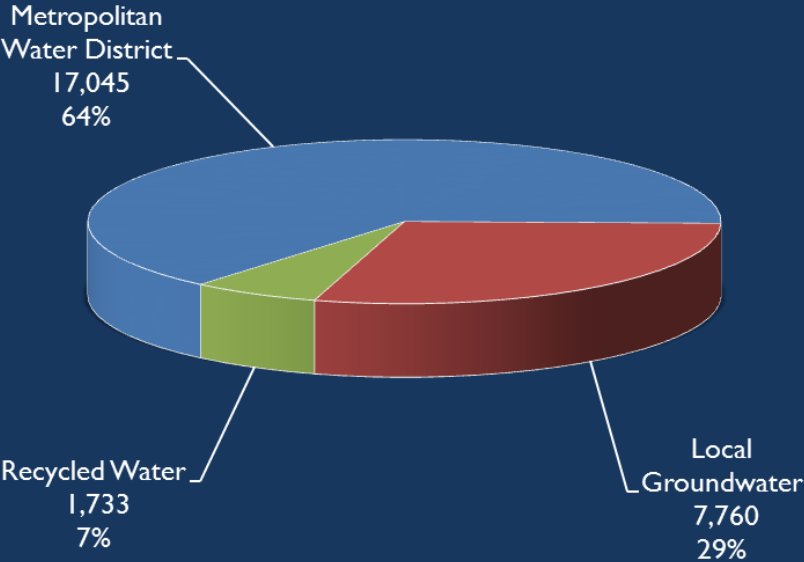


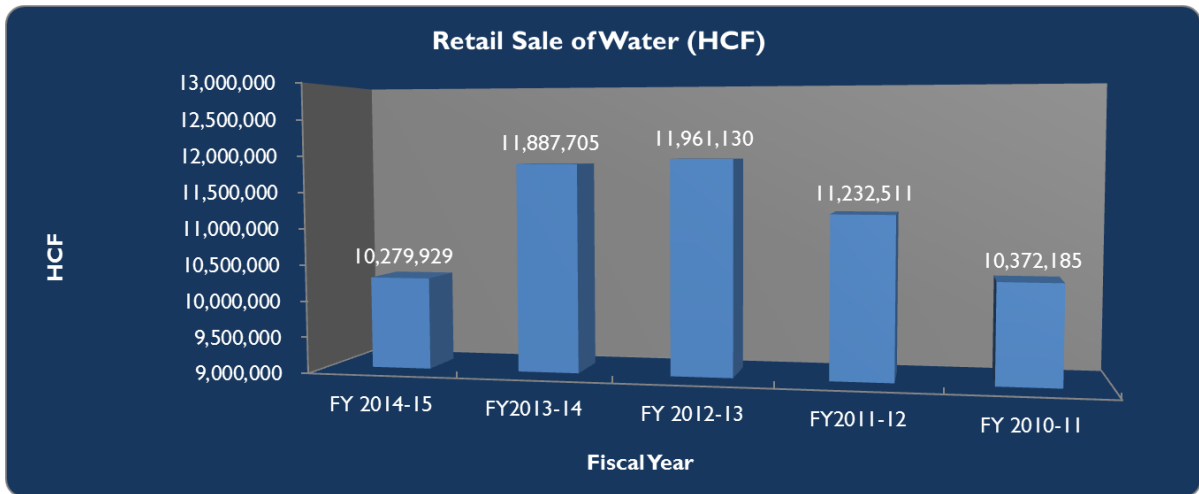
WATER SUPPLY (ACRE-FEET)	FY2014-15	FY2013-14	FY 2012-13	FY2011-12	FY 2010-11
Metropolitan Water District	17,045	20,341	18,761	17,319	16,959
Percent of Total Water Supply	64.2%	67.8%	59.5%	57.5%	58.8%
Local Groundwater	7,760	7,598	10,910	11,355	10,461
Percent of Total Water Supply	29.2%	25.3%	34.6%	37.7%	36.3%
Recycled Water	1,733	2,041	1,873	1,459	1,425
Percent of Total Water Supply	6.5%	6.8%	5.9%	4.8%	4.9%
Total Water Supply	26,538	29,980	31,544	30,133	28,845
Capacity (Gallons per Minute)					
From Metropolitan Water District	12,611	12,611	11,631	10,737	10,514
From Water System Wells, Average	815	815	1,043	1,252	1,007
Treatment Plant Capacity	4,393	4,393	4,419	4,753	4,702
Peak Day Distribution (Millions of Gallons)	37	37	36	44	44



