



**BEAUMONT CHERRY VALLEY WATER DISTRICT
 AMENDED AGENDA
 REGULAR MEETING OF THE BOARD OF DIRECTORS
 Wednesday, February 10, 2010 at 7:00 PM
 560 Magnolia Avenue, Beaumont, CA 92223**

CALL TO ORDER, PRESIDENT BALL

PLEDGE OF ALLEGIANCE, DIRECTOR ROSS

INVOCATION, VICE PRESIDENT PARKS

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. FINANCIAL REPORTS

a. Bills for Consideration**

Board Action
 January 2010

The Board will take action on the Bills for Consideration taking into account the recommendations of the Finance and Audit Committee.

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

b. Invoices for Payment Approval**

Board Action

The Board will take action on the invoices for payment taking into account the recommendations of the Finance and Audit Committee.

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

c. Month End Financial Statements
January 2010**

Board Action

The Board will take action to "accept and file" the Month End Financial Statements presented by staff.

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

d. Year End Financial Report
YE December 31, 2009**

Board Action

The Board will take action to "accept and file" the Year End Financial Report presented by staff.

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

3. APPROVAL OF THE MINUTES

a. Minutes of the Regular Meeting of January 20, 2010**

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

b. Minutes of the Special Meeting of January 29, 2010**

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

**4. VARIANCE REQUEST FROM CHERRY VALLEY WATER COMPANY ON
OUT-OF-THE DISTRICT RATES****

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

**5. REVIEW AND SELECTION OF FIRM TO PERFORM PROFESSIONAL
AUDITING SERVICES FOR THE CALENDAR YEARS ENDING
DECEMBER 31, 2009, 2010 AND 2010****

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

6. DISCUSSION AND POSSIBLE ACTION REGARDING HIRING AN EXPERIENCED FINANCIAL MANAGER

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

7. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees

(b) General Manager

- Recycled Water Projects
- Well 21 Failure

(c) Directors

- Dr. Blair Ball
- Stella Parks
- Ken Ross
- Ryan Woll

(d) Legal Counsel

8. ANNOUNCEMENTS

- Regular Board Meeting will be held on March 10, 2010

ACTION LIST

9. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-

A. 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

B. Closed Session will also be held regarding a personnel matter pursuant to Government Code Section 54957- Interim General Manager-Performance Review.

10. OPEN SESSION- REPORT ON CLOSED SESSION

11. 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.

BEAUMONT-CERRY VALLEY WATER DISTRICT
Check Register-Summary-Bank



AP5090

Page : 1

Date : Jan 29, 2010

Time : 8:09 am

Vendor : A&A FENCE To ZETLMAIER
 Cheque Dt. : 01-Jan-2010 To 29-Jan-2010
 Bank : 7 - ACCOUNTS PAYABLE

Seq : Cheque No. Status : All
 Medium : M=Manual C=Computer E=EFT-PA

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
40134	07-Jan-2010	ALLPURPOSE	ALL PURPOSE RENTALS	Issued	3	C	22.00
40135	07-Jan-2010	AMERICANOF	AMERICAN OFFICE SOLUTION	Issued	3	C	48.94
40136	07-Jan-2010	ANTHONYCO\	COVE, ANTHONY	Issued	3	C	115.26
40137	07-Jan-2010	ARCO	ARCO GASPRO PLUS	Issued	3	C	4,645.08
40138	07-Jan-2010	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	3	C	268.65
40139	07-Jan-2010	BTIRE	BEAUMONT TIRE	Issued	3	C	78.49
40140	07-Jan-2010	BYRDINDELE	BYRD INC ELECTRONICS	Issued	3	C	943.48
40141	07-Jan-2010	CACHAMBER	CALIFORNIA CHAMBER OF COMMERCE	Issued	3	C	106.03
40142	07-Jan-2010	CONTROLVAL	CONTROL VALVE SYSTEMS INC	Issued	3	C	135.94
40143	07-Jan-2010	CVNURSERY	CHERRY VALLEY NURSERY	Issued	3	C	74.11
40144	07-Jan-2010	DEPHEALTH	CA. DEPT OF PUBLIC HEALTH	Issued	3	C	90.00
40145	07-Jan-2010	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	3	C	69,565.19
40146	07-Jan-2010	ESBABCOCK	ES BABCOCK	Issued	3	C	630.00
40147	07-Jan-2010	GABRIELEQU	GABRIEL EQUIPMENT	Issued	3	C	185.30
40148	07-Jan-2010	GASCO	THE GAS COMPANY	Issued	3	C	11.51
40149	07-Jan-2010	HOMEDEPOT	HOME DEPOT CREDIT SERVICES	Issued	3	C	821.94
40150	07-Jan-2010	JAMESBEAN	BEAN, JAMES	Issued	3	C	100.00
40151	07-Jan-2010	JAYWI000	WILFLEY, JAY	Issued	3	C	87.48
40152	07-Jan-2010	KVSPAIN TAN	KV'S PAINT AND DECORATING	Issued	3	C	102.14
40153	07-Jan-2010	MAGEENIKI	MAGEE, NIKI	Issued	3	C	200.00
40154	07-Jan-2010	MCCEQUIPME	MCC EQUIPMENT RENTALS INC.	Issued	3	C	160,288.83
40155	07-Jan-2010	NAPAAUTOPA	NAPA AUTO PARTS	Issued	3	C	135.92
40156	07-Jan-2010	NINOS	NINO'S	Issued	3	C	4,098.44
40157	07-Jan-2010	PATSPOTS	PAT'S POTS	Issued	3	C	310.00
40158	07-Jan-2010	PITNEYBOWE	PITNEY BOWES INC	Issued	3	C	2,134.98
40159	07-Jan-2010	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	3	C	96.00
40160	14-Jan-2010	ALSCO	ALSCO	Issued	7	C	64.00
40161	14-Jan-2010	AWTSYSTEME	AWT SYSTEMS	Issued	7	C	60,891.30
40162	14-Jan-2010	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	7	C	11.48
40163	14-Jan-2010	BASICCHEMI	BASIC CHEMICAL SOLUTIONS LLC	Issued	7	C	5,042.33
40164	14-Jan-2010	CALTOOL	CALIFORNIA TOOL & WELDING	Issued	7	C	93.60
40165	14-Jan-2010	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	7	C	1,070.23
40166	14-Jan-2010	ESBABCOCK	ES BABCOCK	Issued	7	C	962.00
40167	14-Jan-2010	HUDECS	HUDECS COMPUTER CONSULTING	Issued	7	C	1,269.19
40168	14-Jan-2010	INLANDWATE	INLAND WATER WORKS	Issued	7	C	4,658.85
40169	14-Jan-2010	JOHNSONMAC	JOHNSON MACHINERY	Issued	7	C	1,243.58
40170	14-Jan-2010	MACROCOMM	MACRO COMMUNICATIONS	Issued	7	C	300.00
40171	14-Jan-2010	MUNOZJAIME	MUNOZ, JAIME	Issued	7	C	83.73
40172	14-Jan-2010	ONLINE INF	ONLINE INFORMATION SERVICES	Issued	7	C	205.50
40173	14-Jan-2010	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	7	C	352.00
40174	14-Jan-2010	PURCHASEPC	PITNEY BOWES PURCHASE POWER	Issued	7	C	2,000.00
40175	14-Jan-2010	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued	7	C	656.71
40176	14-Jan-2010	STMP000783	TYLER MEZZANATTO (REALTOR)	Issued	7	C	105.94
40177	14-Jan-2010	STMP000784	CITY OF BEAUMONT	Issued	7	C	4,213.81
40178	14-Jan-2010	USABLUBOC	USA BLUE BOOK	Issued	7	C	105.07
40179	14-Jan-2010	VERIZON	VERIZON	Issued	7	C	141.48
40180	14-Jan-2010	VERIZON	VERIZON	Issued	7	C	55.74
40181	14-Jan-2010	VERIZON	VERIZON	Issued	7	C	601.90
40182	14-Jan-2010	WELLSFARGC	WELLS FARGO REMITTANCE CENTER	Issued	7	C	34.49
40183	21-Jan-2010	ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	11	C	620.74
40184	21-Jan-2010	ALLPURPOSE	ALL PURPOSE RENTALS	Issued	11	C	106.95
40185	21-Jan-2010	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	11	C	374.91
40186	21-Jan-2010	B76	BEAUMONT 76	Issued	11	C	210.41
40187	21-Jan-2010	BANKOFSACR	BANK OF SACRAMENTO	Issued	11	C	50,349.90
40188	21-Jan-2010	BLAIRBALL	BLAIR BALL, BLAIR	Issued	11	C	400.00
40189	21-Jan-2010	C&BCRUSHIN	C&B CRUSHING INC	Issued	11	C	120.00

BEAUMONT-CHERRY VALLEY WATER DISTRICT
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Seq : Cheque No. **Status :** All

Medium : M=Manual C=Computer E=EFT-PA

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
40190	21-Jan-2010	CR&RINCORP	CR&R INC	Issued	11	C	225.15
40191	21-Jan-2010	DAUGHTERYS	DAUGHTERY'S PEST CONTROL	Issued	11	C	250.00
40192	21-Jan-2010	ESBABCOCK	ES BABCOCK	Issued	11	C	420.00
40193	21-Jan-2010	GEOSCIENCE	GEOSCIENCE	Issued	11	C	1,054.00
40194	21-Jan-2010	IDEARCMEDI	IDEARC MEDIA CORP.	Issued	11	C	51.50
40195	21-Jan-2010	INLANDWATE	INLAND WATER WORKS	Issued	11	C	2,619.73
40196	21-Jan-2010	NAPAAUTOPA	NAPA AUTO PARTS	Issued	11	C	102.69
40197	21-Jan-2010	PACIFICALA	PACIFIC ALARM	Issued	11	C	202.00
40198	21-Jan-2010	PARSONS	PARSONS WATER & INFRASTRUCTURE INC.	Issued	11	C	54,572.66
40199	21-Jan-2010	PASOROBLES	PASO ROBLES TANK INC.	Issued	11	C	453,149.10
40200	21-Jan-2010	PITNEYGLOB	PITNEY BOWES GLOBAL FINANCIAL SERVI	Issued	11	C	5,037.01
40201	21-Jan-2010	REDWINE	REDWINE AND SHERRILL	Issued	11	C	13,890.25
40202	21-Jan-2010	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued	11	C	478.40
40203	21-Jan-2010	STELLAPARK	PARKS, STELLA	Issued	11	C	600.00
40204	21-Jan-2010	TIMEWARNER	TIME WARNER CABLE	Issued	11	C	120.01
40205	21-Jan-2010	TOMLARA	TOM LARA	Issued	11	C	6,770.00
40206	21-Jan-2010	UNDERGROU	UNDERGROUND SERVICE ALERT	Issued	11	C	61.50
40207	21-Jan-2010	VERIZONBUS	VERIZON COMMUNICATION	Issued	11	C	119.99
40208	21-Jan-2010	WASTEMANAC	WASTE MANAGEMENT	Issued	11	C	237.36
40209	21-Jan-2010	WASTEMANAC	WASTE MANAGEMENT	Issued	11	C	118.95
40210	21-Jan-2010	WOLLR000	WOLL, RYAN	Issued	11	C	200.00
40211	21-Jan-2010	XEROX	XEROX CORPORATION	Issued	11	C	986.07
40212	28-Jan-2010	ALLPURPOSE	ALL PURPOSE RENTALS	Issued	19	C	616.00
40213	28-Jan-2010	ALSCO	ALSCO	Issued	19	C	36.00
40214	28-Jan-2010	AVAYA	AVAYA INC	Issued	19	C	120.38
40215	28-Jan-2010	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	19	C	318.52
40216	28-Jan-2010	BRYANWILFL	WILFLEY, BRYAN	Issued	19	C	2,755.75
40217	28-Jan-2010	BTIRE	BEAUMONT TIRE	Issued	19	C	1,001.19
40218	28-Jan-2010	CITYOFB	CITY OF BEAUMONT	Issued	19	C	47.54
40219	28-Jan-2010	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	19	C	600.35
40220	28-Jan-2010	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	19	C	30,571.18
40221	28-Jan-2010	ESBABCOCK	ES BABCOCK	Issued	19	C	350.00
40222	28-Jan-2010	MACROCOMM	MACRO COMMUNICATIONS	Issued	19	C	150.00
40223	28-Jan-2010	METROCALL	USA MOBILITY WIRELESS INC.	Issued	19	C	24.64
40224	28-Jan-2010	MIKEMCGEOR	MIKE MCGEORGE GOPHER CONTROL	Issued	19	C	250.00
40225	28-Jan-2010	NORTHROP	NORTHROP GRUMMAN COMMERCIAL INFOF	Issued	19	C	3,120.00
40226	28-Jan-2010	PATSPOTS	PAT'S POTS	Issued	19	C	310.00
40227	28-Jan-2010	PITNEYBOWE	PITNEY BOWES INC	Issued	19	C	1,619.33
40228	28-Jan-2010	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	19	C	320.00
40229	28-Jan-2010	RAINFORREN	RAIN FOR RENT	Issued	19	C	2,147.09
40230	28-Jan-2010	REGISTRAR	REGISTRAR OF VOTERS COUNTY OF RIVER	Issued	19	C	35.00
40231	28-Jan-2010	SGPWA	SAN GORGONIO PASS WATER AGENCY	Issued	19	C	81,152.00
40232	28-Jan-2010	SOUTHMESA	SOUTH MESA WATER COMPANY	Issued	19	C	50,000.00
40233	28-Jan-2010	STAPLES	STAPLES BUSINESS ADVANTAGE	Issued	19	C	570.36
40234	28-Jan-2010	STMP000785	VALUE REAL ESTATE CORPORATION	Issued	19	C	1.74
40235	28-Jan-2010	STMP000786	VALUE REAL ESTATE CORP	Issued	19	C	2.90
40236	28-Jan-2010	STMP000787	K HOVNIANIAN HOMES	Issued	19	C	24.28
40237	28-Jan-2010	STMP000788	GORDON, ALFRED	Issued	19	C	18.77
40238	28-Jan-2010	STMP000789	PRIGMORE, JULIE	Issued	19	C	123.38
40239	28-Jan-2010	STMP000790	DUTHOY, BARBARA A	Issued	19	C	27.96
40240	28-Jan-2010	STMP000791	K. HOVNIANIAN	Issued	19	C	12.97
40241	28-Jan-2010	STMP000792	K. HOVNIANIAN	Issued	19	C	12.00
40242	28-Jan-2010	STMP000793	K HOVNIANIAN FOUR SEASONS AT BEAUMOI	Issued	19	C	82.49
40243	28-Jan-2010	STMP000794	K HOVNIANIAN HOMES	Issued	19	C	30.01
40244	28-Jan-2010	STMP000795	K HOVNIANIAN HOMES	Issued	19	C	24.01
40245	28-Jan-2010	STMP000796	K HOVNIANIAN FOUR SEASONS AT BEAUMOI	Issued	19	C	81.17

