



**BEAUMONT CHERRY VALLEY WATER DISTRICT  
AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, May 11, 2011  
Regular Session 7:00 p.m.**

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**CALL TO ORDER, PRESIDENT BALL**

**PLEDGE OF ALLEGIANCE, DIRECTOR EARHART**

**INVOCATION, DIRECTOR ROSS**

**ROLL CALL, BLANCA MARIN**

**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**

GULDSETH	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N
BALL	M	S	A	N

**2. CONSENT CALENDAR:** Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval. Page 4

- a. April 2011 Bills for Consideration\*\*
- b. April 2011 Invoices Pending Approval\*\*
- c. March 2011 Month End Financial Statement\*\*
- d. Minutes of the Regular Meeting of April 13, 2011\*\*
- e. Minutes of the Special Meeting of April 28, 2011\*\*

GULDSETH	M	S	A	N
BALL	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N

**3. APPROVAL OF PURCHASE OF SURPLUS WATER FROM SOUTH MESA  
MUTUAL WATER COMPANY\*\* Page 35**

GULDSETH	M	S	A	N
BALL	M	S	A	N
EARHART	M	S	A	N
ROSS	M	S	A	N
WOLL	M	S	A	N

**4. REPORTS FOR DISCUSSION AND POSSIBLE ACTION**

**(a) Ad hoc Committees**

**(b) General Manager**

- Presentation on Preliminary Imported Water Allocation Concepts\*\* Page 41
- Proposed dates for June meetings

**(c) Directors**

- Dr. Blair Ball
- James Earhart
- John Guldseth
- Ken Ross
- Ryan Woll

**(d) Legal Counsel**

**5. ANNOUNCEMENTS**

- A) The District will be closed on May 30, 2011 for Memorial Day
- B) Finance & Audit Meeting, June 9, 2011 at 2:00 p.m.
- C) Regular Board Meeting, June 15, 2011 at 7:00 p.m.

**6. ACTION LIST**

- \_\_\_\_\_
- \_\_\_\_\_

**7. CLOSED SESSIONS- (THREE MATTERS)**

- A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518)
- B. A Closed Session will be held to confer with Legal Counsel pursuant to subdivision (c) of Government Code Section 54956.9 during which time, based on existing facts and circumstances, the Board will review and confirm its decision to initiate litigation against Richard L. Schaffner For Failure to Comply With Judgment re Case No. RIC 436913 (Beaumont Cherry Valley Water District vs. Richard L. Schaffner, Superior Court of California, County of Riverside)
- C. A Closed Session will be held to pursuant to Government Code Section 54957 to continue discussion concerning the recruitment/appointment to the General Manager position.

**8. OPEN SESSION REPORT ON CLOSED SESSION**

**9. ADJOURNMENT**

GULDSETH	M	S	A	N
EARHART	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 Blanca Marin, at (951) 845-9581 Ext. 23 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-CHERRY VALLEY WATER DISTRICT**  
**Check Register-Summary-Bank**



AP5090

Page : 1

Date : Apr 28, 2011

Time : 10:54 am

Vendor : A&A FENCE To ZETLMAIER

Cheque Dt. : 01-Apr-2011 To 28-Apr-2011

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
41911	07-Apr-2011	ACPROPANE	AC PROPANE	Issued	77	C	811.00
41912	07-Apr-2011	ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	77	C	387.48
41913	07-Apr-2011	ALSCO	ALSCO	Issued	77	C	28.35
41914	07-Apr-2011	ARCO	ARCO GASPRO PLUS	Issued	77	C	6,260.01
41915	07-Apr-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	77	C	511.98
41916	07-Apr-2011	BROWNANDC.	BROWN AND CALDWELL	Issued	77	C	200.00
41917	07-Apr-2011	BRYANWILFL	WILFLEY, BRYAN	Issued	77	C	1,492.23
41918	07-Apr-2011	BSAFE&LOCK	BEAUMONT SAFE & LOCK	Issued	77	C	65.20
41919	07-Apr-2011	BTIRE	BEAUMONT TIRE	Issued	77	C	597.64
41920	07-Apr-2011	CAL-MESA	CAL-MESA STEEL SUPPLY INC	Issued	77	C	80.48
41921	07-Apr-2011	CDPH-OCP	CA DEPT OF PUBLIC HEALTH	Issued	77	C	4,005.20
41922	07-Apr-2011	DEPHEALTH	DEPT OF PUBLIC HEALTH	Issued	77	C	80.00
41923	07-Apr-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	77	C	59,659.45
41924	07-Apr-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	77	C	204.56
41925	07-Apr-2011	EMEDCO	EMEDCO	Issued	77	C	176.68
41926	07-Apr-2011	ENMETCORP	ENMET CORPORATION	Issued	77	C	116.02
41927	07-Apr-2011	ESBABCOCK	ES BABCOCK	Issued	77	C	3,882.00
41928	07-Apr-2011	FED LIC	FEDERAL LICENSING INC.	Issued	77	C	110.00
41929	07-Apr-2011	FEDEX	FEDEX	Issued	77	C	10.49
41930	07-Apr-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	77	C	772.34
41931	07-Apr-2011	GASCO	THE GAS COMPANY	Issued	77	C	14.30
41932	07-Apr-2011	GRAINGER	GRAINGER	Issued	77	C	341.64
41933	07-Apr-2011	HOMEDEPOT	HOME DEPOT CREDIT SERVICES	Issued	77	C	713.11
41934	07-Apr-2011	HUDECS	HUDECS COMPUTER CONSULTING	Issued	77	C	3,210.44
41935	07-Apr-2011	INLANDWATE	INLAND WATER WORKS	Issued	77	C	5,127.08
41936	07-Apr-2011	JOEHAGGIN	HAGGIN, JOE	Issued	77	C	70.00
41937	07-Apr-2011	KVSPAIN TAN	KV'S PAINT AND DECORATING	Issued	77	C	48.88
41938	07-Apr-2011	LUTHERSTRU	LUTHERS TRUCK & EQUIPMENT	Issued	77	C	193.75
41939	07-Apr-2011	MIDORIGARD	MIDORI GARDENS	Issued	77	C	8,568.47
41940	07-Apr-2011	MSTBACKFLO	MST BACKFLOW	Issued	77	C	40.00
41941	07-Apr-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	77	C	322.70
41942	07-Apr-2011	NATIONAL M	NATIONAL METER & AUTOMATION	Issued	77	C	61,610.69
41943	07-Apr-2011	NINOS	NINO'S	Issued	77	C	60.76
41944	07-Apr-2011	ONLINE INF	ONLINE INFORMATION SERVICES	Issued	77	C	251.40
41945	07-Apr-2011	PACIFICALA	PACIFIC ALARM	Issued	77	C	226.00
41946	07-Apr-2011	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	77	C	384.00
41947	07-Apr-2011	PRIORITYMA	PRIORITY MAILING SYSTEMS	Issued	77	C	170.92
41948	07-Apr-2011	PUBLICCEO	PUBLIC CEO	Issued	77	C	150.00
41949	07-Apr-2011	RIOSTONE	RIO STONE BUILDING MATERIALS	Issued	77	C	152.25
41950	07-Apr-2011	SAFEGUARD	SAFEGUARD	Issued	77	C	407.20
41951	07-Apr-2011	SIMSWELDIN	SIMS WELDING SUPPLY CO INC	Issued	77	C	100.44
41952	07-Apr-2011	STAPLES	STAPLES ADVANTAGE	Issued	77	C	431.88
41953	07-Apr-2011	TERMINIX	TERMINIX	Issued	77	C	147.00
41954	07-Apr-2011	TRAFFICCON	TRAFFIC CONTROL SERVICE INC	Issued	77	C	3,194.76
41955	07-Apr-2011	UNDERGROU	UNDERGROUND SERVICE ALERT	Issued	77	C	103.50
41956	07-Apr-2011	USABLUBOC	USA BLUE BOOK	Issued	77	C	210.20
41957	07-Apr-2011	VERIZON	VERIZON	Issued	77	C	340.62
41958	07-Apr-2011	VERIZONIP	VERIZON BUSINESS	Issued	77	C	1,096.62
41959	07-Apr-2011	XEROX	XEROX CORPORATION	Issued	77	C	1,152.65
41960	21-Apr-2011	ACTIONTRUE	ACTION TRUE VALUE HARDWARE	Issued	85	C	236.74
41961	21-Apr-2011	ACWA	ACWA	Issued	85	C	400.00
41962	21-Apr-2011	ALSCO	ALSCO	Issued	85	C	79.80
41963	21-Apr-2011	AMERICANOF	AMERICAN OFFICE SOLUTION	Issued	85	C	53.29
41964	21-Apr-2011	AVAYA	AVAYA INC	Issued	85	C	132.41
41965	21-Apr-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	85	C	356.21
41966	21-Apr-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	85	C	214.26



Check Register-Summary-Bank



AP5090

Page : 2

Date : Apr 28, 2011

Time : 10:54 am

Vendor : A&A FENCE To ZETLMAIER

Cheque Dt. : 01-Apr-2011 To 28-Apr-2011

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
41967	21-Apr-2011	BTIRE	BEAUMONT TIRE	Issued	85	C	447.73
41968	21-Apr-2011	CALTOOL	CALIFORNIA TOOL & WELDING	Issued	85	C	46.80
41969	21-Apr-2011	CHARLESFED	CHARLES Z. FEDAK & CO.	Issued	85	C	5,442.00
41970	21-Apr-2011	COFRIVASSE	COUNTY OF RIVERSIDE ASSESSOR COUNT	Issued	85	C	12.00
41971	21-Apr-2011	CONTROLVAL	CONTROL VALVE SYSTEMS INC	Issued	85	C	970.86
41972	21-Apr-2011	CR&RINCORP	CR&R INC	Issued	85	C	228.27
41973	21-Apr-2011	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	85	C	43.76
41974	21-Apr-2011	DALEY&HEFT	DALEY & HEFT LLP	Issued	85	C	11,606.50
41975	21-Apr-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	85	C	27.66
41976	21-Apr-2011	FEDEX	FEDEX	Issued	85	C	58.29
41977	21-Apr-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	85	C	151.92
41978	21-Apr-2011	GRAINGER	GRAINGER	Issued	85	C	1.57
41979	21-Apr-2011	HASLE000	MAIL FINANCE	Issued	85	C	4,705.92
41980	21-Apr-2011	HASLER	TOTALFUNDS BY HASLER	Issued	85	C	2,000.00
41981	21-Apr-2011	INLANDWATE	INLAND WATER WORKS	Issued	85	C	2,707.89
41982	21-Apr-2011	LEESAUTOBO	LEE'S AUTO BODY	Issued	85	C	744.61
41983	21-Apr-2011	MACROCOMM	MACRO COMMUNICATIONS	Issued	85	C	150.00
41984	21-Apr-2011	METROCALL	USA MOBILITY WIRELESS INC.	Issued	85	C	26.77
41985	21-Apr-2011	MIKEMCGEOR	MIKE MCGEORGE GOPHER CONTROL	Issued	85	C	349.47
41986	21-Apr-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	85	C	200.11
41987	21-Apr-2011	PARSONS	PARSONS WATER & INFRASTRUCTURE INC.	Issued	85	C	62,669.59
41988	21-Apr-2011	PITNEYBOW	EASYPERMIT POSTAGE	Issued	85	C	3,455.74
41989	21-Apr-2011	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	85	C	352.00
41990	21-Apr-2011	RANCHOPASE	RANCHO PASEO MEDICAL	Issued	85	C	80.00
41991	21-Apr-2011	REDWINE	REDWINE AND SHERRILL	Issued	85	C	6,866.00
41992	21-Apr-2011	SGPWA	SAN GORGONIO PASS WATER AGENCY	Issued	85	C	304,320.00
41993	21-Apr-2011	STAPLES	STAPLES ADVANTAGE	Issued	85	C	695.66
41994	21-Apr-2011	TERMINIX	TERMINIX	Issued	85	C	98.00
41995	21-Apr-2011	USABLUBOC	USA BLUE BOOK	Issued	85	C	377.87
41996	21-Apr-2011	VERIZON	VERIZON	Issued	85	C	209.65
41997	21-Apr-2011	VERIZONCRE	VERIZON CREDIT INC.	Issued	85	C	139.29
41998	21-Apr-2011	VERIZONWIR	VERIZON WIRELESS	Issued	85	C	401.66
41999	21-Apr-2011	WASTEMANA	WASTE MANAGEMENT OF INLAND EMPIRE	Issued	85	C	357.65
42000	21-Apr-2011	WELLSFARGC	WELLS FARGO REMITTANCE CENTER	Issued	85	C	650.00
42001	21-Apr-2011	WILDERMUTH	WILDERMUTH ENVIRONMENTAL INC	Issued	85	C	2,115.76
42002	21-Apr-2011	USPOSTAL	US POSTAL SERVICE	Issued	88	C	8,000.00

