



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, July 9th, 2014
Regular Session 7:00 p.m.**

Call to Order, President Woll

Pledge of Allegiance, Director Woll

Invocation, Director Slawson

Roll Call

Public Comment

PUBLIC COMMENT: At this time, any person may address the Board of Directors on matters within its jurisdiction which are not on the agenda. However, any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the Board meeting. Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

ACTION ITEMS

- 1. Adoption of the Agenda** (pages 1-3)
- 2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.
 - a. May 2014 Budget Variance Report Review** (pages 4-7)
 - b. May 31st, 2014 Cash/Investment Balance Report** (page 8)
 - c. June 2014 Check Register Review** (pages 9-21)
 - d. June 2014 Invoices Pending Approval** (pages 22-26)
 - e. Minutes of the Special Meeting June 11th, 2014** (page 27)
 - f. Minutes of the Regular Meeting June 11th, 2014** (pages 28-33)
 - g. Minutes of the Special Meeting June 26th, 2014** (page 34)
- 3. Consideration of Receipt and Acceptance of the 2013 Audit by Vavrinek, Trine, Day & Co., LLP**** (pages 35-95)
- 4. Consideration of Regular Member, Western Area, for the Special District Member of the Local Agency Formation Commission (LAFCO) Discussion Regarding the Board's Responsibility in Regards to Land Planning**** (pages 96-102)

5. Consider Authorization of General Manager to Execute Contract for Pressure Zone 2650 to Pressure Zone 2750 Inter-Connection Piping Materials, Valve, and Appurtenances Acquisition and Installation **
(pages 103-105)

6. Reports For Discussion

- a. Ad Hoc Committees
- b. General Manager
- c. Directors Reports
- d. Legal Counsel Report

7. Announcements

- Beaumont Basin Watermaster meeting, August 6th, 2014 at 10:00 a.m.
- Finance & Audit Committee meeting, August 7th, 2014 at 3:00 p.m.
- Regular Board meeting, August 13th, 2014 at 7:00 p.m.

8. Action List for Future Meetings

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Update the Board on Infosend after one year
- Solar System Update

9. Recess to Closed Session

- a. Conference with Labor Negotiators pursuant to Government Code 54957.6:
Agency Negotiator: Eric Fraser
Represented Employees: BCVWD Employee Association

10. Adjournment

** Information included in the agenda packet

AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District's Board Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available from the District's Board Secretary in the Board Room of the District's Office.

REVISIONS TO THE AGENDA -In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 72 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 72 hours prior to the Board Meeting.

REQUIREMENTS RE: DISABLED ACCESS - In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Board Secretary, Melissa Bender, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Bender may be contacted by telephone at (951) 845-9581, Ext. 24, email at melissa.bender@bcvwd.org or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

General Ledger

Budget Variance Revenue

User: melissa
 Printed: 06/22/14 22:54:14
 Period 05 - 05
 Fiscal Year 2014

Beaumont-Cherry Valley Water District

560 Magnolia Avenue
 Beaumont CA 92223
 (951) 845-9581
 www.bcvwd.org



| Account Number | Description | Budget | Period Amt | End Bal | Variance | % Avail/ Uncollect |
|----------------------|---------------------------------|-------------------------|------------------------|------------------------|--------------------------|-----------------------|
| 50 | GENERAL | | | | | |
| 01-50-510-419051 | Grant Revenue | \$ 20,642.00 | \$ - | \$ - | \$ 20,642.00 | 100.00% |
| | Grant Rev | \$ 20,642.00 | \$ - | \$ - | \$ 20,642.00 | 100.00% |
| 01-50-510-419061 | Miscellaneous Income | \$ 250.00 | \$ 318.24 | \$ 4,181.82 | \$ (3,931.82) | -1572.73% |
| 01-50-510-490001 | Interest Income - Bonita Vista | \$ 3,000.00 | \$ - | \$ 1,005.07 | \$ 1,994.93 | 66.50% |
| 01-50-510-490011 | Interest Income-Fairway Canyon | \$ 51,000.00 | \$ 7,863.11 | \$ 34,223.79 | \$ 16,776.21 | 32.89% |
| 01-50-510-490021 | Interest Income - General | \$ 9,500.00 | \$ - | \$ 2,686.07 | \$ 6,813.93 | 71.73% |
| | Misc Income | \$ 63,750.00 | \$ 8,181.35 | \$ 42,096.75 | \$ 21,653.25 | 33.97% |
| 01-50-510-481001 | Fac Fees-Wells | \$ 5,000.00 | \$ 6,292.00 | \$ 257,972.00 | \$ (252,972.00) | -5059.44% |
| 01-50-510-481006 | Fac Fees-Water Rights (SWP) | \$ 3,300.00 | \$ 3,981.25 | \$ 163,231.25 | \$ (159,931.25) | -4846.40% |
| 01-50-510-481012 | Fac Fees-Water Treatment Plant | \$ 2,400.00 | \$ 2,993.25 | \$ 122,723.25 | \$ (120,323.25) | -5013.47% |
| 01-50-510-481018 | Fac Fees-Local Water Resources | \$ 1,200.00 | \$ 1,576.25 | \$ 64,626.25 | \$ (63,426.25) | -5285.52% |
| 01-50-510-481024 | Fac Fees-Recycld Wtr Facilities | \$ 3,700.00 | \$ 4,556.50 | \$ 218,726.02 | \$ (215,026.02) | -5811.51% |
| 01-50-510-481030 | Fac Fees-Transmission (16") | \$ 4,000.00 | \$ 5,096.00 | \$ 208,936.00 | \$ (204,936.00) | -5123.40% |
| 01-50-510-481036 | Fac Fees-Storage | \$ 5,400.00 | \$ 6,526.00 | \$ 267,566.00 | \$ (262,166.00) | -4854.93% |
| 01-50-510-481042 | Fac Fees-Booster | \$ 300.00 | \$ 451.75 | \$ 18,521.75 | \$ (18,221.75) | -6073.92% |
| 01-50-510-481048 | Fac Fees-Pressure Reducng Stns | \$ 200.00 | \$ 230.75 | \$ 9,460.75 | \$ (9,260.75) | -4630.38% |
| 01-50-510-481054 | Fac Fees-Misc Projects | \$ 200.00 | \$ 201.50 | \$ 8,261.50 | \$ (8,061.50) | -4030.75% |
| 01-50-510-481060 | Fac Fees-Financing Costs | \$ 1,000.00 | \$ 991.25 | \$ 40,641.25 | \$ (39,641.25) | -3964.13% |
| 01-50-510-485001 | Front Footage Fees | \$ - | \$ - | \$ 2,023.50 | \$ (2,023.50) | 0.00% |
| | Non-Operating Revenue | \$ 26,700.00 | \$ 32,896.50 | \$ 1,382,689.52 | \$ (1,355,989.52) | -5078.61% |
| 01-50-510-410100 | SALES | \$ 4,935,480.00 | \$ 410,111.05 | \$ 1,590,408.23 | \$ 3,345,071.77 | 67.78% |
| 01-50-510-410151 | Agricultural Irrigation Sales | \$ 30,000.00 | \$ 3,537.02 | \$ 6,820.46 | \$ 23,179.54 | 77.27% |
| 01-50-510-410171 | Construction Sales | \$ 57,339.00 | \$ 2,866.95 | \$ 19,579.90 | \$ 37,759.10 | 65.85% |
| 01-50-510-413001 | Backflow Admin Charges | \$ 24,000.00 | \$ 2,085.24 | \$ 11,725.08 | \$ 12,274.92 | 51.15% |
| 01-50-510-413011 | Fixed Meter Charges | \$ 2,279,345.00 | \$ 203,094.36 | \$ 1,040,606.81 | \$ 1,238,738.19 | 54.35% |
| 01-50-510-413021 | Meter Fees | \$ 75,000.00 | \$ - | \$ 23,070.00 | \$ 51,930.00 | 69.24% |
| 01-50-510-415001 | SGPWA Importation Charges | \$ 2,176,000.00 | \$ 187,296.36 | \$ 735,801.00 | \$ 1,440,199.00 | 66.19% |
| 01-50-510-415011 | SCE Power Charges | \$ 1,627,915.00 | \$ 134,364.78 | \$ 527,857.23 | \$ 1,100,057.77 | 67.57% |
| 01-50-510-417001 | 2nd Notice Penalties | \$ 90,000.00 | \$ 8,640.00 | \$ 38,460.00 | \$ 51,540.00 | 57.27% |
| 01-50-510-417011 | 3rd Notice Charges | \$ 32,000.00 | \$ 5,235.00 | \$ 15,675.00 | \$ 16,325.00 | 51.02% |
| 01-50-510-417021 | Account Reinstatement Fees | \$ 75,000.00 | \$ 12,710.00 | \$ 41,210.00 | \$ 33,790.00 | 45.05% |
| 01-50-510-417031 | Lien Processing Fees | \$ 6,000.00 | \$ - | \$ 400.00 | \$ 5,600.00 | 93.33% |
| 01-50-510-417041 | Credit Check Processing Fees | \$ 7,434.00 | \$ 710.00 | \$ 3,290.00 | \$ 4,144.00 | 55.74% |
| 01-50-510-417051 | Returned Check Fees | \$ 2,000.00 | \$ 215.00 | \$ 1,220.00 | \$ 780.00 | 39.00% |
| 01-50-510-417061 | Custmr Damages/Upgrade Charges | \$ 10,500.00 | \$ 269.27 | \$ 4,576.05 | \$ 5,923.95 | 56.42% |
| 01-50-510-417071 | After Hours Call Out Charges | \$ 600.00 | \$ - | \$ 350.00 | \$ 250.00 | 41.67% |
| 01-50-510-417081 | Bench Test Fees | \$ 180.00 | \$ - | \$ 30.00 | \$ 150.00 | 83.33% |
| 01-50-510-417091 | Credit Card Processing Fees | \$ 20,621.00 | \$ 2,761.50 | \$ 12,185.25 | \$ 8,435.75 | 40.91% |
| 01-50-510-419011 | Development Income | \$ 30,875.00 | \$ - | \$ 21,917.86 | \$ 8,957.14 | 29.01% |
| 01-50-510-419021 | Recharge Income | \$ 67,254.00 | \$ 4,830.06 | \$ 7,153.38 | \$ 60,100.62 | 89.36% |
| | Operating Revenue | \$ 11,547,543.00 | \$ 978,726.59 | \$ 4,102,336.25 | \$ 7,445,206.75 | 64.47% |
| 01-50-510-471001 | Rent - 12303 Oak Glen | \$ 2,400.00 | \$ 200.00 | \$ 1,200.00 | \$ 1,200.00 | 50.00% |
| 01-50-510-471011 | Rent - 13695 Oak Glen | \$ 2,400.00 | \$ 200.00 | \$ 1,200.00 | \$ 1,200.00 | 50.00% |
| 01-50-510-471021 | Rent - 13697 Oak Glen | \$ 2,400.00 | \$ 200.00 | \$ 1,200.00 | \$ 1,200.00 | 50.00% |
| 01-50-510-471031 | Rent - 9781 Avenida Miravilla | \$ 2,400.00 | \$ 200.00 | \$ 1,100.00 | \$ 1,300.00 | 54.17% |
| 01-50-510-471101 | Util - 12303 Oak Glen | \$ 3,380.00 | \$ 115.10 | \$ 872.87 | \$ 2,507.13 | 74.18% |
| 01-50-510-471111 | Util - 13695 Oak Glen | \$ 2,200.00 | \$ 122.53 | \$ 1,057.22 | \$ 1,142.78 | 51.94% |
| 01-50-510-471121 | Util - 13697 Oak Glen | \$ 2,400.00 | \$ 167.28 | \$ 1,176.93 | \$ 1,223.07 | 50.96% |
| 01-50-510-471131 | Util - 9781 Avenida Miravilla | \$ 3,400.00 | \$ 81.99 | \$ 839.08 | \$ 2,560.92 | 75.32% |
| | Rent/Utilities | \$ 20,980.00 | \$ 1,286.90 | \$ 8,646.10 | \$ 12,333.90 | 58.79% |
| Revenue Total | | \$ 11,679,615.00 | \$ 1,021,091.34 | \$ 5,535,768.62 | \$ 6,143,846.38 | 53.00% |

General Ledger

Budget Variance Expense

User: melissa
 Printed: 06/22/14 22:53:47
 Period: 05 - 05
 Fiscal Year 2014

Beaumont-Cherry Valley Water District

560 Magnolia Avenue
 Beaumont CA 92223
 (951) 845-9581
 www.bcvwd.org



| Account Number | Description | Budget | Period Amt | End Bal | Variance | Encumbered | % Avail/ Uncollect |
|----------------------|--|------------------------|----------------------|----------------------|------------------------|---------------------|-----------------------|
| 10 | BOARD OF DIRECTORS | | | | | | |
| 01-10-110-500101 | Board of Directors Fees | \$ 30,800.00 | \$ 1,600.00 | \$ 7,850.00 | \$ 22,950.00 | \$ - | 74.51% |
| 01-10-110-500115 | Social Security | \$ 3,100.00 | \$ 99.20 | \$ 486.70 | \$ 2,613.30 | \$ - | 84.30% |
| 01-10-110-500120 | Medicare | \$ 700.00 | \$ 23.20 | \$ 113.83 | \$ 586.17 | \$ - | 83.74% |
| 01-10-110-500145 | Workers' Compensation | \$ 450.00 | \$ 26.96 | \$ 157.55 | \$ 292.45 | \$ - | 64.99% |
| 01-10-110-500175 | Seminar & Travel Expenses | \$ 10,000.00 | \$ - | \$ - | \$ 10,000.00 | \$ - | 100.00% |
| | Board of Directors Personnel | \$ 45,050.00 | \$ 1,749.36 | \$ 8,608.08 | \$ 36,441.92 | \$ - | 80.89% |
| 01-10-110-550012 | Election Expenses | \$ 40,000.00 | \$ - | \$ - | \$ 40,000.00 | \$ - | 100.00% |
| | Board of Directors Services | \$ 40,000.00 | \$ - | \$ - | \$ 40,000.00 | \$ - | 100.00% |
| Expense Total | BOARD OF DIRECTORS | \$ 85,050.00 | \$ 1,749.36 | \$ 8,608.08 | \$ 76,441.92 | \$ - | 90.00% |
| 20 | ENGINEERING | | | | | | |
| 01-20-210-500105 | Labor | \$ 225,342.00 | \$ 10,384.00 | \$ 63,518.55 | \$ 161,823.45 | \$ - | 71.81% |
| 01-20-210-500115 | Social Security | \$ 12,185.00 | \$ 877.60 | \$ 4,728.89 | \$ 7,456.11 | \$ - | 61.19% |
| 01-20-210-500120 | Medicare | \$ 2,850.00 | \$ 205.24 | \$ 1,030.63 | \$ 1,819.37 | \$ - | 63.84% |
| 01-20-210-500125 | Health Insurance | \$ 20,100.00 | \$ 1,412.36 | \$ 6,015.39 | \$ 14,084.61 | \$ - | 70.07% |
| 01-20-210-500140 | Life Insurance | \$ 850.00 | \$ 56.00 | \$ 224.00 | \$ 626.00 | \$ - | 73.65% |
| 01-20-210-500145 | Workers' Compensation | \$ 3,500.00 | \$ 273.76 | \$ 1,375.08 | \$ 2,124.92 | \$ - | 60.71% |
| 01-20-210-500155 | Retirement/CalPERS | \$ 63,790.00 | \$ 4,430.80 | \$ 22,250.20 | \$ 41,539.80 | \$ - | 65.12% |
| 01-20-210-500165 | Uniforms & Employee Benefits | \$ 50.00 | \$ - | \$ - | \$ 50.00 | \$ - | 100.00% |
| 01-20-210-500170 | Education Expenses | \$ 2,500.00 | \$ - | \$ 90.00 | \$ 2,410.00 | \$ - | 96.40% |
| 01-20-210-500175 | Seminar & Travel Expenses | \$ 500.00 | \$ - | \$ 135.00 | \$ 365.00 | \$ - | 73.00% |
| 01-20-210-500195 | CIP Related Labor | \$ (126,850.00) | \$ (3,763.80) | \$ (31,950.87) | \$ (94,899.13) | \$ - | 74.81% |
| | Engineering Personnel | \$ 204,817.00 | \$ 13,875.96 | \$ 67,416.87 | \$ 137,400.13 | \$ - | 67.08% |
| 01-20-210-540048 | Permits, Fees & Licensing | \$ 4,000.00 | \$ - | \$ - | \$ 4,000.00 | \$ - | 100.00% |
| | Engineering Materials & Supplies | \$ 4,000.00 | \$ - | \$ - | \$ 4,000.00 | \$ - | 100.00% |
| 01-20-210-540012 | Dev Reimbursable Engineering | \$ 43,364.00 | \$ - | \$ - | \$ 43,364.00 | \$ - | 100.00% |
| 01-20-210-540018 | Grant & Loan Procurement | \$ 41,283.00 | \$ - | \$ - | \$ 41,283.00 | \$ - | 100.00% |
| 01-20-210-550068 | Software Maintenance | \$ 22,500.00 | \$ - | \$ 10,000.00 | \$ 12,500.00 | \$ - | 55.56% |
| 01-20-210-580031 | Outside Engineering | \$ 50,000.00 | \$ - | \$ - | \$ 50,000.00 | \$ - | 100.00% |
| 01-20-210-580032 | CIP Related Outside Engineering | \$ (25,000.00) | \$ - | \$ - | \$ (25,000.00) | \$ - | 100.00% |
| | Engineering Services | \$ 132,147.00 | \$ - | \$ 10,000.00 | \$ 122,147.00 | \$ - | 92.43% |
| Expense Total | ENGINEERING | \$ 340,964.00 | \$ 13,875.96 | \$ 77,416.87 | \$ 263,547.13 | \$ - | 77.00% |
| 30 | FINANCE & ADMIN SERVICES | | | | | | |
| 01-30-310-500105 | Labor | \$ 1,002,617.00 | \$ 67,385.26 | \$ 327,691.76 | \$ 674,925.24 | \$ - | 67.32% |
| 01-30-310-500110 | Overtime | \$ - | \$ 75.81 | \$ 756.85 | \$ (756.85) | \$ - | 0.00% |
| 01-30-310-500115 | Social Security | \$ 62,162.00 | \$ 4,186.29 | \$ 21,323.93 | \$ 40,838.07 | \$ - | 65.70% |
| 01-30-310-500120 | Medicare | \$ 14,538.00 | \$ 979.06 | \$ 4,819.09 | \$ 9,718.91 | \$ - | 66.85% |
| 01-30-310-500125 | Health Insurance | \$ 350,000.00 | \$ 44,003.85 | \$ 111,588.76 | \$ 238,411.24 | \$ - | 68.12% |
| 01-30-310-500130 | CalPERS Health Admin Costs | \$ 5,000.00 | \$ 119.54 | \$ 723.50 | \$ 4,276.50 | \$ - | 85.53% |
| 01-30-310-500140 | Life Insurance | \$ 5,600.00 | \$ 345.84 | \$ 1,383.36 | \$ 4,216.64 | \$ - | 75.30% |
| 01-30-310-500145 | Workers' Compensation | \$ 21,088.00 | \$ 1,206.19 | \$ 5,778.98 | \$ 15,309.02 | \$ - | 72.60% |
| 01-30-310-500150 | Unemployment Insurance | \$ 12,760.00 | \$ - | \$ - | \$ 12,760.00 | \$ - | 100.00% |
| 01-30-310-500155 | Retirement/CalPERS | \$ 285,800.00 | \$ 18,092.27 | \$ 87,522.69 | \$ 198,277.31 | \$ - | 69.38% |
| 01-30-310-500160 | Post-Employment Health Expenses | \$ 8,500.00 | \$ 1,066.50 | \$ 6,043.50 | \$ 2,456.50 | \$ - | 28.90% |
| 01-30-310-500165 | Uniforms & Employee Benefits | \$ 2,000.00 | \$ - | \$ - | \$ 2,000.00 | \$ - | 100.00% |
| 01-30-310-500170 | Education Expenses | \$ 1,000.00 | \$ - | \$ - | \$ 1,000.00 | \$ - | 100.00% |
| 01-30-310-500175 | Seminar & Travel Expenses | \$ 15,500.00 | \$ 2,071.82 | \$ 4,013.07 | \$ 11,486.93 | \$ - | 74.11% |
| 01-30-310-500195 | CIP Related Labor | \$ (25,000.00) | \$ - | \$ (7,937.81) | \$ (17,062.19) | \$ - | 68.25% |
| 01-30-310-550024 | Employment Testing | \$ 300.00 | \$ - | \$ - | \$ 300.00 | \$ - | 100.00% |
| | Finance & Admin Services Personnel | \$ 1,761,865.00 | \$ 139,532.43 | \$ 563,707.68 | \$ 1,198,157.32 | \$ - | 68.01% |
| 01-30-310-520001 | Maint & Rpr-Office Equipment | \$ 2,800.00 | \$ - | \$ - | \$ 2,800.00 | \$ 39.99 | 98.57% |
| 01-30-310-550006 | Cashiering Shortages/Overages | \$ 50.00 | \$ 8.29 | \$ 12.14 | \$ 37.86 | \$ - | 75.72% |
| 01-30-310-550018 | Employee Medical/First Aid | \$ 500.00 | \$ - | \$ 920.00 | \$ (420.00) | \$ - | -84.00% |
| 01-30-310-550042 | Office Supplies | \$ 42,250.00 | \$ 1,806.32 | \$ 7,762.08 | \$ 34,487.92 | \$ 888.89 | 79.52% |
| 01-30-310-550046 | Office Equipment | \$ 82,000.00 | \$ 4,113.66 | \$ 10,003.10 | \$ 71,996.90 | \$ 15,989.00 | 68.30% |
| 01-30-310-550048 | Postage | \$ 58,800.00 | \$ 119.10 | \$ 17,421.76 | \$ 41,378.24 | \$ - | 70.37% |
| 01-30-310-550066 | Subscriptions | \$ 11,000.00 | \$ 383.70 | \$ 1,973.10 | \$ 9,026.90 | \$ 720.00 | 75.52% |
| 01-30-310-550072 | Misc Operating Expenses | \$ - | \$ - | \$ 40.00 | \$ (40.00) | \$ - | 0.00% |
| 01-30-310-550078 | Bad Debt Expenses | \$ - | \$ (109.24) | \$ 334.58 | \$ (334.58) | \$ - | 0.00% |
| 01-30-310-550084 | Depreciation | \$ 2,255,000.00 | \$ - | \$ - | \$ 2,255,000.00 | \$ - | 100.00% |
| | Finance & Admin Svcs Materials & Supplies | \$ 2,452,400.00 | \$ 6,321.83 | \$ 38,466.76 | \$ 2,413,933.24 | \$ 17,637.88 | 97.71% |
| 01-30-310-500190 | Temporary Labor | \$ 36,400.00 | \$ - | \$ 21,920.31 | \$ 14,479.69 | \$ - | 39.78% |