BEAUMONT-CHERRY VALLEY WATER DISTRICT
Check Register-Summary-Bank



AP5090

Page : 3

Date : Jan 29, 2010

Time : 8:09 am

Vendor : A&A FENCE To ZETLMAIER
 Cheque Dt. : 01-Jan-2010 To 29-Jan-2010
 Bank : 7 - ACCOUNTS PAYABLE

Seq : Cheque No. Status : All
 Medium : M=Manual C=Computer E=EFT-PA

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
40246	28-Jan-2010	STMP000797	K HOVNIANIAN FOUR SEASONS AT BEAUMOI	Issued	19	C	69.06
40247	28-Jan-2010	STMP000798	K. HOVNIANIAN	Issued	19	C	138.72
40248	28-Jan-2010	STMP000799	K. HOVNIANIAN	Issued	19	C	42.50
40249	28-Jan-2010	STMP000800	K. HOVNIANIAN	Issued	19	C	34.24
40250	28-Jan-2010	STMP000801	KEN HAWKINS (AGENT)	Issued	19	C	106.43
40251	28-Jan-2010	STMP000802	GALBRAITH, JOHN R	Issued	19	C	33.77
40252	28-Jan-2010	STMP000803	CAPO BEACH INVESTMENTS	Issued	19	C	66.70
40253	28-Jan-2010	STMP000804	KEY ASSET SOLUTIONS	Issued	19	C	12.00
40254	28-Jan-2010	STMP000805	COLDWELL BANKER-PIONEER REAL ESTATE	Issued	19	C	31.34
40255	28-Jan-2010	STMP000806	FIELD ASSET SERVICES, INC,	Issued	19	C	34.06
40256	28-Jan-2010	TERMINIX	TERMINIX	Issued	19	C	49.00
40257	28-Jan-2010	VERIZON	VERIZON	Issued	19	C	630.56
40258	28-Jan-2010	VERIZON	VERIZON	Issued	19	C	188.12
40259	28-Jan-2010	VERIZON	VERIZON	Issued	19	C	553.99
40260	28-Jan-2010	VERIZONWIR	VERIZON WIRELESS	Issued	19	C	420.60
40261	28-Jan-2010	WASTE MANA	RIVERSIDE COUNTY WASTE MANAGEMENT	Issued	19	C	74.24
40262	28-Jan-2010	Z&LPAVING	Z&L PAVING	Issued	19	C	11,212.65
40263	29-Jan-2010	BANKOFSACR	BANK OF SACRAMENTO	Issued	21	C	36,550.00
40264	29-Jan-2010	PASOROBLES	PASO ROBLES TANK INC.	Issued	21	C	328,950.00

Total Computer Paid :	1,478,662.91	Total EFT PAP :	0.00	Total Paid :	1,478,662.91
Total Manually Paid :	0.00	Total EFT File :	0.00		

131 Total No. Of Cheque(s) ...

**Beaumont Cherry Valley Water District
Regular Meeting of the Board of Directors
Memorandum re Item 2b**

Date: February 5, 2010

Prepared by: Anthony Lara, Interim General Manager

Subject: Invoices for Professional Services Pending Payment

Recommendation: That the Board approve payment of the invoices for professional services pending payment as recommended by the Finance & Audit Committee.

Attached please find copies of the professional services invoices which are pending payment. Total amount pending approval is \$13,259.60

Name	Invoice #	Amount
WILLDAN Financial Services	52357	\$9,234.00
Siebert Botkin Hickey & Associates, LLP	912045	\$750.00
WILLDAN Financial Services	52574	\$3,275.60
		<u>\$13,259.60</u>

RECEIVED
DEC 31 2009
INVOICE

BY:

Attn : Ms. Julie Salinas
Business Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

INVOICE # : 52357
INVOICE DATE : 12/24/2009
PROJECT # : 7509035
TERMS : NET 30 DAYS

**RE : Beaumont Cherry Valley Water District
Water Rate and Fee Study**

Description
For Professional Services Rendered through 11/27/2009

Authorized Fee:	\$ 28,800.00
Fee Earned to Date for:	\$ 19,264.00
Prior Billings:	\$ (10,030.00)

INVOICE TOTAL : \$ 9,234.00

<u>Budget Status</u>	
Total Contract:	\$ 28,800.00
Billed to Date:	<u>(19,264.00)</u>
Total Remaining:	\$ 9,536.00

1/4/10

Hold invoice
till further
notice from GM.

Siebert Botkin Hickey & Associates, LLP

3501 East Ramon Road
Palm Springs, CA 92264

Invoice

Date: 12/31/2009 Invoice #: 912045

Bill To

Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont CA 92223

RECEIVED
JAN 06 2009

BY:

Service Date	Description	Amount
11/24/2009	Financial Consulting Project-Review bank reconciliation and job descriptions	450.00
12/10/2009	Meet with the Finance Committee about status of Project	300.00

HOLD INVOICE
Board Approval Required

Thank you for your business. Your prompt payment will be greatly appreciated.

Total	\$750.00
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Terms Due on receipt	Due Date 12/31/2009
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27368 Via Industria, Suite 110
Temecula, California 92590

INVOICE

RECEIVED
JAN 28 2010

Hold for board
approval.

Attn : Ms. Julie Salinas
Business Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

BY:

INVOICE # : 52574
INVOICE DATE : 1/26/2010
PROJECT # : 7509035
TERMS : NET 30 DAYS

**RE : Beaumont Cherry Valley Water District
Water Rate and Fee Study**

Description
For Professional Services Rendered through 1/1/2010

Authorized Fee:	\$ 28,800.00
Fee Earned to Date for:	\$ 22,539.60
Prior Billings:	\$ (19,264.00)

INVOICE TOTAL : \$ 3,275.60

Budget Status

Total Contract:	\$ 28,800.00
Billed to Date:	<u>(22,539.60)</u>
Total Remaining:	\$ 6,260.40

**Beaumont Cherry Valley Water District
 Regular Meeting of the Board of Directors
 Memorandum re Item 2c**

Date: February 5, 2010

Prepared by: Julie J. Salinas, Business Manager

Subject: Month End Financial Statement

Recommendation: That the Board accept and file the January 2010 Month End Financial Statement as recommended by the Finance & Audit Committee.

Bank Balances (total interest earned in January was \$1,031.48):

G/L Acct	GL Description/Bank Account Name	G/L Bank Account Balance (as of 01/31/10)	Bank Balance Statement (as of 01/31/10)
1-1-1116-150	General Funds - Bank of Hemet		62,151.59
1-1-1116-151	Accounts Payable - Bank of Hemet		549,470.39
1-1-1116-152	Payroll - Bank of Hemet		27,563.70
1-1-1116-153	LAIF		3,531.49
1-1-1116-159	Wells Fargo Commercial Checking		12,998.93
1-1-1116-160	Local Agency Money Market - BOH		2,923,892.97
			<u>3,579,609.07</u>

**Beaumont Cherry Valley Water District
Statement of Revenues and Expenses
Month Ending January 31, 2010**

	January	2010 Proposed Budget
Operating revenues:		
Water sales	\$ 370,254	\$ 6,295,979
Water services:		
Pass thru charges	113,129	2,308,501
Service Connections	17,035	100,000
Development reimbursement	2,871	60,000
Other	<u>14,205</u>	<u>172,200</u>
Total water services	<u>147,240</u>	<u>2,640,701</u>
Total operating revenues	<u>517,495</u>	<u>8,936,680</u>
Operating expenses:		
Pumping Expenses	58,934	3,071,820
Transmission and distribution	71,838	1,033,700
Customer accounts	15,807	183,400
Administration	106,623	1,818,300
Maintenance & General Plant	16,123	393,400
Engineering (in-house)	13,373	112,012
Professional Services	-	290,000
Depreciation	<u>84,390</u>	<u>1,012,676</u>
Total operating expenses	<u>367,087</u>	<u>7,915,308</u>
Income (loss) from operations	<u>150,407</u>	<u>1,021,373</u>
Debt Service:		
Loan Payment	<u>-</u>	<u>500,000</u>
Total Debt Service	-	500,000
Nonoperating revenues (expenses):		
Rent & Utilities Reimbursement	1,366	24,800
Miscellaneous expense	-	(3,000)
Investment income	<u>1,031</u>	<u>51,000</u>
Total nonoperating revenues	<u>2,398</u>	<u>72,800</u>
Income before contributions	<u>152,805</u>	<u>594,173</u>
Capital contributions:		
Facilities charges	-	272,402
Front footage fees and other reimbursements	<u>-</u>	<u>-</u>
Total capital contributions	<u>-</u>	<u>272,402</u>
Changes in net assets	<u>152,805</u>	<u>866,575</u>

**Beaumont Cherry Valley Water District
Month End Financial Statement - Detail
January**

	January	2010 Proposed Budget	Budget Remaining	Percent to Budget
Operating Revenue				
1-4-4010-401 - DOMESTIC WATER SALES	340,714	5,937,979	5,597,265	6%
1-4-4010-402 - IRRIGATION WATER SALES	1,234	30,000	28,766	4%
1-4-4010-403 - CONSTRUCTION WATER SALES	5,016	125,000	119,984	4%
1-4-4010-404 - INSTALLATION CHARGES	17,035	100,000	82,965	17%
1-4-4010-407 - REIMB. CUST. DAMAGES/UPGRADES	158	30,000	29,842	1%
1-4-4010-408 - BACKFLOW DEVICES	980	22,500	21,520	4%
1-4-4010-410 - RETURNED CHECK FEES	160	3,500	3,340	5%
1-4-4010-411 - MISCELLANEOUS INCOME	12,808	15,000	2,192	85%
1-4-4010-412 - RENTAL INCOME	100	1,200	1,100	8%
1-4-4010-413 - DEVELOPEMENT INCOME (DEPOSITS AP	2,871	60,000	57,129	5%
1-4-4010-414 - RECHARGE INCOME (CITY OF BANNING)	-	100,000	100,000	0%
1-4-4010-441 - TURN ONS	4,320	36,000	31,680	12%
1-4-4010-442 - THIRD NOTICE CHARGE	10,380	76,000	65,620	14%
1-4-4010-443 - PENALTIES	8,590	91,000	82,410	9%
1-4-4010-444 - SGPWA IMPORTATION CHARGE	50,490	996,851	946,361	5%
1-4-4010-445 - SCE POWER CHARGE	62,639	1,311,650	1,249,011	5%
	517,495	8,936,680	8,419,185	6%
Pumping Expenses				
1-5-5200-237 - HEALTH INSURANCE	3,686	55,000	51,314	7%
1-5-5200-243 - RETIREMENT/CALPERS	4,383	65,000	60,617	7%
1-5-5200-501 - LABOR	15,718	275,000	259,282	6%
1-5-5200-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	1,000	1,000	0%
1-5-5200-503 - SICK LEAVE	624	4,500	3,876	14%
1-5-5200-504 - VACATION	-	6,000	6,000	0%
1-5-5200-505 - HOLIDAYS	1,650	9,500	7,850	17%
1-5-5200-507 - LIFE INSURANCE	110	1,600	1,490	7%
1-5-5200-508 - UNIFORMS, EMPLOYEE BENEFITS	-	1,000	1,000	0%
1-5-5200-511 - TREATMENT & CHEMICALS	-	160,000	160,000	0%
1-5-5200-512 - LAB TESTING	770	45,000	44,230	2%
1-5-5200-513 - MAINTENANCE EQUIPMENT (PUMPING)	2,147	160,000	157,853	1%
1-5-5200-514 - UTILITIES - GAS	-	120	120	0%
1-5-5200-515 - UTILITIES - ELECTRIC	28,270	1,700,000	1,671,730	2%
1-5-5200-517 - TELEMETRY MAINTENANCE	-	6,000	6,000	0%
1-5-5200-518 - SEMINAR & TRAVEL EXPENSES	-	500	500	0%
1-5-5200-519 - EDUCATION EXPENSES	90	1,000	910	9%
1-5-5200-520 - WORKER'S COMPENSATION INSURANCE	1,486	10,000	8,514	15%
1-5-5200-620 - STATE PROJECT WATER PURCHASED	-	570,600	570,600	0%
	58,934	3,071,820	3,012,886	2%
Transmission & Distribution				
1-5-5300-237 - HEALTH INSURANCE	9,804	115,000	105,196	9%
1-5-5300-243 - RETIREMENT/CALPERS	9,622	110,000	100,378	9%
1-5-5300-501 - LABOR	28,120	370,000	341,880	8%
1-5-5300-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	2,400	2,400	0%
1-5-5300-503 - SICK LEAVE	1,552	18,000	16,448	9%
1-5-5300-504 - VACATION	1,482	24,000	22,518	6%
1-5-5300-505 - HOLIDAYS	3,925	24,000	20,075	16%
1-5-5300-507 - LIFE INSURANCE	263	3,100	2,837	8%
1-5-5300-508 - UNIFORMS, EMPLOYEE BENEFITS	-	3,200	3,200	0%
1-5-5300-518 - SEMINAR & TRAVEL EXPENSES	-	1,000	1,000	0%
1-5-5300-519 - EDUCATION EXPENSES	-	2,000	2,000	0%
1-5-5300-520 - WORKER'S COMPENSATION INSURANCE	3,058	15,000	11,942	20%
1-5-5300-530 - MAINT PIPELINE/FIRE HYDRANT	1,835	95,000	93,165	2%
1-5-5300-531 - LINE LOCATES	-	3,500	3,500	0%

