



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
REGULAR MEETING AGENDA  
BOARD OF DIRECTORS ENGINEERING WORKSHOP  
560 Magnolia Avenue, Beaumont, CA 92223  
Thursday, June 27, 2019**

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**Call to Order: Vice President Slawson**

**Pledge of Allegiance: Vice President Slawson**

**Invocation: Director Ramirez**

**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, state law prohibits the Board from discussing or taking action on any item not listed on the agenda. 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**

*Information on the following items is included in the full Agenda Packet.*

- 1. 2018 External Audit and Comprehensive Annual Financial Report** (pages 4 - 99)
- 2. California Special Districts Association (CSDA) 2019 Board Elections: Vote to Elect a Representative to the California Special District Association Board of Directors in the Southern Network for Seat B** (pages 100 - 121)
- 3. Consideration of Opposition to AB 1486 (Ting): Surplus Land** (pages 122 - 147)
- 4. Review Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2018 Capacity Charges** (pages 148 - 152)
- 5. Consideration of Proposed revision of BCVWD "Will Serve Letter" Policy** (pages 153 - 156)
- 6. Consideration of Request for "Will Serve Letter" at 550 East 1st Street (Riverside County Assessor's Parcel No. 418-260-023) in the City of Beaumont** (pages 157 - 166)

7. **Consideration of Request for Variance to Conditional Water Service “Will Serve Letter” for Riverside County Assessor’s Parcel No. 401-141-010 located on Avenida Miravilla, Northeast of the Edgar Canyon Road, Avenida Miravilla Intersection in the Community of Cherry Valley (pages 167 - 175)**
8. **Consideration of Granting Authorization to San Gorgonio Pass Water Agency to Recharge State Water Project (SWP) Water into the Fiesta Recharge Facility on behalf of BCVWD (handout)**
9. **Consideration of 2019 Beaumont-Cherry Valley Water District State Water Project Water Order**
10. **Consideration and Review of Additional Costs related to BCVWD’s Design of the Noble Creek Recharge Facility Connection to Master Drainage Plan Line 16 (handout)**
11. **Update: Status of District Wells, Capital Improvements, and Engineering Projects (pages 176 - 182)**
12. **Update: Legislative Action and Issues Affecting BCVWD (pages 183 - 187)**
13. **General Manager’s Report**
14. **Topics for Future Meetings**
15. **Announcements**
  - Finance and Audit Committee meeting: Wednesday, July 3, 2019 at 3:00 p.m. (Note meeting date is on Wednesday due to holiday)
  - Collaborative Agencies Committee meeting: *No meeting in July due to the holiday*
  - Regular Board Meeting: July 10, 2019 at 6:00 p.m.
  - Personnel Committee meeting: July 22, 2019 at 5:30 p.m.
  - Engineering Workshop: July 25, 2019 at 6:00 p.m.
  - Beaumont Basin Watermaster Committee Meeting: August 7, 2019 at 10:00 a.m.

## 16. Adjournment

### NOTICES

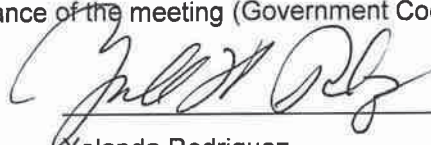
**AVAILABILITY OF AGENDA MATERIALS** - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting 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 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 Office in the Board Room of the District's Office. Materials may also be available on the District's website: [www.bcvwd.org](http://www.bcvwd.org).

**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 District Office, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. The District Office may be contacted by telephone at (951) 845-9581, email at [info@bcvwd.org](mailto:info@bcvwd.org) or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

**CERTIFICATION OF POSTING**

I certify that on or before June 24, 2019, a copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 72 hours in advance of the meeting (Government Code §54954.2(a)).



\_\_\_\_\_  
Yolanda Rodriguez,  
Director of Finance and Administration



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2018**

Item 1

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **2018 External Audit and Comprehensive Annual Financial Report**

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**Staff Recommendation**

Receive and file the independent auditors' unmodified (clean) opinion on the Beaumont-Cherry Valley Water District's (District) financial statements for the year ended December 31, 2018, included in the December 31, 2018 Comprehensive Annual Financial Report, and the attached Management Letter.

**Background**

The Comprehensive Annual Financial Report is used to communicate the District's financial condition and activity in a transparent and organized manner. The report presents historical and comparative information that can be useful to District staff, elected officials, and external users; such as debt rating agencies, businesses, other public agencies and the District's customers. The most recent Comprehensive Annual Financial Report and several prior year reports are available on the District's website.

Financial statements are prepared by the District and audited by independent auditors who are contracted through a competitive procurement process. The District's current independent auditor is Rogers, Anderson, Malody & Scott, LLP (RAMS). Auditors follow audit industry standards established by the American Institute of Certified Public Accountants (AICPA). These standards require auditors to provide an opinion on specific areas of the District's financial statements based on observations, inquiries, testing of transactions and analysis.

A clean, unmodified opinion communicates to users that the financial statements are fairly presented, in all material respects, and that the information used in the report is reliable. Other minor issues that would not warrant a change in the auditor's opinion are presented in the form of a Management Letter, with comments and recommendations to management, intending to improve internal control or result in other operating efficiencies. RAMS consulted with staff regarding each of these recommendations.

The District's Annual Financial Report includes the following major sections and information:

**Introductory Section**

- Letter of Transmittal – prepared by management and used to communicate information on areas that may have an impact on the District's finances now and in the future. This includes economic factors as well as budget and management factors.



## Financial Section

- Independent Auditors' Report – report on the reliability and fair presentation of the Comprehensive Annual Financial Report.
- Management's Discussion and Analysis (MD&A) – an overview of the year's operations and how the District performed financially.
- Basic Financial Statements
  - Statement of Net Position – presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position.
  - Statement of Revenues, Expenses and Changes in Net Position – measures the success of the District's operations over the past reporting period(s) and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges.
  - The Statement of Cash Flows – presents information relating to the District's cash receipts and cash disbursements during the year. This information 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.
  - Notes to the Basic Financial Statements – presents additional information that is necessary to understand the data provided in the basic financial statements.
- Required Supplementary Information
  - Pension information – presents the District's proportionate share of the Net Pension Liability of the Cost-Sharing Multiple Employer Benefit Plan, and contributions to the Plan as of the end of the year.
  - Other Post-Employment Benefits information – presents 3 years of OPEB funding information.

## Statistical Section

Presents information on financial trends, revenue capacity, debt capacity, demographic and economic conditions, and comparative operational data, for ten years.

## Fiscal Impact

There is no immediate financial impact or budget action necessary as a result of the recommended action.

## Attachment(s)

Comprehensive Annual Financial Report for the year ended December 31, 2018

Management Letter

Report prepared by Bill Clayton, Senior Financial Analyst

Beaumont-Cherry Valley Water District  
**Comprehensive Annual Financial Report**



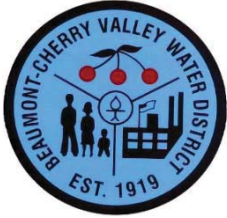
**Fiscal Year Ended December 31, 2018**

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Draft

# Comprehensive Annual ~~Subject to Change~~ Report

For the Year Ended December 31, 2018



## Beaumont-Cherry Valley Water District Beaumont, California

### Board of Directors

John Covington, President  
Daniel Slawson, Vice-President  
Andy Ramirez, Secretary  
David Hoffman, Treasurer  
Lona Williams, Director

Daniel K. Jagers, P.E., General Manager

### Prepared by the Finance and Administrative Services Department

Yolanda Rodriguez, Director of Finance & Administrative Services

*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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## Introductory Section



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June XX, 2019

Honorable Board of Directors  
Beaumont-Cherry Valley Water District

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Beaumont-Cherry Valley Water District (District) for the year ended December 31, 2018, following guidelines set forth by the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

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. Internal controls are an important part of any financial reporting framework, and management of the District has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

GAAP requires that 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). The 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 auditors.