<b>Total Computer Paid :</b>	<b>590,476.08</b>	<b>Total EFT PAP :</b>	<b>0.00</b>	<b>Total Paid :</b>	<b>590,476.08</b>
<b>Total Manually Paid :</b>	<b>0.00</b>	<b>Total EFT File :</b>	<b>0.00</b>		

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

Check Register-Summary-Bank



AP5090

Page : 1

Date : Apr 28, 2011

Time : 10:55 am

Vendor : A&A FENCE To ZETLMAIER

Cheque Dt. : 01-Apr-2011 To 28-Apr-2011

Bank : 10 - CUSTOMER REFUNDS

Seq : Cheque No.

Status : All

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

Check #	Check Date	Vendor	Vendor Name	Status	Batch	Medium	Amount
1108	07-Apr-2011	CLANI001	CLANIN, AMANDA	Issued	78	C	1,442.00
1109	07-Apr-2011	KBHOMES	KB HOME INC	Issued	78	C	3,031.13
1110	07-Apr-2011	STMP001117	KELLER WILLIAMS REALTY	Issued	78	C	33.90
1112	07-Apr-2011	STMP001119	MCCANN, THOMAS & MARGARITA	Issued	78	C	36.51
1113	07-Apr-2011	STMP001120	TORO, DEBRA	Issued	78	C	21.89
1114	21-Apr-2011	STMP001121	DIMAPASOK, JAIME	Issued	86	C	142.87
1115	21-Apr-2011	STMP001122	DAWSON, KIM	Issued	86	C	190.69
1116	21-Apr-2011	STMP001123	KELLY, GUY & SUSAN	Issued	86	C	27.26
1117	21-Apr-2011	STMP001124	RON POSTEMA	Issued	86	C	24.00
1119	21-Apr-2011	STMP001126	ADDIS, THOMAS	Issued	86	C	12.81
1120	21-Apr-2011	STMP001127	VEIGAS, JASON	Issued	86	C	40.90
1121	21-Apr-2011	STMP001128	BIRCHARD, SUZANNE	Issued	86	C	23.14
1122	21-Apr-2011	STMP001129	KELLER WILLIAMS-CHARETT NAVARRETE	Issued	86	C	15.05
1123	21-Apr-2011	STMP001130	WILLIAM HINES C/O DAWN RAMBAND	Issued	86	C	21.84
1124	21-Apr-2011	STMP001131	HADJSAID, SHARLEEN	Issued	86	C	21.71
1125	21-Apr-2011	STMP001132	O'HARRA, ROXANA	Issued	86	C	42.43
1126	21-Apr-2011	STMP001133	HOGAN, LINDSEY	Issued	86	C	17.21
1127	21-Apr-2011	STMP001134	THOMSEN, JEROME L.	Issued	86	C	18.31
1128	21-Apr-2011	STMP001135	PAGE, JENNIFER	Issued	86	C	60.82
1129	21-Apr-2011	STMP001136	GLOZER, KYLE	Issued	86	C	141.03

<b>Total Computer Paid :</b>	<b>5,365.50</b>	<b>Total EFT PAP :</b>	<b>0.00</b>	<b>Total Paid :</b>	<b>5,365.50</b>
<b>Total Manually Paid :</b>	<b>0.00</b>	<b>Total EFT File :</b>	<b>0.00</b>		

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

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## *Memorandum*

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**Date:** May 11, 2011  
**From:** Anthony Lara, Interim General Manager  
**To:** Board of Directors  
**Subject:** Invoices Pending Payment

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Attached please find copies of the professional services invoices which are pending payment. Total amount pending approval is \$ 40,201.65

<b>Vendor Name</b>	<b>Invoice No.</b>	<b>Amount</b>
Wildermuth Environmental Inc	2011111	\$4,332.66
Parsons	11040098	\$8,625.00
Daley & Heft LLP	38287	\$12,165.69
Redwine & Sherrill	411001	\$8,183.30
Charles Fedak & Company	Apr-11	\$6,895.00
	<b>Total</b>	<b>\$40,201.65</b>

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**Recommendation:** That the Board of Directors approves the invoices for payment.

Wildermuth Environmental  
23692 Birtcher Drive  
Lake Forest, CA 92630  
949.420.3030

RECEIVED  
APR 19 2011

BY: .....

Beaumont Cherry Valley Water District  
Anthony L. Lara  
560 Magnolia Ave.  
Beaumont, CA 92223-2258

Invoice number 2011111  
Date 04/01/2011

Project: **035-010 BMZ Antidegradation Analysis - BCVWD Share**

Professional Services for the Period: March 1, 2011 through March 31, 2011

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The following work was completed during this billing period:

- \* Incorporated the urban stormwater estimates provided by Joe Zoba into the YVWD supply plan. Completed the supply plan and submitted the plan and supporting documents to Joe Zoba for review and comment on March 2, 2011. Sent a follow up request for review and comment on the YVWD water supply plan on March 8, 2011.

- \* Prepared projections of the TDS concentration of YVWD wastewater effluent using historical water quality data and previous projections produced by WEI in a study completed for SAWPA's Phase I Salinity Management Plan. Sent the wastewater projections to Joe Zoba for review and comment on March 2, 2011.

- \* Corresponded with Joe Reichenberger of BCVWD on a request to hold off modeling until BCVWD can provide updated supply information that is in accordance with new City of Beaumont irrigation ordinances.

- \* Reviewed March 1, 2011 memo of comments and questions prepared by Joe Reichenberger on the BCVWD supply plan submitted to Tony Lara for review and comment on February 28, 2011. Composed responses to all comments and questions and returned to Joe R. by email. Updated the BCVWD water supply plans per comments and updated data provided. Sent updates to Joe R. and Tony Lara for review and comment on March 8, 2011. Additional comments received were incorporated into supply plan before running model scenarios.

- \* Prepared for and attended a meeting with the City of Beaumont to review the City's water supply plans used in the model scenarios. The meeting was held on March 15, 2011 at WEI's office in Lake Forest, CA and was attended by Hisam Baqai, Kishen Prathivadi, and Samantha Adams. Updated the City water supply plan per comments provided by the City of Beaumont.

- \* Prepared updated time history charts of TDS concentrations of State Water Project water delivered to the BMZ region since 1973. Computed a cumulative probability curve to determine the TDS concentration that should be used for the CSR model. Prepared graphics and sent via email to the BMZ workgroup.

- \* Corresponded with Cindy Li of the Regional Board to prepare and Agenda for the March 18, 2011 BMZ work group meeting.

- \* Computed the return flows to the BMZ from each water supply agency and incorporated the data into the CSR model.

- \* Completed the CSR model and ran the recycled water planning scenarios (1, 2, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b) discussed at the February 15, 2011 meeting of the BMZ workgroup. Created figures and charts summarizing the model results.

- \* Prepared a presentation and 15 handout packages for the March 18, 2011 meeting of the BMZ work group.

- \* Attended the March 18, 2011 meeting of the Beaumont Management Zone (BMZ) work group at the Regional Board office in Riverside, CA. The meeting was attended by Mark Wildermuth, Samantha Adams, Cindy Li, Hope Smyth, Hisam Baqai, Kishen Prathivadi, Joe Zoba, Jennifer Ares, Tony Lara, Perry Gerdes, Brian Villalobos, Dennis Williams, Jeff Davis, and Sam Gershon.

- \* Corresponded with Joe Zoba regarding the update of the YVWD and BCVWD supply plan to incorporate planned recycled water recharge of excess YVWD recycled water effluent. Updated the YVWD and BCVWD supply plans accordingly and sent to Joe Zoba and Tony Lara for review and comment.

- \* Responded to information requests received from Geoscience on March 21, 2011 on behalf of the City of Banning.

- \* Corresponded with Duane Burk on March 25, 2011 regarding any potential plans of the City of Banning to recharge excess recycled water in the BMZ. Reviewed follow-up correspondence from Brian Villalobos of Geoscience regarding this issue.

- \* Reviewed comments and questions on the March 18, 2011 model results presentation prepared by Joe Reichenberger of the BCVWD.

- \* Prepared and sent an email to the BMZ work group summarizing the concerns with the recycled water planning scenarios being presented to the Regional Board and proposed ideas for an alternative discussion on how to proceed with the BMZ analysis.

- \* Corresponded with Joe Zoba regarding a meeting agenda for March 30, 2011.

- \* Re-ran scenario 6 and an updated desalter scenario in preparation for the March 30, 2011 BMZ work group meeting.

- \* Prepared a presentation and 20 handout packages for the March 30, 2011 meeting of the BMZ work group.

- \* Attended the March 30, 2011 meeting of the BMZ work group at the YVRWFF facility in Yucaipa, CA. The meeting was attended by Mark Wildermuth, Samantha Adams, Hope Smyth, Gary Stuart, Najah Amin, Hisam Baqai, Kishen Prathivadi, Joe Zoba, Jennifer Ares, Tony Lara, Perry Gerdes, Brian Villalobos, Dennis Williams, Jeff Davis, Sam Gershon, and representatives from the California Department of Public Health.