Beaumont Cherry Valley Water District
Month End Financial Statement - Detail
January

	2010 Proposed Budget	Budget Remaining	Percent to Budget
1-5-5300-534 - MAINT METERS & SERVICES	10,194	175,000	164,806 6%
1-5-5300-535 - BACKFLOW DEVICES	-	500	500 0%
1-5-5300-536 - MAINTENANCE RESERVOIRS/TANKS	-	10,000	10,000 0%
1-5-5300-537 - MAINTENANCE PRESSURE REGULATOR	-	12,000	12,000 0%
1-5-5300-538 - INSPECTIONS	2,024	35,000	32,976 6%
1-5-5300-540 - INVENTORY PURCHASE DISCOUNTS	(40)	(5,000)	(4,960) 1%
1-5-5300-541 - OBSOLETE OR DAMAGED INVENTORY	-	20,000	20,000 0%
	71,838	1,033,700	961,862 7%
Customer Accounts			
1-5-5400-237 - HEALTH INSURANCE	2,958	34,000	31,042 9%
1-5-5400-243 - RETIREMENT/CALPERS	2,505	31,000	28,495 8%
1-5-5400-501 - LABOR	6,746	99,000	92,254 7%
1-5-5400-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	1,000	1,000 0%
1-5-5400-503 - SICK LEAVE	-	3,000	3,000 0%
1-5-5400-504 - VACATION	1,685	4,000	2,315 42%
1-5-5400-505 - HOLIDAYS	1,063	6,500	5,437 16%
1-5-5400-507 - LIFE INSURANCE	66	800	734 8%
1-5-5400-508 - UNIFORMS, EMPLOYEE BENEFITS	-	800	800 0%
1-5-5400-519 - EDUCATION EXPENSES	-	1,000	1,000 0%
1-5-5400-520 - WORKER'S COMPENSATION	784	2,300	1,516 34%
	15,807	183,400	167,593 9%
General & Administrative			
1-5-5500-237 - HEALTH INSURANCE	10,724	152,000.00	141,276 7%
1-5-5500-243 - RETIREMENT/CALPERS	14,252	221,000.00	206,748 6%
1-5-5500-501 - LABOR	45,350	810,000.00	764,650 6%
1-5-5500-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	2,500.00	2,500 0%
1-5-5500-503 - SICK LEAVE	2,941	20,000.00	17,059 15%
1-5-5500-504 - VACATION	3,704	38,000.00	34,296 10%
1-5-5500-505 - HOLIDAYS	6,119	39,000.00	32,881 16%
1-5-5500-507 - LIFE INSURANCE	375	5,600.00	5,225 7%
1-5-5500-518 - SEMINAR & TRAVEL EXPENSES	-	2,000.00	2,000 0%
1-5-5500-519 - EDUCATION EXPENSES	-	1,000.00	1,000 0%
1-5-5500-520 - WORKER'S COMPENSATION INSURANCE	1,607	8,000.00	6,393 20%
1-5-5500-522 - UNEMPLOYMENT INSURANCE	-	14,000.00	14,000 0%
1-5-5500-547 - EMPLOYER SHARE FOR RETIRED (CALPI	521	4,500.00	3,979 12%
1-5-5500-548 - ADMINISTRATIVE COSTS (CALPERS)	135	2,000.00	1,865 7%
1-5-5500-549 - BANK CHGS/MONEY MARKET/TRANS. FE	-	20,000.00	20,000 0%
1-5-5500-555 - OFFICE SUPPLIES	2,898	47,500.00	44,602 6%
1-5-5500-556 - OFFICE EQUIPMENT/SERVICE AGREEME	9,413	85,000.00	75,587 11%
1-5-5500-557 - OFFICE MAINTENANCE	1,077	15,000.00	13,923 7%
1-5-5500-558 - MEMBERSHIP DUES	275	21,000.00	20,725 1%
1-5-5500-560 - OFFICE EQUIP.MAINT. & REPAIRS	-	2,000.00	2,000 0%
1-5-5500-561 - POSTAGE	2,000	40,000.00	38,000 5%
1-5-5500-562 - SUBSCRIPTIONS	52	1,600.00	1,549 3%
1-5-5500-563 - MISCELLANEOUS OPERATING SUPPLIES	323	15,000.00	14,678 2%
1-5-5500-564 - MISCELLANEOUS TOOLS/EQUIPMENT	-	10,000.00	10,000 0%
1-5-5500-567 - EMPLOYEE MEDICAL/FIRST AID	-	600.00	600 0%
1-5-5500-568 - RANDOM DRUG TESTING	-	500.00	500 0%
1-5-5500-570 - PROPERTY/AUTO/GEN LIABILITY INSURA	-	60,000.00	60,000 0%
1-5-5500-572 - STATE MANDATES AND TARRIFFS	-	27,000.00	27,000 0%
1-5-5500-574 - PUBLIC EDUCATION	-	10,000.00	10,000 0%
1-5-5500-578 - IT SUPPORT/SOFTWARE SUPPORT	3,579	65,000.00	61,421 6%
1-5-5500-630 - ACCOUNTS RECEIVABLE	46	1,000.00	954 5%
1-5-5510-550 - BOARD OF DIRECTOR FEES	1,200	40,000.00	38,800 3%

**Beaumont Cherry Valley Water District
Month End Financial Statement - Detail**

January

	January	2010 Proposed Budget	Budget Remaining	Percent to Budget
1-5-5510-551 - SEMINAR & TRAVEL EXPENSES	-	3,500.00	3,500	0%
1-5-5510-552 - ELECTION EXPENSES	35	34,000.00	33,965	0%
	106,623	1,818,300	1,711,677	6%
Maintenance/General Plant				
1-5-5610-515 - ELECTRIC - 560 MAGNOLIA AVE	1,295	20,000.00	18,705	6%
1-5-5610-580 - TELEPHONE - 560 MAGNOLIA AVE	1,938	30,000.00	28,062	6%
1-5-5610-581 - SANITATION - 560 MAGNOLIA AVE	119	2,400.00	2,281	5%
1-5-5610-582 - MAINTENANCE - 560 MAGNOLIA AVE	49	3,000.00	2,951	2%
1-5-5615-515 - ELECTRIC - 12303 OAK GLEN ROAD	265	3,000.00	2,735	9%
1-5-5615-582 - MAINTENANCE/REPAIR - 12303 OAK GLEI	-	500.00	500	0%
1-5-5615-583 - PROPANE - 12303 OAK GLEN ROAD	-	2,000.00	2,000	0%
1-5-5620-515 - ELECTRIC - 13695 OAK GLEN ROAD	116	3,000.00	2,884	4%
1-5-5620-582 - MAINTENANCE/REPAIR - 13695 OAK GLEI	-	500.00	500	0%
1-5-5620-583 - PROPANE - 13695 OAK GLEN ROAD	-	2,000.00	2,000	0%
1-5-5625-515 - ELECTRIC - 13697 OAK GLEN ROAD	185	3,000.00	2,815	6%
1-5-5625-582 - MAINTENANCE/REPAIR - 13697 OAK GLEI	-	500.00	500	0%
1-5-5625-583 - PROPANE - 13697 OAK GLEN ROAD	-	2,000.00	2,000	0%
1-5-5630-515 - ELECTRIC - 9781 AVENIDA MIRAVILLA	-	3,000.00	3,000	0%
1-5-5630-582 - MAINTENANCE/REPAIR - 9781 AVENIDA M	-	500.00	500	0%
1-5-5630-583 - PROPANE - 9781 AVENIDA MIRAVILLA	-	2,000.00	2,000	0%
1-5-5635-515 - ELECTRIC - 815 E. 12TH STREET	440	7,000.00	6,560	6%
1-5-5635-580 - TELEPHONE - 815 E. 12TH STREET	-	1,000.00	1,000	0%
1-5-5635-581 - SANITATION - 815 E. 12TH STREET	237	3,000.00	2,763	8%
1-5-5635-582 - MAINTENANCE/REPAIR - 815 E. 12TH STF	271	4,000.00	3,729	7%
1-5-5640-581 - SANITATION - 11083 CHERRY AVE	225	3,000.00	2,775	8%
1-5-5700-589 - AUTO/FUEL	-	85,000.00	85,000	0%
1-5-5700-590 - SAFETY EQUIPMENT	-	3,000.00	3,000	0%
1-5-5700-591 - COMMUNICATION MAINTENANCE	-	1,000.00	1,000	0%
1-5-5700-592 - REPAIR & MAINT OF GEN EQUIPMENT	-	3,000.00	3,000	0%
1-5-5700-593 - REPAIR VEHICLES AND TOOLS	750	40,000.00	39,250	2%
1-5-5700-594 - LARGE EQUIPMENT MAINTENANCE	-	35,000.00	35,000	0%
1-5-5700-595 - EQUIP. PREVENTATIVE MAINTENANCE	-	1,000.00	1,000	0%
1-5-5700-596 - AUTO/EQUIPMENT OPERATION	2,525	40,000.00	37,475	6%
1-5-5700-597 - MAINT GENERAL PLANT (BUILDINGS)	377	10,000.00	9,623	4%
1-5-5700-598 - LANDSCAPE MAINTENANCE	6,770	50,000.00	43,230	14%
1-5-5700-601 - RECHARGE FAC, CANYON & POND MAIN	560	30,000.00	29,440	2%
	16,123	393,400	377,277	4%
1-5-5800-237 - HEALTH INSURANCE	412	4,000.00	3,588	10%
1-5-5800-243 - RETIREMENT/CALPERS	1,188	10,000.00	8,812	12%
1-5-5800-501 - LABOR	8,053	82,000.00	73,947	10%
1-5-5800-502 - BEREAVEMENT/SEMINAR/JURY DUTY	-	500.00	500	0%
1-5-5800-503 - SICK LEAVE	-	2,000.00	2,000	0%
1-5-5800-504 - VACATION	-	3,200.00	3,200	0%
1-5-5800-505 - HOLIDAY	498	3,200.00	2,702	16%
1-5-5800-507 - LIFE INSURANCE	33	312.00	279	11%
1-5-5800-518 - SEMINAR & TRAVEL EXPENSES	-	500.00	500	0%
1-5-5800-519 - EDUCATION EXPENSE	2,756	5,000.00	2,244	55%
1-5-5800-520 - WORKER'S COMPENSATION	434	1,300.00	866	33%
	13,373	112,012	98,639	12%
Professional Services				
1-5-5810-611 - GENERAL LEGAL	-	125,000	125,000	0%
1-5-5810-612 - DEVELOPMENT - REIMB. LEGAL	-	1,000	1,000	0%
1-5-5810-614 - AUDIT	-	19,000	19,000	0%

**Beaumont Cherry Valley Water District
Month End Financial Statement - Detail
January**

	January	2010 Proposed Budget	Budget Remaining	Percent to Budget
1-5-5810-616 - ACCOUNTING (NON AUDIT)	-	10,000	10,000	0%
1-5-5820-611 - GENERAL ENGINEERING	-	120,000	120,000	0%
1-5-5820-612 - DEVELOPMENT - REIMB. ENGINEERING	-	5,000	5,000	0%
1-5-5820-615 - ENGINEERING - PERMITTING (REC WATE	-	10,000	10,000	0%
	-	290,000	290,000	0%
Depreciation (50% funded in CY 2009/2010)				
1-5-5700-599 - SYSTEM DEPRECIATION	84,390	1,012,676	928,286	8%
	84,390	1,012,676	928,286	8%
Debt Service				
#-#-####-### - LOAN PAYMENT	-	500,000	500,000	0%
	-	500,000	500,000	0%
Nonoperating Revenues (Expenses)				
1-4-4011-412 - RENT - 12303 OAK GLEN RD	200	1,200	1,000	17%
1-4-4012-412 - RENT - 13695 OAK GLEN RD	200	1,200	1,000	17%
1-4-4013-412 - RENT - 13697 OAK GLEN RD	200	1,200	1,000	17%
1-4-4014-412 - RENT - 9781 AVENIDA MIRAVILLA	200	1,200	1,000	17%
1-4-4015-515 - ELECTRIC & PROPANE	265	5,000	4,735	5%
1-4-4016-515 - ELECTRIC & PROPANE	116	5,000	4,884	2%
1-4-4017-515 - ELECTRIC & PROPANE	185	5,000	4,815	4%
1-4-4018-515 - ELECTRIC & PROPANE	-	5,000	5,000	0%
1-5-5500-573 - MISCELLANEOUS EXPENSES	-	(3,000)	(3,000)	0%
1-4-4010-446 - BONITA VISTA REPAYMENT - INTEREST	-	15,000	15,000	0%
1-4-4020-435 - INTEREST INCOME	1,031	36,000	34,969	3%
	2,398	72,800	70,402	3%
Facility Charges				
1-4-4020-422 - WELLS	-	-	-	0%
1-4-4020-423 - WATER RIGHTS (SWP)	-	191,969	191,969	0%
1-4-4020-424 - WATER TREATMENT PLANT	-	-	-	0%
1-4-4020-425 - FF - LOCAL WATER RESOURCES	-	80,433	80,433	0%
1-4-4020-426 - FF - RECYCLED WATER FACILITIES	-	-	-	0%
1-4-4020-427 - FF - TRANSMISSION	-	-	-	0%
1-4-4020-428 - FF - STORAGE	-	-	-	0%
1-4-4020-429 - FF - BOOSTER	-	-	-	0%
1-4-4020-430 - FACILITY FEES - PRESSURE REDUCING S	-	-	-	0%
1-4-4020-431 - FACILITY FEES - MISCELLANEOUS PROJ	-	-	-	0%
1-4-4020-432 - FACILITY FEES - FINANCING COSTS	-	-	-	0%
	-	272,402	272,402	0%
Front Footage Fees & Other Reimb				
1-4-4020-421 - FRONT FOOTAGE & OTHER REIMB	-	-	-	0%
	-	-	-	0%

**Beaumont Cherry Valley Water District
Month End Financial Statement - Detail
Construction in Progress
January**

	January	2009 Budget Carry Over	Budget Remaining	Percent to Budget
Operating Revenue				
2-1-0001 NEW SERVICE INSTALLATION	414	-	(414)	
2-1-0006 WATER MASTER PLAN UPDATE	-	-	-	
2-1-0304 RECYCLED WATER SYSTEM	2,393	-	(2,393)	
2-1-0700 SRF LOAN - RECYCLED WATER SYSTEM	-	-	-	
2-1-0809 2800 ZONE RECYCLED WATER TANK PH 1	-	1,245,691	1,245,691	0%
2-1-0810 24" RECYCLED MAIN BROOKSIDE PH 2	1,059	517,085	516,027	0%
2-1-0811 1 MG RESERVOIR/BOOSTER PH 3	-	1,236,544	1,236,544	0%
2-1-0812 24" RECYCLED MAIN WESTERLY LOOP PH 4B	-	4,898,340	4,898,340	0%
2-1-0813 REC MAIN RING RANCH/OAK VALLEY PH 5	-	1,580,478	1,580,478	0%
2-1-0816 STATE WATER PIPELINE - PERM CONNECTION	-	12,455	12,455	0%
2-1-0818 24" RECYCLED MAIN WESTERLY LOOP PH 4A	-	-	-	
2-1-0905 URBAN WATER MANAGEMENT PLAN UPDATE	-	30,000	30,000	0%
2-1-0906 GIS/GPS SOFTWARE PURCHASE	2,633	18,558	15,925	14%
	6,499	9,539,151	9,532,652	0%

**Beaumont Cherry Valley Water District
Regular Meeting of the Board of Directors
Memorandum re Item 2d**

Date: February 5, 2010

Prepared by: Julie J. Salinas, Business Manager

Subject: Year End Financial Report

Recommendation: That the Board accept and file the 2009 Year End Report as recommended by the Finance & Audit Committee.