The District's financial statements have been audited by Rogers, Anderson, Malody and Scott, 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, 2018, 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 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the District's financial statements for the year ended December 31, 2018, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## Profile of the District

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.

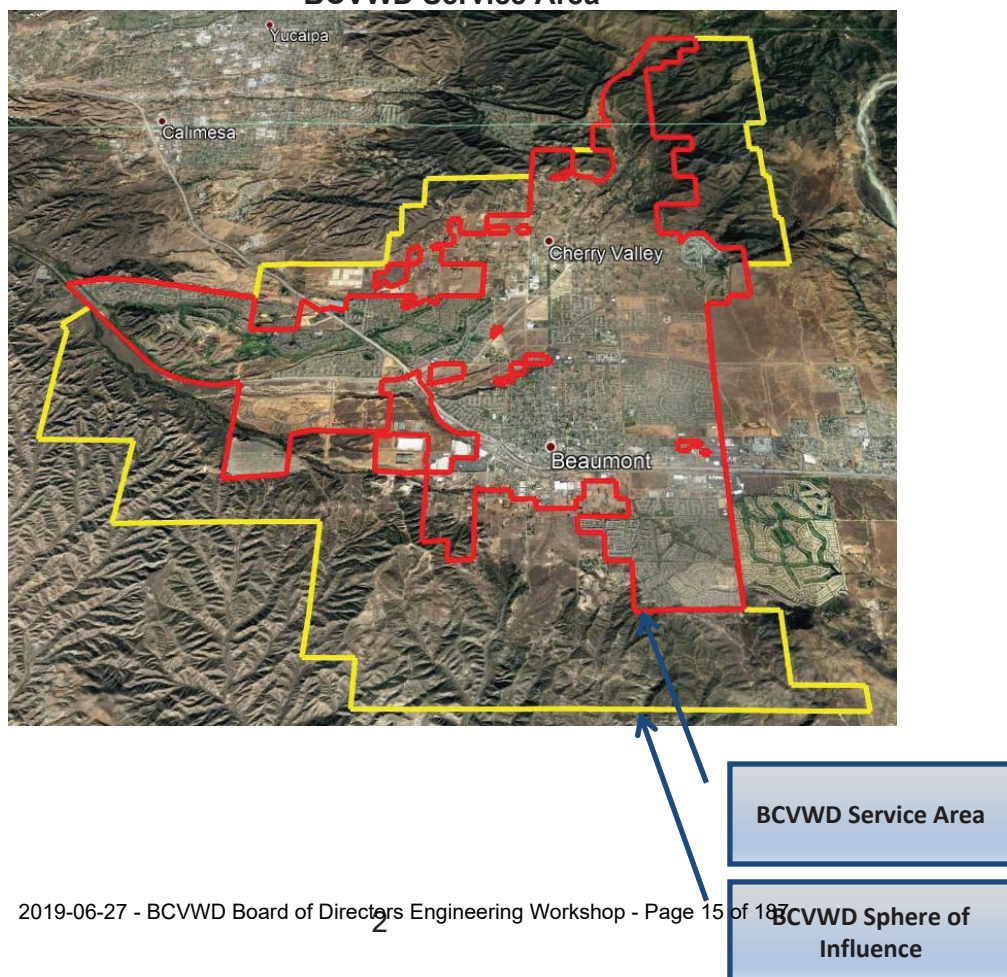
### History

The origin of the 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. The area started to develop in the late 1880s and in 1912 the community of Beaumont incorporated. The District was formed in 1919 as the Beaumont Irrigation District under California Irrigation District law, Water Code Section #20500 et seq. The name was changed to the Beaumont-Cherry Valley Water District in 1973. The District owns 575 acres of watershed land in Edgar Canyon in San Bernardino County and 949 acres of watershed in Riverside County. Edgar Canyon is named after Dr. William F. Edgar, a military doctor who was in charge of a number of hospitals during the Civil War. Dr. Edgar appreciated the beauty of the land and purchased it in 1859, he planted fruits and vineyards and later established a winery.

### Service Area

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.

Figure 1  
BCVWD Service Area



**Water Services**

The District has both a potable and non-potable water distribution system. At the end of 2018, the District had a total of 18,757 connections, an increase of 760 connections over 2017, 92.93 percent of which are for single family residences. 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 15 reservoirs ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 23 MG.

Today, the 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 Board authorized the purchase of 78.8 acres of land, and eventually constructed the Noble Creek Recharge Facility for the recharge of imported water from the State Water Project. In the future, storm runoff and possibly highly treated recycled water may be recharged at the facility. These water sources would receive additional natural treatment as they recharge the groundwater much like rain and runoff, which are naturally treated as they seep into the ground to become groundwater.

**Governance**

The District's Board of Directors is comprised of five members elected by the citizens within their geographical area. Each Director serves a four year staggered term and must be a resident of the division they represent. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board, and administers the daily affairs of the District and carries out policies of the Board of Directors. The District employs a staff of 39 under the direction of the General Manager.

**Local Economy**

Beaumont and Cherry Valley remained relatively small until the mid-1980s. The populations of Beaumont and Cherry Valley in 1980 were 6,818 and 5,012 respectively. The boom of the early 2000s saw Beaumont’s population increase to 48,237 by 2018; Cherry Valley showed only limited growth to 7,355 during that same time period. Current population served by the District is approximately 55,592. Meeting the water supply demands for this continued growth in Beaumont continues to be challenging as the City of Beaumont remains one of the fastest-growing cities in the State of California.

According to projections in the District’s 2015 Urban Water Management Plan, the population served by the District is expected to reach approximately 78,000 by 2030. The City of Beaumont’s General Plan, adopted in 2007, had a projected build-out population of 87,200. The build-out population within the District’s Sphere of Influence (SOI) is estimated to be about 112,300 based on the District’s estimates of land use.

Population and household data for the City of Beaumont area set forth in Table 1 below:

**Table 1  
Population and Household Data for the City of Beaumont**

<b>City of Beaumont</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2018</b>
Population	9,685	11,407	37,278	48,237
Households	3,718	3,887	11,801	14,180
People/Household	2.60	2.93	3.16	3.40



In 2018, the District continued to experience increased interest from land developers in completing tract developments that were put on hold during the economic slowdown and beginning new developments that were previously delayed.

According to its Major Project Status report, the City of Beaumont identifies the planned construction by area land developers of approximately 16,672 housing units of which approximately 10,659 of these planned housing units are approved.

## Financial Management

The keys to the District's successful financial management are the District's Capital Improvement Plan, annual budget process, and financial policies.

### Capital Improvement Plan

The Capital Improvement Plan (CIP) is a ten-year fiscal planning tool used to identify the future capital needs of the District, as well as identify the timing and method of financing those capital needs. The CIP is designed to show how the District will build, maintain, and manage the assets needed to produce, treat, and distribute water while keeping costs as low as possible. This planning tool provides the framework for District investments over a ten-year horizon, while providing the flexibility to adapt to changing infrastructure needs and opportunities as they arise.

### Annual Budget Process

The General Manager is responsible for keeping expenses within budget allocations and may adopt budget policies necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or reallocated by the General Manager.

