



**CALL OF SPECIAL MEETING
OF THE BEAUMONT CHERRY VALLEY DISTRICT
BOARD OF DIRECTORS**

The undersigned, Dr. Blair Ball, President of the Beaumont Cherry Valley Water District, hereby calls a Special Meeting of the Board of Directors of said District to be held Friday, January 29, 2010 at 6:00 p.m. at the Beaumont Cherry Valley Water District's Administrative Offices located at 560 Magnolia Avenue, Beaumont, California 92223.

Dated: January 27, 2010

Dr. Blair Ball

Dr. Blair Ball, President of the
Board of Directors of the
Beaumont Cherry Water District



**BEAUMONT CHERRY VALLEY WATER DISTRICT
 AMENDED AGENDA
 SPECIAL MEETING OF THE BOARD OF DIRECTORS
 Friday, January 29, 2010 at 6:00 PM
 560 Magnolia Avenue, Beaumont, CA 92223**

CALL TO ORDER, PRESIDENT BALL

PLEDGE OF ALLEGIANCE, DIRECTOR WOLL

INVOCATION, DIRECTOR ROSS

ROLL CALL, JULIE SALINAS

PUBLIC INPUT

PUBLIC COMMENT: Anyone wishing to address the Board of Directors on any matter not on the agenda of this meeting may do so now. Anyone wishing to speak on an item on the agenda may do so at the time the Board considers that item. All persons wishing to speak must fill out a "Request to Speak" form and give it to the Secretary at the beginning of the meeting. The forms are available on the table at the back of the room. There is a three (3) minute limit on public comments. Sharing or passing time to another speaker is not permitted. Please do not repeat what was said by a previous speaker except to note agreement with that speaker. Thank you for your cooperation.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

PARKS	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N

2. REVIEW AND SELECTION OF FINANCIAL CONSULTANT SERVICES PROPOSAL FOR RECYCLED WATER PROJECT FUNDING**

3. OPEN WORKSHOP

- a. 2010 Budget Report**

4. CONTINUANCE OF SPECIAL MEETING

- a. Adoption of the 2010 Budget

PARKS	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N

5. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-

- A. Closed Session regarding a personnel matter pursuant to Government Code Section 54957- Interim General Manager- Performance Review.**

B. Closed Session will be held to confer with legal counsel on ONE matter of potential litigation pursuant to subdivision (c) of Government Code section 54956.9-ONE MATTER-Potential Litigation

6. OPEN SESSION- REPORT ON CLOSED SESSION

ADJOURNMENT

PARKS	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N


** Information included in the agenda packet

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Julie Salinas, at (951) 845-9581 Ext. 21 for assistance so the necessary arrangements can be made.

The agenda material for this meeting is available to the public at the District's Administrative Office which is located at 560 Magnolia Avenue, Beaumont, CA 92223. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate inspection at the same location.

MEMORANDUM

To: Board of Directors

From: Anthony Lara, Interim General Manager 

Re: Recycled Water Project Funding

On July 8, 2009, the Beaumont Cherry Valley Water District entered into a financing agreement with the State Water Resources Control Board (State Board) to receive funding from the American Recovery and Reinvestment Act (ARRA) to construct facilities necessary to deliver recycled water to irrigation customers within the District's service area.

Since that time the District has completed the design, solicited bids and started construction on four of the six phases of the project. One of the requirements that must be met in order to be eligible for the ARRA Funding is that all of the projects must be out to bid no later than January 1, 2010 and under construction no later than February 1, 2010.

The District has been unable to come to terms with the City of Beaumont on a location for phase 3 of the project (1 million gallon reservoir and pump station) at the City's waste water treatment plant (WWTP). As a result we will not meet the bid and construction deadlines mentioned above. Knowing that we could not meet the deadline, I sent a letter to the State Board to pull the funding for that phase of the project and allow the District to proceed with the remaining phases under ARRA.

The State Board has determined that without the facilities at the waste water treatment plant the District would have no source of recycled water, therefore all phases of the project would be ineligible for ARRA funding. However, once the issues at the WWTP are addressed and the District is ready to proceed with the pump station, the State Board will consider a retroactive approval of the District's application through the State Revolving Fund Program providing that there is an agreement in place with the city and the permitting issues are resolved. This could be as late as the end of 2010.

The District currently has construction commitments of approximately 3.8 million dollars on four projects that are currently underway. We could have shut these four contracts down, but considering the extremely good pricing we obtained, and the potential for litigation from the terminated contractors for lost profits, materials ordered, etc., staff felt strongly that the best option and best value was to continue with the completion of these four projects. The District was able to put a hold on a 5th project (Potrero Pipeline) as bids were not opened and the contract was not awarded.

As a result of the extended negotiations with the City, staff has been meeting regularly with Yucaipa Valley Water District on a secondary connection to their recycled water system at I-10 and Cherry Valley Blvd. The four projects under construction are necessary even if we get the

recycled water from Yucaipa Valley Water District. In summary, we have not “lost anything” and the facilities being constructed will be fully functional regardless of where we get our recycled water from.

In an effort to “bridge the gap” between the District paying these contracts and receiving an approval for SRF funding, I have spoken to several financial consultants as to the best method of proceeding with alternate funding. I have attached two proposals for the Board’s consideration.

Recommendation: *That the Board* approve the proposal from Fieldman Rolapp and Associates to seek funding through the private placement process.