| Account Number | Description | Budget | Period Amt | End Bal | Variance | Encumbered | % Avail/ Uncollect |
|----------------------|---|------------------------|----------------------|----------------------|------------------------|---------------------|-----------------------|
| 01-30-310-550001 | Bank Charges | \$ 30,000.00 | \$ 2,008.67 | \$ 12,652.11 | \$ 17,347.89 | \$ - | 57.83% |
| 01-30-310-550030 | Membership Dues | \$ 31,000.00 | \$ 3,989.40 | \$ 18,872.00 | \$ 12,128.00 | \$ - | 39.12% |
| 01-30-310-550036 | Notary & Lien Fees | \$ 4,500.00 | \$ 460.00 | \$ 602.00 | \$ 3,898.00 | \$ - | 86.62% |
| 01-30-310-550054 | Property, Auto& Gen Liab Insur | \$ 105,000.00 | \$ 6,692.41 | \$ 33,370.31 | \$ 71,629.69 | \$ - | 68.22% |
| 01-30-310-580001 | Accounting & Audit | \$ 22,000.00 | \$ - | \$ - | \$ 22,000.00 | \$ - | 100.00% |
| 01-30-310-580011 | General Legal | \$ 150,000.00 | \$ 18,605.45 | \$ 56,634.00 | \$ 93,366.00 | \$ - | 62.24% |
| 01-30-310-580021 | IT/Software Support | \$ 27,819.00 | \$ 230.00 | \$ 2,688.57 | \$ 25,130.43 | \$ 829.32 | 87.35% |
| | Finance & Admin Services Services | \$ 406,719.00 | \$ 31,985.93 | \$ 146,739.30 | \$ 259,979.70 | \$ 829.32 | 63.72% |
| Expense Total | FINANCE & ADMIN SERVICES | \$ 4,620,984.00 | \$ 177,840.19 | \$ 748,913.74 | \$ 3,872,070.26 | \$ 18,467.20 | 83.00% |
| 40 | OPERATIONS | | | | | | |
| 410 | Source of Supply Personnel | | | | | | |
| 01-40-410-500105 | Labor | \$ 217,400.00 | \$ 13,337.70 | \$ 65,083.05 | \$ 152,316.95 | \$ - | 70.06% |
| 01-40-410-500110 | Overtime | \$ 13,476.00 | \$ 1,558.10 | \$ 5,141.22 | \$ 8,334.78 | \$ - | 61.85% |
| 01-40-410-500111 | Double time | \$ 100.00 | \$ 65.04 | \$ 65.04 | \$ 34.96 | \$ - | 34.96% |
| 01-40-410-500115 | Social Security | \$ 13,476.00 | \$ 924.67 | \$ 4,352.02 | \$ 9,123.98 | \$ - | 67.71% |
| 01-40-410-500120 | Medicare | \$ 3,200.00 | \$ 216.23 | \$ 1,017.83 | \$ 2,182.17 | \$ - | 68.19% |
| 01-40-410-500125 | Health Insurance | \$ 69,400.00 | \$ 4,250.17 | \$ 18,533.36 | \$ 50,866.64 | \$ - | 73.29% |
| 01-40-410-500140 | Life Insurance | \$ 1,300.00 | \$ 93.52 | \$ 389.64 | \$ 910.36 | \$ - | 70.03% |
| 01-40-410-500145 | Workers' Compensation | \$ 15,500.00 | \$ 1,224.90 | \$ 5,832.54 | \$ 9,667.46 | \$ - | 62.37% |
| 01-40-410-500155 | Retirement/CalPERS | \$ 87,500.00 | \$ 4,817.94 | \$ 23,378.25 | \$ 64,121.75 | \$ - | 73.28% |
| 01-40-410-500165 | Uniforms & Employee Benefits | \$ 1,000.00 | \$ - | \$ - | \$ 1,000.00 | \$ - | 100.00% |
| 01-40-410-500170 | Education Expenses | \$ 1,500.00 | \$ - | \$ 72.03 | \$ 1,427.97 | \$ - | 95.20% |
| 01-40-410-500175 | Seminar & Travel Expenses | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | 100.00% |
| 01-40-410-550024 | Employment Testing | \$ 200.00 | \$ - | \$ - | \$ 200.00 | \$ - | 100.00% |
| 440 | Transmission & Distribution Personnel | | | | | | |
| 01-40-440-500105 | Labor | \$ 521,000.00 | \$ 26,598.66 | \$ 125,752.96 | \$ 395,247.04 | \$ - | 75.86% |
| 01-40-440-500110 | Overtime | \$ 10,000.00 | \$ 384.60 | \$ 2,288.47 | \$ 7,711.53 | \$ - | 77.12% |
| 01-40-440-500111 | Double time | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | 100.00% |
| 01-40-440-500115 | Social Security | \$ 32,500.00 | \$ 1,338.86 | \$ 8,328.92 | \$ 24,171.08 | \$ - | 74.37% |
| 01-40-440-500120 | Medicare | \$ 7,400.00 | \$ 313.11 | \$ 1,947.92 | \$ 5,452.08 | \$ - | 73.68% |
| 01-40-440-500125 | Health Insurance | \$ 193,900.00 | \$ 7,926.80 | \$ 43,241.21 | \$ 150,658.79 | \$ - | 77.70% |
| 01-40-440-500140 | Life Insurance | \$ 3,500.00 | \$ 153.54 | \$ 747.19 | \$ 2,752.81 | \$ - | 78.65% |
| 01-40-440-500145 | Workers' Compensation | \$ 46,300.00 | \$ 1,586.16 | \$ 10,191.64 | \$ 36,108.36 | \$ - | 77.99% |
| 01-40-440-500155 | Retirement/CalPERS | \$ 155,600.00 | \$ 7,064.45 | \$ 43,745.19 | \$ 111,854.81 | \$ - | 71.89% |
| 01-40-440-500165 | Uniforms & Employee Benefits | \$ 5,500.00 | \$ 25.68 | \$ 839.32 | \$ 4,660.68 | \$ - | 84.74% |
| 01-40-440-500170 | Education Expenses | \$ 1,000.00 | \$ - | \$ 657.10 | \$ 342.90 | \$ - | 34.29% |
| 01-40-440-500175 | Seminar & Travel Expenses | \$ 800.00 | \$ - | \$ - | \$ 800.00 | \$ - | 100.00% |
| 01-40-440-500195 | CIP Related Labor | \$ (40,000.00) | \$ 735.97 | \$ 27,747.69 | \$ (67,747.69) | \$ - | 169.37% |
| 01-40-440-550024 | Employment Testing | \$ 200.00 | \$ - | \$ 25.00 | \$ 175.00 | \$ - | 87.50% |
| 450 | Inspections Personnel | | | | | | |
| 01-40-450-500105 | Labor | \$ 24,000.00 | \$ 3,510.34 | \$ 7,696.60 | \$ 16,303.40 | \$ - | 67.93% |
| 01-40-450-500115 | Social Security | \$ 1,500.00 | \$ 91.51 | \$ 325.07 | \$ 1,174.93 | \$ - | 78.33% |
| 01-40-450-500120 | Medicare | \$ 300.00 | \$ 21.49 | \$ 76.12 | \$ 223.88 | \$ - | 74.63% |
| 01-40-450-500125 | Health Insurance | \$ 7,200.00 | \$ 414.31 | \$ 1,315.11 | \$ 5,884.89 | \$ - | 81.73% |
| 01-40-450-500140 | Life Insurance | \$ 150.00 | \$ 9.25 | \$ 29.68 | \$ 120.32 | \$ - | 80.21% |
| 01-40-450-500145 | Workers' Compensation | \$ 2,100.00 | \$ 121.76 | \$ 436.31 | \$ 1,663.69 | \$ - | 79.22% |
| 01-40-450-500155 | Retirement/CalPERS | \$ 9,000.00 | \$ 520.17 | \$ 1,954.07 | \$ 7,045.93 | \$ - | 78.29% |
| 01-40-450-500165 | Uniforms & Employee Benefits | \$ 300.00 | \$ - | \$ - | \$ 300.00 | \$ - | 100.00% |
| 460 | Customer Svc & Meter Reading Personnel | | | | | | |
| 01-40-460-500105 | Labor | \$ 140,100.00 | \$ 8,346.49 | \$ 46,010.02 | \$ 94,089.98 | \$ - | 67.16% |
| 01-40-460-500110 | Overtime | \$ 3,700.00 | \$ 36.02 | \$ 545.44 | \$ 3,154.56 | \$ - | 85.26% |
| 01-40-460-500111 | Double time | \$ 100.00 | \$ - | \$ - | \$ 100.00 | \$ - | 100.00% |
| 01-40-460-500115 | Social Security | \$ 8,800.00 | \$ 459.18 | \$ 2,606.07 | \$ 6,193.93 | \$ - | 70.39% |
| 01-40-460-500120 | Medicare | \$ 2,100.00 | \$ 107.40 | \$ 609.46 | \$ 1,490.54 | \$ - | 70.98% |
| 01-40-460-500125 | Health Insurance | \$ 70,000.00 | \$ 3,053.12 | \$ 15,892.09 | \$ 54,107.91 | \$ - | 77.30% |
| 01-40-460-500140 | Life Insurance | \$ 1,000.00 | \$ 40.20 | \$ 258.26 | \$ 741.74 | \$ - | 74.17% |
| 01-40-460-500145 | Workers' Compensation | \$ 14,000.00 | \$ 629.08 | \$ 3,570.23 | \$ 10,429.77 | \$ - | 74.50% |
| 01-40-460-500155 | Retirement/CalPERS | \$ 50,500.00 | \$ 2,544.39 | \$ 14,295.24 | \$ 36,204.76 | \$ - | 71.69% |
| 01-40-460-500165 | Uniforms & Employee Benefits | \$ 750.00 | \$ - | \$ 117.99 | \$ 632.01 | \$ - | 84.27% |
| 01-40-460-500170 | Education Expenses | \$ 400.00 | \$ - | \$ - | \$ 400.00 | \$ - | 100.00% |
| 01-40-460-500175 | Seminar & Travel Expenses | \$ 300.00 | \$ - | \$ - | \$ 300.00 | \$ - | 100.00% |
| 01-40-460-550024 | Employment Testing | \$ 300.00 | \$ - | \$ - | \$ 300.00 | \$ - | 100.00% |
| 470 | Maintenance & General Plant Personnel | | | | | | |
| 01-40-470-500105 | Labor | \$ 32,000.00 | \$ 17,762.82 | \$ 63,218.16 | \$ (31,218.16) | \$ - | -97.56% |
| 01-40-470-500115 | Social Security | \$ 1,700.00 | \$ 249.88 | \$ 1,138.43 | \$ 561.57 | \$ - | 33.03% |
| 01-40-470-500120 | Medicare | \$ 400.00 | \$ 58.45 | \$ 266.26 | \$ 133.74 | \$ - | 33.44% |
| 01-40-470-500125 | Health Insurance | \$ 11,000.00 | \$ 1,666.86 | \$ 6,748.32 | \$ 4,251.68 | \$ - | 38.65% |
| 01-40-470-500140 | Life Insurance | \$ 200.00 | \$ 34.08 | \$ 116.79 | \$ 83.21 | \$ - | 41.61% |
| 01-40-470-500145 | Workers' Compensation | \$ 2,500.00 | \$ 341.12 | \$ 1,555.07 | \$ 944.93 | \$ - | 37.80% |
| 01-40-470-500155 | Retirement/CalPERS | \$ 9,950.00 | \$ 1,239.00 | \$ 5,696.11 | \$ 4,253.89 | \$ - | 42.75% |
| | OPERATIONS Personnel | \$ 1,757,102.00 | \$ 113,873.02 | \$ 563,854.49 | \$ 1,193,247.51 | \$ - | 67.91% |
| 410 | Source of Supply Materials & Supplies | | | | | | |
| 01-40-410-501101 | Electricity - Wells | \$ 1,692,915.00 | \$ 106,174.50 | \$ 367,680.90 | \$ 1,325,234.10 | \$ - | 78.28% |
| 01-40-410-501201 | Gas - Wells | \$ 200.00 | \$ 14.30 | \$ 60.65 | \$ 139.35 | \$ - | 69.68% |
| 01-40-410-510011 | Treatment & Chemicals | \$ 80,100.00 | \$ 3,520.72 | \$ 21,003.58 | \$ 59,096.42 | \$ 9,654.83 | 61.72% |
| 01-40-410-510021 | Lab Testing | \$ 75,000.00 | \$ 3,125.00 | \$ 12,925.00 | \$ 62,075.00 | \$ - | 82.77% |
| 01-40-410-510031 | Small Tools, Parts & Maint | \$ 100.00 | \$ - | \$ - | \$ 100.00 | \$ - | 100.00% |
| 01-40-410-520021 | Maint & Rpr-Telemetry Equip | \$ 1,500.00 | \$ - | \$ - | \$ 1,500.00 | \$ - | 100.00% |

| Account Number | Description | Budget | Period Amt | End Bal | Variance | Encumbered | % Avail/ Uncollect |
|----------------------|---|-------------------------|----------------------|------------------------|------------------------|---------------------|-----------------------|
| 01-40-410-520031 | Maint & Rpr-General Equipment | \$ 100.00 | \$ - | \$ - | \$ 100.00 | \$ - | 100.00% |
| 01-40-410-520061 | Maint & Rpr-Pumping Equipment | \$ 100,000.00 | \$ 11,629.08 | \$ 16,722.89 | \$ 83,277.11 | \$ 1,104.62 | 82.17% |
| 01-40-410-550066 | Subscriptions | \$ 600.00 | \$ - | \$ - | \$ 600.00 | \$ - | 100.00% |
| 440 | Trans & Distribution Materials & Supplies | | | | | | |
| 01-40-440-510031 | Small Tools, Parts & Maint | \$ 100.00 | \$ - | \$ - | \$ 100.00 | \$ - | 100.00% |
| 01-40-440-520071 | Maint & Rpr-Pipelines&Hydrants | \$ 65,000.00 | \$ 1,105.87 | \$ 3,429.46 | \$ 61,570.54 | \$ 208.00 | 94.40% |
| 01-40-440-520081 | Maint & Rpr-Pressure Regulatrs | \$ 5,000.00 | \$ 3.22 | \$ 260.88 | \$ 4,739.12 | \$ - | 94.78% |
| 01-40-440-540001 | Backflow Devices | \$ 1,500.00 | \$ - | \$ - | \$ 1,500.00 | \$ - | 100.00% |
| 01-40-440-540024 | Inventry Adjustments | \$ 3,000.00 | \$ - | \$ - | \$ 3,000.00 | \$ - | 100.00% |
| 01-40-440-540026 | Inventry Purchase Discounts | \$ (5,000.00) | \$ (596.37) | \$ (2,563.51) | \$ (2,436.49) | \$ - | 48.73% |
| 01-40-440-540036 | Line Locates | \$ 3,000.00 | \$ 136.50 | \$ 435.05 | \$ 2,564.95 | \$ - | 85.50% |
| 01-40-440-540042 | Meters Maintenance & Services | \$ 82,000.00 | \$ 96.39 | \$ 8,075.18 | \$ 73,924.82 | \$ 633.77 | 89.38% |
| 01-40-440-540066 | Property Damages & Theft | \$ - | \$ 5,998.55 | \$ 5,998.55 | \$ (5,998.55) | \$ - | 0.00% |
| 01-40-440-540078 | Reservoirs Maintenance | \$ 12,000.00 | \$ 32.46 | \$ 252.30 | \$ 11,747.70 | \$ - | 97.90% |
| 470 | Maint & General Plant Materials & Supplies | | | | | | |
| 01-40-470-501111 | Electricity - 560 Magnolia | \$ 23,600.00 | \$ 1,273.31 | \$ 4,475.29 | \$ 19,124.71 | \$ - | 81.04% |
| 01-40-470-501121 | Electricity - 12303 Oak Glen | \$ 3,300.00 | \$ 118.95 | \$ 757.77 | \$ 2,542.23 | \$ - | 77.04% |
| 01-40-470-501131 | Electricity - 13695 Oak Glen | \$ 1,100.00 | \$ 82.53 | \$ 485.15 | \$ 614.85 | \$ - | 55.90% |
| 01-40-470-501141 | Electricity - 13697 Oak Glen | \$ 2,725.00 | \$ 142.46 | \$ 580.35 | \$ 2,144.65 | \$ - | 78.70% |
| 01-40-470-501151 | Elec - 9781 Avenida Miravilla | \$ 2,200.00 | \$ 74.64 | \$ 266.22 | \$ 1,933.78 | \$ - | 87.90% |
| 01-40-470-501161 | Electricity - 815 E. 12th | \$ 7,300.00 | \$ 209.95 | \$ 727.82 | \$ 6,572.18 | \$ - | 90.03% |
| 01-40-470-501321 | Propane - 12303 Oak Glen | \$ 120.00 | \$ - | \$ - | \$ 120.00 | \$ - | 100.00% |
| 01-40-470-501331 | Propane - 13695 Oak Glen | \$ 1,100.00 | \$ - | \$ 449.54 | \$ 650.46 | \$ - | 59.13% |
| 01-40-470-501341 | Propane - 13697 Oak Glen | \$ 1,200.00 | \$ - | \$ 429.30 | \$ 770.70 | \$ - | 64.23% |
| 01-40-470-501351 | Propane-9781 Avenida Miravilla | \$ 1,200.00 | \$ - | \$ 516.55 | \$ 683.45 | \$ - | 56.95% |
| 01-40-470-501411 | Sanitation - 560 Magnolia | \$ 1,800.00 | \$ 158.67 | \$ 594.15 | \$ 1,205.85 | \$ - | 66.99% |
| 01-40-470-501461 | Sanitation - 815 E. 12th | \$ 3,000.00 | \$ 251.10 | \$ 1,255.50 | \$ 1,744.50 | \$ - | 58.15% |
| 01-40-470-501471 | Sanitation - 11083 Cherry Ave | \$ 3,200.00 | \$ 240.12 | \$ 960.48 | \$ 2,239.52 | \$ - | 69.99% |
| 01-40-470-501511 | Phones - 560 Magnolia | \$ 25,000.00 | \$ 2,827.14 | \$ 5,070.72 | \$ 19,929.28 | \$ - | 79.72% |
| 01-40-470-501561 | Phones - 815 E. 12th | \$ 3,000.00 | \$ 345.55 | \$ 1,135.18 | \$ 1,864.82 | \$ - | 62.16% |
| 01-40-470-501600 | PROPERTY MAINTENANCE & REPAIRS | \$ 5,000.00 | \$ - | \$ 63.09 | \$ 4,936.91 | \$ - | 98.74% |
| 01-40-470-501611 | Maint & Repair- 560 Magnolia | \$ 16,000.00 | \$ 2,157.70 | \$ 6,717.68 | \$ 9,282.32 | \$ 1,913.00 | 46.06% |
| 01-40-470-501621 | Maint & Repair- 12303 Oak Glen | \$ 1,200.00 | \$ - | \$ - | \$ 1,200.00 | \$ - | 100.00% |
| 01-40-470-501631 | Maint & Repair- 13695 Oak Glen | \$ 1,000.00 | \$ - | \$ - | \$ 1,000.00 | \$ - | 100.00% |
| 01-40-470-501641 | Maint & Repair- 13697 Oak Glen | \$ 500.00 | \$ - | \$ - | \$ 500.00 | \$ - | 100.00% |
| 01-40-470-501651 | Maint & Rpr-9781 Ave Miravilla | \$ 1,500.00 | \$ - | \$ 5.93 | \$ 1,494.07 | \$ - | 99.60% |
| 01-40-470-501661 | Maint & Repair- 815 E. 12th | \$ 5,000.00 | \$ 318.74 | \$ 1,386.93 | \$ 3,613.07 | \$ - | 72.26% |
| 01-40-470-501691 | Maint & Rpr- Bldgds (General) | \$ 5,000.00 | \$ 608.96 | \$ 1,851.72 | \$ 3,148.28 | \$ - | 62.97% |
| 01-40-470-510001 | Auto/Fuel | \$ 100,000.00 | \$ 5,935.77 | \$ 23,791.68 | \$ 76,208.32 | \$ - | 76.21% |
| 01-40-470-510002 | CIP Related Fuel | \$ (15,000.00) | \$ - | \$ - | \$ (15,000.00) | \$ - | 100.00% |
| 01-40-470-520011 | Maint & Rpr-Safety Equipment | \$ 5,500.00 | \$ 143.55 | \$ 156.04 | \$ 5,343.96 | \$ - | 97.16% |
| 01-40-470-520031 | Maint & Rpr-General Equipment | \$ 45,000.00 | \$ 16.16 | \$ 2,821.51 | \$ 42,178.49 | \$ 5,335.10 | 81.87% |
| 01-40-470-520041 | Maint & Rpr-Fleet | \$ 64,200.00 | \$ 2,113.98 | \$ 12,200.17 | \$ 51,999.83 | \$ - | 81.00% |
| 01-40-470-520091 | Maint & Rpr-Communicatn Equip | \$ 2,500.00 | \$ - | \$ - | \$ 2,500.00 | \$ - | 100.00% |
| 510 | General Materials & Supplies | | | | | | |
| 01-40-510-510031 | Small Tools, Parts & Maint | \$ 7,300.00 | \$ 344.76 | \$ 3,368.80 | \$ 3,931.20 | \$ - | 53.85% |
| | OPERATIONS Materials & Supplies | \$ 2,441,660.00 | \$ 148,604.26 | \$ 504,348.50 | \$ 1,937,311.50 | \$ 18,849.32 | 79.34% |
| 410 | Source of Supply Services | | | | | | |
| 01-40-410-500501 | State Project Water Purchases | \$ 2,176,000.00 | \$ 182,275.00 | \$ 268,816.00 | \$ 1,907,184.00 | \$ - | 87.65% |
| 01-40-410-500511 | Ground Water Purchases | \$ - | \$ - | \$ 25.00 | \$ (25.00) | \$ - | 0.00% |
| 01-40-410-540084 | State Mandates & Tariffs | \$ 33,000.00 | \$ 2,068.37 | \$ 28,043.34 | \$ 4,956.66 | \$ 104.27 | 14.70% |
| 470 | Maintenance & General Plant Services | | | | | | |
| 01-40-470-540030 | Landscape Maintenance | \$ 6,500.00 | \$ 1,371.32 | \$ 5,847.76 | \$ 652.24 | \$ - | 10.03% |
| 01-40-470-540072 | Rechrg Facs, Cynns&Ponds Maint | \$ 20,000.00 | \$ 355.92 | \$ 2,538.58 | \$ 17,461.42 | \$ 2,000.00 | 77.31% |
| | OPERATIONS Services | \$ 2,235,500.00 | \$ 186,070.61 | \$ 305,270.68 | \$ 1,930,229.32 | \$ 2,104.27 | 86.25% |
| Expense Total | OPERATIONS | \$ 6,434,262.00 | \$ 448,547.89 | \$ 1,373,473.67 | \$ 5,060,788.33 | \$ 20,953.59 | 78.65% |
| 50 | GENERAL | | | | | | |
| 01-50-510-540066 | Property Damages & Theft | \$ 2,000.00 | \$ 64.09 | \$ 3,485.02 | \$ (1,485.02) | \$ - | -74.25% |
| 01-50-510-550040 | General Supplies | \$ 10,000.00 | \$ 1,351.90 | \$ 5,537.63 | \$ 4,462.37 | \$ 728.77 | 37.34% |
| 01-50-510-550060 | Public Education | \$ 10,000.00 | \$ - | \$ - | \$ 10,000.00 | \$ - | 100.00% |
| 01-50-510-550072 | Misc Operating Expenses | \$ 4,500.00 | \$ - | \$ - | \$ 4,500.00 | \$ - | 100.00% |
| 01-50-510-550999 | Prior period adjustments | \$ - | \$ 900.00 | \$ 900.00 | \$ (900.00) | \$ - | 0.00% |
| | General Materials & Supplies | \$ 26,500.00 | \$ 2,315.99 | \$ 9,922.65 | \$ 16,577.35 | \$ 728.77 | 59.81% |
| 01-50-510-550096 | Beaumont Basin Watermaster | \$ 60,000.00 | \$ - | \$ - | \$ 60,000.00 | \$ - | 100.00% |
| | General Services | \$ 60,000.00 | \$ - | \$ - | \$ 60,000.00 | \$ - | 100.00% |
| Expense Total | GENERAL | \$ 86,500.00 | \$ 2,315.99 | \$ 9,922.65 | \$ 76,577.35 | \$ 728.77 | 88.00% |
| Expense Total | ALL | \$ 11,567,760.00 | \$ 646,645.38 | \$ 2,228,257.66 | \$ 9,426,002.34 | \$ 40,149.56 | 81.49% |