The General Manager may exercise discretion in the administration of the Budget to respond to changed circumstances, by requesting budget amendments between line items within their department. Budget transfers between departments must be approved by both department directors. Any single modification in excess of \$50,000, shall require approval by the Board. Any addition to the budget shall also require approval by the Board. All budget transfers are documented and tracked in the District's computerized financial system and reported to the Finance and Audit committee at their regular meetings on the first Thursday of each month.

The Capital Improvement Budget (CIB) is presented as a supplement to the annual operating budget and includes only the next five years of the most-recently adopted CIP. Any additions or changes to the CIP are documented in the CIB.

### Financial Policies

The District's financial policies include financial management practices that are used for operational and strategic decision making and allow the Board of Directors and stakeholders to monitor how the District is managing its financial responsibilities.

*Investment Policy* - This policy is intended to provide a guideline for the prudent investment of surplus cash, reserves, trust funds, and restricted monies and to outline a policy for maximizing the efficiency of the District's cash management system in compliance with Section 53646 of the Government Code of California. The policy applies to all financial assets of the District as accounted for in the audited financial statements. The primary objectives of the District's investment activities, in order of priority, are safety of principal through the mitigation of both credit and market risk, maintenance of the liquidity necessary to meet cash flow needs and, lastly, return on investment.

*Reserve Policy* - This policy incorporates and identifies restricted reserves as Future Capital Commitments, Funds Held for Others, and Debt Service. Board designated unrestricted reserves are identified in the policy as Emergency, Capital Replacement, and Operations.

The purpose of the Emergency Reserve is to ensure continued service to the District's customers and service areas for events which are impossible to anticipate and budget for. The Emergency Reserve is adjusted annually to a minimum of 15 percent of the annual operating budget.

The Capital Replacement Reserve is earmarked for the purchase of operating equipment, physical plant, infrastructure, water conservation projects and other capital items. They are designed to stabilize funding for capital by accumulating "pay as you go" reserves available for necessary capital purchases. The Capital Replacement Reserve is funded through any sources available for capital improvements, including operating revenues.

The Reserve for Operations is to be used for working capital purposes and to ensure continuity of customer services regardless of cash flow. This Reserve is adjusted annually to a minimum amount sufficient to pay for three months of budgeted operating expenses, not exceeding a maximum of six months of budgeted operating expenses. Adequate reserves, along with sound financial policies, provide financial flexibility in the event of unanticipated expenses or revenue fluctuations.

*Purchasing Policy* - This policy is designed to establish policies and procedures that provide for:

- competitive bidding in the open market
- a cost effective purchasing process that incorporates high ethical standards
- obtaining quality materials, supplies, equipment, and non-professional services at the lowest ultimate cost and in a timely manner
- a process to purchase, using effective fiscal controls that assure adherence to budgeted expenses and for obtaining appropriate levels of approval as established therein

## **Short- and Long-Term Issues Impacting the District's Financial Position**

### *Funding Imported Water Supply*

The District, along with other water agencies and stakeholders in the Beaumont Basin, has recently begun to come to an understanding of the component costs of the water supply portfolio of the San Geronio Pass Water Agency (SGPWA), the region's wholesale water provider, and the funding tools being employed to ensure the delivery of necessary water supplies to the region at the lowest melded cost. As the principal buyer of imported water, District staff, in conjunction with the SGPWA, have spent a considerable amount of time and effort in exploring and developing possible strategies. The District has come a long way over the past year in terms of understanding the components that comprise the supply portfolio for the region and potential ways to fund them, and continues to work in cooperation with the SGPWA and other stakeholders to create a comprehensive strategy for funding imported water supply for the region.

### *Delta Conveyance Project (formerly referred to as California WaterFix)*

California's largest supply of clean water is dependent on an aging and inefficient system that cannot adequately store water when it is available. The reliability of the State Water Project (SWP) is projected to decrease from about 60 percent current reliability to 48 percent or below in the future. The proposed solution, the Delta Conveyance Project, will update the infrastructure, reduce risk from earthquakes, and provide reliable water while protecting the environment. Part of the cost to fix California's primary water delivery system will be paid for by SWP contractors and other public water agencies that rely on the supply.

### *Sites Reservoir*

One additional long-term water supply project capable of supplementing local water supplies is the Sites Reservoir Project. The District is currently participating in the Sites Reservoir Project for 4,000 acre feet per year (AFY) of supply in conjunction with the SGPWA's 10,000 AFY of supply participation (14,000 AFY total participation). The Sites Reservoir Project is a proposed reservoir that would be located at the site of a cattle ranch in the eastern foothills of the Central Valley about 78 miles northwest of Sacramento. Sites Reservoir is not on any major stream; all water must be pumped into the reservoir. Sites Reservoir was part of the original SWP, but was deferred during original construction of the SWP. Because of future water supply uncertainties, new interest has arisen in the reservoir. If constructed, the Sites Reservoir would give water agencies across the state more flexibility to meet both customer demands and environmental needs, especially in dry and critical years. As with the Delta Conveyance Project, the Sites Reservoir project is moving forward, but there is some risk that one or both may not be completed and operational.

### *Increasing CalPERS Costs*

The District provides retirement benefits to District employees through the California Public Employees Retirement System (CalPERS). Although the District pays what it is billed annually, the District's unfunded liability is in excess of \$2 million. Due to changes in actuarial assumptions made by the CalPERS Board, as well as projected rate of return on investments, the unfunded liability is expected to increase. A significant portion of the current CalPERS contributions are directly related to paying off the principal and interest of the unfunded liability, the difference between estimated pension plan obligations and the current value of its assets. It is expected that these contributions may grow significantly over the next ten years, which would have a direct impact on rates.

### *Financial Stability*

While the District has strong reserves in fiscal year 2019, there is increasing pressure on reserves in the short term. There is an emphasis on improving the execution rate of the CIP, and as it increases more unobligated cash will be used, especially for projects funded by Capital Replacement Reserves, unless rates as well as capacity fees are increased. In addition, the preceding issues (above) all put pressure on reserves and rates. While the fiscal 2019 budget was adopted with no rate increases, future budgets may require rate increases to ensure District reserves are fully funded.

## **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. Planning for and developing facilities to provide water for future growth continues to be a District priority.

Following are highlights of the District's completed and on-going initiatives identified in the 2017 Comprehensive Annual Financial Report (CAFR) as well as highlights of major projects that have been or are planned to be initiated in 2019 to meet the District's goals.

### **Completed**

- Prepared water supply review and analysis for the District, the San Geronio Pass Water Agency (SGPWA), and the San Geronio Pass Region stakeholders including an in depth review and analysis of District and regional water supply, water demand, expenses and financing analysis of current and future District and regional water supply needs and expenses as set forth in White Papers 1 through 7.

- Commenced implementation of recycled water opportunity with the City of Beaumont including: coordination of activities with City of Beaumont Staff and Council Members; preparation of Recycled Water Implementation Memorandum and Implementation Schedule; preparation of recycled water booster station preliminary design requirements, design and equipment parameters, and construction schedule and associated expenses; participation in preparation of draft Memorandum of Understanding.
- Worked with SGPWA to complete design and bid activities related to the upsizing of the East Branch Extension - Noble Creek Turnout, from 20 cubic feet per second to 34 cubic feet per second.
- Began accelerated deployment of Automated Meter Reading (AMR) technology both as upgrades and retrofits to existing meters, with the design of providing a streamlined and efficient way for staff to read water meters electronically.
- The District's main accounting system, Springbrook (Accela), implemented in 2013, has allowed District staff to enhance reporting and internal controls. The District continued to direct its efforts in 2018 towards enhanced system reporting capabilities, which included building a server and installing all components of an upgraded version of Springbrook in-house, saving the District's ratepayers \$35,000
- Completed Phase I of the Supervisory Control and Data Acquisition System (SCADA) internally by replacing old hardware, upgrading operating systems, implementing new communication protocols and deploying software.
- Improved District Safety Program by utilizing professional risk management, updating Injury and Illness Prevention Program (IIPP), safe work practices, training, and by providing additional safety equipment.