BCVWD Board Presentation

From: **Tom DeMars** (tdemars@fieldman.com)

Sent: Tue 1/26/10 3:30 PM

To: Anthony Lara (bcvwodos@hotmail.com) (bcvwodos@hotmail.com)

Cc: 'gjgranito@aol.com' (gjgranito@aol.com)

Attachments:

[image001.png \(2.8 KB\)](#), [FRA_20100126152437.PDF \(235.3 KB\)](#), [FRA117581 v9_0.pptx \(154.0 KB\)](#)

Anthony,

Please find in the attached file the power point presentation for tomorrow's board meeting. Please review and provide any comments you may have or if it meets your purposes. Since the District is probably going the private placement route because of the urgency of needing the \$5.0 million our fee for the financial advisory services is estimated to be \$25,000 which will be paid out of the financing and not out of District general funds. Likewise, the Estimates of COI or Cost of Issuance for each scenario indicated on page 7, includes all the various costs for legal fees, trustee fees, rating agencies, financial advisory fees, disclosure counsel, bond counsel, printing costs and other fees associated with bringing the financing to market and will also be paid out of the financing.

In the PDF file I have included some information about Fieldman Rolapp & Associates for your use as well. I would also invite you to visit our website if you need more info on the firm at www.fieldman.com

If you need anything else please let me know.

Tom

Thomas M. DeMars - Managing Principal
Direct 949-660-7316 Facsimile 949-474-8773



www.fieldman.com

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ABOUT FIELDMAN, ROLAPP & ASSOCIATES

Four Decades of Trusted Financial Advice - There is no Substitute for Experience

Since 1966, Fieldman, Rolapp & Associates has provided public agencies and non-profit organizations with financial advisory, investment and management services they can count on. Headquartered in Irvine, California, the firm is focused on four primary areas of financial service:

- ◆ Planning, management and policy development in support of capital formation
- ◆ Capital finance transaction management
- ◆ Investment of capital funds
- ◆ Continuing disclosure

As an **independent** financial and investment* advisor, Fieldman, Rolapp & Associates seeks to provide financial solutions that always serve both your immediate and long-term best interests

Practical Approaches and Effective Solutions - Providing Results You Can Count On

Unmatched experience in the public and non-profit sectors, gives us an uncommon understanding of the requirements and nuances of the marketplace. Practical and effective solutions are designed and proven to assure good business outcomes for you and to substantially improve your financial situation – both in the immediate and the long term. Solutions are created to:

- ◆ Save you time and money
- ◆ Improve your financial position
- ◆ Increase your financial flexibility
- ◆ Enhance productivity
- ◆ Position you effectively for the future

Unique Perspectives Driven By In-Depth Experience Within Dynamic, Growing Environments

Our customized solutions are designed to assure good business outcomes. Effective solutions are those that substantially improve your financial situation. Saving you time and money, increasing your financial flexibility, enhancing productivity, and positioning each for the future are among the many benefits delivered by our focused, results-oriented approaches.

A Diverse Team of Dedicated, Invested Professionals

A broad range of backgrounds and expertise – attorneys, financial analysts, business managers and more – brings an array of perspectives, capabilities and skill sets to bear on every engagement. In addition, each Fieldman, Rolapp employee has an invested interest in the firm's success – and accordingly a personal commitment and dedication to the success and interest of every client.

** Investment services offered through Fieldman, Rolapp Financial Services*

PROVEN SERVICES FOR EVERY NEED

A track record of success in our comprehensive range of services is driven by the cross-pollination of many vital areas of financial expertise including: real estate, redevelopment, land secured projects, school districts and other complex financial scenarios. Delivering on projects that demand a thorough understanding of changing situations supports a legacy of know-how and proficiency that enhances your financial efficiency and position.

Capital Planning, Management and Policy Development – Getting it Right

Your capital structure is everything. Planning, management and development of your balance sheet are fundamental to decisions about the scope, cost and approach to your financing needs. We work in partnership with you to develop clear, thorough plans for the implementation of your capital program. We are experienced in the development of cash flow models, financing plans, strategic planning, and privatization – all the elements needed to make the most of all your financial and capital structure requirements.

Capital Finance Transaction Management – We’re by Your Side

Assisting you with all aspects of the debt issuance or borrowing process is a core service. All this requires a thorough evaluation of all of the political, regulatory and financial environments and constraints that you face. We work as your partner by advising on the general feasibility of financing a project, the nature and manner of the debt issue to be structured and sold, the size of the issue required to accomplish your funding goals, and the general state of the credit markets

Our services also help you:

- ◆ Define objectives for the financing
- ◆ Define the process for sale
- ◆ Select other service providers
- ◆ Establish a time table for the financing process
- ◆ Properly structure the credit vehicle
- ◆ Market, sell and close the debt issue
- ◆ Manage competitive, negotiated, and private placement methods
- ◆ Calculate cash flows to be paid, received at closing
- ◆ Provide a detailed summary of transaction at closing

Fixed income market access alternatives range from bank loans to customized private placements to offering sophisticated debt issues to the marketplace on an advertised or negotiated sale basis. If you are considering variable rate debt, we develop debt offering strategies and provide assistance in securing credit enhancements. Similar strategies are also required in the letter of credit/liquidity provider renewal process. We assist you by providing required and appropriate information to potential letter of credit/liquidity facility banks as part of the credit/liquidity facility renewal or substitution process.



Interest Rate Swaps/Other Financial Products

Our professionals have experience with an array of financial products, including interest rate swaps. In today's financial markets many risks are associated with the potential benefits of such financial instruments. Before proceeding we can help you identify and evaluate these factors. For instance, we can assist by developing swap policies that help clarify the risks and benefits of swaps. If you decide to enter into a swap agreement we act as a swap advisor, working to insure that you receive the most competitive "up-to-the-minute" pricing on your swap.