**Beaumont-Cherry Valley Water District
Cash Balance & Investment Report
As of May 31st, 2014**

| Account Name | Account Ending # | <u>Cash Balance Per Account</u> | |
|--------------|-------------------|---------------------------------|------------------------|
| | | Balance | Prior Month Balance |
| Wells Fargo | General | 4152 | |
| | | \$7,826,294.02 | \$7,716,007.03 |
| | Total Cash | \$ 7,826,294.02 | \$ 7,716,007.03 |

| Account Name | <u>Investment Summary</u> | | Actual % of | | Policy % Limit | Maturity | Par Amount | Rate | Interest to Date |
|--|---------------------------|-------------------------|-------------|--|----------------|----------|------------|------|--------------------|
| | Market Value | Prior Month Balance | Total | | | | | | |
| Ca. State Treasurer's Office: Local Agency Investment Fund | \$ 4,800,985.01 | \$ 4,800,985.01 | 100% | | No Limit | Liquid | N/A | 0.23 | \$ 2,686.07 |
| Total Investments | \$ 4,800,985.01 | \$ 4,800,985.01 | | | | | | | \$ 2,686.07 |
| Total Cash & Investments | \$ 12,627,279.03 | \$ 12,516,992.04 | | | | | | | |

The investments above are in accordance with the District's investment policy. Melissa Bender

BCVWD will be able to meet its cash flow obligations for the next 6 months. Melissa Bender

Accounts Payable

Checks by Date - Detail by Check Date

User: melissa
Printed: 6/22/2014 10:49 PM

Beaumont-Cherry Valley Water District

560 Magnolia Avenue
Beaumont CA 92223
(951) 845-9581
www.bcvwd.org



| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
|---------------|--|------------------------------|------------|--------------|
| Invoice No | Description | Reference | | |
| ACH 10085 | CalPERS Retirement System | 06/05/2014 | | |
| | PR Batch 00001.06.2014 CalPERS 1% ER Paid | PR Batch 00001.06.2014 CalPI | | 207.45 |
| | PR Batch 00001.06.2014 CalPERS 7% Deduction | PR Batch 00001.06.2014 CalPI | | 1,848.67 |
| | PR Batch 00001.06.2014 CalPERS 8% EE Paid | PR Batch 00001.06.2014 CalPI | | 2,624.73 |
| | PR Batch 00001.06.2014 CalPERS 8% ER Paid | PR Batch 00001.06.2014 CalPI | | 878.14 |
| | PR Batch 00001.06.2014 CalPERS Employer Paid | PR Batch 00001.06.2014 CalPI | | 20,210.18 |
| | PR Batch 00001.06.2014 CalPERS 6.9% | PR Batch 00001.06.2014 CalPI | | 390.77 |
| | Total for this ACH Check for Vendor 10085: | | | 26,159.94 |
| ACH 10087 | Edd State Of California | 06/05/2014 | | |
| | PR Batch 00001.06.2014 CA SDI | PR Batch 00001.06.2014 CA S | | 727.39 |
| | PR Batch 00001.06.2014 State Income Tax | PR Batch 00001.06.2014 State | | 2,571.52 |
| | Total for this ACH Check for Vendor 10087: | | | 3,298.91 |
| ACH 10094 | U.S. Treasury | 06/05/2014 | | |
| | PR Batch 00001.06.2014 Federal Income Tax | PR Batch 00001.06.2014 Fede | | 7,865.55 |
| | PR Batch 00001.06.2014 FICA Employee Portion | PR Batch 00001.06.2014 FICA | | 4,511.56 |
| | PR Batch 00001.06.2014 FICA Employer Portion | PR Batch 00001.06.2014 FICA | | 4,511.56 |
| | PR Batch 00001.06.2014 Medicare Employee Portion | PR Batch 00001.06.2014 Medi | | 1,055.12 |
| | PR Batch 00001.06.2014 Medicare Employer Portion | PR Batch 00001.06.2014 Medi | | 1,055.12 |
| | Total for this ACH Check for Vendor 10094: | | | 18,998.91 |
| ACH 10203 | Ing Life Insurance | 06/05/2014 | | |
| | PR Batch 00001.06.2014 Deferred Comp | PR Batch 00001.06.2014 Defe | | 435.00 |
| | Total for this ACH Check for Vendor 10203: | | | 435.00 |
| ACH 10264 | CalPERS Supplemental Income Plans | 06/05/2014 | | |
| | PR Batch 00001.06.2014 CalPERS 457 | PR Batch 00001.06.2014 CalPI | | 1,683.08 |
| | Total for this ACH Check for Vendor 10264: | | | 1,683.08 |
| 1085 10169 | [REDACTED] | 06/05/2014 | | |
| | PR Batch 00001.06.2014 Garnishment | PR Batch 00001.06.2014 Garni | | 575.54 |
| | Total for Check Number 1085: | | | 575.54 |
| 2219 UB*00779 | CDN Premier Realty | 06/05/2014 | | |
| | Refund Check | | | 288.17 |
| | Total for Check Number 2219: | | | 288.17 |
| 2220 10144 | Alsco Inc. | 06/05/2014 | | |
| LYUM861017 | Biweekly mat rental 560 Magnolia Ave. | | | 14.85 |
| | Total for Check Number 2220: | | | 14.85 |
| 2221 UB*00782 | Dan Ampie | 06/05/2014 | | |
| | Refund Check | | | 45.85 |
| | Refund Check | | | 73.31 |
| | Refund Check | | | 35.13 |
| | Refund Check | | | 25.20 |
| | Total for Check Number 2221: | | | 179.49 |

| | | | |
|----------------------|---|------------|----------|
| 2222 UB*00774 | Branden Avila | 06/05/2014 | |
| | Refund Check | | 49.95 |
| | Refund Check | | 44.72 |
| | Refund Check | | 21.43 |
| | Refund Check | | 15.37 |
| | Total for Check Number 2222: | | 131.47 |
| 2223 UB*00754 | Lynn Baldi | 06/05/2014 | |
| | Refund Check | | 163.38 |
| | Total for Check Number 2223: | | 163.38 |
| 2224 UB*00781 | Kathryn Barribal | 06/05/2014 | |
| | Refund Check | | 61.67 |
| | Refund Check | | 72.31 |
| | Refund Check | | 34.65 |
| | Refund Check | | 24.86 |
| | Total for Check Number 2224: | | 193.49 |
| 2225 10014 7860 | Cherry Valley Automotive AC blower motor repair for Unit #2 | 06/05/2014 | |
| | | | 255.00 |
| | Total for Check Number 2225: | | 255.00 |
| 2226 UB*00777 | Richard Chinnock | 06/05/2014 | |
| | Refund Check | | 80.00 |
| | Total for Check Number 2226: | | 80.00 |
| 2227 10332 116529 | Department of Forestry and Fire Protection 12 days crew work @ Oak Glen 8/20-10/19/13. | 06/05/2014 | |
| | | | 2,706.48 |
| | Total for Check Number 2227: | | 2,706.48 |
| 2228 UB*00780 | Josephine Francis | 06/05/2014 | |
| | Refund Check | | 64.21 |
| | Refund Check | | 71.88 |
| | Refund Check | | 34.44 |
| | Refund Check | | 24.71 |
| | Total for Check Number 2228: | | 195.24 |
| 2229 UB*00783 | Michael Harrell | 06/05/2014 | |
| | Refund Check | | 41.42 |
| | Refund Check | | 72.86 |
| | Refund Check | | 34.91 |
| | Refund Check | | 25.05 |
| | Total for Check Number 2229: | | 174.24 |
| 2230 UB*00785 | Nneka Iloputaife | 06/05/2014 | |
| | Refund Check | | 150.00 |
| | Total for Check Number 2230: | | 150.00 |
| 2231 10273 | Inland Water Works Supply Co. | 06/05/2014 | |
| 263904 | 2% Discount on purchases | | -184.25 |
| 263904 | Parts for Inventory | | 2,803.68 |
| 263904 | Parts for Inventory | | 367.20 |
| 263904 | Parts for Inventory | | 367.20 |
| 263904 | Parts for Inventory | | 948.02 |
| 263904 | Parts for Inventory | | 948.03 |
| 263904 | Parts for Inventory | | 166.32 |
| 263904 | Parts for Inventory | | 146.88 |
| 263904 | Parts for Inventory | | 156.60 |
| 263904 | Parts for Inventory | | 204.12 |
| 263904 | Parts for Inventory | | 42.12 |
| 263904 | Parts for Inventory | | 25.92 |

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|------------------------------|--|------------|----------|
| 263904 | Parts for Inventory | | 57.24 |
| 263904 | Parts for Inventory | | 14.69 |
| 263904 | Parts for Inventory | | 17.82 |
| 263904 | Parts for Inventory | | 64.80 |
| 263904 | Parts for Inventory | | 46.65 |
| 263904 | Parts for Inventory | | 112.32 |
| 263904 | Parts for Inventory | | 667.44 |
| 263904 | Parts for Inventory | | 697.68 |
| 263904 | Parts for Inventory | | 95.69 |
| 263904 | Parts for Inventory | | 95.69 |
| 263904 | Parts for Inventory | | 1,166.40 |
| Total for Check Number 2231: | | | 9,028.26 |
| 2232 UB*00784 | Donna Johnson | 06/05/2014 | |
| | Refund Check | | 56.81 |
| | Refund Check | | 105.98 |
| | Refund Check | | 50.78 |
| | Refund Check | | 36.43 |
| Total for Check Number 2232: | | | 250.00 |
| 2233 10296 | Johnson Machinery Co. | 06/05/2014 | |
| SW000181321 | repair track assembly parts | | 396.06 |
| SW000181321 | repair track assembly labor | | 2,361.80 |
| SW000181321 | repair track assembly misc | | 421.57 |
| SW000181321 | repair track assembly travel labor | | 715.75 |
| SW000181321 | repair track assembly travel labor misc | | 450.00 |
| Total for Check Number 2233: | | | 4,345.18 |
| 2234 UB*00776 | May Ng | 06/05/2014 | |
| | Refund Check | | 149.41 |
| Total for Check Number 2234: | | | 149.41 |
| 2235 10045 | Pacific Alarm Service Inc. | 06/05/2014 | |
| R102788 | Alarm Equip. rent/service/monitoring for 560 Magnolia A' | | 233.00 |
| R102789 | Monthly service @ 11083 Cherry (June 2014) | | 44.50 |
| Total for Check Number 2235: | | | 277.50 |
| 2236 10102 | Pat's Pots | 06/05/2014 | |
| 13930 | Rental for 1 reg. & 2 handicap 4/8-5/5/14 | | 310.00 |
| 13931 | Rental for 1 reg. & 2 handicap 5/6-6/2/14 | | 310.00 |
| Total for Check Number 2236: | | | 620.00 |
| 2237 10275 | Prestige Mobile Detail | 06/05/2014 | |
| Inv 6-2-2014 | Weekly detail services for fleet 18 veh @\$16, 6/2 & 6/3 | | 288.00 |
| Total for Check Number 2237: | | | 288.00 |
| 2238 UB*00778 | April Sanchez | 06/05/2014 | |
| | Refund Check | | 74.07 |
| | Refund Check | | 35.49 |
| | Refund Check | | 25.46 |
| | Refund Check | | 51.46 |
| Total for Check Number 2238: | | | 186.48 |
| 2239 UB*00775 | Southern California Edison | 06/05/2014 | |
| | Refund Check | | 255.79 |
| Total for Check Number 2239: | | | 255.79 |
| 2240 10284 | Underground Service Alert of Southern California | 06/05/2014 | |
| 520140043 | Monthly ticket charges for utility marking, 85@ \$1.50 | | 127.50 |
| Total for Check Number 2240: | | | 127.50 |

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|--|----------------|---|------------|------------|
| 2241 | 10037 | Waste Management Of Inland Empire | 06/05/2014 | |
| | 1112455-2371-2 | Monthly Sanitation 12th & Palm June 2014 | | 251.10 |
| | 1112456-2371-0 | Monthly Sanitation 560 Magnolia Ave | | 92.27 |
| Total for Check Number 2241: | | | | 343.37 |
| Total for 6/5/2014: | | | | 71,554.68 |
| ACH | 10030 | Southern California Edison | 06/13/2014 | |
| | 74889 5-28-14 | 12303 Oak Glen Rd | | 115.10 |
| | 74889 5-28-14 | 9781 Avenida Miravilla | | 81.99 |
| | 74889 5-28-14 | 13697 Oak Glen Rd | | 167.28 |
| | 74889 5-28-14 | 13695 Oak Glen Rd | | 122.53 |
| | 74889 5-28-14 | 815 E 12th Ave | | 201.83 |
| | 74889 5-28-14 | 560 Magnolia Ave | | 1,287.38 |
| | 74889 5-28-14 | Wells | | 132,840.75 |
| Total for this ACH Check for Vendor 10030: | | | | 134,816.86 |
| 2242 | 10001 | Action True Value Hardware | 06/13/2014 | |
| | 42746 | locks, staples, meter supplies, misc supplies | | 161.09 |
| | 42746 | Stapler, chain saw blade file | | 25.90 |
| | 42746 | supplies for NCR I | | 185.81 |
| | 42746 | supplies for NCR I - vandal repairs | | 648.00 |
| | 42746 | 1 x 3/4 bell reduce | | 14.02 |
| | 42746 | Spray Paint | | 5.38 |
| | 42746 | 3/4 ball valve for Well # 6 | | 16.19 |
| | 42815 | for NCR I | | 12.60 |
| | 42815 | for High & Winesap valve | | 4.21 |
| | 42815 | Well 4A Chlorinator | | 123.31 |
| | 42815 | Misc Supplies | | 89.14 |
| | 42815 | for NCR I | | 26.14 |
| Total for Check Number 2242: | | | | 1,311.79 |
| 2243 | 10271 | Beaumont Ace Home Center | 06/13/2014 | |
| | 389624 | Truck Tools | | 50.74 |
| | 389773 | Ice Maker supplies | | 143.01 |
| | 389794 | supplies for ice maker | | 1.07 |
| Total for Check Number 2243: | | | | 194.82 |
| 2244 | 10305 | Beaumont Basin Watermaster | 06/13/2014 | |
| | B-149 | Member contribution 2013-2014 fiscal budget | | 7,206.52 |
| | B-149 | Member contribution 2013-2014 Special Project budget | | 1,062.75 |
| | B-153 | 42.51% Share of additional model runs with no SGPWA r | | 1,130.77 |
| | B-153 | 42.51% Share of subsurface Outflow Analysis | | 2,474.08 |
| | B-153 | 42.51% Share of Return flow Accounting | | 1,377.32 |
| Total for Check Number 2244: | | | | 13,251.44 |
| 2245 | 10060 | Beaumont Lawnmower | 06/13/2014 | |
| | 1259 | Trimmer cover | | 52.44 |
| Total for Check Number 2245: | | | | 52.44 |
| 2246 | 10010 | Beaumont Tire | 06/13/2014 | |
| | 4093 | 6 new tires with mounting and balancing unit #5 | | 961.30 |
| Total for Check Number 2246: | | | | 961.30 |
| 2247 | 10273 | Inland Water Works Supply Co. | 06/13/2014 | |
| | 264121 | 2% Discount on purchases | | -9.48 |
| | 264121 | Parts for inventory | | 58.75 |
| | 264121 | Parts for inventory | | 108.86 |
| | 264121 | Parts for inventory | | 265.03 |
| | 264121 | Parts for inventory | | 41.58 |
| | 264122 | Parts for inventory | | 1,143.29 |

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|------|--------------|--|------------------------------|-----------|
| | 264122 | Parts for inventory | | 3,672.00 |
| | 264122 | Parts for inventory | | 649.94 |
| | 264122 | 2% discount on purchases | | -109.30 |
| | | | Total for Check Number 2247: | 5,820.67 |
| 2248 | 10300 | Mike's Gopher and Bee Control | 06/13/2014 | |
| | 29437 | Monthly service at NCR March 2014 | | 400.00 |
| | 29668 | Monthly service at NCR April 2014 | | 400.00 |
| | 29879 | Monthly service at May 2014 | | 400.00 |
| | | | Total for Check Number 2248: | 1,200.00 |
| 2249 | 10143 | Nobel Systems Inc | 06/13/2014 | |
| | 13263 | Updates to District's GIS to be billed to developers | | 3,200.00 |
| | 13264 | GIS Data Conversion | | 6,100.00 |
| | | | Total for Check Number 2249: | 9,300.00 |
| 2250 | 10283 | Petty Cash | 06/13/2014 | |
| | 6/11/14 | Notary fees | | 260.00 |
| | 6/11/14 | office supplies | | 43.29 |
| | 6/11/14 | parking | | 4.00 |
| | 6/11/14 | reimbursement of nsf fees | | 36.00 |
| | | | Total for Check Number 2250: | 343.29 |
| 2251 | 10223 | Richards, Watson & Gershon | 06/13/2014 | |
| | 195985 | General Counsel #12788-0001 April 2014 | | 5,710.61 |
| | 195986 | Case # 12788-0002 April 2014 | | 1,787.85 |
| | 195987 | Case # 1788-0004 April 2014 | | 23,038.18 |
| | | | Total for Check Number 2251: | 30,536.64 |
| 2252 | 10317 | Robertson's Ready Mix | 06/13/2014 | |
| | 316611 | Concrete Mix Design SC658N23 NCR II | | 636.32 |
| | 316611 | Concrete Mix Design SC658N23 NCR II | | 20.00 |
| | 316611 | Concrete Mix Design SC658N23 NCR II | | 20.00 |
| | 316611 | Concrete Mix Design SC658N23 NCR II | | 116.00 |
| | 316611 | Concrete Mix Design SC658N23 NCR II | | 30.00 |
| | | | Total for Check Number 2252: | 822.32 |
| 2253 | 10042 | Southern California Gas Company | 06/13/2014 | |
| | 35000 6/2/14 | Monthly charges for gas for wells | | 14.79 |
| | | | Total for Check Number 2253: | 14.79 |
| 2254 | 10209 | Univar Usa Inc | 06/13/2014 | |
| | LA013720 | Chlorine for Well 25 - Mill Fee | | 35.61 |
| | LA013720 | Chlorine for Well 25 | | 1,637.55 |
| | LA013721 | Chlorine for Well 29 | | 1,071.90 |
| | LA013721 | Chlorine for Well 29 - Mill Fee | | 23.31 |
| | | | Total for Check Number 2254: | 2,768.37 |
| 2255 | 10035 | Usa Blue Book / Customer #911392 | 06/13/2014 | |
| | 350280 | sounding cable | | 770.73 |
| | | | Total for Check Number 2255: | 770.73 |
| 2256 | 10413 | Vadim Software | 06/13/2014 | |
| | I-VU00346 | Establish access to database, task #4780 | | 262.50 |
| | | | Total for Check Number 2256: | 262.50 |
| 2257 | 10304 | Vavrinek, Trine, Day & Co., LLP | 06/13/2014 | |
| | | Professional services rendered April 2014 | | 17,000.00 |
| | | | Total for Check Number 2257: | 17,000.00 |