The following document reports the District's activity for the Calendar Year ending December 31, 2009. The District operates on an accrual basis and all totals reported are for 2009 activity through January 28, 2010.

In addition to the report, we have included data on Construction in Progress along with three attachments which demonstrate trends over the last ten years:

ATTACHMENT 1 – Changes in Net Assets

ATTACHMENT 2 – Operating Revenues by Source

ATTACHMENT 3 – Operating Expenses by Activity

BEAUMONT CHERRY VALLEY WATER DISTRICT
Statement of Net Assets **(UNAUDITED)**
December 31, 2009
(with prior year data for comparison purposes only)

<u>Assets</u>	<u>UNAUDITED</u> <u>2009</u>	<u>AUDITED</u> <u>2008</u>
Current assets:		
Cash and investments	\$ 3,942,498	\$ 3,386,403
Accounts receivable, billed	863,780	979,700
Accounts receivable, other	320,711	229,749
Accounts receivable, unbilled	520,242	749,582
Accrued interest receivable	4,609	19,464
Inventory	531,389	677,783
Prepaid expenses	69,301	63,327
	<hr/>	<hr/>
Total current assets	6,252,529	6,106,008
Noncurrent assets:		
Notes receivable	369,442	392,047
Capital assets, net of accumulated depreciation	104,488,310	102,938,881
	<hr/>	<hr/>
Total noncurrent assets	104,857,752	103,330,928
	<hr/>	<hr/>
Total assets	111,110,281	109,436,936
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,734,920	654,038
Deposits payable	87,621	95,134
Accrued salaries and benefits	46,770	17,387
Unearned revenue	403,892	817,377
	<hr/>	<hr/>
Total current liabilities	2,273,203	1,583,936
Noncurrent liabilities:		
Compensated absences	206,394.59	262,644
	<hr/>	<hr/>
Total noncurrent liabilities	206,394.59	262,644
	<hr/>	<hr/>
Total liabilities	2,479,598	1,846,580
<u>Net Assets</u>		
Net Assets:		
Invested in capital assets, net of related debt	104,488,309	102,938,881
Unrestricted	4,142,374	4,651,475
	<hr/>	<hr/>
Total net assets	\$ 108,630,683	\$ 107,590,356
	<hr/>	<hr/>

BEAUMONT CHERRY VALLEY WATER DISTRICT
Statement of Revenues, Expenses and Changes in Net Assets - **(UNAUDITED)**
December 31, 2009
(with prior year data for comparison purposes only)

	UNAUDITED 2009	AUDITED 2008
Operating revenues:		
Water sales	\$ 6,508,360	\$ 6,254,605
Water services:		
Pass thru charges	1,983,412	-
Service Connections	227,704	2,894,831
Development reimbursement	54,345	474,197
Inspection reimbursement	-	6,880
Other	279,173	276,610
Total water services	2,544,634	3,652,517
Total operating revenues	9,052,994	9,907,122
Operating expenses:		
Pumping Expenses	3,615,829	2,946,405
Transmission and distribution	946,822	937,245
Customer accounts	176,811	163,190
Administration	1,823,139	3,046,268
Maintenance & General Plant	348,827	-
Engineering (in-house)	93,546	-
San Timoteo Watershed Management Authority	181,044	45,500
Professional Services	349,566	309,737
Depreciation	1,015,150	1,763,321
Total operating expenses	8,550,734	9,211,667
Income (loss) from operations	502,260	695,456
Nonoperating revenues (expenses):		
Rent & Utilities Reimbursement	8,827	-
Miscellaneous expense	(2,940)	(8,670)
Investment income	53,566	82,261
Total nonoperating revenues	59,453	73,591
Income before contributions	561,713	769,046
Capital contributions:		
Facilities charges	446,974	1,382,234
Front footage fees and other reimbursements	31,640	165,550
Total capital contributions	478,614	1,547,784
Changes in net assets	1,040,327	2,316,831
Net assets at beginning of year	107,590,356	105,273,526
Total net assets at end of year	\$ 108,630,683	\$ 107,590,356

**Beaumont Cherry Valley Water District
Year End Report (Detail)
For the Calendar Year ended December 31, 2009**

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
Operating Revenues:								
Water Sales								
144010401	DOMESTIC WATER SALES	1,071,669	1,595,249	1,874,004	1,576,188	6,117,110	6,325,918	97%
144010402	IRRIGATION WATER SALES	3,090	7,051	13,053	4,992	28,185	30,000	94%
144010403	CONSTRUCTION WATER SALES	32,726	40,076	46,541	53,031	172,374	109,000	158%
144010441	TURN ONS	8,920	6,600	8,320	8,240	32,080	47,500	68%
144010442	THIRD NOTICE CHARGE	22,950	15,165	19,665	15,600	73,380	81,000	91%
144010443	PENALTIES	22,385	19,675	22,070	21,100	85,230	85,000	100%
		1,161,740	1,683,816	1,983,654	1,679,150	6,508,360	6,678,418	97%
Water Services:								
Pass Thru Charges								
144010444	SGPWA IMPORTATION CHARGE	190,478	303,808	274,053	180	768,519	749,029	103%
144010445	SCE POWER CHARGE	187,604	314,751	420,917	291,621	1,214,893	1,101,514	110%
		378,082	618,559	694,969	291,802	1,983,412	1,850,543	107%
Service Connections								
144010404	INSTALLATION CHARGES	112,914	89,075	35,336	(9,622)	227,704	280,251	81%
		112,914	89,075	35,336	(9,622)	227,704	280,251	81%
Development Reimbursement								
144040413	DEVELOPMENT INCOME (DEPOSITS AP	-	-	-	54,345	54,345	-	
		-	-	-	54,345	54,345	-	
Other								
144010407	REIMB. CUST. DAMAGES/UPGRADES	4,169	12,720	11,974	1,375	30,238	34,752	87%
144010408	BACKFLOW DEVICES	4,126	6,554	4,896	6,681	22,257	17,522	127%
144010409	REIMBURSEMENT - INSURANCE	-	-	16,238	-	16,238	-	
144010410	RETURNED CHECK FEES	1,080	860	920	540	3,400	6,000	57%
144010411	MISCELLANEOUS INCOME	3,782	6,755	19,735	7,971	38,244	10,000	382%
144010412	RENTAL INCOME	300	300	300	300	1,200	1,200	100%
144010414	RECHARGE INCOME (CITY OF BANNING)	12,485	32,037	55,821	67,254	167,597	85,000	197%
		25,943	59,225	109,884	84,122	279,173	154,474	181%
	Total Water Services	516,938	766,860	840,189	420,647	2,544,634	2,285,268	111%
	Total Operating Revenues	1,678,678	2,450,676	2,823,843	2,099,797	9,052,994	8,963,686	101%
Operating Expenses:								
Pumping Expenses								
155200237	HEALTH INSURANCE	10,541	12,940	12,625	13,269	49,375	55,000	90%
155200243	RETIREMENT/CALPERS	14,701	16,484	14,421	13,633	59,239	65,000	91%

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Year End Report (Detail)
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		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
155200501	LABOR	56,565	66,933	68,659	78,968	271,125	240,000	113%
155200502	BEREAVEMENT/SEMINAR/JURY DUTY	278	-	713	936	1,927	1,000	193%
155200503	SICK LEAVE	8,308	9,252	477	(5,319)	12,718	24,000	53%
155200504	VACATION	625	628	1,805	(114)	2,944	12,750	23%
155200505	HOLIDAYS	3,173	826	1,664	3,670	9,333	8,500	110%
155200507	LIFE INSURANCE	356	476	350	373	1,554	1,600	97%
155200508	UNIFORMS, EMPLOYEE BENEFITS	-	309	413	130	852	1,270	67%
155200511	TREATMENT & CHEMICALS	52,312	10,810	19,203	77,411	159,736	135,000	118%
155200512	LAB TESTING	5,232	15,783	6,228	16,904	44,147	95,000	46%
155200513	MAINTENANCE EQUIPMENT (PUMPING)	15,519	29,964	46,288	66,181	157,953	125,000	126%
155200514	UTILITIES - GAS	21	29	29	41	120	50	240%
155200515	UTILITIES - ELECTRIC	215,031	272,476	520,959	461,673	1,470,139	1,530,000	96%
155200517	TELEMETRY MAINTENANCE	1,127	2,953	293	943	5,317	6,000	89%
155200518	SEMINAR & TRAVEL EXPENSES	110	-	-	10	120	500	24%
155200519	EDUCATION EXPENSES	-	235	355	425	1,015	1,000	102%
155200520	WORKER'S COMPENSATION INSURANCE	4,914	(2,414)	2,262	2,142	6,905	22,000	31%
155200620	STATE PROJECT WATER PURCHASED	47,759	145,148	277,701	348,700	819,308	480,000	171%
155200621	GROUNDWATER PURCHASE (SMWC)	150,000	142,000	150,000	100,000	542,000	550,000	99%
		586,572	724,833	1,124,447	1,179,977	3,615,829	3,353,670	108%
Transmission and Distribution								
155300237	HEALTH INSURANCE	21,916	28,997	30,097	30,193	111,202	130,000	86%
155300243	RETIREMENT/CALPERS	21,602	28,499	28,725	26,663	105,489	140,000	75%
155300501	LABOR	56,503	88,311	93,444	117,875	356,133	435,000	82%
155300502	BEREAVEMENT/SEMINAR/JURY DUTY	110	241	-	854	1,205	6,500	19%
155300503	SICK LEAVE	4,317	6,890	5,600	(1,168)	15,639	18,000	87%
155300504	VACATION	4,415	3,667	4,507	(743)	11,846	24,000	49%
155300505	HOLIDAYS	8,061	2,045	3,658	8,195	21,958	20,000	110%
155300507	LIFE INSURANCE	562	864	750	738	2,914	3,400	86%
155300508	UNIFORMS, EMPLOYEE BENEFITS	529	866	1,413	214	3,021	4,430	68%
155300518	SEMINAR & TRAVEL EXPENSES	-	-	-	10	10	1,000	1%
155300519	EDUCATION EXPENSES	115	150	118	-	383	2,000	19%
155300520	WORKER'S COMPENSATION INSURANCE	6,906	(3,067)	3,048	3,702	10,588	38,000	28%
155300530	MAINT PIPELINE/FIRE HYDRANT	4,515	27,325	17,358	44,835	94,033	82,500	114%
155300531	LINE LOCATES	487	1,106	412	998	3,002	2,000	150%
155300534	MAINT METERS & SERVICES	14,952	87,984	23,109	35,591	161,636	95,000	170%
155300535	BACKFLOW DEVICES	-	-	278	-	278	750	37%
155300536	MAINTENANCE RESERVOIRS/TANKS	605	-	635	-	1,240	10,000	12%
155300537	MAINTENANCE PRESSURE REGULATOR	4,339	6,454	-	-	10,794	18,000	60%