If you have an interest rate swap in place, we prepare valuation reports that present "marked-to-market" valuations of the swap as of any given date. These reports are designed to be utilized for inclusion in audited financial statements for the purpose of complying with GASB 53. Specifically, these valuation reports contain:

- ◆ a summary of swap payment terms
- ◆ a status of the counterparty's rating
- ◆ a discussion of the swap valuation
- ◆ a detailed valuation cash flow report

MUNICIPAL MARKET SUPPORT

Applied Best Practices, LLC (“ABP”), a wholly owned affiliate of Fieldman, Rolapp & Associates, is devoted to assisting municipal market participants in various debt related areas of public finance.

Secondary Market Disclosure Services - Continuing Disclosure

Meeting the requirements of secondary market disclosures, as mandated under Security and Exchange Commission (SEC) rules for all issuers of certain publicly traded municipal debt obligations, is the expertise that ABP offers to the municipal community.

A service benefiting many of our clients, our capabilities save you both time and money while assuring proper filing and documentation.

ABP’s disclosure services offer you:

- ◆ Timely filing of all material events and annual filings
- ◆ Knowledgeable, up-to-date resources specializing in disclosure/compliance
- ◆ Productivity gains by freeing your staff for other activities
- ◆ Complete and reliable documentation trail.

Our comprehensive services include primary responsibility for assisting you in connection with the preparation and filing of each respective continuing disclosure annual report each year and material event notifications as needed. Such services include, but are not limited to:

- ◆ At least sixty days prior to the due date of a continuing disclosure annual report, determine the required categories of information and provide a template of tables to complete and list data to provide and/or questions to be answered in preparation of the continuing disclosure annual report.
- ◆ Prepare material event notifications as necessary.
- ◆ Coordinate and order from outside vendors specific data not accessible to the issuer.
- ◆ Determine if previous continuing disclosure filings and material event notices have been disseminated and filed with Municipal Securities Rulemaking Board’s Electronic Municipal Market Access Dataport (“EMMA”).
- ◆ Review and supplement any information, in addition to the information required by a continuing disclosure undertaking, which might be necessary.
- ◆ Assist the officers or employees of the issuer designated with responsibility for continuing disclosure to assemble information necessary for the annual report.
- ◆ Dissemination of notices to EMMA and any state information depository as designated by the SEC.
- ◆ Provide conformed copies of the filed continuing disclosure annual reports and material event notifications.



Variable Rate Debt Monitoring

The initial issuance of variable interest rate debt is only a preliminary step in this form of borrowing. ABP assists issuers by:

- ◆ Monitoring and recording daily or weekly interest rates set on outstanding variable rate debt
- ◆ Providing information on the credit status of letter of credit providers
- ◆ Providing information to the rating agencies as it relates to underlying ratings of the issuer and/or credit facility provider

REGISTERED INVESTMENT ADVISOR

Fieldman, Rolapp Financial Services, LLC (“FRFS”), an affiliate of Fieldman, Rolapp & Associates, is a registered investment advisor and your trusted source for professional, thoughtful investment advice. Our consultants who provide investment advisory services are all Investment Advisor Representatives.

Investment Planning

FRFS offers customized investment planning activities as part of its portfolio evaluation and reporting services. This includes:

- ◆ Capital needs analysis
- ◆ Cash flow
- ◆ Investment planning

The design and implementation of each investment plan typically begins with the process of gathering relevant data pertaining to our client’s overall financial situation. This information is analyzed, taking into account individual goals, risk tolerances and stated objectives. A series of recommendations and/or investment or financing strategies is developed which are designed to achieve optimum overall results. A written report detailing these findings and/or recommendations may be issued, depending on stated preferences.

Improving Safety, Liquidity and Yield

The objective of our portfolio evaluation and reporting service is to insure safety, preserve liquidity and improve yield. We look at the basics of your portfolio: the duration, yield, cash flows and credit risks and then provide a written analysis with specific recommendations to enhance your financial position.

Efficient Utilization of the Proceeds

The efficient utilization of debt proceeds is critical and is recommended as part of our tactical investment consulting and actual investment transaction services. An investment instrument can be simple, such as a money market fund sponsored by the bond trustee, or complex, such as a structured portfolio of securities or a guaranteed investment contract. Whichever is right for you and your situation, FRFS offers services to position you to acquire the right investment.

Competitive Bidding

You may also wish to engage FRFS to conduct a competitive bidding process for the procurement of certain investment products and marketable securities. Typical investment products may include investment agreements with banks and insurance companies who provide such contracts. Typical marketable securities include investment-grade fixed-income securities, and specifically exclude equities.

Structured Fixed-Income Portfolios

FRFS also provides investment consultations on structured fixed-income portfolios.



BEAUMONT-CHERRY VALLEY WATER DISTRICT



Presentation to
The Board of Directors
January 27, 2010



Background



- BCVWD has spent a considerable amount of reserves on capital projects
- BCVWD has further immediate capital needs of ~\$5million
- BCVWD is developing a 5 year C.I.P.
- BCVWD has decided to finance \$5 million of its capital needs

Financing Options



- BCVWD can issue Certificates of Participation
- BCVWD can issue short-term notes
- BCVWD can enter into a private placement with a financial institution

How Do COPs Work?