**To Be Initiated:**

- Moving forward, the District intends to complete capital improvement design activities and commence construction for Noble Reservoir No. 2 and Pipeline, 2018 Replacement Pipeline Project, and Well 1A and 2A Well Drilling Project, Well 25 block wall, Noble Creek Recharge Facility Phase I security fencing, Noble Booster equipment purchase, and 4A Booster equipment replacement.
- Work with SGPWA to complete construction activities related to the upsizing of the East Branch Extension - Noble Creek Turnout, from 20 cubic feet per second to 34 cubic feet per second.
- Domestic and Recycled Water Rates and Fees Update - The last water rate study was conducted in 2010, and this will be the first time the District will be taking an in-depth look at the rate structure for recycled water.
- Receive permitting from the California Department of Water Resources for the use of Title 22 compliant recycled water in the Districts non-potable water system.

**Ongoing:**

- Regional Water Supply Outlook - The District plans to continue to conduct long-term forecasting and planning for water supply, working with all stakeholders to formulate a plan for updating the imported water supply rate.

- The District will continue with the development of the non-potable water system by constructing additional facilities necessary to complete the conversion of the landscape irrigation users as well as satisfy additional demand. The District's focus in 2019 and beyond will be on pressure regulator projects, 2520 PZ to 2370 PZ and 2600 PZ to 2520 PZ, as well as the Raw Water Filter System Project at the 2800 PZ Tank.
- The Grand Avenue Storm Drain Project, which is being developed in conjunction with Riverside County Flood Control and Water Conservation District and partially funded utilizing grant funding from Proposition 84, will capture and recharge storm water at NCRF Phase II. The Project continued in 2018 and likely will be on-going through 2021.
- The GIS System Mapping Project is on-going with the majority of the system completely mapped and accessible to District personnel
- Conservation Program and a Community Outreach Program - The District's intent is to work with surrounding agencies and develop a joint program with regional partners and community stakeholders.
- The revised Capacity Fee (Facility Fee) Study was initiated in 2016 and is expected to be completed by the end of 2019.
- AMR Deployment – The AMR Deployment project was designed to provide a streamlined and efficient way for staff to read water meters electronically. Staff plans to continue deployment of several thousand radios per year over the next few years.
- In 2018 the District initiated the IT workstation upgrade program that is ongoing and is based on a rotating three-year replacement plan.

### **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.

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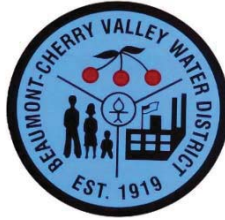
**Daniel Jagers**  
**General Manager**

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**Yolanda Rodriguez**  
**Director of Finance and**  
**Administrative Services**

# Beaumont-Cherry Valley Water District

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



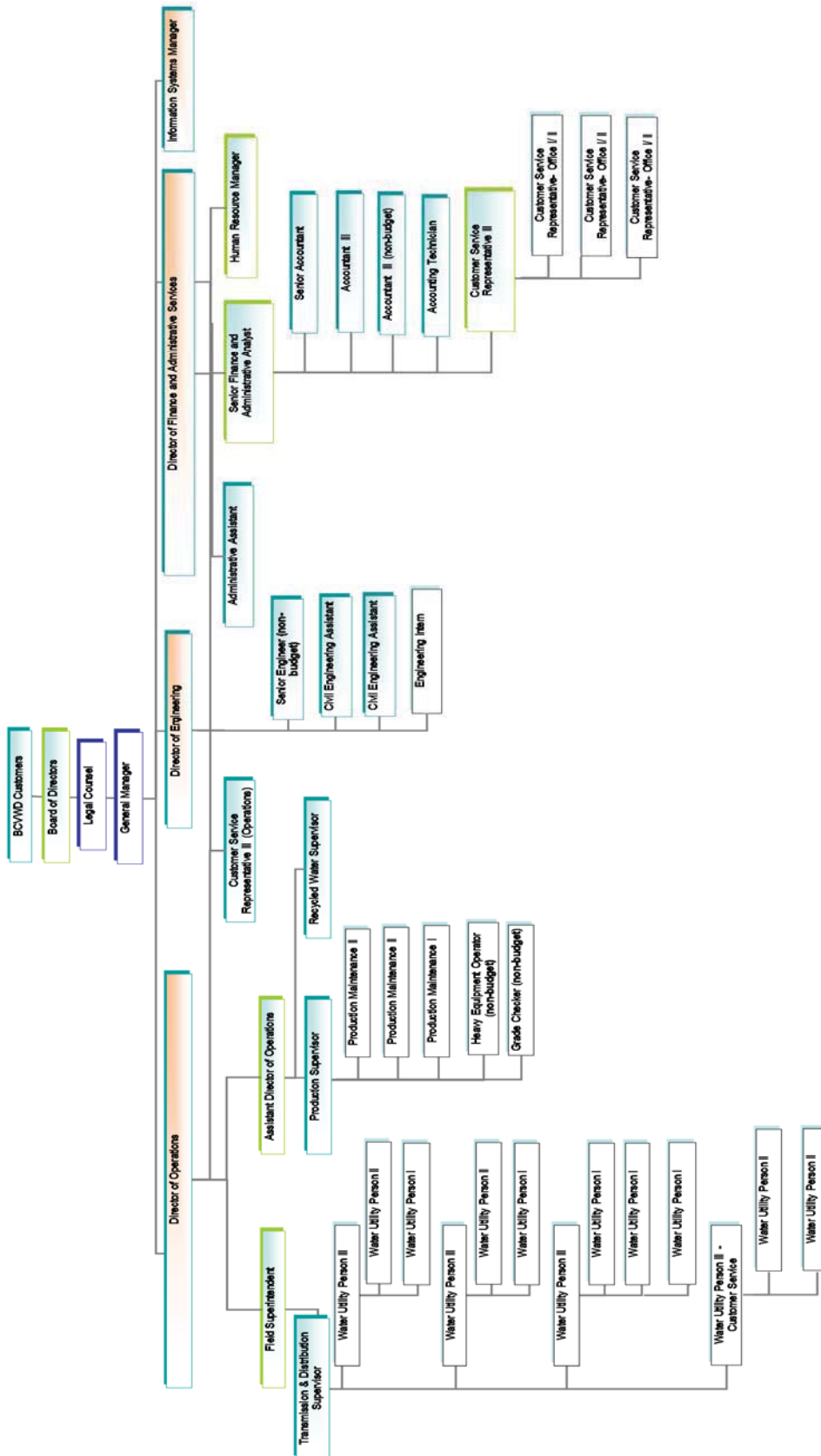
## Board of Directors as of December 31, 2018

Director	Title	Division	Current Term
John Covington	President	4	12/2018 – 12/2022
Daniel Slawson	Vice-President	3	12/2018 – 12/2022
Andy Ramirez	Secretary	1	12/2016 – 12/2020
David Hoffman	Treasurer	5	12/2018 – 12/2022
Lona Williams	Director	2	12/2016 – 12/2020

Daniel K. Jagers, P.E.  
General Manager

# Beaumont-Cherry Valley Water District Organizational Chart

Draft  
Subject to Change





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Beaumont Cherry Valley  
Water District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



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## Financial Section



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# Independent Auditor's Report

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## Independent Auditor's 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 (the District), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the 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.