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		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
155300538	INSPECTIONS	9,918	10,355	7,640	7,539	35,452	40,000	89%
155300539	INVENTORY ADJUSTMENTS	-	-	-	-	-	-	
155300540	INVENTORY PURCHASE DISCOUNTS	(3,111)	(2,359)	(741)	(952)	(7,163)	-	
155300541	OBSOLETE OR DAMAGED INVENTORY	-	2,532	81	92,953	95,566	-	
		159,853	290,685	220,790	275,495	946,822	1,070,580	88%
Customer Accounts								
155400237	HEALTH INSURANCE	7,848	8,805	7,697	8,125	32,475	42,000	77%
155400243	RETIREMENT/CALPERS	7,059	7,711	6,820	6,272	27,863	40,000	70%
155400501	LABOR	21,205	25,960	22,626	27,930	97,721	95,000	103%
155400502	BEREAVEMENT/SEMINAR/JURY DUTY	45	-	531	450	1,026	500	205%
155400503	SICK LEAVE	1,134	1,582	572	753	4,041	2,000	202%
155400504	VACATION	2,321	426	1,133	(456)	3,424	5,850	59%
155400505	HOLIDAYS	2,283	727	1,067	2,261	6,338	5,500	115%
155400507	LIFE INSURANCE	177	237	170	168	753	900	84%
155400508	UNIFORMS, EMPLOYEE BENEFITS	-	392	277	115	784	890	88%
155400519	EDUCATION EXPENSES	-	-	-	340	340	1,000	34%
155400520	WORKER'S COMPENSATION	2,206	(1,071)	274	639	2,048	8,000	26%
		44,278	44,769	41,167	46,596	176,811	201,640	88%
Administration								
155500236	DENTAL INSURANCE	337	225	(112)	-	450	-	
155500237	HEALTH INSURANCE	35,504	42,387	35,786	36,041	149,718	148,500	101%
155500243	RETIREMENT/CALPERS	62,269	68,281	46,865	40,822	218,237	275,500	79%
155500501	LABOR	160,141	276,664	158,820	212,894	808,520	830,000	97%
155500502	BEREAVEMENT/SEMINAR/JURY DUTY	-	-	-	-	-	2,500	
155500503	SICK LEAVE	50,337	35,231	5,552	(15,175)	75,945	100,000	76%
155500504	VACATION	12,112	22,591	5,854	(3,372)	37,184	38,000	98%
155500505	HOLIDAYS	15,807	3,640	6,889	11,605	37,940	40,000	95%
155500507	LIFE INSURANCE	1,321	1,792	1,157	1,168	5,438	4,800	113%
155500518	SEMINAR & TRAVEL EXPENSES	577	-	-	245	822	6,000	14%
155500519	EDUCATION EXPENSES	-	-	-	90	90	1,000	9%
155500520	WORKER'S COMPENSATION INSURANCE	5,939	(2,891)	1,302	2,129	6,479	25,000	26%
155500522	UNEMPLOYMENT INSURANCE	4,516	473	207	7,134	12,329	-	
155500547	EMPLOYER SHARE FOR RETIRED (CALP	474	711	1,659	1,469	4,313	-	
155500548	ADMINISTRATIVE COSTS (CALPERS)	433	420	402	413	1,668	-	
155500549	BANK CHGS/MONEY MARKET/TRANS. FE	7,193	7,940	8,649	5,761	29,544	14,600	202%
155500553	TEMPORARY LABOR	3,638	-	-	-	3,638	17,500	21%
155500555	OFFICE SUPPLIES	10,798	12,039	11,442	14,980	49,259	55,000	90%
155500556	OFFICE EQUIPMENT/SERVICE AGREEME	16,356	16,824	15,104	36,978	85,262	60,000	142%

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	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
155500557 OFFICE MAINTENANCE	3,687	3,594	2,499	4,141	13,921	20,000	70%
155500558 MEMBERSHIP DUES	-	1,300	51	18,883	20,234	15,000	135%
155500559 ARMORED CAR	1,177	1,179	791	-	3,148	5,000	63%
155500560 OFFICE EQUIP.MAINT. & REPAIRS	64	-	1,735	-	1,799	3,200	56%
155500561 POSTAGE	14,261	10,420	2,526	8,783	35,990	40,000	90%
155500562 SUBSCRIPTIONS	1,077	(810)	197	1,023	1,486	2,850	52%
155500563 MISCELLANEOUS OPERATING SUPPLIES	3,004	2,203	5,421	5,028	15,656	15,000	104%
155500564 MISCELLANEOUS TOOLS/EQUIPMENT	808	687	3,077	3,608	8,180	15,000	55%
155500567 EMPLOYEE MEDICAL/FIRST AID	129	-	160	-	289	600	48%
155500568 RANDOM DRUG TESTING	-	-	25	-	25	500	5%
155500570 PROPERTY/AUTO/GEN LIABILITY INSUR/A	(4,437)	-	59,672	(5,487)	49,748	80,090	62%
155500572 STATE MANDATES AND TARRIFFS	7,365	735	7,602	9,932	25,632	30,000	85%
155500574 PUBLIC EDUCATION	-	8,265	-	-	8,265	10,000	83%
155500577 PROPERTY TAXES - OUT OF DISTRICT P.	-	6,410	-	6,274	12,683	6,410	198%
155500578 IT SUPPORT/SOFTWARE SUPPORT	27,121	9,836	10,218	10,467	57,642	65,000	89%
155500630 ACCOUNTS RECEIVABLE	905	876	-	290	2,071	1,000	207%
155510550 BOARD OF DIRECTOR FEES	9,200	10,000	9,000	9,800	38,000	60,000	63%
155510551 SEMINAR & TRAVEL EXPENSES	577	235	519	-	1,331	3,500	38%
155510552 ELECTION EXPENSES	202	-	-	-	202	22,575	1%
	452,890	541,256	403,070	425,924	1,823,139	2,014,125	91%
Maintenance & General Plant							
155610515 ELECTRIC - 560 MAGNOLIA AVE	3,962	4,508	7,163	4,325	19,958	22,000	91%
155610580 TELEPHONE - 560 MAGNOLIA AVE	8,008	10,025	10,144	9,578	37,756	55,000	69%
155610581 SANITATION - 560 MAGNOLIA AVE	800	520	516	(328)	1,508	2,400	63%
155610582 MAINTENANCE - 560 MAGNOLIA AVE	990	371	618	644	2,623	3,500	75%
155615501 LABOR - 12303 OAK GLEN ROAD	342	-	-	-	342	1,000	34%
155615515 ELECTRIC - 12303 OAK GLEN ROAD	688	455	717	667	2,527	1,500	168%
155615582 MAINTENANCE/REPAIR - 12303 OAK GLE	34	477	157	419	1,087	3,000	36%
155615583 PROPANE - 12303 OAK GLEN ROAD	-	123	-	-	123	1,500	8%
155620501 LABOR - 13695 OAK GLEN ROAD	-	-	-	-	-	1,000	0%
155620515 ELECTRIC - 13695 OAK GLEN ROAD	-	-	212	440	652	1,000	65%
155620582 MAINTENANCE/REPAIR - 13695 OAK GLE	19	560	2,053	366	2,998	3,000	100%
155620583 PROPANE - 13695 OAK GLEN ROAD	-	27	-	226	252	1,500	17%
155625501 LABOR - 13697 OAK GLEN ROAD	-	-	-	-	-	1,000	0%
155625515 ELECTRIC - 13697 OAK GLEN ROAD	547	328	483	421	1,779	1,500	119%
155625582 MAINTENANCE/REPAIR - 13697 OAK GLE	19	1,272	1,873	268	3,432	3,000	114%
155625583 PROPANE - 13697 OAK GLEN ROAD	738	524	-	247	1,509	1,500	101%
155630501 LABOR - 9781 AVENIDA MIRAVILLA	-	-	-	-	-	1,000	0%

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		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
155630515	ELECTRIC - 9781 AVENIDA MIRAVILLA	229	46	238	532	1,045	300	348%
155630582	MAINTENANCE/REPAIR - 9781 AVENIDA M	93	1,743	3,700	33	5,568	8,000	70%
155630583	PROPANE - 9781 AVENIDA MIRAVILLA	149	27	486	185	847	-	
155635515	ELECTRIC - 815 E. 12TH STREET	912	1,342	2,182	1,630	6,066	9,000	67%
155635580	TELEPHONE - 815 E. 12TH STREET	89	158	160	223	630	480	131%
155635581	SANITATION - 815 E. 12TH STREET	489	733	712	712	2,646	3,000	88%
155635582	MAINTENANCE/REPAIR - 815 E. 12TH STF	636	1,107	846	1,342	3,931	4,000	98%
155640581	SANITATION - 11083 CHERRY AVE	675	675	675	675	2,700	3,000	90%
155700589	AUTO/FUEL	11,174	14,735	22,048	25,133	73,090	120,000	61%
155700590	SAFETY EQUIPMENT	22	-	-	-	22	3,000	1%
155700591	COMMUNICATION MAINTENANCE	-	-	-	-	-	1,000	0%
155700592	REPAIR & MAINT OF GEN EQUIPMENT	-	-	335	780	1,116	3,000	37%
155700593	REPAIR VEHICLES AND TOOLS	1,397	3,719	19,752	2,191	27,058	30,000	90%
155700594	LARGE EQUIPMENT MAINTENANCE	3,057	7,754	17,126	683	28,621	35,000	82%
155700595	EQUIP. PREVENTATIVE MAINTENANCE	-	-	-	-	-	1,000	0%
155700596	AUTO/EQUIPMENT OPERATION	7,612	7,557	16,214	10,419	41,803	20,000	209%
155700597	MAINT GENERAL PLANT (BUILDINGS)	3,249	519	704	920	5,392	10,000	54%
155700598	LANDSCAPE MAINTENANCE	8,210	11,877	11,850	12,922	44,859	72,000	62%
155700601	RECHARGE FAC, CANYON & POND MAIN	2,166	10,801	9,155	4,768	26,889	18,000	149%
		56,307	81,984	130,116	80,420	348,827	445,180	78%
Engineering (in-house)								
155800237	HEALTH INSURANCE	1,159	1,389	516	810	3,873	5,200	74%
155800243	RETIREMENT/CALPERS	3,072	3,631	1,145	1,829	9,677	17,000	57%
155800501	LABOR	20,307	25,327	8,493	21,893	76,019	120,000	63%
155800502	BEREAVEMENT/SEMINAR/JURY DUTY	-	-	-	-	-	500	0%
155800503	SICK LEAVE	-	-	-	-	-	2,000	0%
155800504	VACATION	-	-	-	(605)	(605)	3,200	-19%
155800505	HOLIDAY	891	236	709	965	2,801	2,600	108%
155800507	LIFE INSURANCE	84	118	32	56	289	312	93%
155800518	SEMINAR & TRAVEL EXPENSES	-	-	-	-	-	500	0%
155800519	EDUCATION EXPENSE	421	-	-	-	421	5,000	8%
155800520	WORKER'S COMPENSATION	1,018	(490)	414	128	1,070	4,000	27%
		26,952	30,210	11,309	25,075	93,546	160,312	58%
155820614	STWMA - PROJECT COMMITTEE NO. 1	-	185,264	-	(4,220)	181,044	-	
		-	185,264	-	(4,220)	181,044	-	
155810611	GENERAL LEGAL	44,705	61,901	37,188	54,107	197,901	125,000	158%

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155800612 DEVELOPMENT - REIMB. LEGAL	-	-	-	-	-	1,000	
155810614 AUDIT	15,153	-	3,666	-	18,819	19,000	99%
155810616 ACCOUNTING (NON AUDIT)	-	-	7,456	3,300	10,756	1,000	1076%
155820611 GENERAL ENGINEERING	52,949	29,815	19,882	14,219	116,864	120,000	97%
155820612 DEVELOPMENT - REIMB. ENGINEERING	1,946	1,867	-	538	4,352	40,000	11%
155820615 ENGINEERING - PERMITTING (REC WATE	855	-	-	-	855	50,000	2%
155820618 REC WATER PROJ CONTRACT ADMIN	-	20	-	-	20	45,000	0%
	115,607	93,602	68,192	72,164	349,566	401,000	87%
155700599 SYSTEM DEPRECIATION	<u>253,787</u>	<u>253,787</u>	<u>253,787</u>	<u>253,787</u>	1,015,150	-	
	253,787	253,787	253,787	253,787	1,015,150		
Total Operating Expenses	1,696,246	2,246,391	2,252,878	2,355,219	8,550,734	7,646,507	112%
Income (Loss) from Operations	(17,568)	204,285	570,965	(255,422)	502,260	1,317,179	
Nonoperating Revenues (expenses):							
Rent & Utilities Reimbursement							
144011412 RENT - 12303 OAK GLEN RD	-	400	600	600	1,600	-	
144012412 Rent - 13695 Oak Glen Rd	-	-	600	400	1,000	-	
144013412 Rent - 13697 Oak Glen Rd	-	-	400	600	1,000	-	
144014412 Rent - 9781 Avenida Miravilla	-	-	600	400	1,000	-	
144015515 ELECTRIC & PROPANE	-	-	892	667	1,559	-	
144016515 ELECTRIC & PROPANE	-	-	181	666	847	-	
144017515 ELECTRIC & PROPANE	-	-	359	668	1,027	-	
144018515 ELECTRIC & PROPANE	-	-	286	508	794	-	
	-	400	3,918	4,509	8,827	-	
Miscellaneous Expense							
155500573 MISCELLANEOUS EXPENSES	<u>(484)</u>	<u>748</u>	<u>(419)</u>	<u>(2,785)</u>	<u>(2,940)</u>	<u>(1,000)</u>	294%
	(484)	748	(419)	(2,785)	(2,940)	(1,000)	294%
Investment Income							
144010446 BONITA VISTA REPAYMENT - INTEREST	4,010	4,024	1,541	3,798	13,373	34,000	39%
144020435 INTEREST INCOME	-	15,709	12,282	12,201	40,193	36,000	112%
	4,010	19,733	13,824	16,000	53,566	70,000	77%
Total Nonoperating Revenues	3,526	20,881	17,323	17,723	59,453	69,000	86%
Income Before Contributions	(14,042)	225,166	588,287	(237,699)	561,713	1,386,179	