Beaumont Cherry Valley Water

Invoice Number 2011111  
Date 04/01/2011

Project: 035-010 BMZ Antidegradation Analysis - BCVWD Share

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**Professional Services**

	Hours	Rate	Billed Amount
Mark J. Wildermuth	3.25	215.00	698.75
Samantha S. Adams	18.75	150.00	2,812.50
Wenbin Wang	3.50	200.00	700.00
Professional Services subtotal	25.50		4,211.25

**Other Direct Costs**

	Units	Rate	Billed Amount
Color 8x11	217.50	0.35	76.13
Miles	76.50	0.51	39.02
Parking Fees			1.25
Tolls			5.01
Other Direct Costs subtotal			121.41

Invoice total 4,332.66



## WEI Report Production Form

Date Requested: 03/16/11  
Due Date: 03/18/11

Project Number: 008-012, 028-013, 035-010, 042-002

Project Name: BMZ Analysis

Number of Copies: 15

Approved by: Samantha Adams

Signature: 

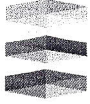
Production by: Samantha Adams

Comments: Prepared handouts for the March 18, 2011 meeting of the BMZ workgroup

### COST BREAKDOWN

				<u>Qty.</u>	<u>Cost</u>
<i>Color</i>					
8x11	0.35 each	40 x 15 =	600	<u>210.00</u>	
11x17	0.50 each	0 x 15 =	0	<u>0.00</u>	
				<b>TOTAL</b>	<b><u>\$ 210.00</u></b>





## WEI Report Production Form

Date Requested: 03/28/11  
Due Date: 03/30/11

Project Number: 008-012, 028-013, 035-010, 042-002

Project Name: BMZ Analysis

Number of Copies: 20

Approved by: Samantha Adams

Signature: 

Production by: Samantha Adams

Comments: Prepared handouts for the March 30, 2011 meeting of the BMZ workgroup

### COST BREAKDOWN

				<u>Qty.</u>	<u>Cost</u>
<i>Color</i>					
8x11	0.35 each	18 x 15 =	270	<u>94.50</u>	
11x17	0.50 each	0 x 15 =	0	<u>0.00</u>	
<b>TOTAL</b>					<b>\$ <u>94.50</u></b>

**Employee Weekly Expense Statement**  
Samantha Adams

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/13	3/14	3/15	3/16	3/17	3/18	3/19	
Job Number	008-012-001	Mileage (miles)						21.5		\$10.97
Client	City of Beaumont	Tolls						\$1.88		\$1.88
Explanation	Drove to Regional Water Quality Control Board office in Riverside, CA to attend the 3/18/11 meeting of the BMZ workgroup.	Parking						\$1.25		\$1.25
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>						\$14.09		\$14.09

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/13	3/14	3/15	3/16	3/17	3/18	3/19	
Job Number	028-013	Mileage (miles)						21.5		\$10.97
Client	Yucaipa Valley Water District	Tolls						\$1.88		\$1.88
Explanation	Drove to Regional Water Quality Control Board office in Riverside, CA to attend the 3/18/11 meeting of the BMZ workgroup.	Parking						\$1.25		\$1.25
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>						\$14.09		\$14.09

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/13	3/14	3/15	3/16	3/17	3/18	3/19	
Job Number	035-010	Mileage (miles)						21.5		\$10.97
Client	BCVWD	Tolls						\$1.88		\$1.88
Explanation	Drove to Regional Water Quality Control Board office in Riverside, CA to attend the 3/18/11 meeting of the BMZ workgroup.	Parking						\$1.25		\$1.25
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>						\$14.09		\$14.09

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/13	3/14	3/15	3/16	3/17	3/18	3/19	
Job Number	042-006	Mileage (miles)						21.5		\$10.97
Client	City of Banning	Tolls						\$1.88		\$1.88
Explanation	Drove to Regional Water Quality Control Board office in Riverside, CA to attend the 3/18/11 meeting of the BMZ workgroup.	Parking						\$1.25		\$1.25
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>						\$14.09		\$14.09

**Total \$76.36**

Employee	Samantha Adams
Employee #	100
Week Ending	3/19/2010

\_\_\_\_\_  
Employee Signature - Date

\_\_\_\_\_  
Supervisor Signature - Date



## Employee Weekly Expense Statement Samantha Adams

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	008-012-001	Mileage (miles)				33.5				\$17.09
Client	City of Beaumont	Tolls				\$1.88				\$1.88
Explanation	Drove to the YVRWFF in Yucaipa, CA to attend the 3/30/11 meeting of the BMZ workgroup.	Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
			Totals				\$18.96			

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	028-013	Mileage (miles)				33.5				\$17.09
Client	Yucaipa Valley Water District	Tolls				\$1.88				\$1.88
Explanation	Drove to the YVRWFF in Yucaipa, CA to attend the 3/30/11 meeting of the BMZ workgroup.	Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
			Totals				\$18.96			

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	035-010	Mileage (miles)				33.5				\$17.09
Client	BCVWD	Tolls				\$1.88				\$1.88
Explanation	Drove to the YVRWFF in Yucaipa, CA to attend the 3/30/11 meeting of the BMZ workgroup.	Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
			Totals				\$18.96			

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	042-006	Mileage (miles)				33.5				\$17.09
Client	City of Banning	Tolls				\$1.88				\$1.88
Explanation	Drove to the YVRWFF in Yucaipa, CA to attend the 3/30/11 meeting of the BMZ workgroup.	Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
			Totals				\$18.96			

**Total \$75.84**

Employee	Samantha Adams
Employee #	100
Week Ending	4/2/2010

Employee Signature - Date
---------------------------

Supervisor Signature - Date
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**Employee Weekly Expense Statement**  
**Mark Wildermuth**

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	042-002-001	Mileage (miles)				21.5				
Client		Tolls				\$1.25				\$1.25
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>				<b>\$1.25</b>				<b>\$1.25</b>

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	008-012-001	Mileage (miles)				21.5				
Client	City of Beaumont	Tolls				\$1.25				\$1.25
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>				<b>\$1.25</b>				<b>\$1.25</b>

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	028-013-001	Mileage (miles)				21.5				
Client		Tolls				\$1.25				\$1.25
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>				<b>\$1.25</b>				<b>\$1.25</b>

			SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
			3/27	3/28	3/29	3/30	3/31	4/1	4/2	
Job Number	035-010-001	Mileage (miles)				21.5				
Client		Tolls				\$1.25				\$1.25
Explanation		Parking								
		Air Travel								
		Rental Car								
		Meals								
		Accommodation								
		Printing								
		<b>Totals</b>				<b>\$1.25</b>				<b>\$1.25</b>

**Total \$5.00**

Employee	Mark Wildermuth
Employee #	100
Week Ending	4/2/2010

Employee Signature - Date
---------------------------

Supervisor Signature - Date
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MEMORANDUM

April 5, 2011

**TO:** Tony Lara, Interim General Manager  
**FROM:** Steve Gratwick  
**SUBJECT:** Work During Billing Period: **2/26/11** through **3/25/11**  
Invoice No. 11040098

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During this past billing period we performed the following tasks:

Task 01000 – General:

- Administration;.....\$542.50
- Update recycled water master plan hydraulic model;.....\$2,380.00

Task 89000 – Master Plan Update:

- Revise hydraulic model for 2650/2520/2370 Pressure Zones;.....\$2,210.00
- Revise hydraulic model for 2750 Pressure Zone;.....\$850.00

Task 10023 – Cherry Tank Site Remediation:

- Review comments from County regarding final Site Closure Report;.....\$712.50
- ODCs (Converse Consultants – Compaction Testing);.....\$1,930.00

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TOTAL \$8,625.00

DENNIS W. DALEY †  
ROBERT R. HEFT  
NEAL S. MEYERS  
RICHARD J. SCHNEIDER  
ROBERT W. BROCKMAN, JR.  
MITCHELL D. DEAN  
DAVID P. BERMAN  
SCOTT NOYA \*  
ROBERT H. QUAYLE, IV  
GOLNAR J. FOZI  
LEE H. ROISTACHER

MATTHEW E. BENNETT  
SAMUEL C. GAZZO ††  
SHIVA ELIHU STEIN  
CRAIG A. BEALER  
SANDRA K. DAWES  
KRISTINA L. GAGNÉ  
T. STEVEN BURKE, JR.  
CHRISTOPHER M. BUSCH ††  
ANDREA M. VELASQUEZ  
MATTHEW T. RACINE \*\*  
DIANA LERMA  
ATHENA B. TROY  
RACHEL B. KUSHNER  
REECE A. ROMÁN  
SUZANA I. FILIPOVIC

## DALEY & HEFT LLP

ATTORNEYS AT LAW  
462 STEVENS AVE. SUITE 201  
SOLANA BEACH, CALIFORNIA 92075-2099  
TELEPHONE (858) 755-5666  
FAX (858) 755-7870  
WWW.DALEY-HEFT.COM

RON J. BEVERIDGE  
OF COUNSEL

MELINDA M. DUDLEY  
ADMINISTRATOR

† also admitted in Washington  
‡ also admitted in Hawaii  
†† also admitted in Iowa  
††† also admitted in District of Columbia  
\*\* also admitted in Oregon

April 13, 2011

RECEIVED

APR 14 2011

REDWINE & SHERRILL

IRS #95-3494652  
Invoice No.: 38287

Beaumont Cherry Valley Water District  
C/O Gilbert J. Granito, General Counsel  
LAW OFFICES OF REDWINE AND SHERRILL  
1950 Market Street  
Riverside, CA 92501

Re:

### PROFESSIONAL SERVICES STATEMENT:

For the Period: March 2011  
Attorney: Neal S. Meyers

Client's Costs Advanced:

PREVIOUS BALANCE	\$11,60 <sup>6</sup> <del>5</del> .50
TOTAL COSTS THIS PERIOD	\$365.69
TOTAL FEES THIS PERIOD	\$11,800.00
<b>TOTAL THIS BILL</b>	<b>\$23,772.19</b>

Balance Due: \$12,165.69

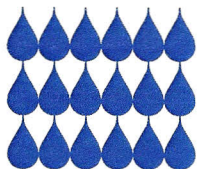


April 29, 2011  
Inv # 411001

Beaumont Cherry Valley Water District  
ATTN: Tony Lara  
P. O. Box 2037  
Beaumont, CA 92223

For Services Rendered During April 2011

Legal Fees due for Month	\$ 8,096.00
Costs Advanced for Month	\$ 87.30
<b>CURRENT AMOUNT DUE</b>	<b>\$ 8,183.30</b>



Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA

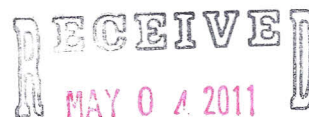
# Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

6081 Orange Avenue  
Cypress, California 90630  
(714) 527-1818  
(562) 598-6565  
FAX (714) 527-9154  
EMAIL czfco@czfcpa.com

April 30, 2011

Ms. Blanca Marin  
Beaumont-Cherry Valley Water District  
560 Magnolia Avenue  
Beaumont, CA 92223



Professional services rendered during the month of April 2011:

BY: .....

Progress billing on audit of financial statements  
of the District for the year ended December 31,  
2010.

\$ 6,200.00

Out-of-pocket expenses incurred in connection  
with the above work performed.