### *Auditor's 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. 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 District'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 District'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 2018, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

### ***Emphasis of a Matter***

As discussed in Note 1 of the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. 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 required supplementary information, as listed in the table of contents, 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 collectively comprise the District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical sections have 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 them.

*Prior Year Comparative Information*

We have previously audited the District's 2017 financial statements, and we expressed an unmodified opinion in our report dated June 8, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **June xx, 2019** 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 the District's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino California

**June xx, 2019**



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# Management's Discussion and Analysis

**Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017**

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As management of the Beaumont-Cherry Valley Water District (the "District" or "BCVWD"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended December 31 2018 and 2017. 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 1-8.

**FINANCIAL HIGHLIGHTS**

Based on the financial information for the year ended December 31, 2018, the following financial highlights are noted for the District:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at year end by \$170,365,218 (net position). Of this amount, \$28,366,923 represents unrestricted net position, which may be used to meet the District's ongoing obligations to customers and creditors and maintain designated reserves approved by the District's Board of Directors.
- The District's total net position increased \$9,449,835 from the prior fiscal year. The increase is mainly a result of capital contributions from developer activities of \$7,706,050, which is comprised of \$2,423,839 in donated capital assets and \$5,282,211 in capacity charges to developers to ensure that funds are set aside to provide for the expansion of the domestic and non-potable water system.

Based on the financial information for the year ended December 31, 2017, the following financial highlights are noted for the District:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at year end by \$160,915,383 (net position). Of this amount, \$26,777,618 represents unrestricted net position.
- The District's total net position, as restated for the implementation of GASB 75, increased \$11,637,488 from the prior fiscal year. The increase is mainly a result of capital contributions from developer activities of \$11,270,398, which is from capacity charges to developers.

**Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017**

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**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

Beaumont-Cherry Valley Water District is a special-purpose government engaged in activities that are supported exclusively by user charges. As such, the District's financial statements are presented in the format prescribed for proprietary funds by the Governmental Accounting Standards Board.

The following financial statements for the year ended December 31 2018 (2017 for comparative purposes only) consist of a series of interrelated statements designed to provide the reader with relevant, understandable data about the District's financial condition and operating results. They are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The *Statement of Net Position* presents financial information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, 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.

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 reporting periods and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. More succinctly, this *Statement* can be used to evaluate the District's financial condition over the last two years. It can also be used as a basis for determining credit worthiness.

The *Statement of Cash Flows* presents information relating to the District's cash receipts and cash disbursements during the year. When used with related disclosures and information in the 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 years. This *Statement* answers questions such as sources of cash, uses of cash, and the change in the cash balance during the reporting periods.

*Notes to the Basic Financial Statements.* The notes provide additional information that is necessary to understand the data provided in the basic financial statements. The notes to the financial statements are included immediately following the *Basic Financial Statements* and can be found on pages 29-56 of this report.

In addition to the *Basic Financial Statements* and accompanying notes, this report also presents *Required Supplementary Information*, which includes the schedule of the District's proportionate share of the net pension liability, schedule of pension contributions, and the schedule of changes in OPEB and related ratios (OPEB) plan. *Required Supplementary Information* can be found on pages 57-59 of this report.

Management’s Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

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**FINANCIAL ANALYSIS OF THE DISTRICT**

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.

**Condensed Statements of Net Position**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>			
Current assets	\$ 62,512,946	\$ 54,612,083	\$ 41,545,467
Non-current assets	595,426	659,696	99,265
Capital assets	<u>115,174,259</u>	<u>112,850,063</u>	<u>114,241,568</u>
Total assets	<u>178,282,631</u>	<u>168,121,842</u>	<u>155,886,300</u>
Deferred outflows of resources	<u>677,933</u>	<u>844,250</u>	<u>631,124</u>
<b>Liabilities</b>			
Current liabilities	4,865,655	4,379,864	3,796,063
Non-current liabilities	<u>3,511,702</u>	<u>3,478,403</u>	<u>2,538,800</u>
Total liabilities	<u>8,377,357</u>	<u>7,858,267</u>	<u>6,334,863</u>
Deferred inflows of resources	<u>217,989</u>	<u>192,442</u>	<u>420,744</u>
<b>Net position</b>			
Net investment in capital assets	115,174,259	112,850,063	114,241,568
Restricted	26,824,036	21,287,702	10,226,231
Unrestricted	<u>28,366,923</u>	<u>26,777,618</u>	<u>25,294,018</u>
Total net position	<u>\$ 170,365,218</u>	<u>\$ 160,915,383</u>	<u>\$ 149,761,817</u>

*Assets*

**2018 compared to 2017** Total assets were \$178,282,631, reflecting an increase of \$10,160,789 primarily due to the following:

- Current assets, comprised of restricted and unrestricted assets, increased by \$7,900,863. This change is primarily reflective of net cash from operations of \$3,558,493, and cash from capital contributions of \$5,327,811 less \$2,476,161 paid for acquisition and construction of capital assets.

Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

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**FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)**

*Assets (continued)*

**2017 compared to 2016** Total assets were \$168,121,842, reflecting an increase of \$12,235,542 primarily due to the following:

- Current assets, comprised of restricted and unrestricted assets, increased by \$13,066,616. This change is primarily reflective of net cash from operations of \$2,664,155, and capital contributions of \$11,270,398 less \$1,251,166 for acquisition and construction of capital assets.

*Liabilities*

**2018 compared to 2017** Total liabilities were \$8,377,357, reflecting an increase of \$519,090 primarily due the net effect of:

- Unearned revenues, which are generally payments made in advance of the District providing services such as meter installations, plan checks, and inspections, increased by \$330,994.
- The District's net other post-employment benefits (OPEB) liability increased by \$79,847, a year-end calculation made in accordance with Governmental Accounting Standards Board (GASB) statement number 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- The District's net pension liability decreased by \$46,779, a year-end calculation made in accordance with Governmental Accounting Standards Board (GASB) statement number 68 Accounting and Financial Reporting for Pensions.

**2017 compared to 2016** Total liabilities were \$7,858,267, reflecting an increase of \$1,523,404 primarily due to the following:

- Unearned revenues, which are generally payments made in advance of the District providing services such as meter installations, plan checks, and inspections, increased by \$596,171.
- The District's net pension liability increased by \$347,778, while the net other post-employment benefits (OPEB) liability increased by \$582,922. 2018 is the first year for which OPEB is required to be shown on the Statement of Net Position, and applied retroactively for 2017, in accordance with GASB statement number 75. OPEB and Pensions are further discussed in Notes 10 and 12 accompanying the financial statements.

Management’s Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

**FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)**

*Net Position*

**2018 compared to 2017** Total net position was \$170,365,218, reflecting an increase of \$9,449,835.

- The largest portion of the District’s net position, which is its investment in capital assets of \$115,174,259 (67.6%) had an increase of \$2,324,196 from the prior year. Investment in capital assets reflects its investment in land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, and equipment and vehicles, net of depreciation. The 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.
- The restricted portion of net position was \$26,824,036 (15.7%), an increase of \$5,536,334 from the prior year. Restricted net position is subject to external restrictions on its use, such as for future infrastructure construction.
- The remaining unrestricted net position of \$28,366,923 (16.7%), an increase of \$1,589,305, is non-spendable (\$1,054,698) and designated (\$27,312,225), according to Board policy, to meet the ongoing needs of the District. See Note 11 on pages 45-46 for more details on the District’s net position.

**2017 compared to 2016** Total net position, as restated for the implementation of GASB 75, was \$160,915,383, reflecting an increase of \$11,637,488.

The details of both increases were discussed in the Financial Highlights section on page 15.