**Beaumont Cherry Valley Water District
Year End Report (Detail)
For the Calendar Year ended December 31, 2009**

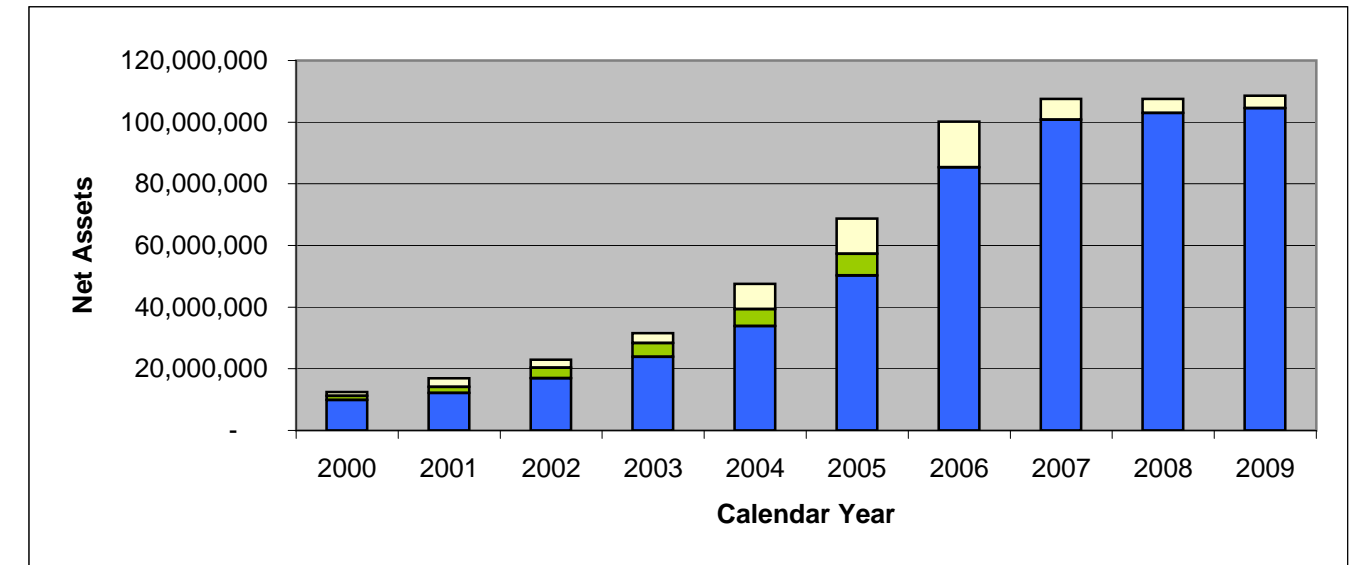
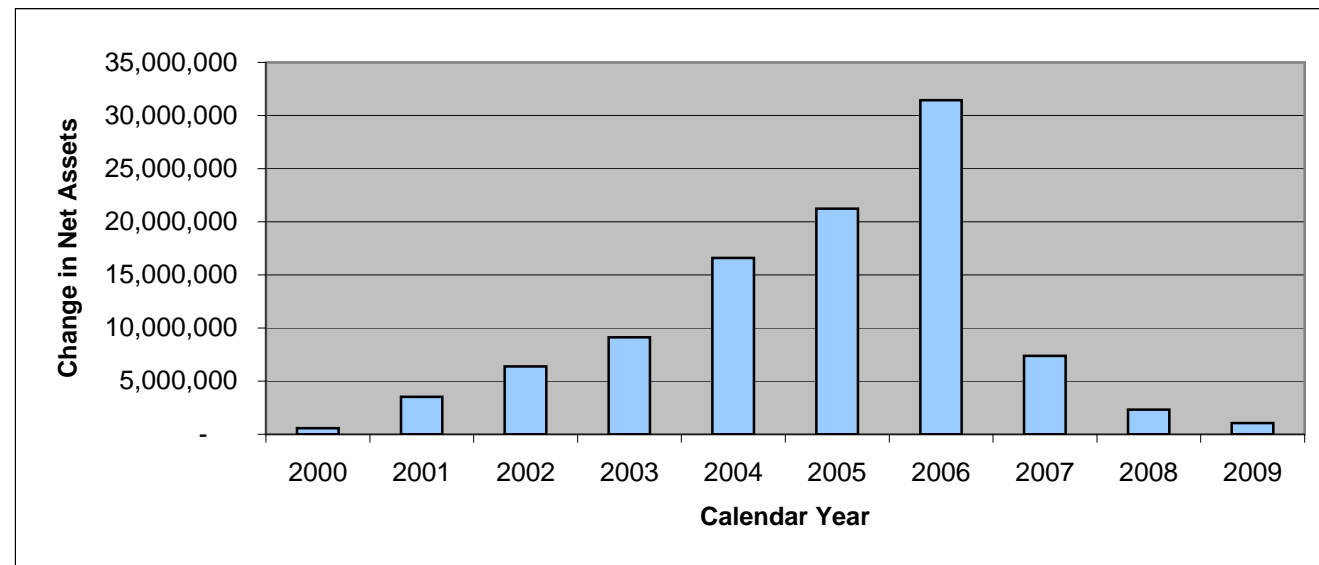
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
Capital Contributions:							
Facilities Charges							
144020422	WELLS	1,139	25,071	7,163	-	33,373	
144020423	WATER RIGHTS (SWP)	192,815	15,864	4,533	-	213,212	
144020424	WATER TREATMENT PLANT	571	11,927	3,408	-	15,905	
144020425	FF - LOCAL WATER RESOURCES	80,731	6,281	1,795	-	88,806	
144020426	FF - RECYCLED WATER FACILITIES	726	18,156	5,187	-	24,069	
144020427	FF - TRANSMISSION	934	20,306	5,802	-	27,041	
144020428	FF - STORAGE	1,173	26,004	7,430	-	34,606	
144020429	FF - BOOSTER	88	1,800	514	-	2,402	
144020430	FACILITY FEES - PRESSURE REDUCING	45	919	263	-	1,227	
144020431	FACILITY FEES - MISCELLANEOUS PROJ	38	803	229	-	1,071	
144020432	FACILITY FEES - FINANCING COSTS	183	3,950	1,129	-	5,261	
		278,443	131,080	37,451	-	446,974	-
Front footage fees and other reimbursements							
144020421	FRONT FOOTAGE FEES & OTHER	-	31,640	-	-	31,640	
		-	31,640	-	-	31,640	-
	Total Capital Contributions	278,443	162,720	37,451	-	478,614	-
	Changes in Net Assets	264,401	387,886	625,739	(237,699)	1,040,327	1,386,179

**Beaumont Cherry Valley Water District
Construction in Progress
Year End Report (Detail)
For the Calendar Year ended December 31, 2009**

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to Date (as of 01/28/10)	Budget	Percent to Budget
Construction in Progress								
2-1-0001	NEW SERVICE INSTALLATION	21,295	53,887	51,015	41,005	167,202	-	
2-1-0006	WATER MASTER PLAN UPDATE	6,896	353	-	-	7,249	35,000	21%
2-1-0304	RECYCLED WATER SYSTEM	1,413	480	320	5,476	7,689	-	
2-1-0605	SUNNY CAL EGG RANCH WELL REHAB	-	10,032	-	-	10,032	-	
2-1-0700	SRF LOAN - RECYCLED WATER SYSTEM	-	645	1,201	1,748	3,594	-	
2-1-0710	CV POLLUTION CONTROL PROJ	-	-	-	-	-	100,000	0%
2-1-0809	2800 ZONE RECYCLED WATER TANK PH 1	-	829	23,648	929,832	954,309	2,200,000	43%
2-1-0810	24" RECYCLED MAIN BROOKSIDE PH 2	9,341	2,532	16,764	204,278	232,915	750,000	31%
2-1-0811	1 MG RESERVOIR/BOOSTER PH 3	-	2,466	17,093	43,896	63,456	1,300,000	5%
2-1-0812	24" RECYCLED MAIN WESTERLY LOOP PH 4B	-	2,310	47,857	51,493	101,660	5,000,000	2%
2-1-0813	REC MAIN RING RANCH/OAK VALLEY PH 5	1,627	11,363	60,919	45,613	119,522	1,700,000	7%
2-1-0815	EDGAR 8" REPLACEMENT PIPELINE	113,294	28,283	-	-	141,577	150,000	94%
2-1-0816	STATE WATER PIPELINE - PERM CONNECTION	96	-	25,000	362,449	387,545	400,000	97%
2-1-0818	24" RECYCLED MAIN WESTERLY LOOP PH 4A	-	-	-	57,473	57,473	-	
2-1-0901	2007 JOHN DEERE BACKHOE 310SG	-	-	46,763	-	46,763	50,000	94%
2-1-0902	1 TON TRUCK WITH 3-4 TON DUMP BED	-	35,154	-	-	35,154	50,000	70%
2-1-0904	LOAN AMORTIZATION SOFTWARE - BONITA VI	-	-	-	-	-	3,500	0%
2-1-0905	URBAN WATER MANAGEMENT PLAN UPDATE	-	-	-	-	-	30,000	0%
2-1-0906	GIS/GPS SOFTWARE PURCHASE	235	-	41,707	4,500	46,442	65,000	71%
2-1-0907	OVP 24" & 10" MAIN RELOCATION	530	139,353	10,971	18,581	169,434	-	
2-1-0909	NEW SQL SERVER 2009	-	-	-	1,044	1,044	-	
		154,728	287,686	343,257	1,767,389	2,553,060	11,833,500	22%

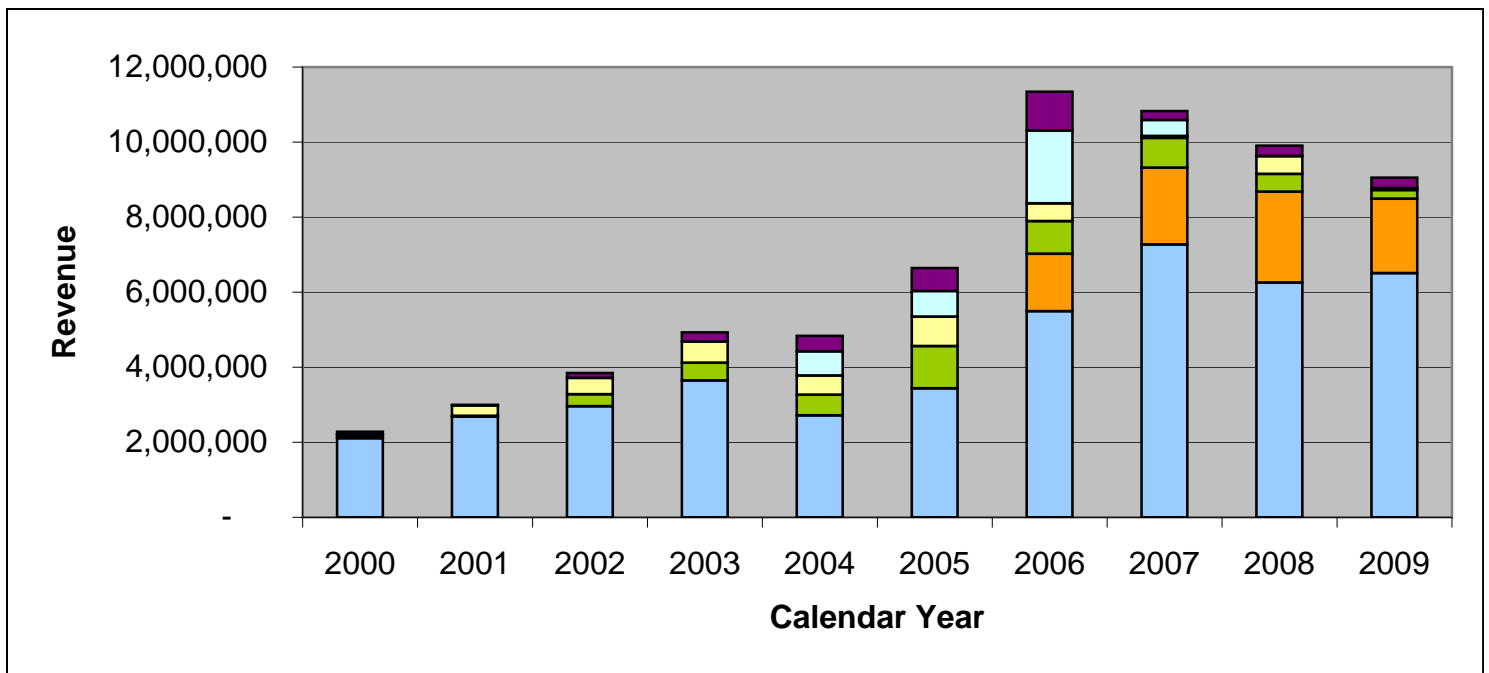
**Beaumont Cherry Valley Water District
Changes in Net Assets and Nets Assets by Components
Last Ten Calendar Years**

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in net assets:										
Operating revenues (see Schedule 2)	2,279,382	2,999,517	3,846,858	4,928,515	4,837,119	6,643,885	11,342,719	10,825,865	9,907,123	9,052,994
Operating expenses (see Schedule 3)	(1,607,517)	(1,607,517)	(2,420,631)	(3,185,817)	(4,618,697)	(4,598,597)	(5,617,021)	(7,110,797)	(7,448,834)	(7,535,584)
Depreciation	(305,062)	(359,317)	(512,606)	(576,493)	(573,024)	(698,427)	(749,218)	(1,140,443)	(1,763,321)	(1,015,150)
 Operating income(loss)	366,803	1,032,683	913,621	1,166,205	(354,602)	1,346,861	4,976,480	2,574,625	694,968	502,260
Non-operating revenues(expenses)										
Standby Charges	-	-	-	-	878,485	1,008,814	-	-	-	-
Rent and Utilities reimbursement	-	-	-	-	3,546	400	700	-	-	8,827
Miscellaneous Expense	(5,153)	(17,222)	(16,526)	(25,065)	(31,740)	(223,637)	(313,388)	(10,931)	(8,182)	(2,940)
Investment Income	114,972	93,840	98,588	77,663	151,075	564,411	798,288	405,525	82,260	53,566
Total non operating revenues(expenses), net	109,819	76,618	82,062	52,598	1,001,366	1,349,988	485,600	394,594	74,078	59,453
Net income(loss) before capital contributions	476,622	1,109,301	995,683	1,218,803	646,764	2,696,849	5,462,080	2,969,219	769,046	561,713
Capital contributions	106,028	2,421,885	5,376,902	7,895,716	15,962,374	18,527,779	25,995,635	4,400,975	1,547,784	478,614
Changes in net assets	582,650	3,531,186	6,372,585	9,114,519	16,609,138	21,224,628	31,457,715	7,370,194	2,316,830	1,040,327
Net assets by component:										
Invested in capital assets, net of related debt	9,865,993	12,170,851	16,886,950	23,846,421	33,867,768	50,228,648	85,339,151	100,799,011	102,938,881	104,488,309
Restricted	1,340,069	1,918,021	3,456,264	4,460,695	5,439,117	7,094,009	-	-	-	-
Unrestricted	1,204,380	2,819,112	2,548,870	3,282,774	8,193,831	11,402,687	14,843,908	6,754,242	4,651,475	4,142,374
 Total net assets	12,410,442	16,907,984	22,892,084	31,589,890	47,500,716	68,725,344	100,183,059	107,553,253	107,590,356	108,630,683