695.00

**\$ 6,895.00**

**Due and Payable Upon Receipt**

**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Unaudited**  
**Through March 31, 2011**

	Current Month	Actual YTD	Adopted Budget	Budget Remaining	Percent of the Budget
<b>Operating revenues:</b>					
Water consumption sales	191,767	611,229	4,483,000	3,871,771	14%
Water service charges	161,056	492,119	1,958,960	1,466,841	25%
Water importation surcharges	49,150	165,349	1,645,592	1,480,243	10%
Water pumping power surcharges	67,476	224,036	1,350,000	1,125,964	17%
Development and installation charges	13,136	22,740	195,000	172,260	12%
Other charges for services	15,977	65,745	259,000	193,255	25%
<b>Total operating revenues</b>	<b>498,562</b>	<b>1,581,218</b>	<b>9,891,552</b>	<b>8,310,334</b>	<b>16%</b>
<b>Operating expenses:</b>					
Source of supply	437,301	874,973	3,841,312	2,966,339	23%
Transmission and distribution	112,142	206,528	964,093	757,565	21%
In house inspections	3,961	8,605	24,000	15,395	36%
Customer accounts	20,570	48,214	217,630	169,416	22%
Maintenance & general plant	40,417	94,813	377,068	282,255	25%
In-House engineering	15,559	30,471	141,507	111,036	22%
Professional services	27,633	47,053	233,000	185,947	20%
Administrative	140,898	306,681	1,951,145	1,644,464	16%
<b>Total operating expenses</b>	<b>798,481</b>	<b>1,617,337</b>	<b>7,749,755</b>	<b>6,132,418</b>	<b>21%</b>
<b>Operating income before depreciation</b>	<b>(299,919)</b>	<b>(36,118)</b>	<b>2,141,797</b>	<b>2,177,915</b>	<b>-2%</b>
<b>Depreciation</b>	<b>183,333</b>	<b>550,000</b>	<b>2,200,000</b>	<b>1,650,000</b>	<b>25%</b>
<b>Operating income Surplus/(Loss)</b>	<b>(483,252)</b>	<b>(586,118)</b>	<b>(58,203)</b>	<b>527,915</b>	<b>1007%</b>
<b>Non-operating revenue</b>					
Interest earnings	1,741	5,903	35,000	29,097	17%
Rental income	1,575	5,465	22,000	16,535	25%
Reimbursement Insurance	-	33,766	33,000	(766)	102%
Grant Income	-	-	75,000	75,000	0%
Other Non Operating Revenue	5,620	7,419	31,000	23,581	24%
<b>Total other non-operating revenues</b>	<b>8,936</b>	<b>52,553</b>	<b>196,000</b>	<b>143,447</b>	<b>27%</b>
<b>Non-operating Expenses</b>					
Principal debit	-	-	722,500	722,500	0%
Interest on principal debit	(25,519)	-	137,270	137,270	0%
Other non operating expenses	4,440	7,494	18,432	10,938	41%
<b>Total non-operating (expenses)</b>	<b>(21,079)</b>	<b>7,494</b>	<b>878,202</b>	<b>870,708</b>	<b>1%</b>
<b>Net Surplus/(Loss) before capital contributions</b>	<b>(453,238)</b>	<b>(541,059)</b>	<b>(740,405)</b>	<b>(199,346)</b>	<b>73.1%</b>
<b>Capital contributions:</b>					
Facilities charges	-	118,515	740,405	621,890	16%
Front footage fees	-	-	-	-	-
<b>Total capital contributions</b>	<b>-</b>	<b>118,515</b>	<b>740,405</b>	<b>621,890</b>	<b>16%</b>
<b>Change in net assets Surplus/(Loss)</b>	<b>(453,238)</b>	<b>(422,544)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Detailed**  
**Unaudited Through March 31, 2011**

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
<b>Operating revenues:</b>					
<b>Water consumption sales</b>					
DOMESTIC WATER SALES	191,340	605,522	4,300,000	3,694,478	14%
IRRIGATION WATER SALES	1,027	1,174	28,000	26,826	4%
CONSTRUCTION WATER SALES	(600)	4,534	75,000	70,466	6%
RECHARGE INCOME (CITY OF BANNING)	-	-	80,000	80,000	0%
<b>Water service charges (meter charge)</b>					
SERVICE CHARGES	161,056	492,119	1,958,960	1,466,841	25%
<b>Water importation surcharge</b>	49,150	165,349	1,645,592	1,480,243	10%
<b>Water pumping power surcharge</b>	67,476	224,036	1,350,000	1,125,964	17%
<b>Development and installation charges</b>					
INSTALLATION CHARGES	2,010	5,360	145,000	139,640	4%
DEVELOPMENT INCOME	11,126	17,380	50,000	32,620	35%
<b>Other charges for services</b>					
REIMB. CUST. DAMAGES/UPGRADES/WELLS	167	1,563	33,000	31,437	5%
BACKFLOW DEVICES	990	4,962	25,000	20,038	20%
RETURNED CHECK FEES	200	480	2,000	1,520	24%
TURN ONS	2,160	11,145	35,000	23,855	32%
THIRD NOTICE CHARGE	5,325	23,585	78,000	54,415	30%
PENALTIES	7,135	24,010	86,000	61,990	28%
	<u>15,977</u>	<u>65,745</u>	<u>259,000</u>	<u>193,255</u>	<u>25%</u>
<b>Total operating revenues</b>	<u>498,562</u>	<u>1,581,218</u>	<u>9,891,552</u>	<u>8,310,334</u>	<u>16%</u>
<b>Operating expenses:</b>					
<b>Source of supply</b>					
STATE PROJECT WATER PURCHASED	304,320	545,240	1,723,253	1,178,013	32%
LABOR	28,150	55,272	234,344	179,072	24%
HEALTH INSURANCE	5,984	13,814	64,737	50,923	21%
RETIREMENT/CALPERS	7,424	14,542	62,948	48,406	23%
LIFE INSURANCE	132	316	1,656	1,340	19%
UNIFORMS, EMPLOYEE BENEFITS	120	120	1,000	880	12%
EDUCATION EXPENSES	265	265	3,500	3,235	8%
SOCIAL SECURITY-FICA	1,745	3,434	14,523	11,088	24%
MEDICARE	408	803	3,396	2,593	24%
WORKER'S COMPENSATION INSURANCE	267	2,039	8,156	6,117	25%
TREATMENT & CHEMICALS	5,119	7,798	68,000	60,202	11%
LAB TESTING	5,042	8,519	55,000	46,481	15%
MAINTENANCE EQUIPMENT (PUMPING) 81088	3,861	9,923	138,000	128,077	7%
UTILITIES - GAS	30	45	200	155	22%
UTILITIES - ELECTRIC	74,435	211,808	1,430,000	1,218,192	15%
TELEMETRY MAINTENANCE	-	-	6,000	6,000	0%
SEMINAR & TRAVEL EXPENSES	-	-	400	400	0%
RANDOM DRUG TEST	-	-	200	200	0%
STATE MANDATE CLEAN UP	-	1,035	20,000	18,965	5%
<b>Total Source of supply</b>	<u>437,301</u>	<u>874,973</u>	<u>3,841,312</u>	<u>2,966,339</u>	<u>23%</u>



**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Detailed**  
**Unaudited Through March 31, 2011**

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
<b>Transmission and distribution</b>					
LABOR	49,935	94,534	434,117	339,583	22%
HEALTH INSURANCE	11,444	27,900	153,767	125,867	18%
RETIREMENT/CALPERS	13,293	25,054	101,739	76,685	25%
LIFE INSURANCE	250	590	3,071	2,481	19%
UNIFORMS, EMPLOYEE BENEFITS	130	130	3,000	2,870	4%
EDUCATION EXPENSES	80	80	1,000	920	8%
SOCIAL SECURITY-FICA	3,096	5,861	26,915	21,054	22%
MEDICARE	724	1,371	6,295	4,924	22%
WORKER'S COMPENSATION INSURANCE	729	4,764	19,939	15,175	24%
SEMINAR & TRAVEL EXPENSES	-	-	800	800	0%
MAINT PIPELINE/FIRE HYDRANT	4,149	7,757	38,000	30,243	20%
LINE LOCATES	215	574	2,500	1,926	23%
MAINT METERS & SERVICES	27,469	33,972	128,000	94,028	27%
BACKFLOW DEVICES	90	591	1,000	409	59%
MAINTENANCE RESERVOIRS/TANKS	-	407	12,000	11,593	3%
MAINTENANCE PRESSURE REGULATORS	563	3,033	9,000	5,967	34%
INVENTORY ADJUSTMENT	-	-	15,000	15,000	0%
INVENTORY PURCHASE DISCOUNTS	(23)	(90)	(2,300)	(2,210)	4%
OBSOLETE OR DAMAGED INVENTORY	-	-	10,000	10,000	0%
RANDOM DRUG TEST	-	-	250	250	0%
<b>Total transmission and distribution</b>	<b>112,142</b>	<b>206,528</b>	<b>964,093</b>	<b>757,565</b>	<b>21%</b>
<b>In House Inspections</b>					
LABOR	2466	5,114	15,400	10,286	33%
HEALTH INSURANCE	459	1,156	3,000	1,844	39%
RETIREMENT/CALPERS	806	1,672	2,400	728	70%
LIFE INSURANCE	13	33	250	217	13%
UNIFORMS, EMPLOYEE BENEFITS	-	-	250	250	0%
SOCIAL SECURITY-FICA	153	317	1,350	1,033	23%
MEDICARE	36	74	350	276	21%
WORKER'S COMPENSATION INSURANCE	29	238	1,000	762	24%
	<b>3961</b>	<b>8,605</b>	<b>24,000</b>	<b>15,395</b>	<b>36%</b>
<b>Customer accounts</b>					
LABOR	11,996	27,363	123,342	95,979	22%
HEALTH INSURANCE	3,832	9,532	48,133	38,601	20%
RETIREMENT/CALPERS	3,551	7,842	28,758	20,916	27%
LIFE INSURANCE	74	173	874	701	20%
UNIFORMS, EMPLOYEE BENEFITS	-	-	750	750	0%
EDUCATION EXPENSES	-	-	400	400	0%
SOCIAL SECURITY-FICA	744	1,697	7,647	5,950	22%
MEDICARE	174	397	1,788	1,391	22%
WORKER'S COMPENSATION	199	1,210	5,438	4,228	22%
SEMINAR & TRAVEL EXPENSES	-	-	300	300	0%
RANDOM DRUG TEST	-	-	200	200	0%
<b>Total customer accounts</b>	<b>20,570</b>	<b>48,214</b>	<b>217,630</b>	<b>169,416</b>	<b>22%</b>

**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Detailed**  
**Unaudited Through March 31, 2011**

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
<b>Maintenance &amp; general plant</b>					
UTILITIES - DISTRICT PROPERTIES	11,924	22,865	91,500	68,635	25%
AUTO/FUEL	6,260	17,241	86,722	69,481	20%
SAFETY EQUIPMENT	194	222	5,600	5,378	4%
COMMUNICATION MAINTENANCE	-	-	700	700	0%
REPAIR & MAINT OF GEN EQUIPMENT	1,245	1,910	4,000	2,090	48%
REPAIR VEHICLES AND TOOLS	3,783	10,383	15,000	4,617	69%
LARGE EQUIPMENT MAINTENANCE	4,111	7,444	30,000	22,556	25%
EQUIP. PREVENTATIVE MAINTENANCE	100	100	1,546	1,446	6%
AUTO/EQUIPMENT OPERATION	2,354	3,876	24,000	20,124	16%
MAINT GENERAL PLANT (BUILDINGS)	1,175	1,545	3,000	1,455	52%
LANDSCAPE MAINTENANCE	8,568	21,044	75,000	53,956	28%
RECHARGE FAC, CANYON & POND MAINTENANCE	702	8,181	40,000	31,819	20%
<b>Total maintenance &amp; general plant</b>	<b>40,417</b>	<b>94,813</b>	<b>377,068</b>	<b>282,255</b>	<b>25%</b>
<b>In-House engineering</b>					
LABOR	10,786	21,994	104,000	82,006	21%
HEALTH INSURANCE	472	1,189	5,735	4,546	21%
RETIREMENT/CALPERS	1,690	3,403	12,000	8,597	28%
LIFE INSURANCE	34	85	400	315	21%
EDUCATION EXPENSE	1,642	1,642	5,000	3,358	33%
SOCIAL SECURITY-FICA	669	1,364	6,459	5,095	21%
MEDICARE	156	319	1,510	1,191	21%
WORKER'S COMPENSATION	111	476	1,903	1,427	25%
SEMINAR & TRAVEL EXPENSES	-	-	500	500	0%
SOFTWARE LICENSING	-	-	4,000	4,000	0%
<b>Total in-house engineering</b>	<b>15,559</b>	<b>30,471</b>	<b>141,507</b>	<b>111,036</b>	<b>22%</b>
	<b>15559.3</b>				
<b>Professional services</b>					
GENERAL LEGAL	18,473	28,857	150,000	121,143	19%
AUDIT	5,442	5,442	23,000	17,558	24%
GENERAL ENGINEERING	1,393	4,045	50,000	45,955	8%
DEVELOPMENT - REIMB. ENGINEERING	210	6,593	6,000	(593)	110%
ENGINEERING - PERMITTING (REC WATER)	2,116	2,116	4,000	1,884	53%
<b>Total professional services</b>	<b>27,633</b>	<b>47,053</b>	<b>233,000</b>	<b>185,947</b>	<b>20%</b>
<b>General and administrative</b>					
LABOR	71,988	137,424	875,991	738,567	16%
HEALTH INSURANCE	11,429	27,491	224,132	196,641	12%
RETIREMENT/CALPERS	16,289	32,496	199,772	167,276	16%
LIFE INSURANCE	279	690	6,028	5,338	11%
UNIFORMS EMPLOYEE BENEFIT	-	-	1,000	1,000	0%
EDUCATION EXPENSES	-	110	0	(110)	0%
SOCIAL SECURITY	4,463	8,503	54,311	45,808	16%
MEDICARE	1,044	1,989	12,701	10,712	16%
WORKER'S COMPENSATION INSURANCE	393	1,880	7,521	5,641	25%
UNEMPLOYMENT INSURANCE	-	-	13,000	13,000	0%