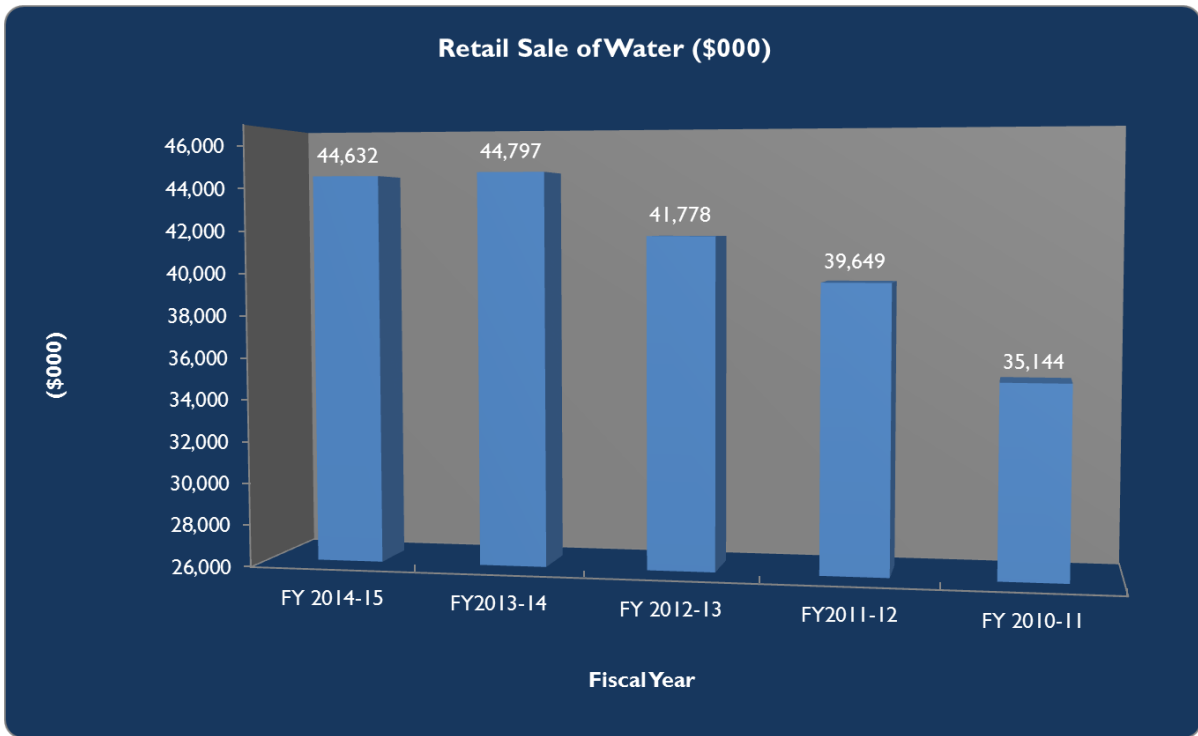
FY2014-15: Water Supply (Acre-Feet)