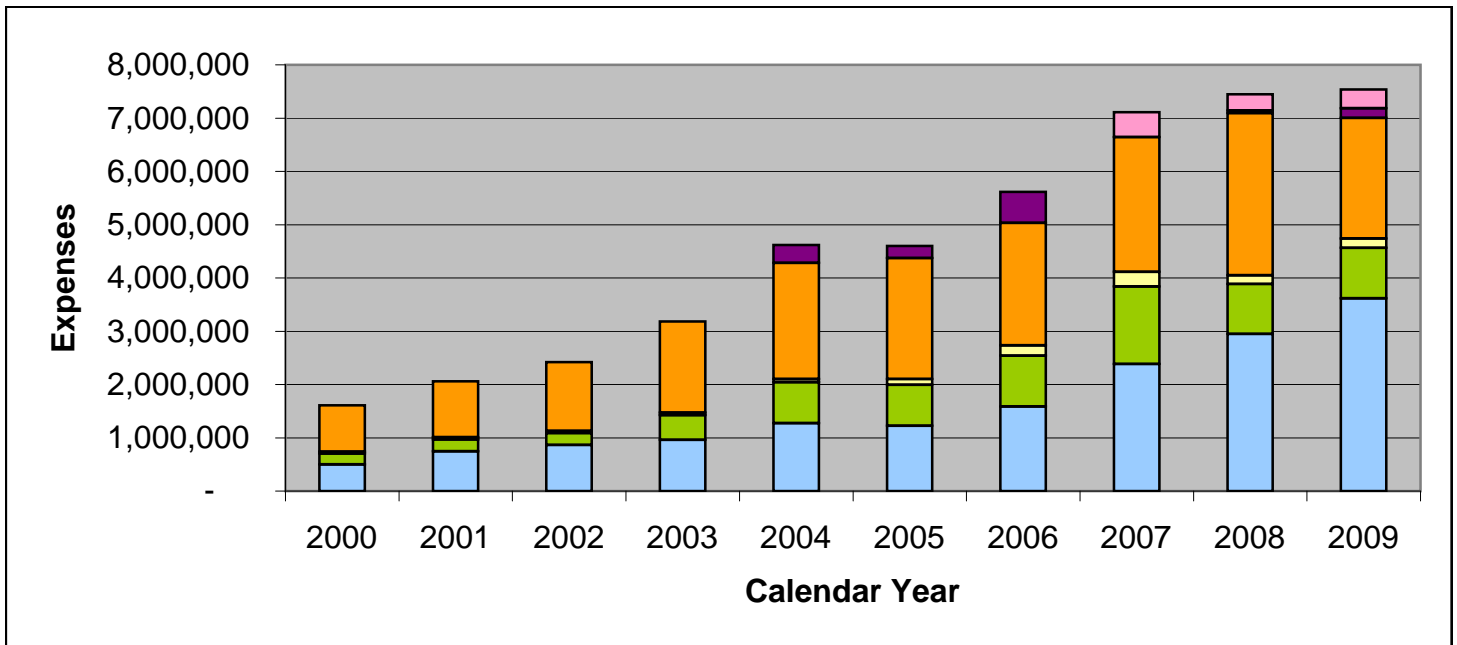
**Beaumont Cherry Valley Water District
Operating Revenue by Source
Last Ten Calendar Years**

Fiscal Year	Water Sales	Pass Thru	Service	Development	Inspection	Other	Operating Revenue
		Charges	Connections	Reimb	Reimb		
2000	2,106,817	-	71,649	40,250	-	60,666	2,279,382
2001	2,682,999	-	21,361	276,010	-	19,147	2,999,517
2002	2,957,814	-	321,756	434,287	-	133,001	3,846,858
2003	3,645,892	-	472,042	563,600	-	246,981	4,928,515
2004	2,716,809	-	547,930	511,816	646,596	413,968	4,837,119
2005	3,436,947	-	1,126,307	784,125	680,784	615,722	6,643,885
2006	5,490,413	1,534,972	870,063	471,207	1,941,626	1,034,438	11,342,719
2007	7,271,345	2,045,162	796,290	49,536	427,501	236,031	10,825,865
2008	6,254,605	2,422,796	472,034	474,197	6,880	276,611	9,907,123
2009	6,508,360	1,983,412	227,704	54,345	-	279,173	9,052,994



**Beaumont Cherry Valley Water District
Operating Expenses by Activity
Last Ten Calendar Years**

Fiscal Year	Pumping Expenses	Transmission & Distribution	Customer Accounts	General & Administrative	San Timoteo Watershed	Professional Services	Total Operating Expenses
2000	501,276	199,050	37,855	869,336			1,607,517
2001	745,401	223,313	38,239	1,051,979	-	-	2,058,932
2002	863,910	223,645	43,412	1,289,664	-	-	2,420,631
2003	962,079	460,332	46,077	1,717,329	-	-	3,185,817
2004	1,271,511	773,407	56,332	2,182,028	335,419	-	4,618,697
2005	1,222,663	771,318	108,121	2,268,095	228,400		4,598,597
2006	1,583,416	955,636	194,824	2,301,548	581,597		5,617,021
2007	2,385,970	1,452,831	275,400	2,531,392	-	465,204	7,110,797
2008	2,946,405	937,719	163,190	3,046,205	45,500	309,815	7,448,834
2009	3,615,829	946,822	176,811	2,265,512	181,044	349,566	7,535,584



**RECORD OF THE MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT
January 20, 2010**

CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California.

PLEDGE OF ALLEGIANCE, DIRECTOR ROSS

Vice President Parks led the pledge.

INVOCATION, VICE PRESIDENT PARKS

Director Woll recited the invocation.

ROLL CALL, JULIE SALINAS

Those responding to roll call were President Ball, Vice President Parks and Directors Ross and Woll. All present with the exception of Director Magee. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara and Business Manager Julie Salinas.

PUBLIC INPUT

President Ball invited Patsy Reeley to address the Board on two items not on the agenda. Ms. Reeley wondered if there was a special reason for the meeting date change as she could not see anything on the agenda that warranted a special change. Secondly, Ms. Reeley noted she has attended various Board and Committee meetings and that small things don't seem to get accomplished. She referred to a line item on the Month End Financial Statement (page 21 of 76) that includes due bills maybe as old as ten years. In a recent meeting, she heard that in order to correct the problem, the District needed to adopt a policy. This wasn't the first time the problem was discussed and the problem could be solved by composing a short paragraph, instructing a secretary to type it, bringing it to the Board for a vote and then making sure that it is implemented. The Board appears to have a problem doing that. It was suggested by the Auditors in 2008, in the Governance Report in 2007, and discussed by Chairman Ball. Let's get this problem solved and move on to more important ones.

PRESENTATION BY GENERAL MANAGER OF THE SAN GORGONIO PASS WATER AGENCY REGARDING PROPOSED CAPACITY FEE

President Ball introduced the General Manager of the San Gorgonio Pass Water Agency, Mr. Jeff Davis. Mr. Davis greeted the Board and members of the public and thanked Mr. Lara for the invitation. The Pass Agency is up to a number of things, one of them important enough for Mr. Davis to come and share with the District. Mr. Davis noted that no action was requested tonight or in the immediate future. The Pass Agency wants to be cooperative and work with District and may, in the future, come back to the Board for action.

Mr. Davis made a PowerPoint presentation on the San Gorgonio Pass Water Agency regarding their proposed capacity fee. Following the presentation, Mr. Davis entertained questions from the Directors, staff and members of the Public.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

Director Woll moved to adopt the agenda as presented. Vice President Parks seconded. The motion passed unanimously.

2. FINANCIAL REPORTS

a. Bills for Consideration

Board Action

December 2009

The Board will take action on the Bills for Consideration taking into account the recommendations of the Finance and Audit Committee.

Director Ross moved to approve the December 2009 Invoices. Vice President Parks seconded. The motion passed unanimously.

b. Invoices for Payment Approval

Board Action

The Board will take action on the Bills for Consideration taking into account the recommendations of the Finance and Audit Committee.

Director Ross moved to approve the invoices pending payment. Vice President Parks seconded. The motion passed unanimously.

c. Month End Financial Statements December 2009

Board Action

The Board will take action to "accept and file" the Month End Financial Statements presented by staff.

Director Ross moved to accept the December 2009 Financial Statement. Director Woll seconded. The motion passed unanimously.

3. APPROVAL OF THE MINUTES

a. Minutes of the Regular Meeting of December 16, 2009

Director Woll did not have a correction to make but noted that Director Magee was appointed as a member of the Collaborative Agency Committee (pg. 31) and inquired as to whether or not a backup had been designated. Director Woll suggested the replacement be made an action item on the next agenda. President Ball directed Julie Salinas to place the appointment as an action item.

Vice President Parks moved to approve the Minutes of December 16, 2009 as presented. Director Woll seconded. The motion passed unanimously.

4. ACCEPTANCE OF RESIGNATION OF DIRECTOR NIKI MAGEE FROM THE BEAUMONT CHERRY VALLEY WATER DISTRICT BOARD EFFECTIVE JANUARY 6, 2010 AND DETERMINE THE PROPER COURSE OF ACTION FOR FILLING THE VACANCY

Legal Counsel Granito reported that the action before the Board was a two step process: (1) the Board needs to formally accept the resignation, and (2) decide how they are going to fill the vacancy. The District can appoint within 60 days or can choose to call a special election. Historically the District has chosen to appoint.

If the Board adheres to past practices and chooses to appoint, a notice of vacancy will need to be posted by Friday, January 22nd. While it is not required by law, Legal Counsel Granito noted it would be prudent to also run an advertisement in the newspaper.

Vice President Parks added that the District had the option of asking the Board of Supervisors to appoint. Legal Counsel Granito clarified that if the District does not make an appointment within 60 days, the Board of Supervisors can then appoint or call for a special election.

Director Woll moved to fill the vacancy by appointment and to accept the resignation of Director Magee. Director Ross seconded. Director Parks amended the motion to include "with regrets". Director Woll added to the motion that Board was grateful for Director Magee's service and regrets that she felt she had to resign. The amended motion passed unanimously.

President Ball added the advertisement of the notice of vacancy in the newspaper as an action item.

5. VARIANCE REQUEST FROM DAVID THOMAS, 1026 WELLWOOD AVENUE ON OUTSTANDING BALANCE

General Manager Lara reported that Mr. Thomas previously appeared before the Board at a special meeting. Mr. Thomas was directed to make his request in writing and unfortunately, the written request was received after the December 16th agenda had already been posted.

Mr. Thomas is requesting a variance on a delinquent balance of \$336.84 dating back to 2004. He has spoken several times with the General Manager as well as staff members. Several special payment arrangements have been made in the past. Staff drafted a memorandum which includes a copy of an office order where the Customer Service Representative went to the property and confirmed there was a leak. The customer was present and was made aware.

Mr. Lara recommended that the variance be denied and that Staff be authorized to set up one more special arrangement in an attempt to assist Mr. Thomas in bringing his account current in the next 12 months.

Director Ross moved to accept the staff recommendation. Director Woll seconded. The motion passed unanimously.

6. ACCEPTANCE OF THE NOBLE CREEK ARTIFICIAL RECHARGE FACILITY GROUND WATER MONITORING REPORT (JULY 16 TO SEPT 30, 2009)

General Manager Lara reported the third quarter report was being presented for acceptance and that the fourth quarter report would be coming shortly. Monitoring at the Noble Creek Artificial Recharge Facility by Geoscience has been suspended. Report findings are consistent with previous reports and recommendations are being carried out.

The District has been recharging since 2006 and in that time, 14,599 ac-ft of water has been recharged. Staff will continue to manually record water levels so that if and when the monitoring resumes, data can be turned over to consultants.

Director Woll moved to accept the Noble Creek Artificial Recharge Facility Ground Water Monitoring Report. Director Ross seconded. The motion passed unanimously.

7. VARIANCE REQUEST FROM CHERRY VALLEY WATER COMPANY ON OUT-OF-THE DISTRICT RATES

Director Woll called on Marilyn Simone. Ms. Simone re-iterated what was in the letter included in the Board package. General Manager Lara added that he had been under the impression that they (CVWC) were being assessed the outside service rates and while conducting inquiries he came to discover that they (CVWC) were being assessed the inside rate. Mr. Lara directed staff to update the service rate. The change occurred during the December billing cycle.

Mr. Lara reported that the purpose of the higher outside rate (double the inside rate) is it serves as an "in-lieu" fee for temporary service outside the District's service area. Those customers have not made an investment in the facilities necessary to get the water to them. These facilities are operated and maintained on a daily basis. Mr. Lara noted that CVWC is actively seeking annexation and that once the process is complete, they will need to pay the facility fee and at that time, they will be making an investment.

CVWC should have been paying the outside rates when the District first began to sell them water in 2006. Mr. Lara is not recommending that the Board go retroactive on the charge but wanted to bring it to their (CVWC) attention, that the Board has this option. Mr. Lara recommended the out-of-district rate remain in effect.

Director Ross moved to grant a variance in return to interest rates for Cherry Valley Water Company.

Legal Counsel Granito interceded and asked the General Manager if there were any other customers currently being charged the outside rate to which the G.M. replied there were 9 other accounts. Mr. Granito expressed his concerns that the District could be setting a precedent and warned that if the Rules and Regulations are not being applied uniformly (preferential treatment), this could evolve into a lawsuit.

Director Ross withdrew the motion.

Director Ross moved to continue billing at outside rates without retroactive charges.

Legal Counsel Granito presented a third option to the Board which would be to rescind uniformly, to no longer charge the outside rate. General Manager Lara added that the current Rules and Regulations prohibit the District from providing service outside its service area.