- ◆ COPs are long-dated (20-30 years) and sold to investors, which provides funds to pay for projects
- ◆ BCVWD will pay annual installment payments consisting of principal and interest to certificate holders from net operating revenues
- ◆ Process can take from 60 to 120 days or more
- ◆ Public sale requires BCVWD to receive a rating on the COPs: rating process could slow down issuance

How do short-term notes work?



- Notes are short-dated (up to 5 years) and sold to investors, which provides funds to pay for projects
- BCVWD will pay annual interest to note owners from net operating revenues until Notes mature
- Notes are rolled over or refunded with long-term debt
- Process can take from 60 to 120 days or more
- Public sale requires BCVWD to receive a rating on the Notes: rating process could slow down issuance

How Do Private Placements Work?



- Private Placements are negotiated directly with certain financial institutions
- Terms and conditions of agreement are somewhat flexible
- Because BCVWD's team would be dealing with one institution and an external rating is unnecessary, timing can be streamlined
- Pricing is market based
- Since timing is of the essence, recommend using Merrill Lynch Bank of America

Comparison



	COPs	Notes	Private Placement
Tenor	20-30 years	1-5 years	10-15 years
Cost of Issuance	\$300,000	\$200,000	\$150,000
Public Rating Required	Yes	Yes	No
Timing	Average of 90	Average of 90	45-60 days
Prepayment	Industry standard of 10 years @ 100%	Flexibility but impacts pricing	Flexibility but impacts pricing



HARRELL & COMPANY
ADVISORS, LLC

January 25, 2010

Anthony Lara
General Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

Dear Mr. Lara:

I appreciate this opportunity to submit a Proposal for Financial Advisory Services to the Beaumont Cherry Valley Water District to provide financial advisory services for the District's water revenue bond financing.

SCOPE OF SERVICES

1. Determine financing structure and options. Size the bond issue, structure those terms and conditions which most advantageously meet demands or current market conditions and the District's objectives.
2. Financing Schedule. Develop and monitor the schedule of activities during the financing to assist the District in meeting agenda deadlines and public notice requirements.
3. Prepare presentations for Board meeting describing the financing method and anticipated costs, as well as additional information requested by staff.
4. Document Review. Review and comment on all legal documents prepared by the District's bond counsel to ensure conformance with the proposed financing structure.
5. Disclosure Issues. Provide technical support in defining disclosure issues necessary to meet SEC guidelines.
6. Official Statement. Prepare the Preliminary and Final Official Statement to be used in connection with the offering of the bonds. Arrange for printing and mailing of the Preliminary Official Statement. Revise the Preliminary Official Statement for final interest rates and tables related thereto. Arrange for printing and distribution of Final Official Statement within seven business days from the sale date.

The City Tower, 333 City Boulevard West, Suite 1430, Orange, California 92868

Tel: 714.939.1464

Fax: 714.939.1462

7. **Timing of Sale.** Advise the District of market movements, trends and developments and make recommendations as to the timing of the sale of the bonds in relation to market conditions.
8. **Pricing (Negotiated Offering).** Review the Purchase Contract prepared by the Underwriter and advise on the proposed pricing by the Underwriter.
9. **Bond Closing.** Review the proposed arrangements for closing and delivery of the bonds including certificates and representations of other parties to ensure certification of information relied upon in the financing.
10. **Bond Administration.** Advise the District in administration of the financing after bond closing.
11. **Attendance at Meetings.** Attend all meetings of the working group and the District Counsel as required.

ESTIMATED TIMELINE

- Week 1 (Feb 1): Determine financing method, maturity, special redemption requirements and coverage based on available revenues; determine estimated bond size, discuss selection of underwriter
- Week 2 (Feb 8): Select underwriter and other financing participants, commence initial document drafting
- Week 3 (Feb 15): Completion of first document drafts; circulate documents for review and completion
- Week 4 (Feb 22): Revise documents, submit to rating agency
- Week 6 (Mar 8): Presentation of financing information to Board (if any); Board approval of financing documents and parameters for sale; Receive rating, print Preliminary Official Statement
- Week 7 (Mar 15): Price Bonds
- Week 9 (Mar 29): Bond Closing

PROPOSED FEE

The estimated par amount of bonds to be issued is \$6 million including all required bond reserves and costs. Based on this amount, the following fees are proposed:

- a fixed fee of \$10,000 for preparation of the Preliminary and Final Official Statements (does not apply if prepared by the District's disclosure counsel); and
- a fixed fee of \$25,000 for all other financial advisory services in connection with the bonds as described under the scope of services.
- out-of-pocket expenses billed at cost, not to exceed \$1,500.

Fees are contingent on the successful closing of the bonds and delivery of funds.


I look forward to the opportunity to work with the District. If you need any additional information or have any questions, please do not hesitate to contact me.

Very truly yours,



Suzanne Harrell

MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: JULIE J. SALINAS, BUSINESS MANAGER 
SUBJECT: PROPOSED 2010 BUDGET
DATE: 1/28/2010
CC: ANTHONY L. LARA, ASST. G.M.

The CY 2010 proposed Operating and Maintenance Budget forecast the operating revenues to be \$8,936,680, down \$27,006 from last year's budget. The operating expenses have been projected to be \$7,915,308, up \$268,801 from last year's budget. It is important to note that in last year's budget, the District did not show a projection for the system depreciation. In the CY 2009 & 2010, the District is funding %50 of depreciation. This projection is in line with the draft Water Rate Study currently being conducted by Willdan Financial Services.

Revenue projections are based on the District's current rates and are subject to change after the Board has received, reviewed and approved the Water Rate Study. Staff anticipates the Water Rate Study will be available for review in the coming weeks.