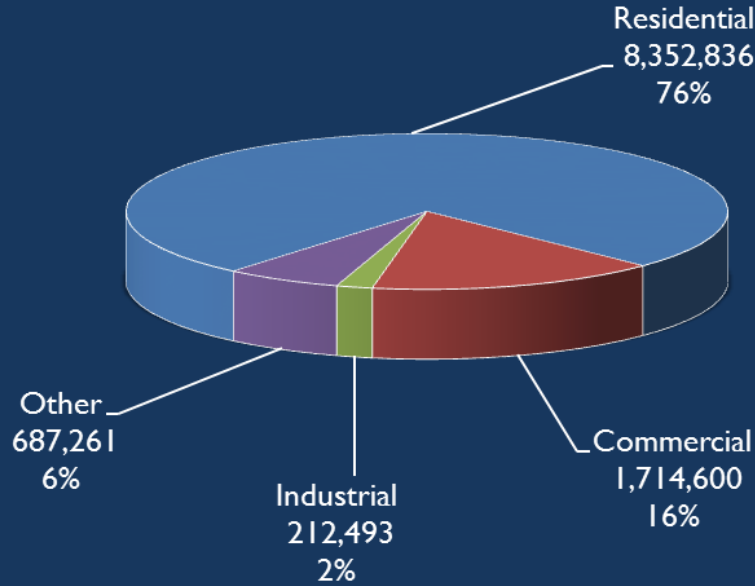
Water Use	FY 2014-15	FY2013-14	FY 2012-13	FY2011-12	FY 2010-11
Average Number of Meters					
Residential	29,569	29,539	29,529	29,504	29,245
Commercial	3,700	3,683	3,669	3,652	3,556
Industrial	149	154	159	159	163
Other	558	524	444	429	410
Total Meters - All Classes	33,976	33,900	33,801	33,744	33,374
Units of Water Sold (Hundred Cubic Feet)					
Retail Sale of Water					
Residential	8,352,836	9,440,269	9,601,126	9,120,049	8,365,671
Commercial	1,714,600	2,148,321	2,063,600	1,829,733	1,734,826
Industrial	212,493	299,115	296,404	282,729	271,688
Total Retail Sale of Water	10,279,929	11,887,705	11,961,130	11,232,511	10,372,185
Other	687,261	565,890	672,412	445,603	429,081
Total Units of Water Sold	10,967,190	12,453,595	12,633,542	11,678,114	10,801,266



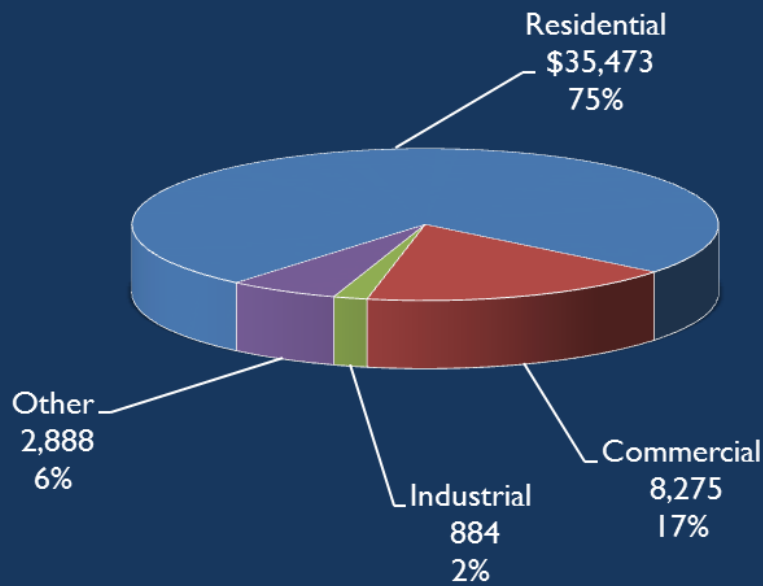
REVENUES (\$000)	FY 2014-15	FY2013-14	FY 2012-13	FY2011-12	FY 2010-11
Retail Sale of Water					
Residential	\$ 35,473	\$ 34,269	\$ 31,825	\$ 31,612	\$ 28,096
Commercial	8,275	9,256	8,738	6,961	6,118
Industrial	884	1,272	1,215	1,076	930
Total Retail Sale of Water	\$ 44,632	44,797	41,778	39,649	35,144
Other	2,888	(1,728)	2,827	1,710	1,492
Total Revenue from the Sale of Water	\$ 47,520	\$ 43,069	\$ 44,605	\$ 41,359	\$ 36,636