Director Ross withdrew the motion.

Director Ross moved to table the item until next month. Vice President Parks seconded. The motion passed unanimously.

8. APPROVAL OF RESOLUTION 2010-01, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT DECLARING THE OFFICIAL INTENT TO BE REIMBURSED FOR CERTAIN CAPITAL EXPENDITURES FROM THE PROCEEDS OF INDEBTEDNESS

Legal Counsel Granito reported that the District is engaged in constructing certain capital facilities such as the recycled water facilities and ways of financing the construction are being explored. In order for the District to preserve the right to reimburse itself, Internal Revenue Service laws require that this resolution be in place.

Legal Counsel Granito proceeded to read aloud section 2 of Resolution 2010-01, "This declaration is made solely for purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations, and does not bind the District to make any expenditure, incur any indebtedness, or proceed with the Recycled Water Facilities Project."

General Manager Lara added that adoption of this Resolution was recommended in the 2007 Governance Study. Legal Counsel Granito stated there was a real chance the District would be seeking public financing which really elevates the importance of this resolution.

With the aid of a map, General Manager Lara reviewed with the Board and members of the Public the District's plan to work with Yucaipa Valley Water District and the City of Banning in developing a regional network of pipelines (recycled).

Director Woll moved to approve the resolution. Vice President Parks seconded. The motion passed unanimously.

9. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees – Director Ross reported that the District met with the City of Beaumont following the last board meeting. Director Ross expressed his regret that the District has been unable to work with the City.

(b) General Manager

- Recycled Water Project – covered under item 8.
- LAFCO Annexation – General Manager Lara reported that he had attended the meeting held earlier in the day. The annexation request has been approved and it is now a matter of paperwork being submitted to the County (by LAFCO) for recordation.
- 2009 Audit –Requests for Proposals were sent out in December. Proposals are due by January 28th. It is staff's intention to present the proposals to the Finance and Audit Committee the first week of February, and then the full Board.

(c) Directors

- Dr. Blair Ball – No report.
- Stella Parks – Vice President Parks reported that as of December 31st, the snow levels are 85% of normal levels. Vice President Parks also reported that she had attended a presentation of the canal.
 - Ken Ross – No report.
 - Ryan Woll – Director Woll suggested two action items: (1) update from Financial Consultant, and (2) exploring the possibility of storm runoff as a possible avenue for the recharge facility.

General Manager Lara reported that a *Five Year Capital Improvement Plan* had been drafted. It is his intention to schedule a workshop or special meeting to review the plan with the Board of Directors.

(d) Legal Counsel

Legal Counsel Granito reminded everyone to complete their 700 Form (Statement of Economic Interest).

10. ANNOUNCEMENTS

- **Regular Board Meeting will be held on February 10, 2010**

ACTION LIST

- Appoint replacement to Collaborative Agency Committee
- Posting of Notice of Vacancy (Newspaper Publication)
- Review by financial consulting firm.

11. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-

President Ball adjourned the meeting to Closed Session at 9:03 p.m.

- A. 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**
- B. Closed Session will be held to confer with legal counsel on one matter of pending litigation pursuant to subdivision (a) of Government Code Section 54956.9. Daniel Slawson and Arlene Slawson vs Beaumont Cherry Valley Water District, a public agency, Case No RIC 533149-Riverside Superior Court.**
- C. Closed Session will also be held regarding a personnel matter pursuant to Government Code Section 54957- Interim General Manager-Performance Review.**

12. OPEN SESSION- REPORT ON CLOSED SESSION

President Ball reconvened to Open Session at approximately 11:57 PM.

General Counsel Gil Granito reported that at approximately 9:03 PM, the Board went into Closed Session to discuss the following items as reflected on tonight's agenda:

The first matter discussed in Closed Session concerned Item 11A of tonight's agenda. During this phase of the Closed Session, General Counsel led a discussion on one matter of potential litigation pursuant to subdivision (c) of Government Code Section 54956.9 and no further reportable action was taken.

The second matter discussed in Closed Session concerned Item 11B of tonight's agenda. During this phase of the Closed Session, General Counsel, Gil Granito, pursuant to subdivision (a) of Government Code Section 54956.9, reported on the status of the litigation and no further reportable action was taken.

The third and last item discussed in Closed Session concerned Item 11C of tonight's agenda. During this phase of the Closed Session the Board members continued their ongoing evaluation of the performance of the Interim General Manager pursuant to Government Code Section 54957 and no further reportable action was taken.

13. ADJOURNMENT

President Ball adjourned the meeting at approximately 12:00 AM.

**RECORD OF THE MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT
January 29, 2010**

CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 6:02 p.m., 560 Magnolia Avenue, Beaumont, California.

PLEDGE OF ALLEGIANCE, DIRECTOR WOLL

Director Woll led the pledge.

INVOCATION, DIRECTOR ROSS

Director Ross recited the invocation.

ROLL CALL, JULIE SALINAS

Those responding to roll call were President Ball, Vice President Parks and Directors Ross and Woll. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara and Business Manager Julie Salinas.

PUBLIC INPUT

Director Woll invited Luwana Ryan to speak on an item not on the agenda. Ms. Ryan addressed the Board regarding the new urgent need for outside funding for the long overdue recycled water system. Ms. Ryan stated that she believe the Board of Directors had not done its due diligence in beginning this project without a firm contractual agreement with the City of Beaumont for water. She is concerned that the District does not have a viable rate structure in place that will keep the District solvent. She is amazed and appalled that the Board, their legal counsel and their engineer have put the rate payers in a precarious situation and possibly endangered property values by continuing to mine the Beaumont Basin for potable water to make up for the lack of recycled water.

Director Woll invited Frances Flanders to speak on an item not on the agenda. Ms. Flanders asked that Board reconsider re-hiring the team of Annette Hubbell and Jay Malinowski to assist and guide the Board Directors. Ms. Flanders expressed her disappointment in that the 2007 Governance Study recommendation were never reviewed in a public meeting. Ms. Flanders went to speak on the need for real experts with experience and overview of water and water company business and financing to guide the Board toward better economic decisions.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

Vice President Parks moved to adopt the agenda as presented. Director Ross seconded. The motion passed unanimously.

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

General Manager Lara reported that the District had lost its ARRA funding and would not be receiving any funding from the State Water Control Board until there was an agreement with the City of Beaumont for the transfer of recycled water, until permits were obtained and plans and specifications for the facilities located at the Waste Water Treatment Plant were completed.

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.

Mr. Lara recommended that the District engage a Financial Consultant to assist the District in obtaining private funding. Mr. Lara further recommended that the Board approve the proposal from Fieldman Rolapp and Associates. President Ball inquired on the original engineer's estimate. General Manager Lara replied that all projects currently under construction came in at 40 to 60% of the engineer's estimate. President Ball also inquired as to whether the District had worked with Fieldman Rolapp in the past. Mr. Lara reported that Fieldman Rolapp had assisted the District in obtaining funding to purchase the Recharge Facility property.

Director Ross inquired on the time period for pay back on a 5 million dollar loan. General Manager Lara reported the time period was 3 to 10 years, with an interest rate of 3% for a 3 to 5 year term and an interest rate of 4.10% for a 7 to 10 year term. When asked for his recommendation, Mr. Lara recommended that the District go no less than 5 years on the funding.

Director Woll inquired on the possibility of obtaining a loan from the District's current bank, the Bank of Hemet to which Mr. Lara reported that he had contacted representatives at the Bank and that Bank of Hemet did not handle this size loan.

Director Ross moved to accept the proposal from Fieldman Rolapp. Vice President Parks seconded. The motion passed unanimously.

3. OPEN WORKSHOP

a. 2010 Budget Report**

General Manager Lara reported that the Budget being presented to the Board was staff's projection based on current operating revenues and current operating expenses. The Budget is subject to change and is needed as a guideline and tool in order for the District to continue to operate until outstanding issues are resolved (rate study, internal audits, public financing, etc). Mr. Lara walked members of the Board and public through each departmental budget, answering questions as well as noting increases and decreases from previous years along the way.

Vice President Parks thanked General Manager Lara for his hard work. Mr. Lara in turn thanked Operations Superintendent Dahlstrom and Business Manager Salinas for their contributions and efforts in drafting the budget.

4. CONTINUANCE OF SPECIAL MEETING

a. Adoption of the 2010 Budget

Vice President Parks moved to adopt the 2010 Operation and Maintenance Budget as presented. Director Ross seconded. The motion passed unanimously.

5. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-

President Ball adjourned the meeting to Closed Session at 6:58 p.m.

- 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

President Ball reconvened to Open Session at approximately 10:55 PM.

General Counsel Gil Granito reported that at approximately 6:58PM the Board went into Closed Session to discuss the following items as reflected on tonight's agenda:

The first matter discussed in Closed Session concerned Item 5A of tonight's agenda. During this phase of the Closed Session, the Board Members continued their ongoing evaluation of the performance of the Interim General Manager pursuant to Government Code Section 54957 and no further reportable action was taken.

The second and last item discussed in Closed Session concerned Item 5B of tonight's agenda. During this phase of the Closed Session, General Counsel led a discussion on one matter of potential litigation pursuant to subdivision (c) of Government Code Section 54956.9 and no further reportable action was taken.

ADJOURNMENT

President Ball adjourned the meeting at approximately 10:56PM.

**Beaumont Cherry Valley Water District
Regular Meeting of the Board of Directors
Memorandum re Item 4**

Date: February 5, 2010

Prepared by: Anthony Lara, Interim General Manager

Subject: Variance Request by Cherry Valley Water Company

Recommendation: That the Board deny the variance request and that the outside water rates continue to be charged until the properties are annexed into the District.

Background:

The District has been providing water service to the Cherry Valley Water Company (CVWC) through a temporary connection since 2006. Part 5-1.3 of the District's Rules and Regulations includes a separate water rate for customers outside of the District service area.

In December of last year staff determined that CVWC was being charged the regular domestic water rate and began billing at the outside rate. At the January 20, 2010 Board meeting a request for variance on the outside rate from CVWC was tabled and staff was directed to provide more information.

State Law as well as the District's Rules and Regulations Governing Water Service allow the District to charge different amounts to customers that are not subject to assessments. Since CVWC is not within the District and those customers are not subject to assessments such as Facility Fees (that are charged at the time service is requested), the outside service rate is charged.

REGULATIONS GOVERNING WATER SERVICE

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PRIVATE FIRE SERVICE CHARGES:

1)	4"	\$56.00
2)	6"	\$162.00
3)	8"	\$345.00
4)	10"	\$619.00
5)	12"	\$1000.00

5-1.2.1 GENERAL PROVISIONS – When service is started or discontinued during the month, the charge will be determined as follows:

- 1) Permanent Service Connection:
 - a) For service connections started after the 1st day of the billing period, the service charge will be pro-rated.
 - b) For service connections discontinued within the billing period, the service charge will be pro-rated.
- 2) Temporary Service Connection – The charge shall be determined on a schedule prepared by the Board.

5-1.3 CHARGE FOR WATER USED (Quantitative):

1)	Domestic rate:	.84 per 100 c.f.
2)	Scheduled Irrigation Rate:	.47 per 100 c.f.
3)	Multiple Family Rate:	.84 per 100 c.f.
4)	Commercial Rate:	.84 per 100 c.f.
5)	Multiple Commercial Rate:	.84 per 100 c.f.
6)	Outside Service Rate:	1.68 per 100 c.f.
7)	Construction Water Rate	1.61 per 100 c.f.

5-1.3.1 SCE POWER CHARGE – Is the cost of electricity to pump and deliver water to the end user (home owner/water user). It includes all SCE charges for operation of pumps and wells in the water system. Beaumont Cherry Valley Water District uses SCE Time of Use (off peak) rates to limit the cost to the water user not to exceed \$0.25 per 100 cubic feet.

5-1.3.2 SAN GORGONIO PASS WATER AGENCY IMPORTATION CHARGE TO OFFSET OVERDRAFT – The cost to the end user (Rate Payer) for imported water supplies to offset existing groundwater overdraft not to exceed \$0.24 per 100 cubic feet. **NOTE:** Groundwater Overdraft occurs when more water is pumped out of the groundwater system than that that is naturally replaced.

**Beaumont Cherry Valley Water District
Regular Meeting of the Board of Directors
Memorandum re Item 5**

Date: February 5, 2010

Prepared by: Anthony Lara, Interim General Manager

Subject: Professional Auditing Services

Recommendation: To be made at Board Meeting

Proposing Firm	Fee for Year Ending 12/31/09	State Controller's Report	Total
Teaman, Ramirez & Smith, Inc.	15,000	500	15,500
Vavrinek, Trine, Day & Co., LLP	15,000	700	15,700
Charles Z. Fedak & Company	16,500	750	17,250
Mayer Hoffman McCann	17,820	880	18,700
Siebert Botkin Hickey & Associates, LLP	17,900	1,650	19,550
Eadie & Payne LLP	23,500	500	24,000

After carefully reviewing all of the proposals to provide professional auditing services to the District, it appears that all firms are equally capable of providing the service. Staff would like to note a few things that the Board may want to consider:

Vavrinek, Trine, Day & Co., LLP – Legal Counsel has reported that this firm was providing financial consulting services to Redwine & Sherrill.

Siebert Botkin Hickey & Associates – Current Financial Consultant Hickey, in order to avoid conflicts between the work he has done and the external audit, recommended delegating a specific staff member from his firm to assist with this work.

Also, if you look at the references in the proposals you can see that it is not uncommon for these firms to conduct audits for public agencies for several years at a time. That would be my recommendation, if you can put that along with your own thoughts into a staff report I would appreciate it.

Mayer Hoffman McCann – The Manager previously in charge of the District's audit, Stephen Parker, has taken a job with Yorba Linda Water District. If the District elects to continue to do business with MHM, they will be assigned a new Manager, Felix Inga.

Staff believes the audit process can be streamlined by using MHM. While there is a difference of \$3,200 between them and the lowest bid, we know their style and staff has already begun preparing the reports we know they would be asking for. The difference in proposals could easily be eaten up in staff time if the Board chooses to go with another firm.