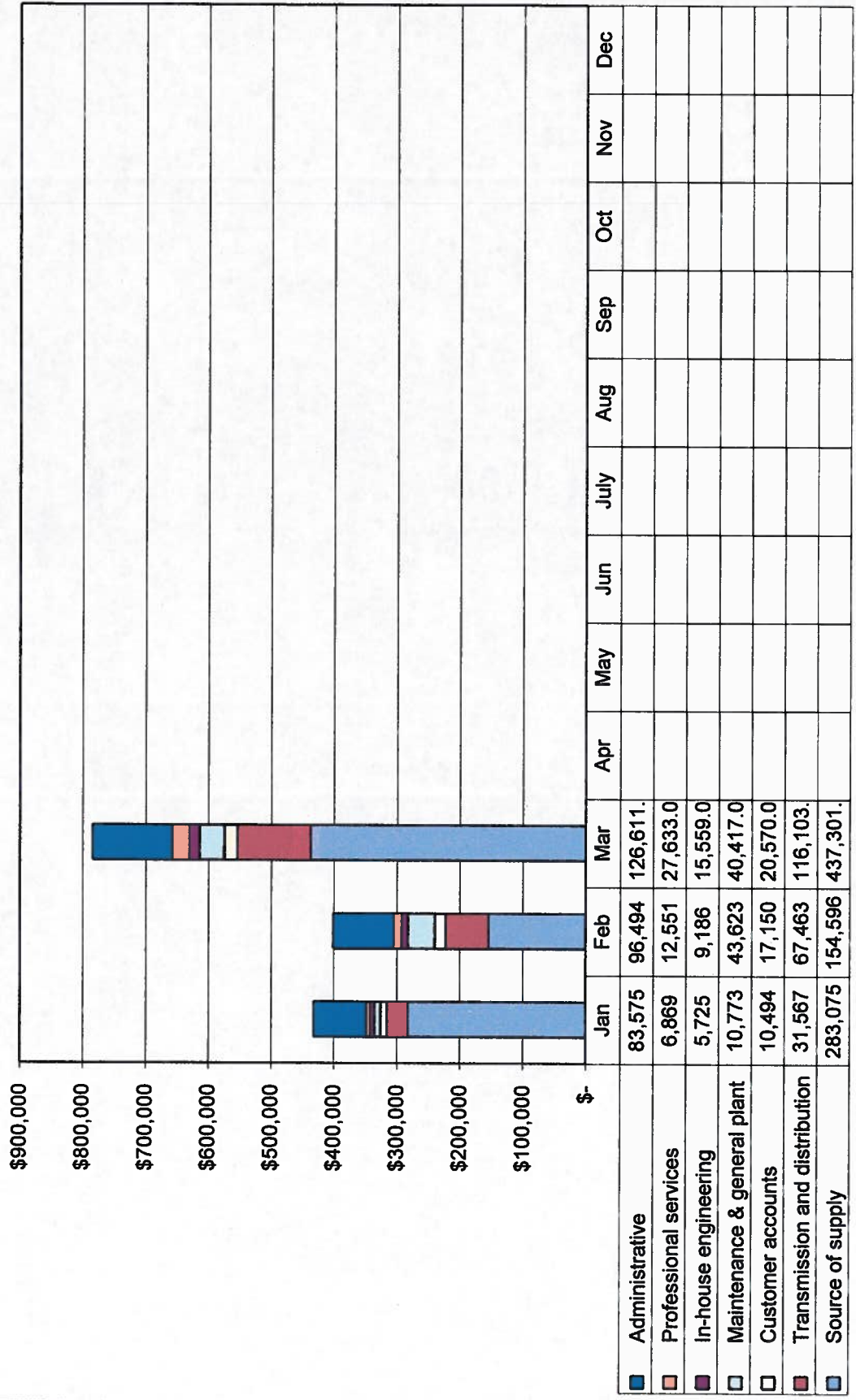
**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Detailed**  
**Unaudited Through March 31, 2011**

	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
SEMINAR & TRAVEL EXPENSES	100	775	2,000	1,225	39%
BANK PROCESSING FEES -LOCK BOX	-	-	39,287	39,287	0%
EMPLOYER SHARE FOR RETIRED (CALPERS)	569	1,706	6,000	4,294	28%
ADMINISTRATIVE COSTS (CALPERS)	142	422	1,600	1,178	26%
BANK CHGS/MONEY MARKET/TRANS. FEES	2,153	6,493	26,000	19,507	25%
TEMPORARY LABOR	-	-	20,000	20,000	0%
OFFICE SUPPLIES	7,091	12,396	32,150	19,754	39%
OFFICE EQUIPMENT/SERVICE AGREEMENTS	2,244	20,249	69,050	48,801	29%
OFFICE MAINTENANCE	1,101	3,303	14,000	10,697	24%
MEMBERSHIP DUES	1,175	6,052	30,000	23,948	20%
OFFICE EQUIP.MAINT. & REPAIRS	-	-	3,950	3,950	0%
POSTAGE	4,493	6,588	48,000	41,413	14%
SUBSCRIPTIONS	495	1,041	5,000	3,959	21%
MISCELLANEOUS OPERATING SUPPLIES	47	140	7,700	7,560	2%
MISCELLANEOUS TOOLS/EQUIPMENT	-	-	4,092	4,092	0%
EMPLOYEE MEDICAL/FIRST AID	-	-	500	500	0%
RANDOM DRUG TESTING	-	-	300	300	0%
PROPERTY/AUTO/GEN LIABILITY INSURANCE	7,477	22,430	100,000	77,570	22%
STATE MANDATES AND TARIFFS	850	1,545	32,000	30,455	5%
MISCELLANEOUS EXPENSES	950	1,019	4,500	3,481	23%
PUBLIC EDUCATION	-	-	10,000	10,000	0%
PROPERTY DAMAGE	-	150	2,000	1,850	8%
IT SUPPORT/SOFTWARE SUPPORT	4,105	7,649	45,000	37,351	17%
BAD DEBT EXPENSES	-	-	0	0	0%
BOARD OF DIRECTOR FEES	1,901	3,817	48,850	45,033	8%
SOCIAL SECURITY-FICA	97	262	3,010	2,748	9%
MEDICARE	23	61	700	639	9%
SEMINAR & TRAVEL EXPENSES	-	-	1,000	1,000	0%
<b>Total Administrative (incl B of Directors)</b>	<b>140,898</b>	<b>306,681</b>	<b>1,951,145</b>	<b>1,644,464</b>	<b>16%</b>
<b>Total operating expenses</b>	<b>798,481</b>	<b>1,617,337</b>	<b>7,749,755</b>	<b>6,132,418</b>	<b>21%</b>
<b>Operating income before depreciation</b>	<b>(299,919)</b>	<b>(36,118)</b>	<b>2,141,797</b>	<b>2,177,915</b>	<b>-2%</b>
<b>Depreciation</b>	<b>183,333</b>	<b>550,000</b>	<b>2,200,000</b>	<b>1,650,000</b>	<b>25%</b>
<b>Operating income Surplus/(Loss)</b>	<b>(483,252)</b>	<b>(586,118)</b>	<b>(58,203)</b>	<b>527,915</b>	<b>1007%</b>
<b>Non-operating revenue</b>					
Interest Earnings	1,741	5,903	35,000	29,097	17%
Rental income	1,575	5,465	22,000	16,535	25%
Reimbursement Insurance	-	33,766	33,000	(766)	102%
Grant Income ( adjust) before printing	-	-	75,000	75,000	0%
Other non-operating revenues	5,620	7,419	31,000	23,581	24%
<b>Total non-operating (revenues)</b>	<b>8,936</b>	<b>52,553</b>	<b>196,000</b>	<b>143,447</b>	<b>27%</b>

**Beaumont-Cherry Valley Water District**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**Detailed**  
**Unaudited Through March 31, 2011**

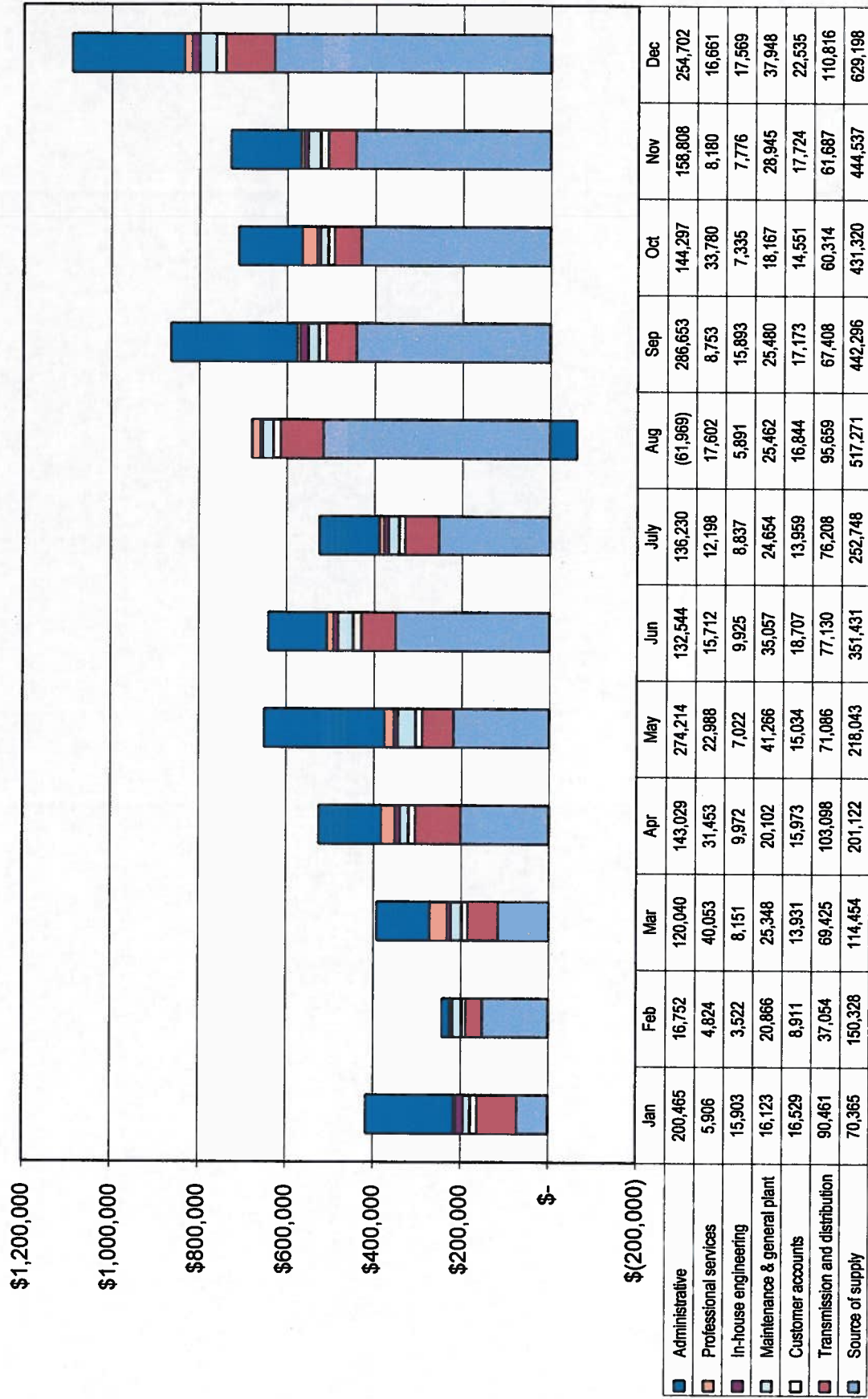
	<u>Current Month</u>	<u>Actual - YTD</u>	<u>Adopted Budget</u>	<u>Budget Remaining</u>	<u>Percent of the Budget</u>
<b>Non-operating Expenses</b>					
Principal debit	-	-	722,500	722,500	0%
Interest on principal debit	(25,519)	-	137,270	137,270	0%
Other non operating expenses	4,440	7,494	18,432	10,938	41%
<b>Total non-operating (expenses)</b>	<u>(21,079)</u>	<u>7,494</u>	<u>878,202</u>	<u>870,708</u>	<u>1%</u>
<b>Net surplus/(Loss) before capital contributions</b>	<u>(453,238)</u>	<u>(541,059)</u>	<u>(740,405)</u>	<u>671,362</u>	<u>-91%</u>
<b>Capital contributions:</b>					
Facilities charges	-	118,515	740,405	621,890	16%
Front footage fees	-	-	-	0	0%
<b>Total capital contributions</b>	<u>-</u>	<u>118,515</u>	<u>740,405</u>	<u>621,890</u>	<u>16%</u>
<b>Change in net assets Surplus/(Loss)</b>	<u>(453,238)</u>	<u>(422,544)</u>	<u>-</u>	<u>-</u>	<u>0%</u>