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| 2258 10293 12527 | Western Dental Services Inc. Dental Premiums for employee paid insurance | 06/13/2014 | 152.40 |
| | Total for Check Number 2258: | | 152.40 |
| | Total for 6/13/2014: | | 219,580.36 |
| ACH 10085 | CalPERS Retirement System | 06/19/2014 | |
| | PR Batch 00002.06.2014 CalPERS 1% ER Paid | PR Batch 00002.06.2014 CalPI | 207.68 |
| | PR Batch 00002.06.2014 CalPERS 7% Deduction | PR Batch 00002.06.2014 CalPI | 1,861.07 |
| | PR Batch 00002.06.2014 CalPERS 8% EE Paid | PR Batch 00002.06.2014 CalPI | 2,624.73 |
| | PR Batch 00002.06.2014 CalPERS 8% ER Paid | PR Batch 00002.06.2014 CalPI | 885.94 |
| | PR Batch 00002.06.2014 CalPERS Employer Paid | PR Batch 00002.06.2014 CalPI | 20,247.82 |
| | PR Batch 00002.06.2014 CalPERS 6.9% | PR Batch 00002.06.2014 CalPI | 401.43 |
| | PR Batch 00003.06.2014 CalPERS 8% EE Paid | PR Batch 00003.06.2014 CalPI | 150.55 |
| | PR Batch 00003.06.2014 CalPERS Employer Paid | PR Batch 00003.06.2014 CalPI | 589.37 |
| | Total for this ACH Check for Vendor 10085: | | 26,968.59 |
| ACH 10087 | Edd State Of California | 06/19/2014 | |
| | PR Batch 00002.06.2014 CA SDI | PR Batch 00002.06.2014 CA S | 724.40 |
| | PR Batch 00002.06.2014 State Income Tax | PR Batch 00002.06.2014 State | 2,422.40 |
| | PR Batch 00003.06.2014 CA SDI | PR Batch 00003.06.2014 CA S | 18.82 |
| | PR Batch 00003.06.2014 State Income Tax | PR Batch 00003.06.2014 State | 28.25 |
| | Total for this ACH Check for Vendor 10087: | | 3,193.87 |
| ACH 10094 | U.S. Treasury | 06/19/2014 | |
| | PR Batch 00002.06.2014 Federal Income Tax | PR Batch 00002.06.2014 Fede | 7,467.59 |
| | PR Batch 00002.06.2014 FICA Employee Portion | PR Batch 00002.06.2014 FICA | 4,604.61 |
| | PR Batch 00002.06.2014 FICA Employer Portion | PR Batch 00002.06.2014 FICA | 4,604.61 |
| | PR Batch 00002.06.2014 Medicare Employee Portion | PR Batch 00002.06.2014 Medi | 1,076.90 |
| | PR Batch 00002.06.2014 Medicare Employer Portion | PR Batch 00002.06.2014 Medi | 1,076.90 |
| | PR Batch 00003.06.2014 Federal Income Tax | PR Batch 00003.06.2014 Fede | 203.26 |
| | PR Batch 00003.06.2014 FICA Employee Portion | PR Batch 00003.06.2014 FICA | 116.68 |
| | PR Batch 00003.06.2014 FICA Employer Portion | PR Batch 00003.06.2014 FICA | 116.68 |
| | PR Batch 00003.06.2014 Medicare Employee Portion | PR Batch 00003.06.2014 Medi | 27.29 |
| | PR Batch 00003.06.2014 Medicare Employer Portion | PR Batch 00003.06.2014 Medi | 27.29 |
| | Est. tax discrepancy Federal Income Tax | | 18.80 |
| | Total for this ACH Check for Vendor 10094: | | 19,340.61 |
| ACH 10203 | Ing Life Insurance | 06/19/2014 | |
| | PR Batch 00002.06.2014 Deferred Comp | PR Batch 00002.06.2014 Defe | 435.00 |
| | Total for this ACH Check for Vendor 10203: | | 435.00 |
| ACH 10264 | CalPERS Supplemental Income Plans | 06/19/2014 | |
| | PR Batch 00002.06.2014 CalPERS 457 | PR Batch 00002.06.2014 CalPI | 1,433.08 |
| | Total for this ACH Check for Vendor 10264: | | 1,433.08 |
| ACH 10288 | CalPERS Health Fiscal Services Division | 06/19/2014 | |
| | July 2014 health premiums | | 34,574.46 |
| | July 2014 health premiums for retirees | | 1,066.50 |
| | July 2014 health premiums for admin portion | | 122.56 |
| | Total for this ACH Check for Vendor 10288: | | 35,763.52 |
| ACH 10138 HW201 6-12-14 | ARCO Business Solutions Fuel Purchases 5/12/14 - 6/11/14 | 06/19/2014 | 7,291.95 |
| | Total for this ACH Check for Vendor 10138: | | 7,291.95 |
| 1089 10169 | XXXXXXXXXX | 06/19/2014 | |
| | PR Batch 00002.06.2014 Garnishment | PR Batch 00002.06.2014 Garni | 575.54 |
| | Total for Check Number 1089: | | 575.54 |

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| 1090 10094 | U.S. Treasury | 06/19/2014 | |
| 941_2nd Qtr | 2nd quarter impute tax liability | | 159.28 |
| | | Total for Check Number 1090: | 159.28 |
| 2259 UB*00806 | Ricardo Acevedo | 06/19/2014 | |
| | Refund Check | | 27.49 |
| | | Total for Check Number 2259: | 27.49 |
| 2260 UB*00788 | Francisco Aguilar | 06/19/2014 | |
| | Refund Check | | 86.04 |
| | | Total for Check Number 2260: | 86.04 |
| 2261 UB*00801 | Gladys Byrd | 06/19/2014 | |
| | Refund Check | | 178.31 |
| | Refund Check | | 27.16 |
| | Refund Check | | 13.01 |
| | Refund Check | | 9.34 |
| | | Total for Check Number 2261: | 227.82 |
| 2262 UB*00802 | Dennis Cardenas | 06/19/2014 | |
| | Refund Check | | 214.52 |
| | Refund Check | | 73.76 |
| | Refund Check | | 35.37 |
| | Refund Check | | 25.35 |
| | | Total for Check Number 2262: | 349.00 |
| 2263 UB*00803 | Raul Castro | 06/19/2014 | |
| | Refund Check | | 37.24 |
| | Refund Check | | 17.85 |
| | Refund Check | | 12.80 |
| | Refund Check | | 19.81 |
| | | Total for Check Number 2263: | 87.70 |
| 2264 UB*00791 | Vanessa Corona | 06/19/2014 | |
| | Refund Check | | 41.46 |
| | Refund Check | | 78.48 |
| | Refund Check | | 37.60 |
| | Refund Check | | 26.98 |
| | | Total for Check Number 2264: | 184.52 |
| 2265 UB*00807 | Kenneth Donnelly | 06/19/2014 | |
| | Refund Check | | 64.72 |
| | Refund Check | | 59.11 |
| | Refund Check | | 28.33 |
| | Refund Check | | 20.32 |
| | | Total for Check Number 2265: | 172.48 |
| 2266 UB*00798 | Nulen Follis | 06/19/2014 | |
| | Refund Check | | 98.85 |
| | Refund Check | | 61.19 |
| | Refund Check | | 29.32 |
| | Refund Check | | 21.03 |
| | | Total for Check Number 2266: | 210.39 |
| 2267 UB*00799 | Dennise Goedhart | 06/19/2014 | |
| | Refund Check | | 99.69 |
| | Refund Check | | 82.46 |
| | Refund Check | | 39.51 |
| | Refund Check | | 28.34 |
| | | Total for Check Number 2267: | 250.00 |

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|---------------|--|------------------------------|-----------------------------------|
| 2268 UB*00789 | Steven Gustafsson Refund Check | 06/19/2014 | 154.58 |
| | | Total for Check Number 2268: | 154.58 |
| 2269 UB*00795 | Janice Higgins Jefferson Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 58.65 75.69 36.26 26.02 |
| | | Total for Check Number 2269: | 196.62 |
| 2270 UB*00787 | Tona Jaraba Refund Check | 06/19/2014 | 150.78 |
| | | Total for Check Number 2270: | 150.78 |
| 2271 UB*00808 | Panikos Leonida Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 27.48 455.63 10.99 7.89 |
| | | Total for Check Number 2271: | 501.99 |
| 2272 UB*00797 | Faye Lopez Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 21.56 32.26 15.45 11.09 |
| | | Total for Check Number 2272: | 80.36 |
| 2273 UB*00786 | Jonathan Medina Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 170.49 43.62 20.90 14.99 |
| | | Total for Check Number 2273: | 250.00 |
| 2274 UB*00805 | Judy Myers Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 5.82 3.72 1.78 1.28 |
| | | Total for Check Number 2274: | 12.60 |
| 2275 UB*00804 | Norma Perez Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 45.26 87.68 42.01 30.14 |
| | | Total for Check Number 2275: | 205.09 |
| 2276 UB*00790 | Arthur Prudhomme Refund Check Refund Check Refund Check Refund Check | 06/19/2014 | 30.47 59.59 28.55 20.48 |
| | | Total for Check Number 2276: | 139.09 |
| 2277 UB*00793 | Christopher Roller Refund Check | 06/19/2014 | 107.73 |
| | | Total for Check Number 2277: | 107.73 |

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| 2278 UB*00794 | John & Kellie Shaah | 06/19/2014 | |
| | Refund Check | | 96.38 |
| | Refund Check | | 91.88 |
| | Refund Check | | 43.94 |
| | Refund Check | | 31.52 |
| | Total for Check Number 2278: | | 263.72 |
| 2279 UB*00796 | Paul Smith | 06/19/2014 | |
| | Refund Check | | 31.55 |
| | Refund Check | | 69.47 |
| | Refund Check | | 33.29 |
| | Refund Check | | 23.88 |
| | Total for Check Number 2279: | | 158.19 |
| 2280 UB*00792 | Stephanie Unruh | 06/19/2014 | |
| | Refund Check | | 27.95 |
| | Refund Check | | 32.96 |
| | Refund Check | | 15.79 |
| | Refund Check | | 11.33 |
| | Total for Check Number 2280: | | 88.03 |
| 2281 UB*00800 | Tina VerKaik | 06/19/2014 | |
| | Refund Check | | 22.20 |
| | Refund Check | | 62.91 |
| | Refund Check | | 29.62 |
| | Refund Check | | 21.26 |
| | Total for Check Number 2281: | | 135.99 |
| 2282 10000 | Ac Propane | 06/19/2014 | |
| 16828 | Annual tank rental | | 52.92 |
| 16828 | Annual tank rental | | 52.92 |
| | Total for Check Number 2282: | | 105.84 |
| 2283 10144 | AlSCO Inc. | 06/19/2014 | |
| LYUM862382 | Biweekly mat rental 815 E 12th 6/5/14 | | 19.80 |
| LYUM865271 | Biweekly mat rental 560 Magnolia 6-16-14 | | 14.85 |
| | Total for Check Number 2283: | | 34.65 |
| 2284 10073 | Awt Chemicals | 06/19/2014 | |
| 11-241 | HI/LOW LEVEL SWITCH | | 380.16 |
| 11-241 | CPU BOARD | | 106.81 |
| 11-241 | LABOR | | 492.00 |
| 11-241 | LABOR AND MATERIALS | | 399.60 |
| | Total for Check Number 2284: | | 1,378.57 |
| 2285 10272 | Babcock Laboratories Inc | 06/19/2014 | |
| BE42727-0034 | 15 Coliforms 5/27/14 | | 600.00 |
| BF40424-0034 | 12 Coliforms 6/2/14 | | 480.00 |
| BF40426-0034 | 1 Coliforms 6/2/14 | | 45.00 |
| | Total for Check Number 2285: | | 1,125.00 |
| 2286 10287 | Bank of the West | 06/19/2014 | |
| 05015 5/28/14 | New Account Stmt 5/28/14 | | |
| 10404 | 1&1 Internet, Inc. | 06/19/2014 | |
| 202006962324 | Internet hosting 05/6/2014 | | 35.97 |
| 10274 | Beaumont Chamber of Commerce | 06/19/2014 | |
| 41731 | Beaumont state of city for 4 BOD | | 120.00 |
| 10406 | Burgeson's Heating and Air Conditioning, Inc. | 06/19/2014 | |
| 7225 | a/c repair small conference room | | 1,263.00 |
| 10019 | C R & R Incorporated | 06/19/2014 | |
| 730005 | Monthly sanitation services 11083 Cherry Ave | | 240.12 |

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|------------------------------|---|------------|-----------|
| 10141 | Ca State Disbursement Unit | 06/19/2014 | |
| garnish 5/22/20 | garnishment for employee | | 552.10 |
| garnish 5/8/201 | garnishment for employee | | 552.10 |
| 10410 | FSW Restaurant Supply | 06/19/2014 | |
| 794199 | Scotsman C0330MA-1AB330P | | 2,591.00 |
| 10303 | Grainger | 06/19/2014 | |
| 1208673469 | 1/2 HP for chlorinators/pumps | | 1,205.28 |
| 10414 | Northern Tool & Equipment | 06/19/2014 | |
| 41197565 | Powerlube 18 volt grease gun | | 220.23 |
| 10147 | Online Information Services | 06/19/2014 | |
| 572816 | 173 credit reports | | 497.10 |
| 10221 | Redlands Ford | 06/19/2014 | |
| 6105387/2 | Vehicle light on, misc engine failure, etc. Unit #5 | | 453.68 |
| 10409 | Stater Bros | 06/19/2014 | |
| 40215 | Ice for field crews | | 17.79 |
| 42908 | Ice for field crews | | 17.79 |
| 45118 | Ice for field crews | | 6.46 |
| 46207 | Stamps for office building | | 9.80 |
| 49217 | Ice for field crews | | 23.72 |
| 49723 | Ice for field crews | | 11.86 |
| 51837 | Ice for field crews | | 17.79 |
| 10265 | Sunstate Equipment Co., LLC | 06/19/2014 | |
| 5360018-018 | NCR II Water Truck | | 2,143.64 |
| 10034 | Us Postal Service | 06/19/2014 | |
| 1000101021862 | Postage for mail | | 58.80 |
| 10044 | Verizon | 06/19/2014 | |
| 13706 | Monthly Service 04/10-5/9/2014 | | 206.46 |
| 13706 4/25/2014 | Monthly Fios and business line | | 150.00 |
| 13706 5/10/2014 | Monthly Service | | 211.57 |
| 36010 4/25/2014 | Monthly fax line | | 141.72 |
| 55509 4/25/2014 | Monthly service | | 46.46 |
| 10151 | Verizon Business | 06/19/2014 | |
| 66138 4/27/2014 | Monthly phone service 2/26-3/5/2014 | | 1,082.29 |
| 10116 | Verizon Wireless Services LLC | 06/19/2014 | |
| 67799 4/28/2014 | Wireless 4/29-5/28/2014 | | 122.88 |
| 10397 | Wal-Mart | 06/19/2014 | |
| 1042000314 | 11083 Cherry Ave cameras for security | | 135.82 |
| Total for Check Number 2286: | | | 12,135.43 |
| 2287 10271 | Beaumont Ace Home Center | 06/19/2014 | |
| 390152 | Batteries | | 23.06 |
| 390152 | Galmuriatic Acid | | 49.20 |
| 390601 | Wood Stakes 1"x2"x24" | | 18.52 |
| 390621 | Wood Stakes 1"x2"x24" | | 37.04 |
| 390850 | rubber boots for leak repairs | | 102.03 |
| Total for Check Number 2287: | | | 229.85 |
| 2288 10395 | Melissa Bender | 06/19/2014 | |
| 1667297 | labels | | 117.67 |
| Total for Check Number 2288: | | | 117.67 |
| 2289 10285 | C. T. W. S., LLC | 06/19/2014 | |
| DC20859 | Monthly oxygen & acetylene May 2013 | | 46.80 |
| Total for Check Number 2289: | | | 46.80 |
| 2290 10014 | Cherry Valley Automotive | 06/19/2014 | |
| 7807 | Unit # 13 Brakes-Clean, bevel, lube front, clean & adjust r | | 45.00 |
| 7982 | Unit #11-Radiator, radiator hoses, thermostat & gasket, co | | 877.35 |
| Total for Check Number 2290: | | | 922.35 |
| 2291 10323 | Ben DeForge | 06/19/2014 | |

| | | | |
|------------------------------|---|------------|-----------|
| Boot Allow 6-14 | Boot Allowance | | 80.98 |
| Total for Check Number 2291: | | | 80.98 |
| 2292 10020 | Department Of Environmental Health County Of Riv | 06/19/2014 | |
| IN0198310 | Permit Fee - Well # 21 | | 890.00 |
| Total for Check Number 2292: | | | 890.00 |
| 2293 10262 | Dick's All Auto Repair Inc | 06/19/2014 | |
| 12925 | Unit # 20 check engine light code analysis, A/C analysis, F | | 223.56 |
| Total for Check Number 2293: | | | 223.56 |
| 2294 10022 | Hemet Valley Tool & Supply | 06/19/2014 | |
| 89695 | IR Throttle Valve Assembly, CP Fitting, Labor | | 319.59 |
| Total for Check Number 2294: | | | 319.59 |
| 2295 10052 | Home Depot Credit Services | 06/19/2014 | |
| 46184 5/28/14 | supplies | | 606.11 |
| 46184 5/28/14 | ZZ maker install | | 49.23 |
| Total for Check Number 2295: | | | 655.34 |
| 2296 10398 | Infosend, Inc. | 06/19/2014 | |
| 79564 | Bill Printing & mailing | | 1,309.56 |
| 79564 | Bill Postage | | 3,689.83 |
| 80490 | Postage for May 2014 mailings | | 4,007.05 |
| 80490 | Bill Printing & mailing | | 1,395.31 |
| Total for Check Number 2296: | | | 10,401.75 |
| 2297 10273 | Inland Water Works Supply Co. | 06/19/2014 | |
| 263231 | 2% Discount on Purchases | | -3,121.53 |
| 263231 | Parts for Inventory | | 639.90 |
| 263231 | Parts for Inventory | | 618.30 |
| 263231 | Parts for Inventory | | 931.50 |
| 263231 | Parts for Inventory | | 224.32 |
| 263231 | Parts for Inventory | | 1,344.60 |
| 263231 | Parts for Inventory | | 1,811.16 |
| 263231 | Parts for Inventory | | 1,671.84 |
| 263231 | Parts for Inventory | | 1,909.44 |
| 263231 | Parts for Inventory | | 7,509.24 |
| 263231 | Parts for Inventory | | 477.90 |
| 263231 | Parts for Inventory | | 3,672.00 |
| 263313 | 2% Discount on Purchases | | -46.51 |
| 263313 | Parts for Inventory | | 1,222.88 |
| 263313 | Parts for Inventory | | 146.88 |
| 263313 | Parts for Inventory | | 955.80 |
| 263902 | 2% Discount on Purchases | | -65.65 |
| 263902 | Parts for Inventory | | 234.36 |
| 263902 | Parts for Inventory | | 3,048.19 |
| 263903 | Parts for Inventory | | 783.76 |
| 263903 | Parts for Inventory | | 3,672.00 |
| 263903 | Parts for Inventory | | 7,509.24 |
| 263903 | 2% Discount on Purchases | | -385.72 |
| 263903 | Parts for Inventory | | 639.90 |
| 263903 | Parts for Inventory | | 618.30 |
| 263903 | Parts for Inventory | | 931.50 |
| 263903 | Parts for Inventory | | 303.91 |
| 263903 | Parts for Inventory | | 1,344.60 |
| 263903 | Parts for Inventory | | 3,483.00 |
| 264242 | 2% Discount on Purchases | | -10.24 |
| 264242 | Backflow | | 511.92 |
| 264358 | 2% Discount on Purchases | | -353.43 |

| | | | |
|------------------------------|---|------------|------------|
| 264358 | Parts for Inventory | | 639.90 |
| 264358 | Parts for Inventory | | 210.22 |
| 264358 | Parts for Inventory | | 763.83 |
| 264358 | Parts for Inventory | | 246.03 |
| 264358 | Parts for Inventory | | 833.65 |
| 264358 | Parts for Inventory | | 440.64 |
| 264358 | Parts for Inventory | | 2,925.72 |
| 264358 | Parts for Inventory | | 7,509.23 |
| 264358 | Parts for Inventory | | 430.11 |
| 264358 | Parts for Inventory | | 3,672.00 |
| 264359 | Valve key | | 140.40 |
| 264359 | 2% Discount on Purchases | | -2.81 |
| 264360 | Parts for Inventory | | 1,179.39 |
| 264360 | Parts for Inventory | | 468.74 |
| 264360 | Parts for Inventory | | 1,179.39 |
| 264360 | 10.30-1070 x12 F.c Parts for Inventory | | 468.73 |
| 264360 | 10.30-1070 x15 F.c Parts for Inventory | | 1,181.12 |
| 264360 | 2% Discount on Purchases | | -94.23 |
| 264360 | Parts for Inventory | | 234.37 |
| 264381 | Purple marking paint | | 48.60 |
| 264381 | Blue marking paint | | 466.56 |
| 264381 | Black marking paint | | 4.86 |
| 264381 | 2% Discount on Purchases | | -10.40 |
| Total for Check Number 2297: | | | 65,169.41 |
| 2298 10408 | Kenny Strickland Inc | 06/19/2014 | |
| 5140016 | Oil for wells | | 976.54 |
| Total for Check Number 2298: | | | 976.54 |
| 2299 10224 | Legal Shield | 06/19/2014 | |
| 01129 6/15/14 | Monthly Prepaid Legal for Employees June 2014 | | 227.15 |
| Total for Check Number 2299: | | | 227.15 |
| 2300 10196 | National Meter & Automation, Inc. | 06/19/2014 | |
| S1053068.001 | Brass Meter Bodies | | 13,500.00 |
| Total for Check Number 2300: | | | 13,500.00 |
| 2301 10297 | Rain For Rent | 06/19/2014 | |
| 036038677 | Fill 3800 zone tank | | 2,926.93 |
| Total for Check Number 2301: | | | 2,926.93 |
| 2302 10171 | Riverside County Recorder | 06/19/2014 | |
| April 2014 | April 2014 Lien Releases | | 23.00 |
| Total for Check Number 2302: | | | 23.00 |
| 2303 10095 | Riverside County Waste Management | 06/19/2014 | |
| 201405000339 | Monthly Dump Fees Incurred May 2014 | | 150.44 |
| Total for Check Number 2303: | | | 150.44 |
| 2304 10290 | San Gorgonio Pass Water Agency | 06/19/2014 | |
| 14-00064 | AF 336 @ \$317 for May 2014 | | 106,512.00 |
| Total for Check Number 2304: | | | 106,512.00 |
| 2305 10132 | South Coast Aqmd | 06/19/2014 | |
| 2717403 | AQMD Fee for Beaumont & Brookside 7/2013-6/2014 | | 118.94 |
| 2718079 | AQMD Fee for 38001 Brookside 7/2013-6/2014 | | 118.94 |
| Total for Check Number 2305: | | | 237.88 |

| | | | | |
|------|------------|---|------------------------------|------------|
| 2306 | 10031 | Staples Advantage | 06/19/2014 | |
| | 8030160697 | Paper, thermal rolls, Supplies | | 193.52 |
| | | | Total for Check Number 2306: | 193.52 |
| 2307 | 10255 | Unlimited Services Building Maintenance | 06/19/2014 | |
| | 0238890-IN | Janitorial 815 E 12th June 2014 | | 150.00 |
| | 0238891-IN | Janitorial 560 Magnolia June 2014 | | 845.00 |
| | | | Total for Check Number 2307: | 995.00 |
| 2308 | 10034 | Us Postal Service | 06/19/2014 | |
| | Box #2037 | 12 mo PO Box fee | | 490.00 |
| | | | Total for Check Number 2308: | 490.00 |
| 2309 | 10057 | Xerox Corporation | 06/19/2014 | |
| | 074319210 | Monthly machine rental/usage May 2014 | | 1,263.07 |
| | | | Total for Check Number 2309: | 1,263.07 |
| 2310 | 10316 | Z & L Paving | 06/19/2014 | |
| | 60097 | Street Patches for service repairs | | 7,186.75 |
| | 60097 | Street Patches for main repairs | | 1,284.87 |
| | 60098 | Street Patches for main repairs | | 1,235.00 |
| | | | Total for Check Number 2310: | 9,706.62 |
| | | | Total for 6/19/2014: | 330,240.59 |
| | | | Report Total: | 621,375.63 |



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 9th, 2014**

DATE: July 1st, 2014
TO: Board of Directors
FROM: Melissa Bender, Director of Finance & Administrative Services
SUBJECT: Approval of Pending Invoices

Recommendation

Staff recommends that the Board of Directors approve the pending invoices totaling \$17,138.97.