**FY2014-15: Units of Water Sold
(Hundred Cubic Feet)**



**FY2014-15: Revenue from the Sale of Water
(\$000)**



Water Utility Facts	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	Units
Glendale Population Served	199,182	195,799	193,652	192,654	192,473	
Average Daily Sales per Capita, (Gallons)	118	199	122	110	109	
Water Distribution System						
Pumping Plants	28	28	28	28	28	Station
Total Water Storage Capacity (30 Reservoirs and Tanks)	184	184	184	184	184	Million Gallons
Chlorination Facilities	13	13	13	13	13	
Mains	398	398	397	397	397	Miles
Gate Valves	9,197	9,676	9,646	9,130	9,130	
Meters	33,976	33,900	33,801	33,744	33,374	
Firelines	429	1,061	781	302	289	
Fire Hydrants	3,164	3,149	3,146	3,134	3,134	
Pressure Zones	12	7	7	7	7	Zones
Wells:						
San Fernando Basin	8	8	8	8	8	
Verdugo Basin	6	6	6	6	6	Plus Pickup Facility
Water Treatment Plants						
Verdugo Park Water Treatment Plant	2	2	2	2	2	MGD
Glendale Water Treatment Plant	8	8	7	7	7	MGD
Recycled Water Distribution System						
Pumping Plants	6	6	6	6	6	Stations
Total Water Storage Capacity (5 Reservoirs)	1.1	1.1	1.1	1.1	1.1	Million Gallons
Mains	23	23	22	21	21	Miles
Operating Margin	10.5%	-4.5%	9.9%	4.9%	11.0%	

Water Utility - Class (Overview)	Trends				Other			Subtotal	Other	Total
	Residential	Commercial	Industrial	Recycled	Fireline	Outside	Contracts			
Revenue from the sale of water (\$000)										
Year ended June 30 -										
2015	\$ 35,473	\$ 8,275	\$ 884	\$ 1,810	\$ 495	\$ 37	\$ 46,974	\$ 546	\$	\$ 47,520
2014	34,269	9,256	1,272	1,601	(3,594)	33	42,837	232		43,069
Increase (decrease)	\$ 1,204	\$ (981)	\$ (388)	\$ 209	\$ 4,089	\$ 4	\$ 4,137	\$ 314	\$	\$ 4,451
Percent increase (-)	3.5%	-10.6%	-30.5%	13.1%	-113.8%	12.1%	9.7%	135.3%		10.3%
Units of water sold (hundred cubic feet)										
Year ended June 30 -										
2015	8,352,836	1,714,600	212,493	675,986	4,883	6,392	10,967,190	-		10,967,190
2014	9,440,269	2,148,321	299,115	558,227	64	7,599	12,453,595	-		12,453,595
Increase (decrease)	(1,087,433)	(433,721)	(86,622)	117,759	4,819	(1,207)	(1,486,405)	-	-	(1,486,405)
Percent increase (-)	-11.5%	-20.2%	-29.0%	21.1%	7529.7%	-15.9%	-11.9%			-11.9%
Average number of meters										
Year ended June 30 -										
2015	29,569	3,700	149	78	429	51	33,976	-		33,976
2014	29,539	3,683	154	78	395	51	33,900	-		33,900
Increase (decrease)	30	17	(5)	-	34	-	76	-	-	76
Percent increase (-)	0.1%	0.5%	-3.2%	0.0%	8.6%	0.0%	0.2%			0.2%
Water Utility - Class Trends										
Unit Cost	Residential	Commercial	Industrial	Recycled	Fireline	Outside	Subtotal	Other	Contracts	Total
Average billing price per hundred cubic feet										
Year ended June 30 -										
2015	\$ 4.25	\$ 4.83	\$ 4.16	\$ 2.68	\$ 101.37	\$ 5.79	\$ 4.28	\$ -	\$ -	\$ 4.33
2014	3.63	4.31	4.25	2.87	(56,156.25)	4.34	3.44	\$ -	\$ -	3.46
Increase (decrease)	\$ 0.62	\$ 0.52	\$ (0.09)	\$ (0.19)	\$ 56,258	\$ 1.45	\$ 0.84	\$ -	\$ -	\$ 0.87
Percent increase (-)	17.1%	12.1%	-2.1%	-6.6%	-100.2%	33.4%	24.4%			25.1%
Water Utility - Class Trends										
Increase (decrease)	(38)	(120)	(516)	1,509	11	(24)	(45)	-	-	(45)
Percent increase (-)	-11.9%	-20.6%	-26.6%	21.1%	0.0%	-16.1%	-12.3%			-12.1%



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

To the Honorable Mayor and Members of City Council
of the City of Glendale
City of Glendale, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of net position and related statement of revenues, expenses and changes in net position, and statement of cash flows of the Water Enterprise Fund (the Fund) of the City of Glendale, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated November 30, 2015. Our report included an emphasis of matter paragraph regarding the fact that the financial statements present only the Fund of the City and do not purport to, and do not, present fairly the financial position of the City of Glendale, California, as of June 30, 2015, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our report included an emphasis of matter regarding the Fund's adoption of Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective July 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
November 30, 2015