### Operating Expenses by Activity - Ending March 2011





### Operating Expenses by Activity - Ending December 2010



**Beaumont-Cherry Valley Water District  
 Month-end Financial Statement  
 Cash and Investments (Unaudited)  
 As of March 31, 2011**

Cash and cash equivalents	5,501,091
Restricted:	
Debt service	0
Construction	<u>44,802</u>
Total	<u><u>5,545,893</u></u>

Cash and cash equivalents consist of the following:

Petty cash	1,400
Deposits with financial institutions	<u>5,499,691</u>
Total cash and cash equivalents	<u><u>5,501,091</u></u>

We paid BOFA principal in Mar-11 - All Debt Cash reversed.  
 resume again April-11

**Beaumont-Cherry Valley Water District  
Bank of America Note Reconciliation  
March 31, 2011**

	FY2011
Balance of Funds received on March 31, 2010	\$215,489.22
Add: FY 2011 Year to date Interest earned	\$65.87
Less: reimbursement for costs incurred on capital projects	
2800 Zone Tank	
24" Recycled - Brookside	
1 MG Reservoir/Booster	\$69,903.47
24" Recycled - Westerly Loop Phase 4B Ring Ranch Rd	
24" Recycled - Westerly Loop Phase 4A	\$100,849.98
Total	<u>\$170,753.45</u>
<b>Capital Project Fund balance</b>	<u><u>\$44,801.64</u></u>



**RECORD OF THE MINUTES OF THE  
REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
BEAUMONT CHERRY VALLEY WATER DISTRICT  
April 13, 2011**

**CALL TO ORDER, VICE PRESIDENT WOLL**

Vice president Woll called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California.

**PLEDGE OF ALLEGIANCE, DIRECTOR GULDSETH**

Director Guldseth led the pledge.

**INVOCATION, DIRECTOR EARHART**

Director Earhart recited an invocation.

**ROLL CALL, BLANCA MARIN**

Those responding to roll call were Vice President Woll and Directors Earhart, Guldseth, and Ross. Absent to this meeting was President Ball. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara and Executive Assistant Blanca Marin.

**PUBLIC PRESENT:**

John Covington	Minnie Birchard	Jeremy Conkle
Mark Knorrninga	Barbara Brown	Steve Borrowman
Frances Flanders	Judy Bingham	T. Thompson
Barbara Voigt	Patsy Reeley	Betty Beckman
John Halliwill	Luwana Ryan	Ken Falls
Niki Magee	David Castaldo	Basil Clinton
Stella Parks	James Sickman	Marv Shaw

**PUBLIC INPUT**

Director Ross invited Mark Knorrninga to address the Board on an item not on the agenda. Mr. Knorrninga Chief Executive Officer of the Building Industry Association indicated that he had been requested by the City of Beaumont to participate to facilitate the agreement between the City and the District on the recycled water. He further stated his interest in working with the District to use the water resources in the most effective way.

**ACTION ITEMS**

**1. ADOPTION OF THE AGENDA**

Interim General Manager Anthony Lara requested that the Presentation on Preliminary Imported Water Allocation Concepts be tabled for a future meeting as he would like to have all board members present.

Directors Ross moved to adopt the agenda with changes. Directors Earhart seconded. The motion passed with President Ball absent.

**2. CONSENT CALENDAR:** Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval.

- a. March 2011 Bills for Consideration\*\*
- b. March 2011 Invoices Pending Approval\*\*
- c. February 2011 Month End Financial Statement\*\*

- d. Minutes of the Regular Meeting of March 9, 2011\*\*

Director Earhart moved to approve the Consent Calendar as presented. Director Ross seconded. The motion passed with President Ball absent.

**3. REVIEW OF ORDER PURSUANT TO WATER CODE SECTION 13267 FROM REGIONAL WATER QUALITY CONTROL BOARD AND CONSIDERATION OF REQUEST FROM UCR TO ACCESS DISTRICT'S FACILITIES TO CONDUCT GROUNDWATER STUDY\*\***

Director Ross invited John Halliwill to address the Board on this item. Mr. Halliwill commented on the credentials of staff from the University of Riverside.

Interim General Manager Anthony Lara provided a brief history on the subject and invited James Sickman and Jeremy Conkle to do a presentation regarding the Groundwater Study.

James Sickman, representing the University of Riverside presented a slide show and answered questions from the Board and the public.

After brief discussion from the Board and public comments, Director Earhart moved to approve the request from the University of Riverside to sample the District's wells with the condition that an employee of the District be present when taking the samples from the wells. Director Guldseth seconded. The motion passed with President Ball absent.

**4. REVIEW AND APPROVAL OF THE PROPOSED WATER SERVICE APPLICATION PROCESS\*\***

Interim General Manager Anthony Lara briefly reported on this item indicating that once approved by the Board the Final Water Application Process will be posted on the District's website.

The Board commended Staff on the report well done.

Director Earhart moved to approve the Proposed Water Service Application Process. Director Ross seconded. The motion passed with President Ball absent.

**5. REPORTS FOR DISCUSSION AND POSSIBLE ACTION**

**(a) Ad hoc Committees** – Vice President Woll reported that he met with Director Earhart for the GM Recruitment Committee and that 54 applications were received. He indicated that the Committee will provide more information at the next board meeting.

**(b) General Manager**

- Correspondence from the State Water Resources Control Board regarding approval of grant\*\*- Lara reported that the Grant has been approved and that the District will start the reimbursement process
- Policy and Procedures Manual Update- Lara recommended that a meeting be held on April 28, 2011 at 6pm to review and approve amendments to the Policies and Procedures Manual.
- Update on RFP for GIS Data Acquisition-Lara reported that the GIS RFP has been sent out.
- State of the City Luncheon & Beautification Awards, April 28, 2011\*\*-Lara requested that any interested board members call Staff at the District to RSVP.
- Presentation on Preliminary Imported Water Allocation Concepts\*\*- Tabled.
- State Project Water Allocation update- Lara reported that the allocation went up from 70 to 80 percent.

**(c) Directors**

- Dr. Blair Ball- Absent
  
- James Earhart- He reported that he attended the Beaumont Basin Watermaster meeting.
- John Guldseth- None
- Ken Ross- None
- Ryan Woll-None

**(d) Legal Counsel**

**6. ANNOUNCEMENTS**

- A) Policies and Procedures Manual Workshop- April 28, 2011 at 6pm**
- B) Finance & Audit Meeting, May 5, 2011 at 2:00 p.m.**
- C) Regular Board Meeting, May 11, 2011 at 7:00 p.m.**

**7. ACTION LIST**

- None

**8. CLOSED SESSIONS**

- A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518)**
  
- B. A Closed Session will be held to confer with Legal Counsel pursuant to subdivision (c) of Government Code Section 54956.9 during which time, based on existing facts and circumstances, the Board will discuss and consider authorizing Legal Counsel to initiate litigation (one matter-unidentified at this time)**

Vice president Woll adjourned the meeting to Closed Session at 7:45 p.m.

Vice president Woll reconvened to open session at 8:14 p.m.

Legal Counsel Granito reported that the board did go into Closed Session as agendized. The first part of the Closed Session was held to confer with Legal Counsel on an existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 regarding Joseph Scott vs Beaumont Cherry Valley Water District and no further reportable action was taken.

Legal Counsel Granito reported that the second part of the Closed Session was held to confer with Legal Counsel pursuant to subdivision (c) of Government Code Section 54956.9 during this time the Board authorized Legal Counsel to initiate litigation and Legal Counsel will identify the subject of litigation once the initiation is made. No further reportable actions were taken.

**9. ADJOURNMENT**

Director Guldseth moved to adjourn the meeting. Director Ross seconded. The motion passed with President Ball absent.

The meeting was adjourned at 8:15 p.m.

Unapproved Minutes of April 13, 2011

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Ryan Woll, Vice President of the  
Board of directors of the  
Beaumont Cherry Valley Water District

Attest:

---

Kenneth Ross, Secretary to the  
Board of Directors of the  
Beaumont Cherry Valley Water District

**RECORD OF THE MINUTES OF THE  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
BEAUMONT CHERRY VALLEY WATER DISTRICT  
April 28, 2011**

**CALL TO ORDER, PRESIDENT BALL**

President Ball called the meeting to order at 6:07 p.m., 560 Magnolia Avenue, Beaumont, California.

**PLEDGE OF ALLEGIANCE, DIRECTOR EARHART**

Director Earhart led the pledge.

**INVOCATION, PRESIDENT BALL**

President Ball recited the invocation.

**ROLL CALL, BLANCA MARIN**

Those responding to roll call were President Ball, Vice President Woll and Directors Earhart, Guldseth and Ross. Also present at this meeting were Legal Counsel Gil Granito, Interim General Manager Anthony Lara and Executive Assistant Blanca Marin.

**PUBLIC INPUT**

There was no public input presented at this time.

**ACTION ITEMS**

**1. ADOPTION OF THE AGENDA**

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

**2. REVIEW OF THE DISTRICT'S POLICIES AND PROCEDURES MANUAL \*\***

The Board reviewed and discussed the proposed changes as outlined on this item of the agenda. Interim General Manager Lara answered questions from the Board.

**3. APPROVAL OF AMENDMENT TO THE DISTRICT'S POLICIES AND PROCEDURES MANUAL BY ADOPTING RESOLUTION 2011-04, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT AMENDING THE DISTRICTS POLICIES AND PROCEDURES MANUAL \*\***

Vice President Woll moved to approve Resolution 2011-04, A Resolution Amending the District's Policies and Procedures Manual with changes. Director Guldseth seconded. The motion passed unanimously.