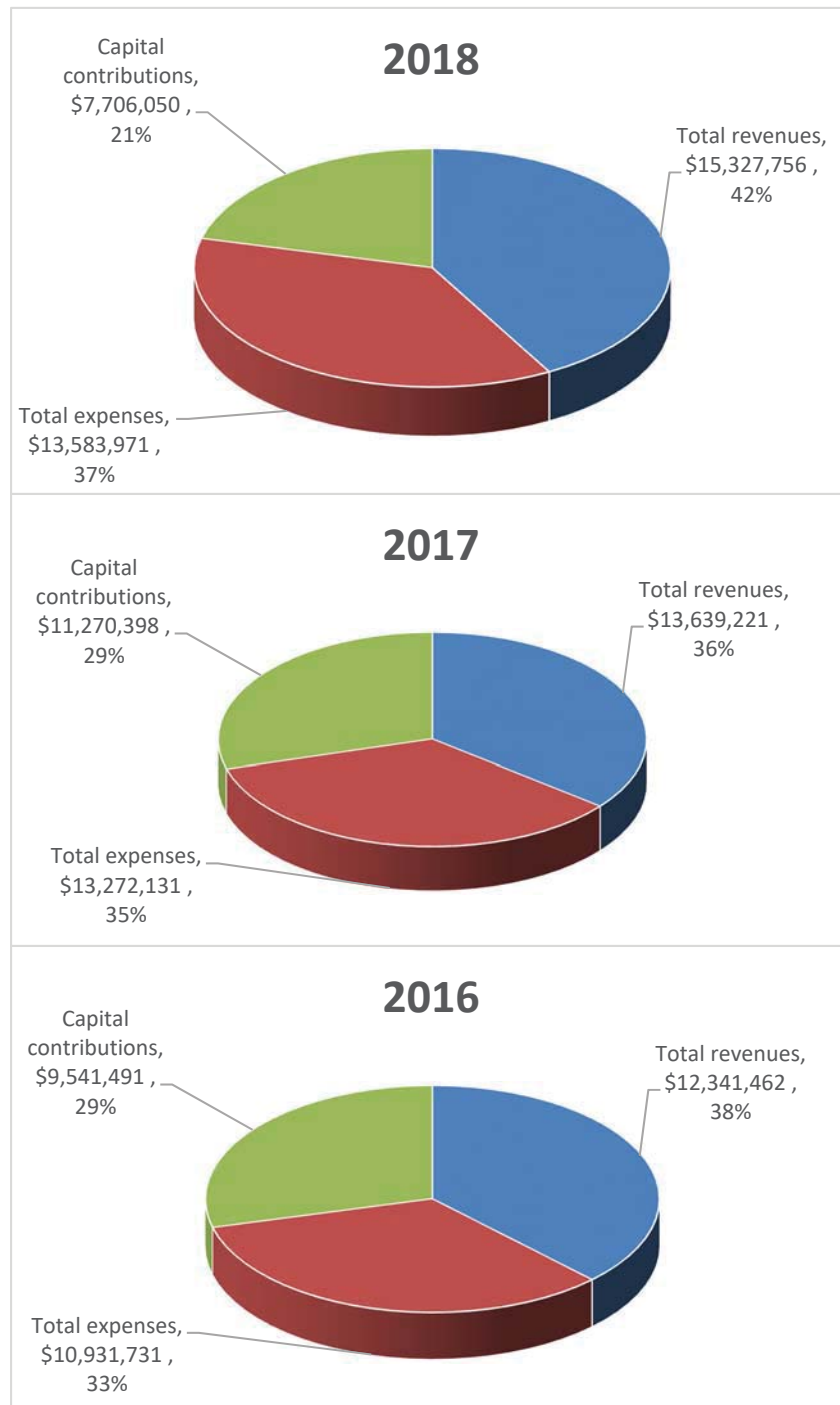
**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating revenues	\$ 14,160,641	\$ 13,177,509	\$ 12,139,442
Non-operating revenues	1,167,115	461,712	202,020
Total revenues	<u>15,327,756</u>	<u>13,639,221</u>	<u>12,341,462</u>
Operating expenses	13,583,971	13,235,100	10,923,833
Non-operating expenses	-	37,031	7,898
Total expenses	<u>13,583,971</u>	<u>13,272,131</u>	<u>10,931,731</u>
Income (loss) before contributions	<u>1,743,785</u>	<u>367,090</u>	<u>1,409,731</u>
Capital contributions	7,706,050	11,270,398	9,541,491
Change in net position	<u>\$ 9,449,835</u>	<u>\$ 11,637,488</u>	<u>\$ 10,951,222</u>

Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

FINANCIAL ANALYSIS OF THE DISTRICT (Continued)

REVENUES BY SOURCE





Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

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**FINANCIAL ANALYSIS OF THE DISTRICT (Continued)**

**Operating Revenues and Expenses**

**2018 compared to 2017**

Total operating revenues of \$14,160,641 increased by \$983,132 primarily due to the following:

- Metered water sales and the corresponding water importation charges and water pumping pass-through charges totaling \$9,538,399 increased by \$547,505, mainly due to an increase in water consumption.
- Development and installation charges of \$979,629 increased by \$161,199, mainly due to an increase in development-related activities.
- Water service charges of \$3,238,643 increased by \$223,891, mainly due to the installation of 760 meters during 2018.

Total operating expenses of \$13,583,971 increased by \$348,871 primarily due to the following:

- Salaries and employee benefits expenses of \$3,855,018 increased by \$459,960 as the District filled several positions that were previously vacant and implemented increases in accordance with a salary and compensation study performed in late 2017.
- Energy costs from pumping totaling \$1,760,641 increased by \$161,976 as a result of the increase in consumer demand.
- In spite of the increased consumer demand, purchases of imported water totaling \$3,842,357 decreased by \$465,673. The District continued to participate in a regional effort to buy imported water from Northern California to recharge the local groundwater basin, but to a lesser extent than it had in the previous year. The District was still able to add to its storage account with the Beaumont Basin Watermaster by the end of 2018.
- The District's year-end calculation of pension expense of \$92,646 under GASB statement number 68 increased by \$180,160 from a credit of \$87,514 in 2017. This is a complex calculation required each year and can be volatile.

**2017 compared to 2016**

Total operating revenues of \$13,177,509 increased by \$1,038,069 primarily due to the following:

- Metered water sales and the corresponding water importation charges and water pumping pass-through charges totaling \$8,990,894 increased by \$723,857, mainly due to an 8.8 percent increase in water consumption.
- Development and installation charges of \$818,430 increased by \$165,179, mainly due to an increase in development-driven activities.
- Water service charges of \$3,014,752 increased by \$149,019, mainly due to the installation of 625 meters during 2017.

**Management’s Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017**

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**FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)**

Total operating expenses of \$13,235,100 increased by \$2,311,267 primarily due to the following:

- Purchases of imported water totaling \$4,308,030 increased by \$1,353,907 as the District participated in a regional effort to buy imported water from Northern California, available after the heavy winter rainfall, to recharge the local groundwater basin. Higher groundwater levels resulting from the recharge not only helps ensure the health of the basin but makes pumping groundwater more cost effective.
- Salaries and employee benefits expenses of \$3,395,058 increased by \$420,071 as the District filled several positions that were previously vacant and incurred severance costs.
- Energy costs from pumping totaling \$1,598,665 increased by \$253,932 as a result of the increase in consumer demand of 8.8 percent.