**Beaumont Cherry Valley Water District
Statement of Revenues and Expenses
Calendar Year 2010
Proposed Budget**

	2009 Actual (thru 1/22/10)	2009 Adopted Budget	2010 Proposed Budget
Operating revenues:			
Water sales	\$ 6,481,484	\$ 6,678,418	\$ 6,295,979
Water services:			
Pass thru charges	1,983,412	1,850,543	2,308,501
Service Connections	227,704	280,251	100,000
Development reimbursement	54,345	-	60,000
Other	<u>279,113</u>	<u>154,474</u>	<u>172,200</u>
Total water services	<u>2,544,574</u>	<u>2,285,268</u>	<u>2,640,701</u>
Total operating revenues	<u>9,026,058</u>	<u>8,963,686</u>	<u>8,936,680</u>
Operating expenses:			
Pumping Expenses	3,565,829	3,353,670	3,071,820
Transmission and distribution	1,035,225	1,070,580	1,033,700
Customer accounts	176,811	201,640	183,400
Administration	1,823,139	2,014,125	1,818,300
Maintenance & General Plant	348,827	445,180	393,400
Engineering (in-house)	93,546	160,312	112,012
San Timoteo Watershed Management Authority	181,044	-	-
Professional Services	349,566	401,000	290,000
Depreciation	<u>1,015,150</u>	<u>-</u>	<u>1,012,676</u>
Total operating expenses	<u>8,589,136</u>	<u>7,646,507</u>	<u>7,915,308</u>
Income (loss) from operations	<u>436,922</u>	<u>1,317,179</u>	<u>1,021,373</u>
Debt Service:			
Loan Payment	<u>-</u>	<u>-</u>	<u>500,000</u>
Total Debt Service	<u>-</u>	<u>-</u>	<u>500,000</u>
Nonoperating revenues (expenses):			
Rent & Utilities Reimbursement	8,827	-	24,800
Miscellaneous expense	(2,940)	(1,000)	(3,000)
Investment income	<u>48,958</u>	<u>70,000</u>	<u>51,000</u>
Total nonoperating revenues	<u>54,844</u>	<u>69,000</u>	<u>72,800</u>
Income before contributions	<u>491,766</u>	<u>1,386,179</u>	<u>594,173</u>
Capital contributions:			
Facilities charges	446,974	-	272,402
Front footage fees and other reimbursements	<u>31,640</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>478,614</u>	<u>-</u>	<u>272,402</u>
Changes in net assets	<u>970,380</u>	<u>1,386,179</u>	<u>866,575</u>

**Beaumont Cherry Valley Water District
Calendar Year 2010
Proposed Budget**

	2009 Actual (thru 1/22/10)	2009 Adopted Budget	2010 Proposed Budget
Operating Revenue			
1-4-4010-401 - DOMESTIC WATER SALES	6,090,235	6,325,918	5,937,979
1-4-4010-402 - IRRIGATION WATER SALES	28,185	30,000	30,000
1-4-4010-403 - CONSTRUCTION WATER SALES	172,374	109,000	125,000
1-4-4010-404 - INSTALLATION CHARGES	227,704	280,251	100,000
1-4-4010-407 - REIMB. CUST. DAMAGES/UPGRADES	30,238	34,752	30,000
1-4-4010-408 - BACKFLOW DEVICES	22,257	17,522	22,500
1-4-4010-409 - REIMBURSEMENT - INSURANCE	16,238	-	-
1-4-4010-410 - RETURNED CHECK FEES	3,340	6,000	3,500
1-4-4010-411 - MISCELLANEOUS INCOME	38,244	10,000	15,000
1-4-4010-412 - RENTAL INCOME	1,200	1,200	1,200
1-4-4010-413 - DEVELOPEMENT INCOME (DEPOSITS AP	54,345	-	60,000
1-4-4010-414 - RECHARGE INCOME (CITY OF BANNING)	167,597	85,000	100,000
1-4-4010-441 - TURN ONS	32,080	47,500	36,000
1-4-4010-442 - THIRD NOTICE CHARGE	73,380	81,000	76,000
1-4-4010-443 - PENALTIES	85,230	85,000	91,000
1-4-4010-444 - SGPWA IMPORTATION CHARGE	768,519	749,029	996,851
1-4-4010-445 - SCE POWER CHARGE	1,214,893	1,101,514	1,311,650
	9,026,058	8,963,686	8,936,680
Pumping Expenses			
1-5-5200-237 - HEALTH INSURANCE	49,375	55,000	55,000
1-5-5200-243 - RETIREMENT/CALPERS	59,239	65,000	65,000
1-5-5200-501 - LABOR	271,125	240,000	275,000
1-5-5200-502 - BEREAVEMENT/SEMINAR/JURY DUTY	1,927	1,000	1,000
1-5-5200-503 - SICK LEAVE	12,718	24,000	4,500
1-5-5200-504 - VACATION	2,944	12,750	6,000
1-5-5200-505 - HOLIDAYS	9,333	8,500	9,500
1-5-5200-507 - LIFE INSURANCE	1,554	1,600	1,600
1-5-5200-508 - UNIFORMS, EMPLOYEE BENEFITS	852	1,270	1,000
1-5-5200-511 - TREATMENT & CHEMICALS	159,736	135,000	160,000
1-5-5200-512 - LAB TESTING	44,147	95,000	45,000
1-5-5200-513 - MAINTENANCE EQUIPMENT (PUMPING)	157,953	125,000	160,000
1-5-5200-514 - UTILITIES - GAS	120	50	120
1-5-5200-515 - UTILITIES - ELECTRIC	1,470,139	1,530,000	1,700,000
1-5-5200-517 - TELEMTRY MAINTENANCE	5,317	6,000	6,000
1-5-5200-518 - SEMINAR & TRAVEL EXPENSES	120	500	500
1-5-5200-519 - EDUCATION EXPENSES	1,015	1,000	1,000
1-5-5200-520 - WORKER'S COMPENSATION INSURANCE	6,905	22,000	10,000
1-5-5200-620 - STATE PROJECT WATER PURCHASED	819,308	480,000	570,600
1-5-5200-621 - GROUNDWATER PURCHASE (SMWC)	492,000	550,000	-
	3,565,829	3,353,670	3,071,820
Transmission & Distribution			
1-5-5300-237 - HEALTH INSURANCE	111,202	130,000	115,000
1-5-5300-243 - RETIREMENT/CALPERS	105,489	140,000	110,000
1-5-5300-501 - LABOR	356,133	435,000	370,000
1-5-5300-502 - BEREAVEMENT/SEMINAR/JURY DUTY	1,205	6,500	2,400
1-5-5300-503 - SICK LEAVE	15,639	18,000	18,000
1-5-5300-504 - VACATION	11,846	24,000	24,000
1-5-5300-505 - HOLIDAYS	21,958	20,000	24,000
1-5-5300-507 - LIFE INSURANCE	2,914	3,400	3,100
1-5-5300-508 - UNIFORMS, EMPLOYEE BENEFITS	3,021	4,430	3,200
1-5-5300-518 - SEMINAR & TRAVEL EXPENSES	10	1,000	1,000
1-5-5300-519 - EDUCATION EXPENSES	383	2,000	2,000
1-5-5300-520 - WORKER'S COMPENSATION INSURANCE	10,588	38,000	15,000