Background

Staff has reviewed the pending invoices and found the services rendered were acceptable to the District.

Fiscal Impact

There is a \$17,138.97 impact to the District which will be paid from the 2014 budget.

Attachments:

- Richards Watson Gershon Invoice #196479
- Richards Watson Gershon Invoice #196480
- Richards Watson Gershon Invoice #196481
- Vavrinek, Trine, Day & Co., LLP Invoice #0106830-IN



RICHARDS | WATSON | GERSHON

ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101

Telephone 213.626.8484 Facsimile 213.626.0078

Fed. I.D. No. 95-3292015

ERIC FRASER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

June 18, 2014
Invoice # 196479

Re: 12788-0001 GENERAL COUNSEL SERVICES

| | |
|--|--------------------------|
| Current Legal Fees | \$2,695.00 |
| Current Client Costs Advanced | <u>\$118.72</u> |
| TOTAL CURRENT FEES AND COSTS..... | <u>\$2,813.72</u> |

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE

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Fed. I.D. No. 95-3292015

ERIC FRASER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

June 18, 2014
Invoice # 196480

Re: 12788-0002 [REDACTED]

| | |
|--|------------------------|
| Current Legal Fees | \$442.50 |
| Current Client Costs Advanced | <u>\$61.60</u> |
| TOTAL CURRENT FEES AND COSTS..... | <u>\$504.10</u> |

TERMS: PAYMENT DUE UPON RECEIPT

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Fed. I.D. No. 95-3292015

ERIC FRASER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

June 18, 2014
Invoice # 196481

Re: 12788-0004 [REDACTED]

| | |
|--|---------------------------|
| Current Legal Fees | \$10,505.20 |
| Current Client Costs Advanced | <u>\$315.95</u> |
| TOTAL CURRENT FEES AND COSTS..... | <u>\$10,821.15</u> |

TERMS: PAYMENT DUE UPON RECEIPT

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LOS ANGELES | ORANGE COUNTY | SAN FRANCISCO | TEMECULA



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

CLIENT ID: 2000275
OWNER: RA
INVOICE NUMBER: 0106830-IN
DATE: 05/31/2014

Please return top portion with remittance.

Amount enclosed \$ _____



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

Beaumont-Cherry Valley Water

Professional services rendered during May 2014.

\$3,000.00

INVOICE TOTAL: \$3,000.00

CLIENT ID: 2000275
INVOICE NUMBER: 0106830-IN
DATE: 05/31/2014

8270 Aspen Street Rancho Cucamonga, CA 91730 Tel: 909.466.4410 Fax: 909.466.4431 www.vdcpa.com



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
BOARD OF DIRECTORS SPECIAL MEETING
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, June 11th, 2014
6:00 P.M.**

Call to Order, President Woll

President Woll began the meeting at 6:01 p.m.

Roll Call

Present at the meeting were President Woll and Directors Ball, Guldseth, Ross and Slawson. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, and Director of Finance and Administrative Services: Melissa Bender. No members of the Public registered their attendance.

Public Input

No Public Input was received.

ACTION ITEMS

1. Recess to Closed Session

- a. Conference with legal counsel regarding potential litigation (Number of cases unknown) pursuant to Government Code 54956.9(d).

Legal Counsel Mr. Markman advised the Board there was a threat of litigation due to will serve letters that were requested to be renewed that have not yet been acted upon by the Board.

President Woll recessed the meeting to closed session at 6:02 p.m. There was no reportable action.

ADJOURNMENT

President Woll adjourned the closed session meeting at 7:14 p.m.

Attest:

Director Ryan Woll, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

Director Daniel Slawson, Secretary to
the Board of Directors of the
Beaumont-Cherry Valley Water District



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, June 11th, 2014**

Call to Order, President Woll

President Woll began the meeting at 7:14 p.m.

Pledge of Allegiance, Director Ball

Director Ball led the pledge.

Invocation, Director Ross

Director Ross led the invocation.

Roll Call

Present at the meeting were President Woll, Directors Ball, Guldseth, Ross and Slawson. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Operations: Tony Lara, Director of Engineering: Dan Jagers, and Director of Finance and Administrative Services: Melissa Bender. Public that registered their attendance were: Barbara Voight, Fran Flanders, Patsy Reeley, Barbara Brown, David Castaldo, John M. Halliwill, Nancy Carroll, MaryAnn Melleby, Pat Doherty and Brian Hall.

Public Comment

David Castaldo thanked Director Ross for participating in the City of Beaumont's video regarding water conservation.

Nancy Carroll, a member of the Gateway Committee, thanked the Board for considering the Gateway Resolution (Resolution 2014-03) on tonight's agenda.

Judy Bingham expressed her disappointment in Director Ross's participation in the City of Beaumont water conservation video.

ACTION ITEMS

1. Adoption of the Agenda (pages 1-3)

General Manager Fraser advised the Board that there were no changes to the Agenda.

- 2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.

- a. April 2014 Budget Variance Report Review** (pages 4-8)
- b. April 30th, 2014 Cash/Investment Balance Report** (page 9)
- c. May 2014 Check Register Review** (pages 10-22)
- d. May 2014 Invoices Pending Approval** (pages 23-34)
- e. Minutes of the Regular Meeting May 14th, 2014** (pages 35-39)

The consent calendar passed 5-0 with no items being pulled for discussion.

3. Continued Discussion Related to Current Drought Conditions and Review of the District's Water Supply Reliability and Water Shortage Contingency Planning Guidelines as Set Forth in Section 5 of the District's 2013 Urban Water Management Plan (pages 40-81)**

General Manager updated the Board on details of Governor Brown's Executive Order on Reduction Requirements and the District's Water Supply Reliability and Water Shortage Contingency Planning Guidelines as Set Forth in Section 5 of the District's 2013 Urban Water Management Plan Update.

After discussion, Director Slawson motioned to initiate Stage 1 of the Stages of Action in Response to Water Supply Shortages as set forth in Section 5 of the District's 2013 Urban Water Management Plan and to send the letter as an insert with the next two billing cycles. Director Ball seconded the motion and it passed 5-0.

4. Discussion Regarding the Board's Responsibility in Regards to Land Planning (page 82)**

Public Comments on Item:

Patsy Reeley advised the Board that she believes the Board has to be involved and active in land planning decisions because they have a responsibility to assure there is enough water for the community.

Legal Counsel Markman reminded the Board that the City of Beaumont or the County of Riverside are the land planning agencies for the area and that the Board really doesn't have direct control of land planning decisions. The Board does however have a direct responsibility to prepare a 20 year water supply assessment when applicable.

After discussion, the Board stated they would like to be work with the City of Beaumont to become more involved during the land planning process to reach a unified position and consider the opinions of the community before land planning decisions are made.

Beaumont City Council Member David Castaldo stated he has asked his Council three times over the last year to work with the District to resolve these issues. He recommends the Board ask the City Council in the Public Forum.

5. Consideration of Resolution 2014-03 A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Requesting the County of Riverside Board of Supervisors Oppose Proposed Zone Changes to the Riverside County General Plan (pages 83-84)**

Public Comments on Item:

Pat Doherty thanked the Board for their opposition to the proposed zone changes; however, he suggested the Board specifically state their concerns in the Resolution.

Patsy Reeley thanked the Board for their support of the issue and the Resolution.

Nancy Carroll, a member of the Gateway Committee, advised the Board that she really likes the Resolution as drafted and hopes they sign it.

After discussion, Director Ball motioned to approve the Resolution as drafted. The motion was seconded by President Woll and passed 5-0.

6. Discussion of Grand Avenue Storm Drain Project and Request for Board Direction Regarding Continued Project Development (pages 85-87)**

General Manager Fraser and Director of Engineering Dan Jagers provided an overview of the project development.

After discussion, General Manager Fraser stated the District staff will perform additional analysis and bring back a draft agreement to the Board for consideration if the Board desires. Director Ross motioned to approve the project for further analysis and to bring a draft agreement back to the Board for consideration. Director Guldseth seconded the motion and it passed 5-0.

7. Consideration of Annexation of Parcel for ASM Beaumont Business Center Development (located South of State Route 60/West of Potrero Road) and Approval of Water Service “Will Serve Letter”* (pages 88-95)**

Public Comment on Item:

Patsy Reeley urged the Board to postpone decision until there is more information available on the project and the drought is over. She wished the Board would have a policy to give their feedback on the water availability during the EIR during the CEQA process.

Judy Bingham stated she is opposed to the annexation and “Will Serve Letter.”

Brent Caldwell, representative of the owners of ASM Beaumont, updated the Board on their development planning and thanked the Board for bringing the item back for consideration.

After discussion, Director Slawson motioned to approve the annexation and “Will Serve Letter” request, Director Ross seconded the motion. The motion passed 4-0, with Director Guldseth abstaining.

8. Consideration of Annexation of Parcels for Revised Hidden Canyon II Development (located South of State Route 60/West of Potrero Road) and Approval of Water Service “Will Serve Letter”* (pages 96-100)**

Public Comment on Item:

Judy Bingham and Patsy Reeley both spoke in opposition to the annexation and "Will Serve Letter."

Brian Hall and David Golkar spoke in favor of the project.

After discussion, Director Slawson motioned to approve the annexation and "Will Serve Letter" request, Director Ross seconded the motion. The motion passed 3-1, with Director Ball dissenting and Director Guldseth abstaining.

9. Consideration of Approval of Water Service "Will Serve Letter" for the proposed Country Club Village Development (pages 101-109)**

Public Comment on Item:

Patsy Reeley and Judy Bingham both spoke in opposition to the annexation and "Will Serve Letter."

David Golkar spoke in favor of the project.

After discussion, Director Slawson motioned to approve the "Will Serve Letter" request, Director Ross seconded the motion stating that these approvals are dependent upon the San Geronio Pass Water Agency (SGPWA) performing their function of importing the water necessary to meet the demand. SGPWA Board Member Barbara Voight then stated from the audience that if the Board approved the will serves, they would be responsible for providing the water. The motion passed 3-2, with Directors Ball and Director Guldseth dissenting.

10. Reports for Discussion

a. Ad Hoc Committees

No reports were made.

b. General Manager

General Manager Fraser provided an update on the following topics:

- *San Geronio Pass Water Agency recently updated their Urban Water Management Plan to reflect the demands in BCVWD's most recent UWMP. Mr. Fraser expressed concern about the comment made by the SGPWA Board Member Voight since it is in direct conflict with recent policy adopted by the SGPWA and associated statements regarding the Agency's role in providing imported water supply to the region. He further stated if the SGPWA is unwilling to meet the needs of the agencies in their service area, then the agencies may need to reconsider the SGPWA's role as the wholesale water agency for the region;*
- *District's audit to be presented at next Board meeting;*
- *Continue to take water deliveries at the Noble Creek Recharge facility as water is available;*
- *Fire in Bogart Park: Mr. Fraser thanked staff members Lara and Dahlstrom for monitoring the District's facilities to ensure water supply needs were met for fire fighting operations;*

- *Master Plan progress continues: Mr. Fraser thanked District staff Jagers and Reichenberger for their good work and anticipates having a final product before the end of the year; and*
- *GIS project is nearly complete: Staff is already making use of the features and resources available.*

c. Directors Reports

Directors Ross and Slawson attended the City of Beaumont's State of the City meeting. Director Ball attended the Regional Alliance meeting. Director Guldseth thanked David Castaldo and District staff for their presentation at the Alliance meeting held early today.

President Woll had nothing to report.

d. Legal Counsel Report

Mr. Markman had nothing to report.

11. Announcements

- Beaumont Basin Watermaster meeting, tentatively scheduled, July 2nd, 2014 at 10:00 a.m.
- Finance & Audit Committee meeting, July 3rd, 2014 at 3:00 p.m.
- Regular Board meeting, July 9th, 2014 at 7:00 p.m.
- Beaumont Basin Watermaster meeting, August 6th, 2014 at 10:00 a.m.
- Finance & Audit Committee meeting, August 7th, 2014 at 3:00 p.m.
- Regular Board meeting, August 13th, 2014 at 7:00 p.m.

President Woll made the announcements above.

12. Action List for Future Meetings

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Update the Board on Infosend after one year
- Solar System Update
- Storm Water Recapture Project

13. Recess to Closed Session

- a. Conference with Labor Negotiators pursuant to Government Code 54957.6:

Agency Negotiator: Eric Fraser

Represented Employees: BCVWD Employee Association

Item 15 was pulled from the agenda by General Manager Fraser.

14. Adjournment

President Woll adjourned the meeting at 9:17 p.m.

Attest:

Director Ryan Woll, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District

Director Daniel Slawson, Secretary to
the Board of Directors of the
Beaumont-Cherry Valley Water District

** Information included in the agenda packet



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, June 26th, 2014**

Call to Order, President Woll

Vice President Ross began the meeting at 4:11 p.m. in President Woll's absence.

Roll Call

Present at the meeting were Directors Guldseth, Ross and Slawson. President Woll and Director Ball were absent. District Staff: Director of Finance and Administrative Services: Melissa Bender was present. John M. Halliwill of the Public registered his attendance.

Public Input

Mr. Halliwill addressed the Board of Directors regarding the elections process specifically noting that he agreed with the recommendation on page 6 that each candidate pay for their own statement. He further requested clarification as to why a map was referenced on the Notice to the Registrar of Voters form when a copy was not included in the agenda material.

ACTION ITEMS

- 1. Consideration of Resolution 2014-04: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Adopting Regulations Regarding the Payment of the Cost of the Candidate's Statement for the November 2014 Consolidated Election**

Director Slawson suggested the County of San Bernardino be included as a specific reference in the body of Resolution 2014-04. Director Slawson motioned to approve the Resolution as amended. The motion was seconded by Director Guldseth and passed 3-0, with Directors Ball and Woll absent.

- 2. Adjournment**

Vice President Ross adjourned the closed session meeting at 4:27 p.m.

Attest:

Director Ken Ross, Vice President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

Director Daniel Slawson, Secretary to
the Board of Directors of the
Beaumont-Cherry Valley Water District



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 9th, 2014**

DATE: July 1st, 2014

TO: Board of Directors

FROM: Eric Fraser, General Manager

SUBJECT: Consideration of Receipt and Acceptance of 2013 Audit by Vavrinek, Trine, Day & Co., LLP

Recommendation

Staff recommends the Board of Directors receive and accept the 2013 audit performed by Vavrinek, Trine, Day & Co., LLP.

Background

On March 13th, 2013, the Board of Directors authorized a three-year contract with Vavrinek, Trine, Day & Co., LLP. for professional auditing services for the fiscal years ending December 31, 2012, 2013 and 2014. These services included an audit of the District's annual financial report including the District's financial statements.

The financial statements have been prepared by District staff for the period ending December 31, 2013 and have been audited by Vavrinek, Trine, Day & Co. An opinion has been expressed by Vavrinek, Trine, Day & Co., LLP regarding said audit which states:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The District's Annual Financial Report for the year ending December 31, 2013 is attached. Based on the financial information for the year ended December 31, 2013, the following financial highlights are noted for the Beaumont-Cherry Valley Water District:

- The assets of the District exceeded its liabilities at year end by \$123,424,314 (net position). Of this amount, \$5,499,646 represents unrestricted net position, which may be used to meet the District's ongoing obligations to customers and creditors.
- The District's net position increased \$18,805,095 from the prior fiscal year. The increase is a result of the combined effects of increased revenues from developer activities (capital commitments), an increase in customers/water sales, and a restatement of the prior year's capital assets which is the largest portion of the net position increase.



Fiscal Impact

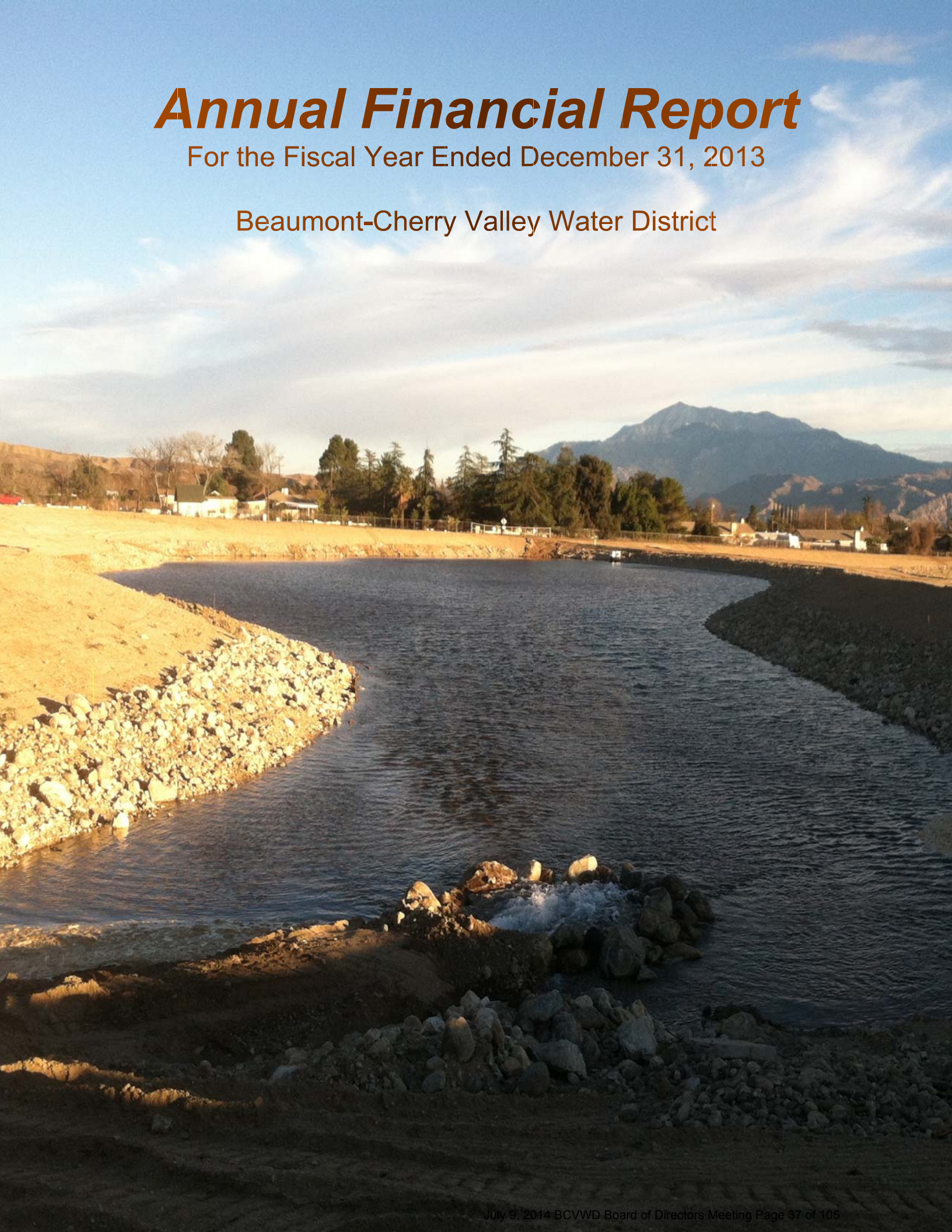
There is no fiscal impact associated with the receipt and acceptance of the District's Annual Financial Report for the year ended December 31, 2013.

Report prepared by: Melissa Bender, Director of Finance & Administrative Services

Annual Financial Report

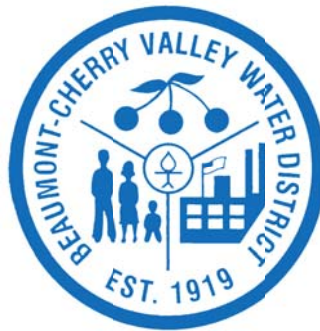
For the Fiscal Year Ended December 31, 2013

Beaumont-Cherry Valley Water District



Beaumont-Cherry Valley Water District

560 Magnolia Avenue Beaumont CA 92223
951.845-9581 www.bcvwd.org



Board of Directors as of December 31, 2013

| Director | Title | Division | Current Term |
|----------------|----------------|----------|-------------------|
| Ryan Woll | President | 1 | 12/2012 – 12/2016 |
| Ken Ross | Vice-President | 2 | 12/2012 – 12/2016 |
| John Guldseth | Treasurer | 4 | 12/2010 – 12/2014 |
| Dr. Blair Ball | Secretary | 5 | 12/2010 – 12/2014 |
| Daniel Slawson | Director | 3 | 12/2012 – 12/2014 |

Eric Fraser, P.E.
General Manager

Beaumont-Cherry Valley Water District
Annual Financial Report
For the Year Ended December 31, 2013

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Introductory

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Beaumont-Cherry Valley Water District

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Division 4

Daniel Slawson
Division 3

Kenneth Ross
Division 2

Ryan Woll
Division 1

June 18, 2014

Honorable Board of Directors
Beaumont-Cherry Valley Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Beaumont-Cherry Valley Water District for the year ended December 31, 2013, following guidelines set forth by the Government Accounting Standards Board. District staff prepared this financial report. District management is ultimately responsible for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures in this financial report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by Vavrinek, Trine, Day & Company, LLP, a firm of licensed certified public accountants. The purpose of their independent audit was to provide reasonable assurance that the financial statements of the District, for the year ended December 31, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The audit also included obtaining an understanding of the District and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended December 31, 2013, are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report, beginning on page 7.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor, beginning on page 9.