**4. CLOSED SESSION**

**At this time, the Board will go into Closed Session pursuant to Government Code Section 54957 concerning the appointment to the General Manager position. This Closed Session is for the purpose of selecting the final candidates for interviews by the entire Board at a future date.**

President Ball adjourned to Closed Session at 7:22 p.m.

**5. OPEN SESSION- REPORT ON CLOSED SESSION**

President Ball reconvened to open session at 9:00 p.m.

Legal counsel Gil Granito reported that the board did go into Closed Session as agendized at approximately 7:22 p.m., and that the Closed Session was held pursuant to Government Code Section 54957. During Closed Session the Board discussed the appointment of the general manager position and the selection of the final candidates for interviews by the entire Board at a future date. There was no further reportable action.

**6. ADJOURNMENT**

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

---

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

Attest:

---

Kenneth Ross, Secretary to the  
Board of Directors of the  
Beaumont Cherry Valley Water District



**Beaumont Cherry Valley Water District  
Regular Meeting of the  
Board of Directors  
May 11, 2011**

**Background**

Pursuant to the attached agreement, the District has been offered 3,500 acre feet of unused, temporary surplus from South Mesa Water Company (SMWC). Since 2006, the District has purchased and transferred 6,000 acre feet of surplus rights from SMWC. These transfers, along with the continued purchases of State Project Water will increase the amount of water in the District's storage account and reduce any future replenishment obligation after the temporary surplus ends in 2014.

**Fiscal Impact**

The total cost of the available water at \$292 per acre foot is \$1,022,000, which can be spread over a twelve month period. Offsetting the purchase of an equal amount of State Project Water would result in a savings of \$87,500.

**Recommendation**

That the Board approve the purchase of 3,500 acre feet of surplus water from South Mesa Water Company.



# South Mesa Water Company

Telephone (909)795-2401 · Fax (909)795-5299

391 West Avenue L · P.O. Box 458

Calimesa, California 92320-0458

Email – [smwcstock@verizon.net](mailto:smwcstock@verizon.net)



April 7, 2011

Beaumont-Cherry Valley Water District  
Tony Lara

Dear Tony,

South Mesa Water Company has temporary surplus water in the Beaumont Basin available for sale at the agreed on price of \$25.00 less than the price of water from the San Gorgonio Pass Water Agency. We currently have 3500 acre feet available for sale and we are offering it for sale at this time.

Sincerely,

George Jorritsma  
President



## AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into on this 08 day of January 2000 ("Effective Date") by and between BEAUMONT CHERRY VALLEY WATER DISTRICT, a public agency of the State of California, ("District"), and SOUTH MESA WATER COMPANY, a corporation of the State of California, ("Company"). District and Company are sometimes referred to individually as "Party" or collectively as "Parties."

## RECITALS

- A. District is an irrigation district, organized pursuant to the Wright Act of 1897 and existing pursuant to California Irrigation District Law, California Water Code §20500, et. seq.
- B. Company is a water company, organized pursuant to the California Corporations Code.
- C. District and Company are both parties to the Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin, entered on February 4, 2004, in the matter of *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197 ("Judgment"). Both Parties are Appropriator Parties as defined in the Judgment.
- D. Company's appropriative rights, pursuant to the judgment in Section C, provide it 1,996 acre-feet / year.
- E. Company will not require 1,996 acre-feet / year, and the unused remainder will be surplus ("Surplus Water").
- F. Company may decide to keep some of Surplus Water for it's own stores and future use ("Stored Water").
- G. The remainder of Surplus Water that is not kept as Stored Water will be made available to District to purchase ("Available Water").
- H. District desires to acquire all or part of Available Water, and Company desires to sell Available Water to District.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN, AND OTHER GOOD, VALUABLE AND ADEQUATE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. All of the above Recitals are hereby incorporated by reference to the extent as though herein again set forth in full.

2. From and after the Effective Date, Company will sell all or part of Available Water to District.
3. At the end of each fiscal year, June 30 of each year, Company will calculate the amount of Available Water.
4. The Parties hereby agree that Company must offer all Available Water or Stored Water to District before Company offers Available Water or Stored Water to any third party, notwithstanding the expiration of this agreement.
5. By \_\_\_\_\_ of each year, Company will notify District of the amount of Available Water and offer Available Water for sale to District.
6. Within sixty (60) days of the notification date in Section 5 above, District will notify Company of the portion, up to the entire amount, of Available Water which District desires to purchase ("Purchased Water").
7. District will pay for the Purchased Water at the time District notifies Company of the amount District wishes to purchase.
8. District and Company will each notify the Watermaster of the amount of Purchased Water.
9. The Purchased Water will remain in the Beaumont Basin until such time as District chooses to remove any portion or all of the Purchased Water.
10. Once District purchases the Purchased Water, District shall have all rights to Purchased Water.
11. The price for Available Water or Stored Water purchased by District from Company shall be Twenty-Five Dollars (\$25.00) per acre-foot less than Company's California State Project water acre-foot price in the year in which Company's rights to Available Water or Stored Water were obtained.
12. This Agreement shall end on February 4, 2014.
13. The Parties agree to cooperate with each other in furthering the purposes of this Agreement. The Parties hereby agree to take such other actions and execute such other reasonable documents as are consistent with this Agreement and as are reasonably necessary to effectuate this Agreement; provided, however, that the foregoing shall not require District to take any legislative action or exercise its discretion in any particular manner.
14. This Agreement contains the final and complete agreement between the Parties with respect to the matters herein discussed and supersedes all previous communications and agreements between them, either oral or written, to the

extent such prior communications and agreement are not consistent with this Agreement.

15. In the event that any action or proceeding is commenced between the Parties hereto to enforce or interpret any term of this Agreement, the prevailing Party in such action or proceeding, in addition to all other relief to which it may be entitled, shall be entitled to recover from the other Party the prevailing Party's costs of suit and reasonable attorneys' fees. The attorneys' costs and fees shall include, without limitation, attorneys' costs and fees incurred on appeal and those incurred in enforcing any judgment rendered in any such action or proceeding. Such attorneys' costs and fees may be recovered as an element of costs in the underlying action or proceeding or in a separate recovery action.
16. All notices shall be in writing and shall be considered given and received: (i) when delivered in person to the recipient named below; or (ii) three days after deposit in the United States mail, postage prepaid, addressed to the recipient named below; or (iii) on the date of delivery shown in the records of an express courier such as Federal Express or DHL; or (iv) on the date of delivery by facsimile transmission to the recipient named below. All notices shall be addressed as followed:

If to District:

General Manager/Secretary  
Beaumont Cherry Valley Water District  
P.O. Box 2037  
Beaumont, CA 92223

If to Company:

South Mesa Water Company

Any Party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a Party or an officer or representative of a Party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

17. This Agreement and all its provisions shall in all respects be interpreted, construed, enforced, and governed by and under the laws of the State of California, without regard to its conflict of laws principles.
18. Any action or proceeding brought respecting this Agreement shall be instituted and maintained in the appropriate court in the County of Riverside, California.

19. This Agreement may be modified only by another written instrument duly authorized, executed, and acknowledged, by both Parties.
20. The provisions of this Agreement are specifically made severable. If any clause, provision, right, or remedy provided for herein is determined to be unlawful or unenforceable, the remainder of this Agreement shall remain in effect and shall be enforced as if such clause, provision, right, or remedy were not contained herein.
21. The language in all parts of this Agreement shall in all respects be construed as a whole according to its fair meaning, and not strictly for or against any other Party. This Agreement is the product of mutual negotiation and drafting efforts. Accordingly, the judicial rule of construction that ambiguities in a document are to be construed against the drafter of that document shall have no application to the interpretation or enforcement of this Agreement.
22. This Agreement may be executed in one or more counterparts, each of which shall be an original and all such counterparts together shall constitute the entire Agreement of the Parties hereto.
23. Each individual executing this Agreement hereby represents and warrants that he or she has the full power and authority to execute this Agreement on behalf of the named Parties.
24. This Agreement shall not be extinguished or altered in any way, by any Party without the prior written consent of the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

DISTRICT:

BEAUMONT-CHERRY VALLEY  
WATER DISTRICT, a public agency  
of the State of California

By: \_\_\_\_\_

Its: \_\_\_\_\_

*C. J. Batelee*  
\_\_\_\_\_  
*GM*  
\_\_\_\_\_

COMPANY:

SOUTH MESA WATER  
COMPANY, A California  
Corporation

By: \_\_\_\_\_

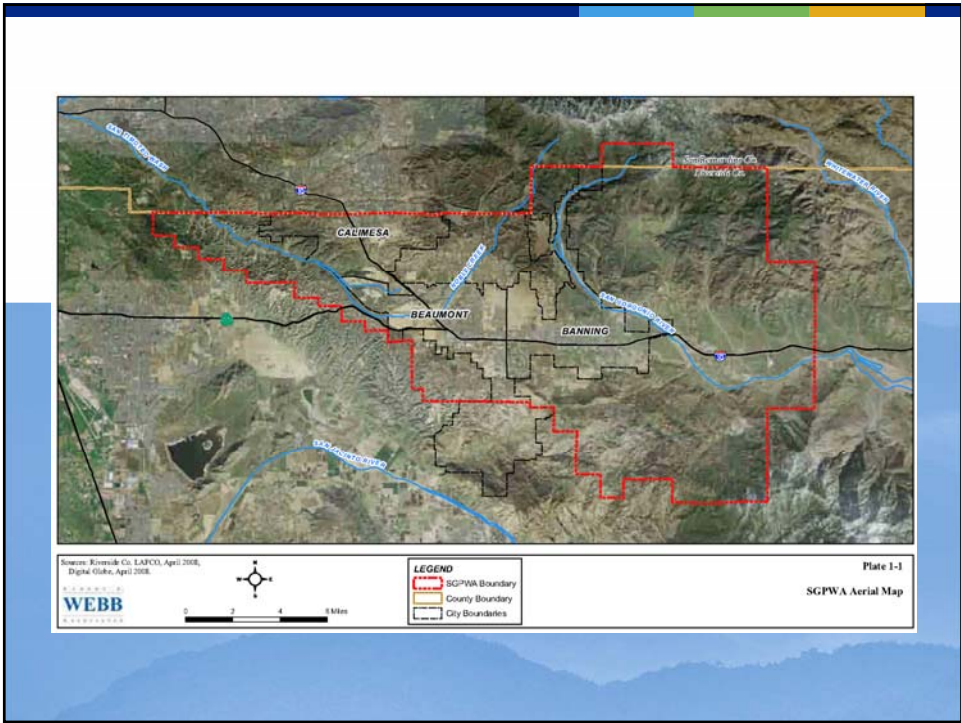
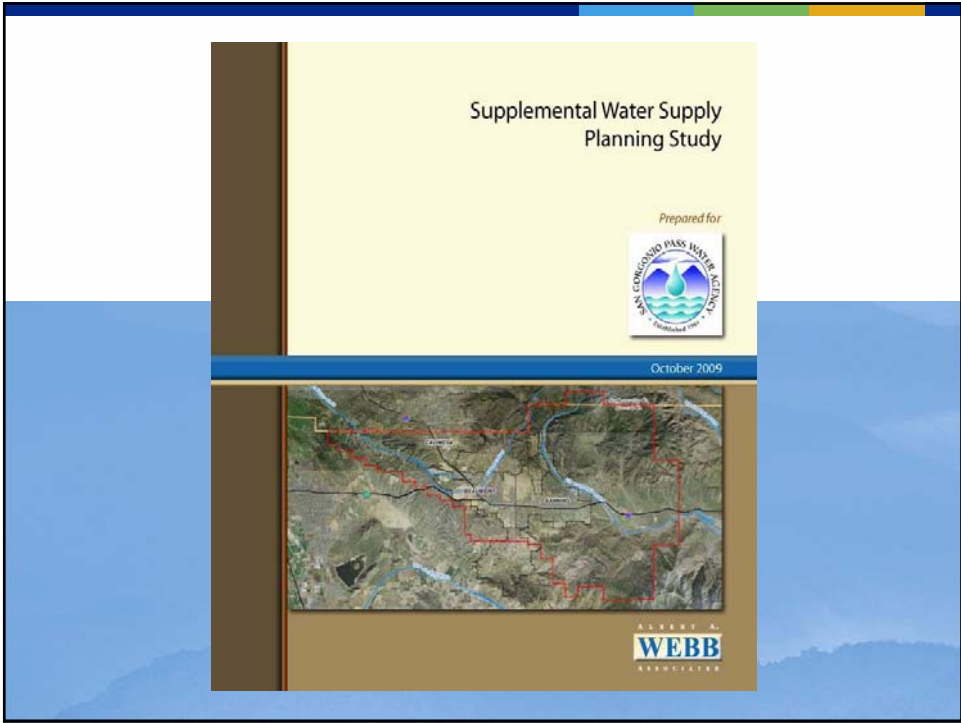
*Scott J. ...*  
\_\_\_\_\_