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1-5-5300-530 - MAINT PIPELINE/FIRE HYDRANT	94,033	82,500	95,000
1-5-5300-531 - LINE LOCATES	3,002	2,000	3,500
1-5-5300-534 - MAINT METERS & SERVICES	161,636	95,000	175,000
1-5-5300-535 - BACKFLOW DEVICES	278	750	500
1-5-5300-536 - MAINTENANCE RESERVOIRS/TANKS	1,240	10,000	10,000
1-5-5300-537 - MAINTENANCE PRESSURE REGULATORS	10,794	18,000	12,000
1-5-5300-538 - INSPECTIONS	35,452	40,000	35,000
1-5-5300-539 - INVENTORY ADJUSTMENTS	-	-	-
1-5-5300-540 - INVENTORY PURCHASE DISCOUNTS	(7,163)	-	(5,000)
1-5-5300-541 - OBSOLETE OR DAMAGED INVENTORY	95,566	-	20,000
	1,035,225	1,070,580	1,033,700
Customer Accounts			
1-5-5400-237 - HEALTH INSURANCE	32,475	42,000	34,000
1-5-5400-243 - RETIREMENT/CALPERS	27,863	40,000	31,000
1-5-5400-501 - LABOR	97,721	95,000	99,000
1-5-5400-502 - BEREAVEMENT/SEMINAR/JURY DUTY	1,026	500	1,000
1-5-5400-503 - SICK LEAVE	4,041	2,000	3,000
1-5-5400-504 - VACATION	3,424	5,850	4,000
1-5-5400-505 - HOLIDAYS	6,338	5,500	6,500
1-5-5400-507 - LIFE INSURANCE	753	900	800
1-5-5400-508 - UNIFORMS, EMPLOYEE BENEFITS	784	890	800
1-5-5400-518 - SEMINAR & TRAVEL EXPENSES	-	-	-
1-5-5400-519 - EDUCATION EXPENSES	340	1,000	1,000
1-5-5400-520 - WORKER'S COMPENSATION	2,048	8,000	2,300
	176,811	201,640	183,400
General & Administrative			
1-5-5500-236 - DENTAL INSURANCE	450	-	-
1-5-5500-237 - HEALTH INSURANCE	149,718	148,500.00	152,000.00
1-5-5500-243 - RETIREMENT/CALPERS	218,237	275,500.00	221,000.00
1-5-5500-501 - LABOR	808,520	830,000.00	810,000.00
1-5-5500-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	2,500.00	2,500.00
1-5-5500-503 - SICK LEAVE	75,945	100,000.00	20,000.00
1-5-5500-504 - VACATION	37,184	38,000.00	38,000.00
1-5-5500-505 - HOLIDAYS	37,940	40,000.00	39,000.00
1-5-5500-507 - LIFE INSURANCE	5,438	4,800.00	5,600.00
1-5-5500-508 - UNIFORMS, EMPLOYEE BENEFITS	-	-	-
1-5-5500-518 - SEMINAR & TRAVEL EXPENSES	822	6,000.00	2,000.00
1-5-5500-519 - EDUCATION EXPENSES	90	1,000.00	1,000.00
1-5-5500-520 - WORKER'S COMPENSATION INSURANCE	6,479	25,000.00	8,000.00
1-5-5500-522 - UNEMPLOYMENT INSURANCE	12,329	-	14,000.00
1-5-5500-547 - EMPLOYER SHARE FOR RETIRED (CALPI	4,313	-	4,500.00
1-5-5500-548 - ADMINISTRATIVE COSTS (CALPERS)	1,668	-	2,000.00
1-5-5500-549 - BANK CHGS/MONEY MARKET/TRANS. FE	29,544	14,600.00	20,000.00
1-5-5500-553 - TEMPORARY LABOR	3,638	17,500.00	-
1-5-5500-555 - OFFICE SUPPLIES	49,259	55,000.00	47,500.00
1-5-5500-556 - OFFICE EQUIPMENT/SERVICE AGREEME	85,262	60,000.00	85,000.00
1-5-5500-557 - OFFICE MAINTENANCE	13,921	20,000.00	15,000.00
1-5-5500-558 - MEMBERSHIP DUES	20,234	15,000.00	21,000.00
1-5-5500-559 - ARMORED CAR	3,148	5,000.00	-
1-5-5500-560 - OFFICE EQUIP.MAINT. & REPAIRS	1,799	3,200.00	2,000.00
1-5-5500-561 - POSTAGE	35,990	40,000.00	40,000.00
1-5-5500-562 - SUBSCRIPTIONS	1,486	2,850.00	1,600.00
1-5-5500-563 - MISCELLANEOUS OPERATING SUPPLIES	15,656	15,000.00	15,000.00
1-5-5500-564 - MISCELLANEOUS TOOLS/EQUIPMENT	8,180	15,000.00	10,000.00