**Capital Assets**

	<b>Balance December 31, 2018</b>	<b>Balance December 31, 2017</b>	<b>Balance December 31, 2016</b>
Land	\$ 7,721,730	\$ 7,721,730	\$ 7,721,730
Construction in progress	988,172	428,469	296,555
Transmission and distribution system	66,165,371	63,828,190	64,552,041
Structures and improvements	13,828,960	14,138,546	14,531,008
Reservoirs and tanks	16,234,527	16,722,251	17,215,523
Pumping and telemetry equipment	9,520,651	9,300,108	9,412,938
Vehicles and equipment	714,848	710,769	511,773
Capital assets, net of depreciation	<u>\$ 115,174,259</u>	<u>\$ 112,850,063</u>	<u>\$ 114,241,568</u>

The District’s investment in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment and vehicles, and construction in progress.

**2018 compared to 2017** The District’s investment in capital assets, net of accumulated depreciation, was \$115,174,259, an increase of \$2,324,196. The increase resulted mainly from the following significant capital additions, offset by current year depreciation of \$2,575,804:

- Well pumping and chlorination equipment of \$443,194.
- Developer donated water systems totaling \$2,423,839.
- Installations of new and retrofitted radio read-capable meters amounting to \$1,032,213.
- Net additions to construction in progress of \$559,703.

Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017

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**Capital Assets (continued)**

**2017 compared to 2016** The District's investment in capital assets, net of accumulated depreciation, was \$112,850,063, a decrease of \$1,391,505. The decrease resulted mainly from the following significant capital additions, offset by current year depreciation of \$2,591,208:

- New meter installations amounting to \$581,071.
- Additions to construction in progress of \$465,731
- Vehicle and equipment purchases of \$182,622.

New meter installations include the cost of employee labor, as well as meter parts. Meters are currently replaced every 10-15 years as part of the District's meter change out program. More information on the District's capital assets activity for the years ending December 31 2018 and 2017 can be found in Note 5 beginning on page 39 of this report.

**Long-term Debt**

December 31 2018, the District had no long-term debt.

**CONDITIONS AFFECTING CURRENT AND FUTURE RATES**

Increasing CalPERS Costs and Capital Improvement Plan Execution

The District provides retirement benefits to District employees through the California Public Employees Retirement System (CalPERS). Although the District pays what it is billed annually, the District's unfunded liability is in excess of \$2 million. Due to changes in actuarial assumptions made by the CalPERS Board, as well as projected rate of return on investments, the unfunded liability is expected to increase. A significant portion of the current CalPERS contributions are directly related to paying off the principal and interest of the unfunded liability, the difference between estimated pension plan obligations and the current value of its assets. It is expected that these contributions may grow significantly over the next ten years, which would have a direct impact on rates.

While the District has strong reserves in fiscal year 2019, there is increasing pressure on reserves in the short term. There is an emphasis on improving the execution rate of the CIP, and as it increases more unobligated cash will be used, especially for projects funded by Capital Replacement Reserves, unless rates as well as capacity fees are increased. Although there have been no increases in the District's basic domestic water charges since July 1, 2012, the District is soliciting bids to perform a water rate and recycled water rate fee study, which will determine the need for rate adjustments, if necessary, over the next 3 to 5 years.

**Management's Discussion and Analysis  
For the Years Ended December 31, 2018 and 2017**

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**Requests for Information**

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

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# Basic Financial Statements

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Statements of Net Position  
December 31, 2018 with Comparative Information as of December 31, 2017

	2018	2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and investments (Note 2)	\$ 28,537,743	\$ 27,029,833
Restricted cash and investments - funds held for others (Note 2)	3,868,662	3,476,548
Restricted cash and investments - capital commitments (Note 2)	26,250,409	20,668,475
Interest receivable	206,577	135,958
Accounts receivable, net of allowance for uncollectibles (Note 3)	2,607,627	2,448,749
Notes receivable (Note 4)	9,029	9,751
Restricted notes receivable (Note 4)	50,160	45,600
Inventories	787,117	635,908
Prepaid items	195,622	161,261
<b>Total current assets</b>	<b>62,512,946</b>	<b>54,612,083</b>
<b>Noncurrent assets:</b>		
Notes receivable (Note 4)	71,959	86,069
Restricted notes receivable (Note 4)	523,467	573,627
Capital assets, net of accumulated depreciation (Note 5)	115,174,259	112,850,063
<b>Total noncurrent assets</b>	<b>115,769,685</b>	<b>113,509,759</b>
<b>Total assets</b>	<b>178,282,631</b>	<b>168,121,842</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
OPEB related (Note 10)	12,349	6,136
Pension related (Note 12)	665,584	838,114
<b>Total deferred outflows of resources</b>	<b>677,933</b>	<b>844,250</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and other accrued liabilities (Note 6)	783,821	734,558
Customer account credit balances (Note 7)	181,178	163,619
Customer deposits payable	469,009	425,447
Unearned revenues (Note 8)	3,218,476	2,887,482
Current portion of long-term liabilities:		
Compensated absences (Note 9)	213,171	168,758
<b>Total current liabilities</b>	<b>4,865,655</b>	<b>4,379,864</b>
<b>Noncurrent liabilities:</b>		
Compensated absences (Note 9)	101,002	100,771
Net OPEB liability (Note 10)	1,330,857	1,251,010
Net pension liability (Note 12)	2,079,843	2,126,622
<b>Total noncurrent liabilities</b>	<b>3,511,702</b>	<b>3,478,403</b>
<b>Total liabilities</b>	<b>8,377,357</b>	<b>7,858,267</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB related (Note 10)	58,652	-
Pension related (Note 12)	159,337	192,442
<b>Total deferred inflows of resources</b>	<b>217,989</b>	<b>192,442</b>
<b>NET POSITION</b>		
Net investment in capital assets (Note 11)	115,174,259	112,850,063
Restricted (Note 11)		
Capital commitments	26,250,409	20,668,475
Notes receivable	573,627	619,227
Unrestricted (Note 11)	28,366,923	26,777,618
<b>Total net position</b>	<b>\$ 170,365,218</b>	<b>\$ 160,915,383</b>

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



Statements of Revenues, Expenses and Changes in Net Position  
For the Year Ended December 31, 2018 with Comparative Information for the year ended  
December 31, 2017

	2018	2017
<b>OPERATING REVENUES</b>		
Metered water sales	\$ 5,375,165	\$ 5,060,758
Water service charges	3,238,643	3,014,752
Water importation pass-through charges	2,424,212	2,288,455
Water pumping power pass-through charges	1,739,022	1,641,681
Development and installation charges	979,629	818,430
Other revenue	403,970	353,433
<b>Total operating revenues</b>	<b>14,160,641</b>	<b>13,177,509</b>
<b>OPERATING EXPENSES</b>		
Salaries and employee benefits	3,855,018	3,395,058
Pension expense (credit)	92,646	(87,514)
Energy expenses	1,760,641	1,598,665
Water purchases	3,842,357	4,308,030
Administration	313,973	284,724
Operations	420,403	292,991
Maintenance and repairs	493,357	515,645
Depreciation	2,575,804	2,591,208
Insurance	73,530	73,674
Professional fees	144,908	250,504
Other expenses	11,334	12,115
<b>Total operating expenses</b>	<b>13,583,971</b>	<b>13,235,100</b>
<b>Operating income (loss)</b>	<b>576,670</b>	<b>(57,591)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest earnings	1,121,500	350,406
Rental income	20,934	21,715
Other revenue	24,681	89,591
Loss on disposal of capital assets	-	(37,031)
<b>Total nonoperating revenues (expenses)</b>	<b>1,167,115</b>	<b>424,681</b>
<b>Income before contributions</b>	<b>1,743,785</b>	<b>367,090</b>
<b>CAPITAL CONTRIBUTIONS</b>		
Donated capital assets	2,423,839	-
Capacity charges	5,282,211	11,270,398
<b>Total capital contributions</b>	<b>7,706,050</b>	<b>11,270,398</b>
<b>Change in net position</b>	<b>9,449,835</b>	<b>11,637,488</b>
<b>Net position, beginning of year, as restated</b>	<b>160,915,383</b>	<b>149,277,895</b>
<b>Net position, end of year</b>	<b>\$ 170,365,218</b>	<b>\$ 160,915,383</b>