District Profile

The goal of the District is to provide for a healthy, safe and enriched quality of life throughout the District boundaries through watershed stewardship and thorough management of water resources in a practical, cost-effective and environmentally sensitive manner for current and future generations.



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The origin of the Beaumont-Cherry Valley Water District dates back to the latter part of the 1800's when the Southern California Investment Company was the owner of the land that currently is the City of Beaumont and the community of Cherry Valley. The Company intended to build a system of water lines for the purpose of developing subdivisions throughout the Beaumont and Cherry Valley areas.

Over many decades, the water system of the Beaumont-Cherry Valley Water District has evolved from a small privately owned company that was started to support development in the District's service area, to the system today that serves over 40,000 people in both the City of Beaumont and the community of Cherry Valley.

The District's present service area covers approximately 28 square miles, virtually all of which is in Riverside County, and includes the city of Beaumont, the community of Cherry Valley and some small areas of Calimesa. The District also owns 575 acres of watershed land in Edgar Canyon in San Bernardino County located just north of the Riverside-San Bernardino County line where the District operates a number of wells and several reservoirs.

The District has both a potable and non-potable water distribution system. At the end of 2013, the District had a total of 16,137 connections, an increase of 1,008 connections over 2012. Approximately 335 of these total connections are landscape irrigation connections to the non-potable water system and approximately 69 of these total connections are for agricultural irrigation which is connected to the potable water system. The number of connections increased from 5,600 in the year 2000 before the housing market boom that encompassed Western Riverside County and particularly Beaumont.

The District has a total of 24 wells and 14 reservoirs ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 22 MG.

Today, the Beaumont-Cherry Valley Water District continues to develop programs and policies that ensure a supply of water for the area's growing population and include recharge of local area storm water and imported water from the State Water Project.

Of significance to its programs and goals, the District's Board purchased 78.8 acres of land and eventually constructed a Recharge Facility for the recharge of imported water from the State Water Project. In the future, storm runoff and possibly recycled water will be recharged at the facility. Usually, these water sources are in the untreated state which means the water will be naturally treated as it recharges the groundwater much like rain and runoff are naturally treated as they seep into the ground to become groundwater.

The District is governed by a five-member Board of Directors representing five divisions. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District currently employs thirty-four employees. The District's Board of Directors meets on the second Wednesday of each month. Meetings are publically noticed and citizens are encouraged to attend.



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Local Economy (see acknowledgement note on P.6)

The City of Beaumont experienced very rapid growth from the year 2000 to 2010 and about two-thirds of this growth occurred between 2000 and 2005. The high rate of growth continued until mid-2008 when development slowed markedly following the economic downturn in the United States and California.

The historic growth of the local economy is set forth by the recent population and household data for the District's service area are as follows:

| City of Beaumont | <u>1980</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> |
|------------------|--------------|--------------|---------------|---------------|
| Population | <u>6,818</u> | <u>9,685</u> | <u>11,407</u> | <u>36,837</u> |
| Households | <u>2,852</u> | <u>3,718</u> | <u>3,887</u> | <u>12,950</u> |
| People/Household | <u>2.39</u> | <u>2.60</u> | <u>2.93</u> | <u>2.84</u> |

The population in Cherry Valley has remained relatively constant since 1980.

According to Dr. John Husing's Quarterly Economic Report dated April, 2014, VOL.26 NO.2, "the ability of the Inland Empire's economy to return to normal has been held up by the depression in its residential real estate market. There are clear signs that this is finally coming to an end."

In 2013 the District experienced an increased interest from land developers in completing tract developments that were put on hold during the slowdown and beginning new developments that were previously delayed.

The future growth anticipated for the local economy is reflected in the planned construction by area land developers of approximately 10,500 housing units. Approximately 7,600 of these planned housing units are approved and these developments were commencing construction prior to the economic downturn.

The following comments, either quoted or paraphrased from Dr. Husing's Quarterly Economic Report dated April, 2014, are offered as economic trend indicators for the Inland Empire which encompasses the District's service area. The District acknowledges Dr. Husing's work and his website on page 6 of this letter.

"Construction has generally been one of the Inland Empire's strongest job creators. However, it faltered from 2006-2011. In that period, the region was down a net of 137,233 total jobs, with construction off -68,433, or 49.9% of the area's loss. In 2012, construction job growth returned, up 3,542 jobs, followed by a gain of 6,733 jobs in 2013. Construction job growth in 2014 has increased by an additional 3,650 positions. Slowly, the sector's environment is improving. New home permits reached 6,473 in 2013, up 36.6%. Fourth



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quarter 2013 new home prices were up 14.1%, showing some developer pricing-power. Existing home prices rose 23.6%.”

“The fact e-commerce expanded at over 15% has caused even conventional retailers to begin aggressively embracing Amazon.com’s strategy of creating and staffing large regional fulfillment centers. Their goal is to respond to on-line consumers with same-day deliveries. With its available land for large facilities, many of these are locating in the Inland Empire. Inland Empire logistics job growth thus remains strong, adding 8,817 jobs in 2013 and up another 5,850 early in 2014.”

“In 2014, the Inland Empire economy should gain 40,100 jobs (3.2%), after adding 46,633 in 2013, 32,000 in 2012 and 2,900 in 2011. The expansion will continue partly because of the area’s traditional advantages for blue collar sectors (undeveloped land, modestly priced labor, and growing population).”

District staff anticipates that in 2014 the growth in the District’s service area related to residential, commercial and industrial development will again increase incrementally.

Relevant Financial Policies

Budgetary Controls

The District maintains budgetary controls, the objectives of which are to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Board.

During the budget year ending December 31, 2013, there were two significant amendments made to the original budget. Of significance was the adjustment needed to reflect the \$2,100,000 payoff of the note to Banc of America Leasing and the adjustment needed to record the \$119,701 payment for authorized studies and costs incurred by the Beaumont Basin Watermaster in Fiscal Year 2012-2013. The Water Master includes the cities of Banning and Beaumont as well as the Yucaipa Valley Water District, the South Mesa Water Company and the Beaumont-Cherry Valley Water District.

The year 2013 was another transitional year for the District in many regards but still resulted in operating revenues being in line with operating expenses and a balanced budget.

Capital Asset Useful Lives

During the calendar year 2013, the useful lives assigned to capital asset categories were reviewed for reasonableness. Water meters were historically assigned a useful life of 50 years and depreciated over that life. Staff believes the fifty year life is too long and that a more realistic estimate of an average useful life of a meter would be ten years. The financial impact of this change in useful lives is reflected in the 2013 financial statements as a prior period adjustment.



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Recognition of Dedicated Distribution Systems

Distribution systems built by developers and dedicated to the District were not recorded as part of the District's capital assets during the period of 2000 to 2012. Staff believed that a significant part of the District's infrastructure was missing from the capital asset inventory listing and should be capitalized. A concerted effort was made to identify and value this infrastructure component. The financial impact of adding these additional asset costs is reflected in the 2013 financial statements as a prior period adjustment. Staff believes the District statements now reflect a realistic inventory and reasonable value of the District's assets.

Major Initiatives

Major goals for the District continue to be the conservation and efficient use of urban water supplies, providing the means to meet increasing demands for water, and providing an accurate accounting of all business operations including District infrastructure. The following paragraphs summarize the status of the District's completed and on-going initiatives identified in the 2012 Annual Financial Report as well as briefly describe new projects initiated to meet those goals.

Comprehensive water planning for future District area growth was performed as part of the District's Urban Water Management planning effort as required by the California Water Code. Specifically, the Code requires all urban water suppliers within the State to complete urban water management plans and update them every five years. The District Plan was adopted July 10, 2013. The 2013 Urban Water Management Plan includes plans: for conservation and effective use of urban water supplies; for long-term, reliable supplies of water; to ensure the appropriate level of reliability of the District's water service; and plans to manage urban water demands and efficient use of water that will be a guiding criterion in public decisions.

Developing the facilities to provide water for future growth continues to be a priority and therefore District staff continued the expansion of the District's Noble Creek Recharge Facility. Specifically, in the year 2000, the District began investigating a 78.8 acre site as a location for a facility to recharge captured storm flow and other water sources. The District eventually purchased the site and developed Phase 1 of the Noble Creek Recharge facility to enable the District to meet current and near-future demand through groundwater recharge. Phase 1 facilities were completed and went on line in late summer of 2006 for recharging storm flow and imported water from the State Water Project. Phase 2 of the Noble Creek Recharge Facility project is on-going and designed to enable the District to meet ultimate development and overall community demand for additional water via groundwater recharge. Completion of Phase 2 construction is expected in 2014.

The District recognized the need to upgrade its main accounting system in order to improve the efficiency of day-to-day operations and provide an accurate accounting of all business operations. The District evaluated accounting system alternatives in the last quarter of 2012 and implemented the new "Springbrook" accounting system during the period of April



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through June of 2013. System modules for capital asset and work order processing will be deployed throughout 2014 to enhance support staff efficiencies and internal controls.

Upon completion of the Urban Water Management Plan, the District directed its efforts to a needed update of the Water Master Plan. Essentially, the Water Master Plan provides: an overview of present, planned and probable future development trends; a review of development densities; the City of Beaumont's General Plan; the County of Riverside's General Plan; a review of historical supply and demand, present trends, future demands and water requirements; estimated demands that could be met with recycled water; a review of plans and system capacities for imported water; the development of water resource and supply scenarios for dry, average and wet years; and project needed facilities and costs needed to meet future demands. The District's Water Master Plan is estimated to be completed in the later part of 2014.

Additionally the District concentrated on completing the development of a GIS mapping system. This will result in the District having a comprehensive map of system resources commonly referred to as District water facilities, which include all pipelines, valve locations, hydrants and service connections. District staff is anxious to have this digital resource available for the first time so the District can respond to emergencies, develop hydraulic models to master plan facilities, and evaluate the condition of the distribution system. The project is on-going with expected completion in 2014.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Beaumont-Cherry Valley Water District's financial and operating policies.

The majority of the comments and data included in the Local Economy section above were either quoted from or paraphrased from Dr. John Husing's Quarterly Economic Report dated April, 2014, VOL.26 NO.2, which is available on his website, www.johnhusing.com). Mr. Husing is a noted economist with a vast knowledge of the Inland Empire and whose reliable expertise is recognized throughout the region.

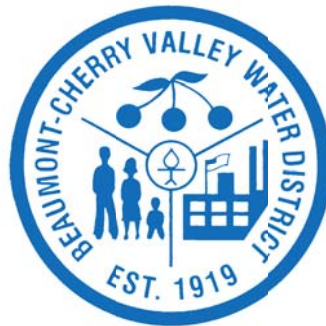


Eric Fraser
General Manager



Melissa Bender
Director of Finance &
Administrative Services

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Financial

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Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Beaumont-Cherry Valley Water District (District), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1(M) to the financial statements, in 2013 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 14 and the schedule of funding status on page 37 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Riverside, California
June 18, 2014



Management's Discussion & Analysis

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Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

As management of the Beaumont-Cherry Valley Water District, we offer readers of the Beaumont-Cherry Valley Water District's financial statements this narrative overview and analysis of the financial activities of the Beaumont-Cherry Valley Water District for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter which can be found on pages 1-6.

Financial Highlights

Based on the financial information for the year ended December 31, 2013, the following financial highlights are noted for the Beaumont-Cherry Valley Water District:

- The assets of the District exceeded its liabilities at year end by \$123,424,314 (net position). Of this amount, \$5,499,646 represents unrestricted net position, which may be used to meet the District's ongoing obligations to customers and creditors.
- The District's net position increased \$18,805,095 from the prior fiscal year. The increase is a result of the combined effects of increased revenues from developer activities (capital commitments), an increase in customers/water sales, and a restatement of the prior year's capital assets.

Overview of Required Financial Statements

This discussion and analysis is intended to serve as an introduction to the Beaumont-Cherry Valley Water District's annual financial report. The annual financial report is comprised of the following:

- Transmittal Letter;
- Independent Auditors' Report;
- Management's Discussion and Analysis;
- Basic Financial Statements:
 - Statement of Net Position;
 - Statement of Revenues, Expenses and Changes in Net Position;
 - Statement of Cash Flows;
- Notes to the Basic Financial Statements;
- Required Supplementary Information; and
- Report on Internal Controls & Compliance.

The *Statement of Net Position* presents financial information on all of the Beaumont-Cherry Valley Water District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Beaumont-Cherry Valley Water District is improving or deteriorating. Beaumont-Cherry Valley Water District's net position as of December 31, 2013 was \$123,424,314, an increase of \$18,805,095, from the \$104,619,219 reported in 2012. The *Statement of Net Position* can be found on page 15.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

The *Statement of Revenues, Expenses and Changes in Net Position* presents information illustrating how net position changed during the fiscal year. This *Statement* measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The *Statement of Revenues, Expenses & Changes in Net Position* can be found on page 16.

The *Statement of Cash Flows* presents information relating to the District's cash receipts and cash payments for the year. When used with related disclosures and information in other financial statements, the information in this *Statement* should help readers assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects of the District's financial position of its cash and non-cash investing for capital and related transactions during the year. This *Statement* answers questions such as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period. The *Statement of Cash Flows* can be found on page 17.

Notes to the Financial Statements. The notes provide additional information that is necessary to understand all of the data provided in the basic financial statements. The notes to the financial statements are included immediately following the financial statements and can be found on pages 18-36 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* concerning the Beaumont-Cherry Valley Water District's progress in funding its obligation to provide pension and Other Post-Employment Benefits (OPEB) to its employees. *Required Supplementary Information* can be found on page 37 of this report.

Financial Analysis

The following condensed schedules contain a summary of financial information that was taken from the basic financial statements to assist readers in assessing the District's overall financial position and operating results as discussed in this MD&A.

Statement of Net Position

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. Beaumont-Cherry Valley Water District's assets exceeded liabilities by \$123,424,314 for the fiscal year ending December 31, 2013.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

| | <u>2013</u> | <u>2012</u> |
|----------------------------------|-----------------------|-----------------------|
| Current assets | \$ 12,479,279 | \$ 11,536,381 |
| Non-current assets | 458,383 | 810,342 |
| Capital assets | <u>117,924,668</u> | <u>101,350,650</u> |
| Total assets | <u>130,862,330</u> | <u>113,697,373</u> |
| Current liabilities | 2,792,543 | 3,923,322 |
| Non-current liabilities | <u>4,645,473</u> | <u>5,154,832</u> |
| Total liabilities | <u>7,438,016</u> | <u>9,078,154</u> |
| Net investment in capital assets | 117,924,668 | 98,791,875 |
| Unrestricted | <u>5,499,646</u> | <u>5,827,344</u> |
| Total Net Position | <u>\$ 123,424,314</u> | <u>\$ 104,619,219</u> |

The largest portion of the Beaumont-Cherry Valley Water District's net position (95.5%) reflects its investment in capital assets (e.g., land, transmission and distributions systems, reservoirs, tanks, pumps, buildings and structures, equipment and vehicles) net of related outstanding debt used to acquire those assets. Beaumont-Cherry Valley Water District uses its capital assets to provide water service to the residents of Beaumont, Cherry Valley and some portions of Calimesa. As such, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt.

The remaining net position of \$5,499,646 (4.5%) is unrestricted and may be used at the Board's discretion to continue meeting the needs of the District. See Note 14 on pages 33 for more details on the District's net position.

The District's net position increased \$18,805,095 from the prior fiscal year. The increase is a result of the combined effects of increased revenues from developer activities (capital commitments), an increase in customers/water sales, and a restatement of the prior year's beginning position most of which were related to capital assets. See Note 15 on page 34 for more details on the restatement.

Statement of Revenues, Expenses and Changes in Net Position

The increase in operating revenue was primarily attributable to an increase in water consumption (11,599 acre feet sold in 2012 versus 11,829 acre feet sold in 2013), as well as development/installation charges. Furthermore, there was an increase in overall customers served by the District (15,128 active customers in 2012 to 16,136 active customers in 2013).

Operating expenses decreased minimally compared to 2012 expenses. The District prepaid the remaining portion of the note payable set to mature in April 2015 which resulted in non-operating interest savings of over \$80,000 through 2015.

Capital contributions of \$1,025,791 increased significantly from \$66,382 in 2012 due to new residential and commercial development consisting of two residential tracts within existing subdivisions as well as

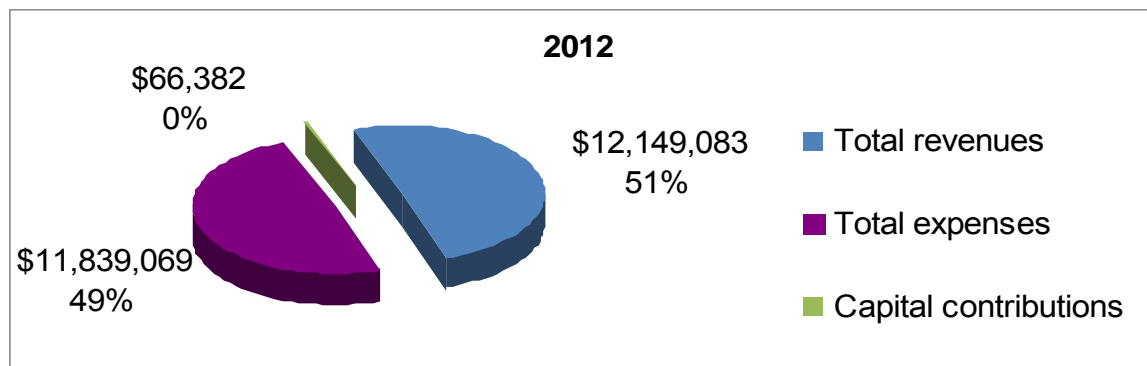
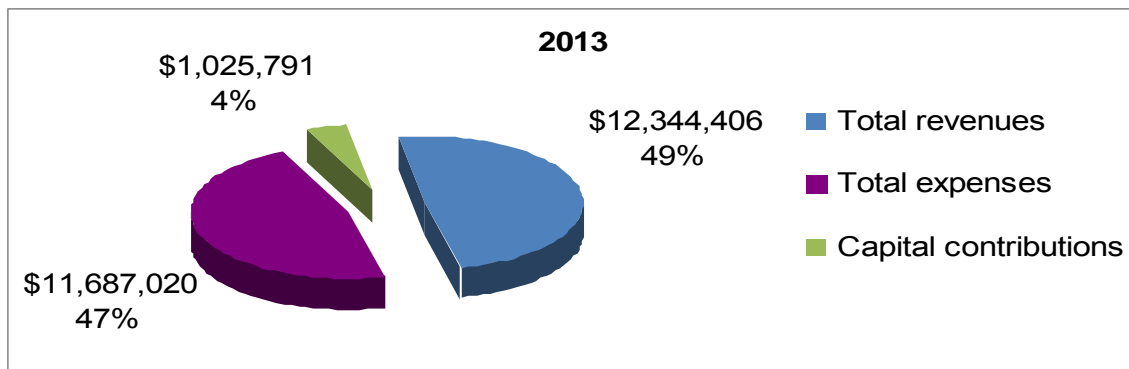
Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

development of one new commercial property and one new residential property. Capital contributions from developers were expected to remain flat during 2013; however, several developers resumed activities resulting in the increased collection of facility fees. This amount has been set aside as restricted cash and investments in accordance with the District's Reserve Policy. See Note 2 on page 22 for more details.

| | <u>2013</u> | <u>2012</u> |
|--------------------------------------|-----------------------|----------------------|
| Operating revenues | \$ 12,237,872 | \$ 11,972,596 |
| Non-operating revenues | 106,534 | 176,487 |
| Total revenues | <u>12,344,406</u> | <u>12,149,083</u> |
| Operating expenses | 11,595,631 | 11,716,094 |
| Non-operating expenses | 91,389 | 122,975 |
| Total expenses | <u>11,687,020</u> | <u>11,839,069</u> |
| Income (loss) before contributions | 657,386 | 310,014 |
| Capital contributions | 1,025,791 | 66,382 |
| Net position - beginning as restated | <u>121,741,137</u> | <u>104,242,823</u> |
| Net position - ending | <u>\$ 123,424,314</u> | <u>\$104,619,219</u> |



Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Capital Assets & Debt Administration

BCVWD's Capital Assets (Net of Depreciation)

| | Balance December 31, 2012 | Balance December 31, 2013 |
|--------------------------------------|---------------------------------|---------------------------------|
| Land | \$ 7,721,730 | \$ 7,721,730 |
| Construction in progress | 537,474 | 1,591,960 |
| Transmission and distribution system | 50,772,810 | 65,287,743 |
| Structures and improvements | 14,516,192 | 14,143,675 |
| Reservoirs and tanks | 16,846,225 | 18,267,166 |
| Pumping and telemetry equipment | 10,297,124 | 10,055,202 |
| Vehicles and equipment | 659,095 | 857,192 |
| Capital assets, net of depreciation | <u>\$ 101,350,650</u> | <u>\$ 117,924,668</u> |

Beaumont-Cherry Valley Water District's investment in capital assets as of December 31, 2013 was \$117,924,668 net of accumulated depreciation. This investment in capital assets includes land, transmission and distributions systems, reservoirs, tanks, pumps, buildings and structures, equipment and vehicles. Construction in progress increased by \$1,591,960 due to work performed on the following projects: Water Masterplan Update, Urban Water Management Plan, Recycled Water Connection, Recycled Water Planning Grant, BM2 Anti-degradation Project, Noble Creek Recharge Facility Phase II, Brookside Pipeline Relocation, Lower Edgar Canyon Stormwater Project, Financial Software Conversion Project, New Service Installations and GIS Software Project.

The GIS Software Project was the only new project in 2013. The District has made significant progress in developing an accurate map of system resources. An accurate system map that details all of the pipelines, valve locations, hydrants, and service connections is a fundamental and essential part of basic water system operation. Without an accurate map, the District cannot adequately respond to emergencies, develop hydraulic models to master plan facilities, or evaluate the condition of the distribution system. Furthermore, District staff utilized the data prepared for the GIS Software Project to analyze the completeness of the District's capitalized asset listing including the transmission and distribution system. As a result, the District capitalized 100 additional in tract transmission and distribution systems built by developers and dedicated to the District during the period of 1998-2012. Lastly, the District also capitalized the Taylor Tank which had been previously dedicated to the District but not included as an asset.