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1-5-5500-567 - EMPLOYEE MEDICAL/FIRST AID	289	600.00	600.00
1-5-5500-568 - RANDOM DRUG TESTING	25	500.00	500.00
1-5-5500-570 - PROPERTY/AUTO/GEN LIABILITY INSURA	49,748	80,090.00	60,000.00
1-5-5500-572 - STATE MANDATES AND TARRIFFS	25,632	30,000.00	27,000.00
1-5-5500-574 - PUBLIC EDUCATION	8,265	10,000.00	10,000.00
1-5-5500-577 - PROPERTY TAXES - OUT OF DISTRICT P/	12,683	6,410.00	-
1-5-5500-578 - IT SUPPORT/SOFTWARE SUPPORT	57,642	65,000.00	65,000.00
1-5-5500-630 - ACCOUNTS RECEIVABLE	2,071	1,000.00	1,000.00
1-5-5510-550 - BOARD OF DIRECTOR FEES	38,000	60,000.00	40,000.00
1-5-5510-551 - SEMINAR & TRAVEL EXPENSES	1,331	3,500.00	3,500.00
1-5-5510-552 - ELECTION EXPENSES	202	22,575.00	34,000.00
	1,823,139	2,014,125	1,818,300
Maintenance/General Plant			
1-5-5610-515 - ELECTRIC - 560 MAGNOLIA AVE	19,958	22,000.00	20,000.00
1-5-5610-580 - TELEPHONE - 560 MAGNOLIA AVE	37,756	55,000.00	30,000.00
1-5-5610-581 - SANITATION - 560 MAGNOLIA AVE	1,508	2,400.00	2,400.00
1-5-5610-582 - MAINTENANCE - 560 MAGNOLIA AVE	2,623	3,500.00	3,000.00
1-5-5615-501 - LABOR - 12303 OAK GLEN ROAD	342	1,000.00	-
1-5-5615-515 - ELECTRIC - 12303 OAK GLEN ROAD	2,527	1,500.00	3,000.00
1-5-5615-582 - MAINTENANCE/REPAIR - 12303 OAK GLEI	1,087	3,000.00	500.00
1-5-5615-583 - PROPANE - 12303 OAK GLEN ROAD	123	1,500.00	2,000.00
1-5-5620-501 - LABOR - 13695 OAK GLEN ROAD	-	1,000.00	-
1-5-5620-515 - ELECTRIC - 13695 OAK GLEN ROAD	652	1,000.00	3,000.00
1-5-5620-582 - MAINTENANCE/REPAIR - 13695 OAK GLEI	2,998	3,000.00	500.00
1-5-5620-583 - PROPANE - 13695 OAK GLEN ROAD	252	1,500.00	2,000.00
1-5-5625-501 - LABOR - 13697 OAK GLEN ROAD	-	1,000.00	-
1-5-5625-515 - ELECTRIC - 13697 OAK GLEN ROAD	1,779	1,500.00	3,000.00
1-5-5625-582 - MAINTENANCE/REPAIR - 13697 OAK GLEI	3,432	3,000.00	500.00
1-5-5625-583 - PROPANE - 13697 OAK GLEN ROAD	1,509	1,500.00	2,000.00
1-5-5630-501 - LABOR - 9781 AVENIDA MIRAVILLA	-	1,000.00	-
1-5-5630-515 - ELECTRIC - 9781 AVENIDA MIRAVILLA	1,045	300.00	3,000.00
1-5-5630-582 - MAINTENANCE/REPAIR - 9781 AVENIDA M	5,568	8,000.00	500.00
1-5-5630-583 - PROPANE - 9781 AVENIDA MIRAVILLA	847	-	2,000.00
1-5-5635-515 - ELECTRIC - 815 E. 12TH STREET	6,066	9,000.00	7,000.00
1-5-5635-580 - TELEPHONE - 815 E. 12TH STREET	630	480.00	1,000.00
1-5-5635-581 - SANITATION - 815 E. 12TH STREET	2,646	3,000.00	3,000.00
1-5-5635-582 - MAINTENANCE/REPAIR - 815 E. 12TH STF	3,931	4,000.00	4,000.00
1-5-5640-581 - SANITATION - 11083 CHERRY AVE	2,700	3,000.00	3,000.00
1-5-5700-589 - AUTO/FUEL	73,090	120,000.00	85,000.00
1-5-5700-590 - SAFETY EQUIPMENT	22	3,000.00	3,000.00
1-5-5700-591 - COMMUNICATION MAINTENANCE	-	1,000.00	1,000.00
1-5-5700-592 - REPAIR & MAINT OF GEN EQUIPMENT	1,116	3,000.00	3,000.00
1-5-5700-593 - REPAIR VEHICLES AND TOOLS	27,058	30,000.00	40,000.00
1-5-5700-594 - LARGE EQUIPMENT MAINTENANCE	28,621	35,000.00	35,000.00
1-5-5700-595 - EQUIP. PREVENTATIVE MAINTENANCE	-	1,000.00	1,000.00
1-5-5700-596 - AUTO/EQUIPMENT OPERATION	41,803	20,000.00	40,000.00
1-5-5700-597 - MAINT GENERAL PLANT (BUILDINGS)	5,392	10,000.00	10,000.00
1-5-5700-598 - LANDSCAPE MAINTENANCE	44,859	72,000.00	50,000.00
1-5-5700-601 - RECHARGE FAC, CANYON & POND MAIN	26,889	18,000.00	30,000.00
	348,827	445,180	393,400
1-5-5800-237 - HEALTH INSURANCE	3,873	5,200.00	4,000.00
1-5-5800-243 - RETIREMENT/CALPERS	9,677	17,000.00	10,000.00
1-5-5800-501 - LABOR	76,019	120,000.00	82,000.00