# Preliminary Imported Water Allocation for the San Geronio Pass Area

Preliminary Imported Water Allocation Concepts  
March 2, 2011

## Proposed Imported Water Allocation

- An Imported Water Allocation is an important tool that accomplishes the following goals:
  - Provides certainty for water retailers and enables better planning for the future;
  - Creates a systematic process that increases the regional imported water supply based on the specific policies of each individual community served by water retailers;
  - Promotes improved water management that enables each water retailer to implement and directly benefit from sustainability policies, dual plumbing and conjunctive use programs; and
  - Improves coordination between the water retailers and the San Geronio Pass Water Agency.



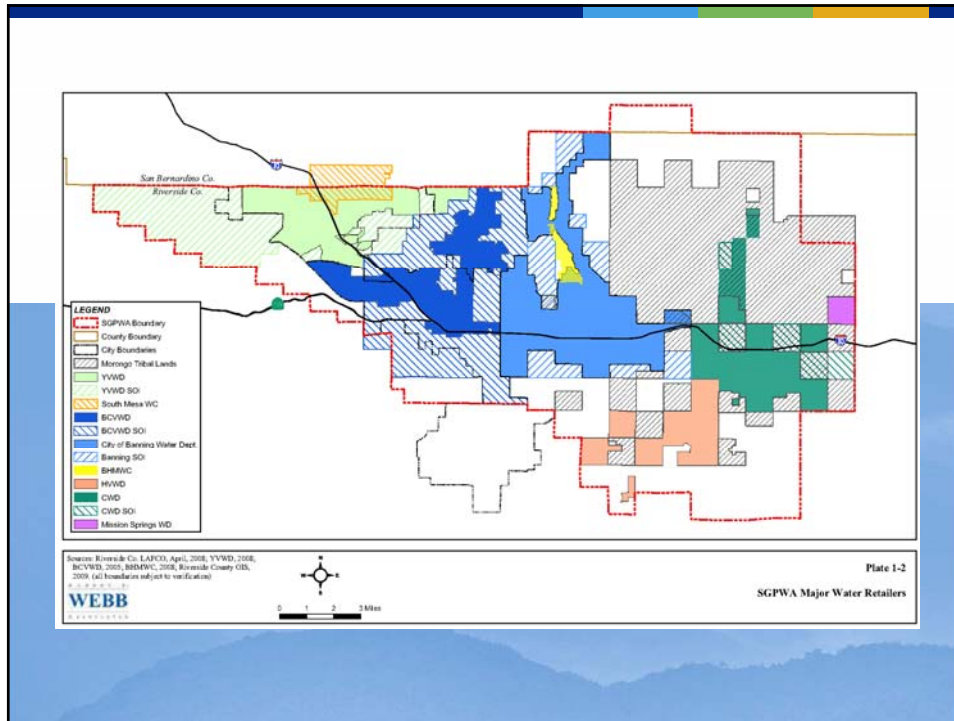
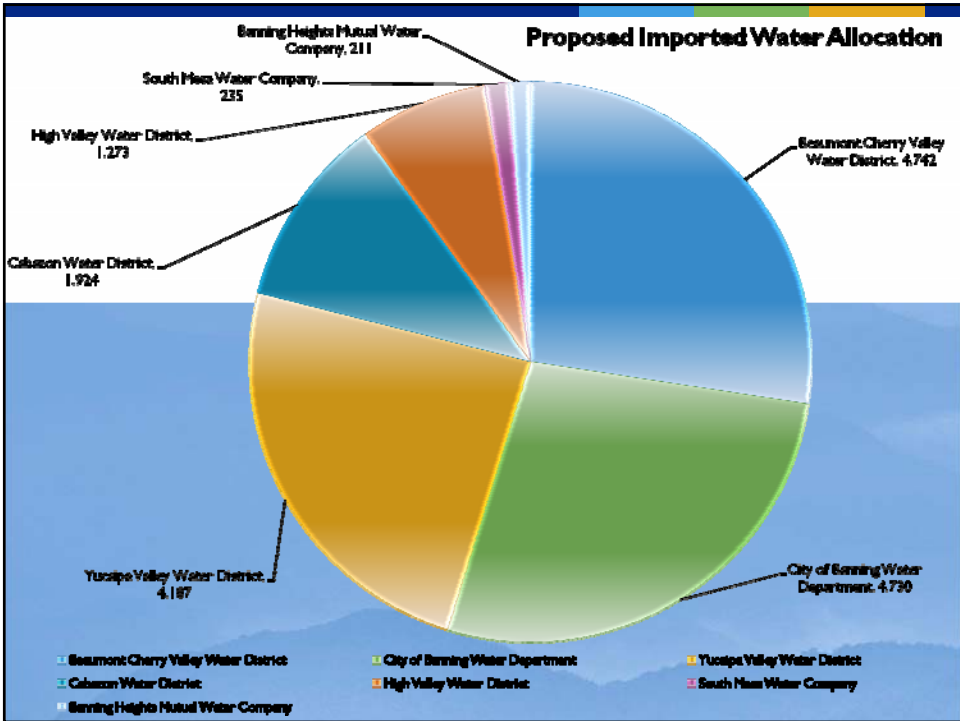


Table 2-7: Water Retailer Areas Including Sphere of Influence Boundaries

Water Retailer	Area (Acres)
Yucaipa Valley Water District	17,388
South Mesa Water Company	974
Beaumont-Cherry Valley Water District	19,693
City of Banning Water Department	19,644
Cabazon Water District	7,990
Banning Heights Mutual Water Company	876
High Valley Water District	5,287
Unincorporated Riverside County	34,043
Unincorporated San Bernardino County	1,910
Morongo Tribal Lands	34,611 <sup>(1)</sup>
<b>SGPWA Service Area</b>	<b>142,416</b>

<sup>(1)</sup> Approximately 275 Acres of Morongo Tribal Lands within City of Banning has been shifted to Morongo Tribal Lands total acres. Morongo Tribal Lands total acres are based on acres developed in the slope analysis per Table 2-6 of this report.

	Area (Acres)	Area Allocation (Acres)	Percentage of Area	Proposed Baseline Water Resource Allocation (Acre Feet)
Beaumont Cherry Valley Water District	19,693	19,693	27.4%	4,742
City of Banning Water Department	19,644	19,644	27.3%	4,730
Yucaipa Valley Water District	17,388	17,388	24.2%	4,187
Cabazon Water District	7,990	7,990	11.1%	1,924
High Valley Water District	5,287	5,287	7.4%	1,273
South Mesa Mutual Water Company	974	974	1.4%	235
Banning Heights Mutual Water Company	876	876	1.2%	211
Morongo Tribal Lands	34,611	Not Applicable	Not Applicable	Not Applicable
Unincorporated Riverside County	34,043	Not Applicable	Not Applicable	Not Applicable
Unincorporated San Bernardino County	1,910	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	<b>142,416</b>	<b>71,852</b>	<b>100.0%</b>	<b>17,300</b>





## Fundamental Concepts of the Proposed Imported Water Resource Allocation

### ■ Elements of the Imported Water Resource Allocation:

- **Baseline Allocation of the SGPWA Table “A” Water Entitlement** – The San Geronio Pass Water Agency is currently contracted with the California Department of Water Resources for the delivery of 17,300 acre feet per year of Table “A” water through the State Water project.
  - State Water Project Reliability – The State Water Project supply is based on a long-term average reliability of 63 percent. Improvements to the Delta are expected to increase the reliability of the State Water Project to 80 percent.
- **Annual Water Resource Allocation** – Each year, the San Geronio Pass Water Agency receives notifications from the California Department of Water Resources related to the availability of Table “A” entitlement water from the State Water Project.

## Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Baseline Water Resource Allocation** – The Baseline Water Resource Allocation is based on the sphere of influence of all water retailers in the service area of the SGPWA as of January 2011.
  - The SGPWA will only provide imported water service to water retailers identified on the preceding table.
  - Changes to the sphere of influence boundary of any existing water retailer will result in an update to the Baseline Water Resource Allocation. These boundary changes are expected to be openly discussed with all water retailers as part of a LAFCO boundary change application and the service application process of the SGPWA
  - If (1) a new water retailer is created within the SGPWA; or if (2) the Agency modifies their service capability to provide imported water to a retailer that has not historically paid property taxes to the Agency, then the water retailer added to the Imported Water Resource Allocation Model will be required to purchase sufficient water supplies to meet the demands of the water retailer not included in the Baseline Water Resource Allocation.
  - Facility improvements or program changes that result in an increased water supply reliability will be automatically reflected in the Baseline Water Resource Allocation.

## Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Adjusted Water Resource Allocation** – The Baseline Water Resource Allocation can be increased as follows:
  - The specific allocation account of any water retailer will be increased upon the payment of funds to the SGPWA based on the rate adopted by the SGPWA Board of Directors in units of \$/acre foot. The purchase of additional water supplies will be added to the allocation account of the water retailer at the time funds are provided to the SGPWA.
  - Funds may be provided to the SGPWA by a water retailer to facilitate the purchase of additional water rights, or purchase water rights owned by the Agency above the current entitlement of 17,300 acre feet.

## Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Annual Water Resource Allocation** – The Annual Water Resource Allocation will generally be based on the State Water Project Allocation as provided by the Department of Water Resources.
  - Other factors will be identified and used to determine the Annual Water Resource Allocation for those water supplies subsequently purchased by water retailers that are not directly correlated to the DWR SWP allocation report.
  - The Annual Water Resource Allocation for any water retailer may be augmented from those funds paid to the SGPWA as the imported water rate component identified as Surplus Reserves. The amount available is based on the quantity of water purchased and the amount of funds acquired from the specific water retailer.

## Fundamental Concepts of the Proposed Imported Water Resource Allocation

- **Unused Water Resources** – In the event a water retailer does not make use of their Annual Water Resource Allocation, then the amount of unused imported water returns to the San Geronio Pass Water Agency for proportional distribution to the other water retailers.
  - The water retailers agree not to create a secondary market for non-water retail agencies, developers, investors, or speculators.

In the event unused imported water is not needed by any water retailer, the San Geronio Pass Water Agency is expected to have the unused imported water delivered, added to the groundwater supply and calculated as part of the next year Annual Water Resource Allocation.