Capital assets additions of \$345,020 were due to new meter installations. New meter installations include the cost of employee labor as well as meter parts. Meters are currently replaced every 10-12 years as part of the District's meter change out program; however, the District previously listed the useful life as 50 years on the capital asset listing. During the year, District staff reviewed the previously capitalized new meter installations and made changes to reduce the lives from 50 to 10 years and to revise costing based on a per meter cost analysis.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Information on the District's capital assets activity for the year ending December 31, 2013 can be found in Note 5 on page 27 of this report.

Long-term Debt

At December 31, 2013, the District no longer had long-term debt, excluding pension related debt. The debt was paid off during 2013 as a result of Board action. The District did not issue any new debt during fiscal year 2013. See Note 10 on page 28 for further details.

| Balance December 31, 2012 | Decreases | Balance December 31, 2013 |
|---------------------------------|-----------------------|---------------------------------|
| <u>\$ 2,600,000</u> | <u>\$ (2,600,000)</u> | <u>\$ -</u> |

Economic Factors and Next Year's Budgets & Rates

There is an element of uncertainty related to expenses in 2014 due to Governor Brown's Executive Order dated January 17, 2014. Historically one of the District's largest expense items is the cost of purchasing water from the State Water Project. In order to meet current and future water delivery demands, the District will need to draw on its water storage account previously deposited in the basin to satisfy demands during these drought conditions. Legally the District is required to replenish water extracted from the Beaumont Basin. Therefore the District will need to purchase additional water above its annual needs from the State Water Project in the future to recover said storage account balance.

Recognizing the need for long-term financial planning, the Board of Directors adopted the District's reserves policy in July 2010 to provide the foundation for strengthening the financial position of the District. The policy identifies and quantifies the working capital and contingency needs required to mitigate the costs associated with emergencies and disasters, as well as provide for expected future capital needs.

There were only minimal rate increases planned for 2014. The rate increases only affected private fire service fixed meter charges. The Board of Director's approved a balanced budget for 2014.

Requests for Information

This financial report is designed to provide a general overview of the Beaumont-Cherry Valley Water District's finances. Questions regarding the content provided in this report or request for additional information should be addressed to the Director of Finance & Administrative Services, Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, CA, 92223.



Basic Financial Statements

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Beaumont-Cherry Valley Water District

Statement of Net Position

December 31, 2013

ASSETS

Current Assets:

| | |
|---|--------------|
| Cash and investments (Note 2) | \$ 6,730,915 |
| Restricted cash and investments - funds held for others (Note 2) | 1,931,980 |
| Interest receivable | 27,726 |
| Accounts receivable, net of allowance for uncollectibles (Note 3) | 1,879,874 |
| Notes receivable, net of allowance for uncollectibles (Note 4) | 257,980 |
| Inventories | 530,166 |
| Prepaid items | 94,847 |

Total Current Assets 11,453,488

Non-Current Assets:

| | |
|--|--------------------|
| Notes receivable, net of allowance for uncollectibles (Note 4) | 458,383 |
| Restricted cash and investments - capital commitments (Note 2) | 1,025,791 |
| Capital assets, net of accumulated depreciation (Note 5) | <u>117,924,668</u> |

Total Non-Current Assets 119,408,842

TOTAL ASSETS 130,862,330

LIABILITIES

Current Liabilities:

| | |
|---|------------------|
| Accounts payable and other accrued liabilities (Note 6) | 565,779 |
| Customer account credit balances (Note 7) | 215,118 |
| Customer deposits payable | 296,659 |
| Unearned revenues (Note 8) | 1,420,203 |
| Current portion of long-term liabilities: | |
| Compensated absences (Note 9) | 161,443 |
| Pension related debt (Note 12) | <u>133,341</u> |
| | <u>2,792,543</u> |

Non-Current Liabilities:

| | |
|--|------------------|
| Compensated absences (Note 9) | 204,189 |
| Pension related debt (Note 12) | 1,072,886 |
| Other post-employment benefits obligations (Note 13) | <u>3,368,398</u> |

Total Non-Current Liabilities 4,645,473

TOTAL LIABILITIES 7,438,016

NET POSITION

| | |
|--|------------------|
| Net investment in capital assets (Note 14) | 117,924,668 |
| Unrestricted (Note 14) | <u>5,499,646</u> |

TOTAL NET POSITION \$ 123,424,314

The accompanying notes are an integral part of these financial statements.

Beaumont-Cherry Valley Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

OPERATING REVENUES

| | |
|--|--------------|
| Metered water sales | \$ 5,046,558 |
| Water service charges | 2,544,173 |
| Water importation pass-through charges | 2,321,236 |
| Water pumping power pass-through charges | 1,685,246 |
| Development and installation charges | 271,122 |
| Other revenue | 369,537 |

| | |
|--------------------------|-------------------|
| Total Operating Revenues | <u>12,237,872</u> |
|--------------------------|-------------------|

OPERATING EXPENSES

| | |
|--------------------------------|-----------|
| Salaries and employee benefits | 3,780,225 |
| Energy expenses | 1,435,343 |
| Water purchases | 2,607,642 |
| Administration | 270,533 |
| Operations | 297,048 |
| Maintenance and repairs | 272,990 |
| Depreciation | 2,528,691 |
| Insurance | 96,385 |
| Professional fees | 295,528 |
| Other expenses | 11,246 |

| | |
|--------------------------|-------------------|
| Total Operating Expenses | <u>11,595,631</u> |
|--------------------------|-------------------|

| | |
|------------------|----------------|
| Operating Income | <u>642,241</u> |
|------------------|----------------|

NON-OPERATING REVENUES (EXPENSES)

| | |
|------------------------------------|----------|
| Interest earnings | 84,830 |
| Rental income | 17,815 |
| Other revenue | 3,889 |
| Loss on disposal of capital assets | (41,421) |
| Interest expense | (49,968) |

| | |
|-----------------------------------|---------------|
| Total Non-Operating Revenues, Net | <u>15,145</u> |
|-----------------------------------|---------------|

| | |
|-----------------------------|----------------|
| Income Before Contributions | <u>657,386</u> |
|-----------------------------|----------------|

CONTRIBUTIONS

| | |
|-----------------------|------------------|
| Capital contributions | <u>1,025,791</u> |
|-----------------------|------------------|

| | |
|------------------------|------------------|
| Change in Net Position | <u>1,683,177</u> |
|------------------------|------------------|

| | |
|---|-------------|
| Net Position, Beginning of Year, Restated (Note 15) | 121,741,137 |
|---|-------------|

| | |
|---------------------------|------------------------------|
| Net Position, End of Year | <u><u>\$ 123,424,314</u></u> |
|---------------------------|------------------------------|

The accompanying notes are an integral part of these financial statements.

Beaumont-Cherry Valley Water District

Statement of Cash Flows For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|----------------|
| Receipts from customers | \$ 12,041,427 |
| Payments to suppliers and service providers | (4,939,205) |
| Payments to employees for salaries and benefits | (2,660,321) |
| Return of customer deposits | <u>115,593</u> |

| | |
|---|------------------|
| Net Cash Provided by Operating Activities | <u>4,557,494</u> |
|---|------------------|

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

| | |
|----------------------------------|---------------|
| Rental income and other receipts | <u>21,704</u> |
|----------------------------------|---------------|

| | |
|---|---------------|
| Net Cash Provided by Non-Capital Financing Activities | <u>21,704</u> |
|---|---------------|

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|--|-----------------|
| Acquisition and construction of capital assets | (880,410) |
| Principal paid on capital debt | (2,600,000) |
| Interest paid on capital debt | <u>(71,938)</u> |

| | |
|--|--------------------|
| Net Cash Used for Capital and Related Financing Activities | <u>(3,552,348)</u> |
|--|--------------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-------------------|----------------|
| Interest received | <u>101,081</u> |
|-------------------|----------------|

| | |
|---|----------------|
| Net Cash Provided by Investing Activities | <u>101,081</u> |
|---|----------------|

| | |
|---|-----------|
| Net Increase in Cash and Cash Equivalents | 1,127,931 |
|---|-----------|

| | |
|----------------------------|------------------|
| Balance, Beginning of Year | <u>8,560,755</u> |
|----------------------------|------------------|

| | |
|----------------------|----------------------------|
| Balance, End of Year | <u><u>\$ 9,688,686</u></u> |
|----------------------|----------------------------|

Reconciliation to Statement of Net Position:

| | |
|---|------------------|
| Cash and investments | \$ 6,730,915 |
| Restricted cash and investments - funds held for others | 1,931,980 |
| Restricted cash and investments - capital commitments | <u>1,025,791</u> |

| | |
|----------------------------|----------------------------|
| Total Cash and Investments | <u><u>\$ 9,688,686</u></u> |
|----------------------------|----------------------------|

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

| | |
|------------------|-------------------|
| Operating Income | <u>\$ 642,241</u> |
|------------------|-------------------|

Adjustments to reconcile operating income to net cash provided by
(used for) operating activities:

| | |
|---|------------------|
| Depreciation expense | \$ 2,528,691 |
| (Increase) decrease in accounts receivable | (45,250) |
| (Increase) decrease in notes receivable | 277,315 |
| (Increase) decrease in inventories | 1,846 |
| (Increase) decrease in prepaid items | 245,605 |
| Increase (decrease) in accounts payable and other accrued liabilities | 100,059 |
| Increase (decrease) in customer credits payable | (188,949) |
| Increase (decrease) in customer deposits payable | 115,593 |
| Increase (decrease) in unearned revenues | (239,561) |
| Increase (decrease) in compensated absences | 121,301 |
| Increase (decrease) in pension related debt | (118,073) |
| Increase (decrease) in other post-employment benefit obligations | <u>1,116,676</u> |

| | |
|-------------------|------------------|
| Total Adjustments | <u>3,915,253</u> |
|-------------------|------------------|

| | |
|---|----------------------------|
| Net Cash Provided by Operating Activities | <u><u>\$ 4,557,494</u></u> |
|---|----------------------------|

The accompanying notes are an integral part of these financial statements.

Beaumont-Cherry Valley Water District

Statement of Cash Flows

For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Basis of Presentation

The Beaumont-Cherry Valley Water District (the District) is a special-purpose government district supplying and distributing water to over 44,000 people in both the City of Beaumont and the community of Cherry Valley. The District is governed by a five-member Board of Directors who serve overlapping four-year terms. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly activities are reported in the District's proprietary fund.

B. Measurement Focus and Basis of Accounting

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, including grants, entitlements and donations. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses include the costs of sales and services, the costs of employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash and Cash Equivalents

The District's cash and investments are considered to be cash on hand, demand deposits and investments with maturities less than 90 days. Therefore, for purposes of the statement of cash flows, the District considers the cash and investment balance to be cash and cash equivalents.

D. Restricted Cash and Investments

Restricted cash and investments are cash and investments that are segregated and can only be used for specific purposes. The District's restricted cash and investments consist of funds held for others, including refundable or prepaid customer deposits. The District also restricts cash and investments for capital commitments in the amount of developer facility fees collected during the year to ensure that fees are set aside to provide for the expansion of the domestic water system. Please refer to *Note 2 Cash and Investments* for additional details.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

E. Inventories and prepaid items

Inventories are stated at cost using the average-cost method, and consist of materials used in construction and maintenance of the water system.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of the prepaid items are recorded as expenses when consumed rather than when purchased.

F. Capital Assets

Capital assets purchased or constructed are carried at historical cost. Constructed costs include labor, materials and construction period interest expense (net of interest income, where applicable). Capitalization threshold is \$5,000. Contributed assets are stated at estimated fair market value at the time received by the District. Land and construction in progress are not depreciated. Depreciation on the other assets is calculated on the straight-line method over the following estimated useful lives of the assets:

| | |
|-----------------------------------|----------------|
| Pumphouse Structures | 25 to 40 years |
| Well Casings & Development | 10 to 40 years |
| Pumping Equipment | 10 to 50 years |
| Chlorinators | 15 to 30 years |
| Reservoirs & Tanks | 15 to 50 years |
| Telemetry Equipment | 10 to 20 years |
| Transmission & Distribution Mains | 40 to 75 years |
| Meters & Meter Services | 10 to 15 years |
| Fire Hydrants | 30 to 50 years |
| Structures & Improvements | 10 to 75 years |
| Office Furniture & Equipment | 5 to 20 years |
| Automobile Equipment: | |
| Vehicles | 5 to 15 years |
| Heavy Equipment | 7 to 15 years |
| Light Equipment | 5 to 7 years |
| General Equipment | 5 to 15 years |

Please refer to *Note 5 Capital Assets* for additional details.

G. Unearned Revenues

Unearned revenues arise when resources are received by the District before revenues are earned, as when developers pay in advance for services to be provided by the District at a later date. When the District has provided the services, the amounts will be recognized as revenue. Please refer to *Note 8 Unearned Revenues* for additional details.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

H. Compensated Absences

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from the District. The liability for such leave is reported as an expense when incurred.

Sick Leave

Employees who are part of the District's Employee Association not using any sick leave for twelve consecutive months can convert their twelve accrued 8-hour sick days to cash at the rate of two accrued days for 8 hours paid at their regular hourly rate. Upon retirement or death, all employees or their beneficiaries are entitled to receive a pay-out of 50% of all accumulated sick leave. Accumulated sick leave dissolves when employees separate from the District in any other manner.

Please refer to *Note 9 Compensated Absences* for additional details.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. Please refer to *Note 3 Accounts Receivable* and *Note 4 Notes Receivable* for additional details.

K. Credit/Market Risk

The District provides water services to local residential, commercial, industrial, construction and irrigation customers. As part of normal operating practices, credit is granted to customers on an unsecured basis.

L. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

M. New Accounting Pronouncements

Effective This Fiscal Year

GASB Statement No. 61 – In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The objective of this Statement is to improve financial reporting for governmental financial reporting entities. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were a part of the primary government in certain circumstances. The District implemented this standard as of January 1, 2013.

GASB Statement No. 65 – In March 2012, GASB issued Statement 65 *Items Previously Reported as Assets and Liabilities*. This Statement provides guidance on proper classification of certain items previously reported as assets and liabilities as deferred outflows or inflows of resources. This Statement also provides guidance on recognition of certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This Statement was implemented January 1, 2013.

GASB Statement No. 66 – In March 2012, GASB issued Statement 66 *Technical Corrections—2012—an Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement was implemented January 1, 2013.

Effective in Future Fiscal Years

GASB Statement No. 67 – In June 2012, GASB issued Statement 67, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 25*. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement also addresses accounting and financial reporting for the activities of pension plans that are administered through trusts. This Statement is effective for periods beginning after June 15, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 68 – In June 2012, GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Statement is effective for periods beginning after June 15, 2014. The District has not determined the effect on the financial statements.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

M. New Accounting Pronouncements, (*Continued*)

GASB Statement No. 69 – In January 2013, GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement is effective for periods beginning after December 15, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 70 – In April 2013, GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 71 – In November 2013, GASB issued Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement should be applied simultaneously with the provisions of Statement No. 68. The District has not determined the effect on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

| | |
|---|---------------------|
| Cash and investments | \$ 6,730,915 |
| Restricted cash and investments - funds held for others | 1,931,980 |
| Restricted cash and investments - capital commitments | <u>1,025,791</u> |
| Total Cash and Investments | <u>\$ 9,688,686</u> |

Cash and investments consist of the following:

| | |
|--|---------------------|
| Cash on hand (petty cash and change drawers) | \$ 1,400 |
| Demand deposits (cash in bank) | 5,143,914 |
| Investments | <u>4,543,372</u> |
| Total Cash and Investments | <u>\$ 9,688,686</u> |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code and the District's policy, where more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type | Maturity Limit | Percent Limit Per Type | Percent Limit Per Issuer |
|--|-------------------|------------------------------|--------------------------------|
| U.S. Treasuries | 5 years | 100% | None |
| Federal Agencies: | | | |
| GNMA | 5 years | 100% | 50% |
| Farm Credit | 5 years | 100% | 30% |
| FHLB | 5 years | 100% | 30% |
| FHLMC | 5 years | 100% | 30% |
| FNMA | 5 years | 100% | 30% |
| FDIC – Guaranteed | 5 years | 100% | 30% |
| TVA | 5 years | 100% | 30% |
| Other Agencies: | | | |
| State of California, LAIF | Not applicable | Allowable Maximum | None |
| California State and Local Agencies Obligations | 5 years | Allowable Maximum 20% | 5% |
| Bankers' Acceptances | 180 days | 40% | 5% |
| Commercial Paper | 270 days | 25% | 5% |
| Negotiable Certificates of Deposits | 5 years | 30% | 5% |
| Corporate Medium Term Notes | 5 years | 30% | 5% |
| Time Certificates of Deposit | 5 years | 40% | 5% |
| Government Money Market | | | 5% |
| Mutual Funds | 5 years | 20% | |
| Repurchase Agreements | 1 year | 10% | 5% |
| Collateralized Mortgage Obligations and Mortgage-Backed Securities and Asset-Backed Securities | 5 years | 20% combined | 5% |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

| Investment Type | Fair Value | Maturity |
|-----------------|--------------|----------------------|
| | | 12 Months or Less |
| LAIF | \$ 4,543,372 | \$ 4,543,372 |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District only has investment in LAIF and LAIF is unrated.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of December 31, 2013, all of the District's deposits are fully insured in accordance with FDIC guidelines.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements, at amounts based upon the District's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The District is a voluntary participant in the investment pool.

NOTE 3 – ACCOUNTS RECEIVABLE

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) amount on the financial statements. Below is the detail of the receivables, including applicable allowances for uncollectible amounts:

| | <u>Water Sales and Services</u> | <u>Other</u> | <u>Developer</u> | <u>Totals</u> |
|---|-------------------------------------|------------------|------------------|---------------------|
| Receivables | \$ 1,845,718 | \$ 26,309 | \$ 343,213 | \$ 2,215,240 |
| Less: Allowance for Uncollectible Accounts | <u>(63,479)</u> | <u>(8,960)</u> | <u>(262,927)</u> | <u>(335,366)</u> |
| Net Receivables | <u>\$ 1,782,239</u> | <u>\$ 17,349</u> | <u>\$ 80,286</u> | <u>\$ 1,879,874</u> |

Water sales and services are reported net of uncollectible amounts based on actual collections as of the preparation date of the statements. Other Receivables, those billings outside of the normal water sales and services billings, include items such as damages to District property and rental of District property. Amounts not expected to be collected within the next year have been included in the allowance for uncollectible amounts. Developer Receivables are those receivables due from developers for development activity that has exceeded deposits collected to-date. The amount included in the allowance for uncollectible accounts is an estimate based on other refundable accounts held for the developer that the District feels they can use to negotiate settlement on balances due to the District.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 4 – NOTES RECEIVABLE

Amounts are aggregated into a single notes receivable (net of allowance for uncollectibles) amount on the financial statements. Below is the detail of the receivables, including applicable allowances for uncollectible amounts:

| | Bonita Vista | Fairway Canyon | Totals |
|---|--------------|----------------|------------|
| Receivables | | | |
| Current | \$ 15,809 | \$ 243,687 | \$ 259,496 |
| Non-current | 161,363 | 304,618 | 465,981 |
| Total Receivables | 177,172 | 548,305 | 725,477 |
| Less: Allowance for Uncollectible Amounts | | | |
| Current | (1,516) | - | (1,516) |
| Non-current | (7,598) | - | (7,598) |
| Total Allowance for Uncollectible Amounts | (9,114) | - | (9,114) |
| Net Receivables | | | |
| Current | 14,293 | 243,687 | 257,980 |
| Non-current | 153,765 | 304,618 | 458,383 |
| Total Net Receivables | \$ 168,058 | \$ 548,305 | \$ 716,363 |

In 2003, the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement called for the District to install a new water delivery system. The property owners/shareholders in the Bonita Vista Mutual Water Company were responsible for 1/100th of the costs of construction of the new system, at \$5,500 per meter. The notes are payable over 20 years at a variable interest rate calculated annually at 1.5% above the LAIF interest rate. The notes are due to mature as of February 15, 2028.

The District has entered into various agreements with the developers of the Fairway Canyon Community Association for payment of water main extension and facilities construction fees. The notes are payable over 10 years at an annual interest rate of 10%.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements For the Year Ended December 31, 2013

NOTE 5 - CAPITAL ASSETS

The following table summarizes capital asset activity during the year:

| | Balance December 31, 2012 | Prior Period Adjustments | Adjusted Balance December 31, 2012 | Increases | Decreases | Transfers | Balance December 31, 2013 |
|---|---------------------------------|-----------------------------|---|--------------|-------------|-----------|---------------------------------|
| Capital assets not being depreciated: | | | | | | | |
| Land | \$ 7,721,730 | | 7,721,730 | \$ - | \$ - | | \$ 7,721,730 |
| Construction in progress | 537,474 | 7,400 | 544,874 | 1,826,297 | | (779,211) | 1,591,960 |
| Total capital assets not being depreciated | 8,259,204 | 7,400 | 8,266,604 | 1,826,297 | - | (779,211) | 9,313,690 |
| Capital assets being depreciated: | | | | | | | |
| Transmission and distribution system | 58,887,344 | 17,696,735 | 76,584,079 | - | (29,396) | 457,053 | 77,011,736 |
| Structures and improvements | 16,393,296 | | 16,393,296 | - | - | | 16,393,296 |
| Reservoirs and tanks | 19,986,690 | 2,288,269 | 22,274,959 | - | - | | 22,274,959 |
| Pumping and telemetry equipment | 12,642,605 | | 12,642,605 | - | - | | 12,642,605 |
| Vehicles and equipment | 1,819,580 | (459) | 1,819,121 | 79,904 | (153,009) | 322,158 | 2,068,174 |
| Total capital assets being depreciated | 109,729,515 | 19,984,545 | 129,714,060 | 79,904 | (182,405) | 779,211 | 130,390,770 |
| Less accumulated depreciation for: | | | | | | | |
| Transmission and distribution system | (8,114,534) | (2,331,145) | (10,445,679) | (1,296,891) | 18,577 | | (11,723,993) |
| Structures and improvements | (1,877,104) | | (1,877,104) | (372,517) | - | | (2,249,621) |
| Reservoirs and tanks | (3,140,465) | (423,330) | (3,563,795) | (443,998) | - | | (4,007,793) |
| Pumping and telemetry equipment | (2,345,481) | | (2,345,481) | (241,922) | - | | (2,587,403) |
| Vehicles and equipment | (1,160,485) | 459 | (1,160,026) | (173,363) | 122,407 | | (1,210,982) |
| Total accumulated depreciation | (16,638,069) | (2,754,016) | (19,392,085) | (2,528,691) | 140,984 | - | (21,779,792) |
| Total capital assets being depreciated, net | 93,091,446 | 17,230,529 | 110,321,975 | (2,448,787) | (41,421) | 779,211 | 108,610,978 |
| Capital assets, net of depreciation | \$ 101,350,650 | \$ 17,237,929 | \$ 118,588,579 | \$ (622,490) | \$ (41,421) | \$ - | \$ 117,924,668 |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 6 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities were as follows:

| | | |
|--------------------------------|----|----------------|
| Accounts Payable | \$ | 406,944 |
| Salaries and Employee Benefits | | 153,484 |
| Other | | <u>5,351</u> |
| | \$ | <u>565,779</u> |

NOTE 7 – CUSTOMER ACCOUNT CREDIT BALANCES

Credit balances on customer utility accounts in 2013 to be used against future billings or refunded upon request. As of December 31, 2013, the balance was \$215,118.