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1-5-5800-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	500.00	500.00
1-5-5800-503 - SICK LEAVE	-	2,000.00	2,000.00
1-5-5800-504 - VACATION	(605)	3,200.00	3,200.00
1-5-5800-505 - HOLIDAY	2,801	2,600.00	3,200.00
1-5-5800-507 - LIFE INSURANCE	289	312.00	312.00
1-5-5800-518 - SEMINAR & TRAVEL EXPENSES	-	500.00	500.00
1-5-5800-519 - EDUCATION EXPENSE	421	5,000.00	5,000.00
1-5-5800-520 - WORKER'S COMPENSATION	1,070	4,000.00	1,300.00
	93,546	160,312	112,012
San Timoteo Project Committee No. 1			
1-5-5820-614 - STWMA - PROJECT COMMITTEE NO. 1	181,044	-	-
	181,044	-	-
Professional Services			
1-5-5810-611 - GENERAL LEGAL	197,901	125,000	125,000
1-5-5810-612 - DEVELOPMENT - REIMB. LEGAL	-	1,000	1,000
1-5-5810-614 - AUDIT	18,819	19,000	19,000
1-5-5810-616 - ACCOUNTING (NON AUDIT)	10,756	1,000	10,000
1-5-5820-611 - GENERAL ENGINEERING	116,864	120,000	120,000
1-5-5820-612 - DEVELOPMENT - REIMB. ENGINEERING	4,352	40,000	5,000
1-5-5820-615 - ENGINEERING - PERMITTING (REC WATE	855	50,000	10,000
1-5-5820-618 - REC WATER PROJ CONTRACT ADMINIST	20	45,000	-
	349,566	401,000	290,000
Depreciation (50% funded in CY 2009/2010)			
1-5-5700-599 - SYSTEM DEPRECIATION	1,015,150	-	1,012,676
	1,015,150	-	1,012,676
Debt Service			
# # ##### - LOAN PAYMENT	-	-	500,000
	-	-	500,000
Nonoperating Revenues (Expenses)			
1-4-4011-412 - RENT - 12303 OAK GLEN RD	1,600	-	1,200
1-4-4012-412 - RENT - 13695 OAK GLEN RD	1,000	-	1,200
1-4-4013-412 - RENT - 13697 OAK GLEN RD	1,000	-	1,200
1-4-4014-412 - RENT - 9781 AVENIDA MIRAVILLA	1,000	-	1,200
1-4-4015-515 - ELECTRIC & PROPANE	1,559	-	5,000
1-4-4016-515 - ELECTRIC & PROPANE	847	-	5,000
1-4-4017-515 - ELECTRIC & PROPANE	1,027	-	5,000
1-4-4018-515 - ELECTRIC & PROPANE	794	-	5,000
1-5-5500-573 - MISCELLANEOUS EXPENSES	(2,940)	(1,000)	(3,000)
1-4-4010-446 - BONITA VISTA REPAYMENT - INTEREST	13,373	34,000	15,000
1-4-4020-435 - INTEREST INCOME	35,585	36,000	36,000
	54,844	69,000	72,800
Facility Charges			
1-4-4020-422 - WELLS	33,373	-	-
1-4-4020-423 - WATER RIGHTS (SWP)	213,212	-	191,969
1-4-4020-424 - WATER TREATMENT PLANT	15,905	-	-
1-4-4020-425 - FF - LOCAL WATER RESOURCES	88,806	-	80,433
1-4-4020-426 - FF - RECYCLED WATER FACILITIES	24,069	-	-
1-4-4020-427 - FF - TRANSMISSION	27,041	-	-
1-4-4020-428 - FF - STORAGE	34,606	-	-
1-4-4020-429 - FF - BOOSTER	2,402	-	-
1-4-4020-430 - FACILITY FEES - PRESSURE REDUCING (1,227	-	-
1-4-4020-431 - FACILITY FEES - MISCELLANEOUS PROJ	1,071	-	-
1-4-4020-432 - FACILITY FEES - FINANCING COSTS	5,261	-	-

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	446,974	-	272,402
Front Footage Fees & Other Reimb			
1-4-4020-421 - FRONT FOOTAGE & OTHER REIMB	31,640	-	-
	31,640	-	-