NOTE 8 – UNEARNED REVENUES

Developers make payments in advance of the District providing services, including things such as meter installations and development inspections. As the District provides these services, revenues are recognized and the unearned revenues balance is reduced. As of December 31, 2013, the balance was \$1,420,203.

NOTE 9 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation, sick, holiday and administrative leave which is accrued as earned. The liability for compensated absences is determined annually. The activity for the year was as follows:

| Balance December 31, 2012 | Increases | Decreases | Balance December 31, 2013 | Current Portion | Non-current Portion |
|---------------------------------|-------------------|---------------------|---------------------------------|-------------------|------------------------|
| <u>\$ 244,331</u> | <u>\$ 264,804</u> | <u>\$ (143,503)</u> | <u>\$ 365,632</u> | <u>\$ 161,443</u> | <u>\$ 204,189</u> |

NOTE 10 – NOTES PAYABLE

On March 26, 2010, the Board of Directors approved a \$5.0 million loan payable at a 3.380% interest rate from Banc of America Leasing to finance the District's share of certain design and construction costs related to the expansion of the Recycled Water Facilities project. The District paid this loan in full during 2013.

Changes in Notes Payable for the year were as follows:

| Balance December 31, 2012 | Decreases | Balance December 31, 2013 |
|---------------------------------|-----------------------|---------------------------------|
| <u>\$ 2,600,000</u> | <u>\$ (2,600,000)</u> | <u>\$ -</u> |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

NOTE 11 – PLEDGED REVENUES

The District has pledged future revenues, along with existing unencumbered cash and cash equivalents, equal to 115% of the aggregate principal and interest to repay the Banc of America Notes Payable issued in March 2010 as disclosed in Note 10. Net revenues are defined in the loan agreement as all gross income and revenue received less maintenance and operation expenses, excluding debt service payments and depreciation. Principal and interest paid during the current year and net revenues were \$2,649,968 and \$4,348,593, respectively.

NOTE 12 - PENSION RELATED DEBT

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost sharing multiple-employer plan. This change in the type of plan created the CalPERS Side Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost sharing multiple-employer plan on an equal basis with other governmental agencies that all had less than 100 active and retired employees combined.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. In addition, the District is required to make annual payments to pay down the CalPERS Side Fund. The responsibility for paying down the District's CalPERS Side Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool. Therefore, the Side Fund falls under the definition of pension related debt, as described in GASB Statement No. 27 and is recorded as a liability on the District's financial statements.

The debt service requirements are as follows:

| Year Ending December 31 | Principal |
|----------------------------|---------------------|
| 2014 | \$ 133,341 |
| 2015 | 150,055 |
| 2016 | 168,225 |
| 2017 | 187,966 |
| 2018 | 209,400 |
| 2019-2020 | 357,240 |
| | <u>\$ 1,206,227</u> |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 12 - PENSION RELATED DEBT, (*Continued*)

Changes in Pension Related Debt during the year were as follows:

| Balance December 31, 2012 | Decreases | Balance December 31, 2013 | Current Portion | Non-current Portion |
|---------------------------------|---------------------|---------------------------------|-------------------|------------------------|
| <u>\$ 1,324,300</u> | <u>\$ (118,073)</u> | <u>\$ 1,206,227</u> | <u>\$ 133,341</u> | <u>\$ 1,072,886</u> |

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS

Plan Description

The District pays a portion of the cost of health insurance (including prescription drug benefits) as post-employment medical benefits to retired employees who satisfy the eligibility rules as required by CalPERS Health Program enrollment. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District's CalPERS Health Program, a cost-sharing multiple-employer medical coverage plan. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors.

Funding Policy

The District is required to contribute the Annual Required Contribution (ARC) of the Employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The District has elected to calculate the ARC and related information using the alternative measurement method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District will pay a fixed contribution towards the cost of the post-employment benefit plan for those employees who meet the required service years for retirement from the District. The District funds the plan on a pay-as-you-go basis and records a liability for the difference between pay-as-you-go and the actuarially determined ARC cost.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS, (*Continued*)

Annual Cost

The District's ARC for the year was \$1,170,015. The District's annual OPEB cost amounted to \$1,135,132. The District paid \$8,011 for current retiree OPEB premiums for the year, which was age adjusted to a contribution amount of \$18,456.

| | |
|--|----------------------------|
| Annual Required Contribution | \$ 1,170,015 |
| Interest on Net OPEB Obligation | 11,146 |
| Adjustment to Annual Required Contribution | <u>(46,029)</u> |
| Annual OPEB Expense | 1,135,132 |
| Age Adjusted Contributions Made | <u>(18,456)</u> |
| Change in Net OPEB Obligation | 1,116,676 |
| Net OPEB Obligation - Beginning of Year | <u>2,251,722</u> |
| Net OPEB Obligation - End of Year | <u><u>\$ 3,368,398</u></u> |

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for year and the two preceding years were as follows:

| Fiscal Year Ending | Annual OPEB Cost | Annual Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|------------------------|-------------------------|--|------------------------|
| 12/31/2011 | \$ 1,130,449 | \$ 14,416 | 1.28% | \$ 1,116,033 |
| 12/31/2012 | \$ 1,152,726 | \$ 17,037 | 1.50% | \$ 2,251,722 |
| 12/31/2013 | \$ 1,135,132 | \$ 18,456 | 1.60% | \$ 3,368,398 |

Funded Status and Funding Progress of the Plan

The most recent valuation dated December 31, 2011 includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$5,908,180. The covered payroll (annual payroll of active employees covered by the plan) for the year was estimated at \$1,892,911. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 312.12%. The plan does not have any assets since the plan is funded pay-as-you-go.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS, (*Continued*)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

BCVWD's actuarial review and analysis of the post-employment benefits liability and funding status is performed every three years or annually if there are significant changes in the plan based upon the alternative measurement method. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in calendar year 2015 based on the year ending December 31, 2014.

The following is a summary of the actuarial assumptions and methods utilized by the District based upon available information at the time:

| | |
|-------------------------------|---------------------------------------|
| Valuation date | December 31, 2011 |
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percent of payroll amortization |
| Remaining amortization period | 30 Years as of the valuation date |
| Asset Valuation method | 30 Years smoothed market |
| Actuarial assumptions: | |
| Discount rate | 0.50% |
| Projected salary increase | 3.50% |
| Healthcare cost trend rate | 4.70 to 8.00% |
| Inflation – discount rate | 3.00% |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 14 – NET POSITION

Net Position:

| | |
|----------------------------------|-----------------------------|
| Net investment in capital assets | \$117,924,668 |
| Unrestricted | <u>5,499,646</u> |
| Total Net Position | <u><u>\$123,424,314</u></u> |

Net investment in capital assets is the value of the District's assets, less accumulated depreciation, and net of any capital related debt.

Unrestricted net position includes non-spendable assets and spending designations set by the Board of Directors:

| | |
|---|----------------------------|
| Unrestricted Net Position | <u><u>\$ 5,499,646</u></u> |
| Non-spendable assets: | |
| Inventories | 530,166 |
| Prepaid items | 94,847 |
| Non-current portion of notes receivable | <u>458,383</u> |
| Total Non-spendable assets | <u>1,083,396</u> |
| Board of Directors' designations: | |
| Capital replacement reserve | 1,000,000 |
| Capital commitments | 1,025,791 |
| Operating reserve | <u>2,390,459</u> |
| Total Designations | <u>4,416,250</u> |
| Total Unrestricted Net Position | <u><u>\$ 5,499,646</u></u> |

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2013

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

During the year, the District discovered that certain capital assets had not been previously recorded. To correct this error, the District recorded the assets and consequently increased its net investment in capital assets by \$17,237,929. The District also found that unearned revenues in the amount of \$37,576 were previously understated. Developer deposit accounts which had negative balances (amounts owed to the District) were found to be paid or negotiated to be paid for less than was recorded in the District's records. To correct this error, an adjustment was made to increase the amount of unearned revenues and reduce the beginning net position of the District. Further, the District had \$37,210 of 2012 election expenses billed after the close of the financial statements. An adjustment was made to reduce the beginning net position of the District to reflect these expenses for the prior year. Also, due to a change in accounting policy as required by the implementation of GASB Statement No. 65, deferred costs of issuance for the note payable in the amount of \$41,225 has been recognized in the beginning net position of the District. A summary of these changes are as follows:

| | |
|---|-----------------------|
| Beginning net position, as previously reported | \$ 104,619,219 |
| Correction of capital assets | 17,237,929 |
| Correction of revenue | (37,576) |
| Correction of expenses | (37,210) |
| GASB 65 implementation - deferred costs of issuance | <u>(41,225)</u> |
| Beginning net position, as restated | <u>\$ 121,741,137</u> |

NOTE 16 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. State statutes, within the Public Employees' Retirement Law, establish benefit provisions and other requirements. The Board of Directors selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through a Board Resolution. Benefit provisions selected may be amended or modified by the District's Board of Directors. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, California, 95814.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 16 – DEFINED BENEFIT PENSION PLAN, (*Continued*)

Funding Policy

An employee contribution of 8 percent of annual covered salary is required for each active plan member. For employees hired prior to January 1, 2001, the District pays the contribution required of the employees on their behalf. For employees hired between January 1, 2001 and June 30, 2011, the District pays 1% of the contribution required of the employees on their behalf. Employees hired after July 1, 2011 do not receive a contribution amount from the District. During the year, the District contributed \$28,834 on behalf of its employees.

Additionally, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for FY 2012-2013 and FY 2013-2014 were 29.610 and 31.318 percent, respectively, of annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established on an actuarially determined basis and may be amended by CalPERS.

Annual Pension Cost

During the year, the District's annual pension cost of \$547,775 was equal to the District's required contributions.

Three Year Trend Information for the Plan

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|---------------------------------|-------------------------------------|---------------------------|
| 12/31/2011 | \$ 391,706 | 100% | \$ - |
| 12/31/2012 | \$ 481,401 | 100% | \$ - |
| 12/31/2013 | \$ 547,775 | 100% | \$ - |

The funded status of the pooled plan may be obtained from CalPERS.

NOTE 17 – COMMITMENTS

In 2004, the Beaumont Basin Watermaster (Watermaster) was created to manage the groundwater excavations, replenishment thereof, and storage of supplemental water within the Beaumont Basin. The Watermaster consists of representatives from the Beaumont-Cherry Valley Water District, the City of Banning, the City of Beaumont, the South Mesa Water Company, and the Yucaipa Valley Water District. The District is a member agency of the Watermaster and contributes a varied annual amount to the Watermaster to fund its operations. The District contributed \$119,701 during the year.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 18 – CONTINGENCIES

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not have a material adverse effect on the financial position of the District.

NOTE 19 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At December 31, 2013, the District participated in the liability, property, and workers' compensation programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing limits of \$2,000,000, combined single limit at \$2,000,000 per occurrence. The District purchased additional excess coverage layers: \$60 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$100 million per occurrence, subject to a \$2,500 deductible per occurrence. Mobile equipment and vehicles have a \$1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending December 31, 2013, 2012 and 2011. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage.



Required Supplementary Information

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Beaumont-Cherry Valley Water District
Schedule of Funding Status – Other Post-Employment Benefits Obligations
For the Year Ended December 31, 2013

Funded Status and Funding Progress of the Plan

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (b) | Unfunded Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------------|--|---------------------------------------|---|-----------------------|------------------------|--|
| 12/31/2011 | \$ - | \$ 5,908,180 | \$ 5,908,180 | 0.00% | \$ 1,892,911 | 312.12% |

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. The District implemented GASB 45 during fiscal year 2011. Additional data will be provided as future valuations are performed.

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Report on Internal Controls and Compliance

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

To the Board of Directors
Beaumont-Cherry Valley Water District
Beaumont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Beaumont-Cherry Valley Water District (District) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 18, 2014. Our report included an emphasis of matter regarding the District's adoption of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Riverside, California
June 18, 2014



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 9th, 2014**

DATE: July 1st, 2014

TO: Board of Directors

FROM: Eric Fraser, General Manager

SUBJECT: Consideration of Regular Member, Western Area, for the Special District
Member of the Local Agency Formation Commission (LAFCO)

Recommendation

This staff report is provided to assist the Board of Directors in a discussion related to the consideration of a Regular Member for the Western Area of the Local Agency Formation Commission (LAFCO).

Background

LAFCO promotes the wise use of land resources while providing an orderly growth pattern for the existing and future needs of communities within Riverside County. LAFCO is an independent regulatory commission operating at the county-level that receives its powers directly from the State Legislature. LAFCO ensures the establishment of an appropriate and logical municipal government structure for the distribution of efficient and appropriate public services. It is comprised of various elected officials from the County of Riverside as well as Cities and Special Districts located within the County of Riverside.

It is currently time to elect a Regular Member from the Western Portion of the County of Riverside to serve as the Special District representative on the Local Agency Formation Commission. This member will serve for the term running through May 6, 2018. Based on LAFCO's rules, only the presiding District officer or another District board member authorized by the Board of Directors to vote may cast the ballot.

The Riverside LAFCO received a total of three nominations for the Special District representative position. Based on the election ballot received from LAFCO, the District may vote for one of the following:

- Phil Williams (Elsinore Valley Municipal Water District)
- Vinay M. Rao (Valley Health System)
- Ronald Anderson (Jurupa Area Recreation & Park District)

District staff has included the LAFCO ballot instructions, ballot and an email from one of the candidates for the Board's reference.



Fiscal Impact

There is no fiscal impact associated with the consideration of a regular member to serve as the Special District Member of the Local Agency Formation Commission.



Sent Via Certified Mail ☒
Sent Via Email ☐

**BALLOT INSTRUCTIONS FOR SPECIAL DISTRICT MEMBER OF
THE LOCAL AGENCY FORMATION COMMISSION**

To Special District Selection Committee Members:

As previously announced, a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time and the selection proceedings are being conducted by mail/email. A nomination period was opened May 1, 2014 and closed June 4, 2014. Specifically, the position is as follows:

A regular special district member from the western portion of the County (any district with the majority of its assessed value west of the intersection of Interstate 10 and Highway 111). The term of this position will run through May 6, 2018.

A total of three nominations were received for the position of Regular Member - Western Area. Although nominees must have come from the western area of the County, all members of the SDSC may cast ballots for this position regardless of geography. Enclosed you will find your ballot. Please make no more than one selection from the three nominated candidates. Only the presiding officer or another board member authorized by your board of directors to vote may cast the ballot. Board members designated by their district board to vote in place of the presiding officer must provide that authorization (in the form of a resolution or minute order) to LAFCO no later than the time the ballot is cast. District managers or other staff members may not vote.

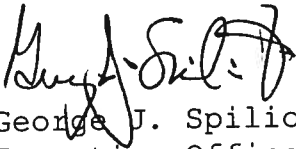
The presiding officer or designated voting member must print his or her name on the ballot as well as sign and date the certification indicating he or she is authorized to vote for the district. A quorum, consisting of ballots from a majority of the SDSC members, is required to conduct a valid election. The successful candidate must receive a majority of the votes cast. If no candidate receives a majority of the votes cast, a runoff election between the two candidates receiving the most votes will be conducted.

Once you have completed your ballot, you must deliver it to the LAFCO office at 3850 Vine St., Suite 240, Riverside CA 92507 prior to 5:00 p.m. Thursday, July 17, 2014. It is very important that all

voting members transmit their completed ballot to LAFCO by the date specified in order to achieve a quorum. We suggest that ballots be returned by certified mail. We must receive a ballot with an original signature. Photocopies and faxes will not be accepted. However, if you have previously authorized us to deliver your ballot materials via email, you may return a scanned copy of the signed ballot by email to evaldez@lafco.org.

If you have any questions, please contact our office.

Sincerely,



George J. Spiliotis
Executive Officer
June 5, 2014

BALLOT
Regular Special District Member of the
Local Agency Formation Commission – Western Area
(Term running through May 6, 2018)

Name of District

Please vote for one:

- ☐ Phil Williams (Elsinore Valley Municipal Water District)
☐ Vinay M. Rao (Valley Health System)
☐ Ronald Anderson (Jurupa Area Recreation & Park District)

Certification of voting member:

I, _____ hereby certify that I am (check one):
Print Name Here

_____ the presiding officer of the above named district.

_____ a member of the board of the above named district authorized by the board to vote in place of the presiding officer. [Authorization ☐ previously transmitted ☐ attached]

Signature

Date

Ballot must be returned to LAFCO by 5:00 p.m. Thursday, July 17, 2014 at 3850 Vine Street, Suite 240, Riverside, CA 92507.

Melissa Bender

From: Eric Fraser [eric.fraser@bcvwd.org]
Sent: Monday, June 16, 2014 7:52 AM
To: 'Melissa Bender'
Subject: FW: LAFCO Mail-in Ballots
[For Board Packet](#)

From: Phil [mailto:Phil1960@msn.com]
Sent: Tuesday, June 10, 2014 10:22 AM
To: eric.fraser@bcvwd.org
Subject: LAFCO Mail-in Ballots

Dear Eric Fraser

If you haven't already received your [mail-in-ballot](#) for Special District Representative to LAFCO you should within the next few week.

As I mentioned in my last correspondence, I would be honored to continue as your Repetitive, as I have for the past 11 years.

I think one of the best test for real leadership is how a Candidate responds in a crisis. Anyone can look good during time of growth and prosperity.

In our case at LAFCO, we were the fastest growing County in the State of California. It would take months to get a hearing date, due to our volume of work.

In 2007 "The Great Financial Crisis" hit. Our response was quick. We reduced staffing levels and started furloughs before most other County Agencies. In fact we are still using furloughs to this date.

When looking into the "crystal ball" at the future, I see the next big financial problem facing government agency's is the Management/Unrepresented employees accrue "Annual Leave" in lieu of vacation and sick leave.

While sitting on the Administrative Review Committee I helped devise a 5 year plan to make up this looming deficit. With reserves down to the bare bones. We needed to come up with a plan that has the least impact on the Special Districts.

I proposed the establishment of a restricted reserve fund and policies to allow the employee's to use more of their allotted time off.

With your support, I can continue to plan for your future needs as a Special District and our County as whole.

With my background in setting water and sewer rates, I am fully aware of the impact of raising any fee has on the Members. My past voting record shows my fiscal conservatism.

As we recover from this crisis, you will continue to see the steps I have created, have not gone to waste.

If I am re-elected. I promise to continue the conservative oversight, I have shown you in the past.

Thank you for your consideration.

Phil Williams



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 9th, 2014**

DATE: July 2th, 2014

TO: Board of Directors

FROM: Eric Fraser, General Manager

SUBJECT: Consider Authorization of General Manager to Execute Contract for Pressure Zone 2650 to Pressure Zone 2750 Inter-Connection Piping Materials, Valve, and Appurtenances Acquisition and Installation

Recommendation:

Staff recommends authorizing the General Manager to execute contracts necessary for acquisition of ductile iron piping materials and appurtenances necessary to construct the proposed Pressure Zone 2650 to Pressure Zone 2750 Inter-Connection Pipeline and installation of said materials by a pipe installation Contractor in an amount not to exceed \$75,000.

Background:

District Staff has identified the need to be able to move water from the 2650 pressure zone to the 2750 pressure zone in times of need when existing and future District's wells are being maintained or are out of service. The proposed inter-connection will provide increased water system operation flexibility and will allow District Staff to utilize excess hydraulic capacity available in Well 29 to deliver water directly to the District's 2750 pressure zone.

District Staff has identified that this may be accomplished by installing an 18" inter-connection pipeline, miscellaneous fittings, zone break valve, and appurtenances. Said inter-connection pipeline will allow District Staff the flexibility to utilize the District's 2650 well pumping facility (Well 29) to pump directly into the District's 2750 Pressure Zone (without a separate booster Station) during times of need. A schematic of the proposed inter-connection pipeline is shown on Figure 1, attached.

Staff has solicited pipeline material and appurtenances quotes from three pipe materials vendors (Inland Water Works Supply Company, Dangelo Co., and Ferguson Waterworks). The District will receive said quotes from solicited vendors prior to the July 9, 2014 Board Meeting and Staff anticipates the materials quotes will not exceed \$45,000. District Staff will present a final summary table setting forth actual Vendor quotes received and identify the lowest responsive bidder at the District's July 9th Board of Directors Meeting.

Staff also proposes to solicit local pipeline installation contractors, paving contractors, and traffic control contractors to install said pipeline materials and appurtenances, provide trench repair paving, and provide traffic control. Staff anticipates the pipeline installation cost, associated traffic control services, and trench repair paving repair will not to exceed \$30,000.



Fiscal Impact:

The fiscal impact to the District is anticipated not to exceed the Engineers Estimate set forth below for specific items of work to be performed.

| Description | Engineers Estimate |
|--|---------------------------|
| 1. 2650 to 2759 PZ Inner Connection Pipeline and Materials | \$45,000 |
| 2. Pipeline installation Contractor Services | \$20,000 |
| 3. Traffic Control Contractor Services | \$3,000 |
| 4. Trench Shoring Equipment Rental | \$2,000 |
| 5. Trench Repair Paving Services | \$5,000 |
| Total | \$75,000 |

Funds for these materials and work will provided by Facilities Fees on deposit with the District as these facilities are new facilities required to provide increased flexibility necessary to meet the needs of additional development.

Prepared by Daniel K. Jagers, Director of Engineering



FIGURE 1

**2650 PRESSURE ZONE TO 2750 PRESSURE ZONE
INTER-CONNECTION PIPELINE**