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

**Statements of Cash Flows**  
For the Year Ended December 31, 2018 with Comparative Information for the year ended December 31, 2017

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 14,383,340	\$ 13,231,196
Payments to employees for salaries and benefits	(3,647,387)	(3,385,908)
Payments to suppliers and service providers	(7,221,022)	(7,233,898)
Receipt of customer deposits	43,562	52,765
	<u>3,558,493</u>	<u>2,664,155</u>
<b>Net cash provided by operating activities</b>		
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(2,476,161)	(1,251,166)
Capital contributions	5,327,811	10,651,171
Rental income	20,934	21,715
	<u>2,872,584</u>	<u>9,421,720</u>
<b>Net cash provided by capital and related financing activities</b>		
<b>Cash flows from investing activities:</b>		
Interest received	1,080,380	278,245
Gain/(loss) on investments	(29,499)	(22,287)
	<u>1,050,881</u>	<u>255,958</u>
<b>Net cash provided by investing activities</b>		
<b>Net increase in cash and cash equivalents</b>	7,481,958	12,341,833
<b>Cash and investments, beginning of year</b>	<u>51,174,856</u>	<u>38,833,023</u>
<b>Cash and investments, end of year</b>	<u>\$ 58,656,814</u>	<u>\$ 51,174,856</u>
<b>Reconciliation to the Statement of Net Position:</b>		
Cash and investments	\$ 28,537,743	\$ 27,029,833
Restricted cash and investments - funds held for others	3,868,662	3,476,548
Restricted cash and investments - capital commitments	26,250,409	20,668,475
	<u>\$ 58,656,814</u>	<u>\$ 51,174,856</u>
<b>Total cash and investments</b>		

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

**Statements of Cash Flows, Continued**  
**For the Year Ended December 31, 2018 with Comparative Information for the year ended**  
**December 31, 2017**

	<u>2018</u>	<u>2017</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 576,670	\$ (57,591)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	2,575,804	2,591,208
Construction in progress abandoned	-	14,432
Other income	24,681	89,591
(Increase) decrease in accounts receivable	(158,878)	(608,432)
(Increase) decrease in notes receivable	14,832	13,727
(Increase) decrease in inventories	(151,209)	32,797
(Increase) decrease in prepaid items	(34,361)	(9,631)
(Increase) decrease in deferred outflows of resources	166,317	(206,990)
Increase (decrease) in accounts payable and other accrued liabilities	49,263	51,714
Increase (decrease) in customer account credit balances	17,559	(30,238)
Increase (decrease) in customer deposits payable	43,562	52,765
Increase (decrease) in unearned revenues	330,994	596,171
Increase (decrease) in compensated absences	44,644	(77,708)
Increase (decrease) in other post-employment benefit obligations	79,847	92,864
Increase (decrease) in net pension liability	(46,779)	347,778
Increase (decrease) in deferred inflows of resources	25,547	(228,302)
Total adjustments	<u>2,981,823</u>	<u>2,721,746</u>
Net cash provided by operating activities	<u>\$ 3,558,493</u>	<u>\$ 2,664,155</u>
<b>Schedule of non-cash investing and capital and related financing activities</b>		
Capital contributions - donated capital assets	\$ 2,423,839	\$ -

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

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Reporting Entity and Basis of Presentation**

The Beaumont-Cherry Valley Water District (District) is a special-purpose government district supplying and distributing water to over 55,000 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, include 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 proprietary fund are 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.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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

**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 capacity charges collected during the year to ensure that funds are set aside to provide for the expansion of the domestic and non-potable water system.

Please refer to *Note 2 - Cash and Investments* for additional details.

**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). The capitalization threshold is \$5,000. Contributed assets are stated at estimated acquisition 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	3 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.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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

**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 associated amounts will be recognized as revenue.

Please refer to *Note 8 - Unearned Revenues* for additional details.

**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. Any unpaid debt is deemed a lien against the real property to which service is rendered in accordance with applicable law.

Please refer to *Note 3 - Accounts Receivable* for additional detail.

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****K. Credit/Market Risk**

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

**L. Fair Value Measurement**

The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**M. 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.

**N. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) Plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan and additions to/deductions from the OPEB's Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of GASB Statement No. 75 is to improve the information provided by the state and local government employers about financial support for OPEB that is provided by other entities. GASB 75 required the District to report a liability for their share of the net OPEB obligation, as well as recognize certain deferred outflows/inflows of resources and expenses associated with OPEB measurement.

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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

**P. Prior Year Data**

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's prior year financial statements from which this selected financial information was derived.

**Q. Reclassifications**

Certain reclassifications have been made to prior year's balance to conform to classifications used in 2018.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of December 31 are classified in the accompanying financial statements as follows:

Description	2018	2017
Cash and investments	\$ 28,537,743	\$ 27,029,833
Restricted cash and investments - funds held for others	3,868,662	3,476,548
Restricted cash and investments - capital commitments	26,250,409	20,668,475
<b>Total cash and investments</b>	<b>\$ 58,656,814</b>	<b>\$ 51,174,856</b>

Cash and investments as of December 31 consist of the following:

Description	2018	2017
Cash on hand (petty cash and change drawers)	\$ 1,400	\$ 1,400
Demand deposits (cash in bank)	774,460	1,320,227
Investments	57,880,954	49,853,229
<b>Total cash and investments</b>	<b>\$ 58,656,814</b>	<b>\$ 51,174,856</b>

**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.



Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Authorized Investment Type	Maturity Limit	Maximum Specified % of Portfolio
Local Agency Bonds	5 years	None
US Treasury Obligations	5 years	None
State Obligations - CA and others	5 years	None
CA Local Agency Obligations	5 years	None
US Agency Obligations	5 years	None
Bankers Acceptances	180 days	40%
Commercial Paper - Pooled Funds	270 days	40% of the District's money
Commercial Paper - Non-Pooled Funds	270 days	25% of the District's money
Negotiable Certificates of Deposit	5 years	30%
Non-negotiable Certificates of Deposit	5 years	None
Placement Service Deposits	5 years	30%
Placement Service Certificates of Deposit	5 years	30%
Repurchase Agreements	1 year	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio
Medium Term Notes	5 years	30%
Mutual Funds and Money Market		
Mutual Funds	N/A	20%
Collateralized Bank Deposits	5 years	None
Mortgage Pass-Through Securities	5 years	20%
County Pooled Investment Funds	N/A	None
Joint Powers Authority Pool	N/A	None
Local Agency Investment Fund (LAIF)	N/A	None
Voluntary Investment Program Fund	N/A	None
Supranational Obligations	5 years	30%

**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.

The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

The District’s investments as of December 31, 2018 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (in years)
CalTRUST	\$ 33,335,400	0.76
LAIF	24,545,554	0.53
Total investments	<u>\$ 57,880,954</u>	

The District’s investments as of December 31, 2017 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (in years)
CalTRUST	\$ 25,718,950	0.75
LAIF	24,134,279	0.53
Total investments	<u>\$ 49,853,229</u>	

**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’s only investments are in LAIF and CalTRUST, both of which are 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.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Custodial Credit Risk (Continued)**

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. The District may waive collateral requirements for deposits which are fully insured by federal depository insurance.

As of December 31, 2018 and 2017, the District had deposits with financial Institutions of \$604,800 and \$1,065,565, respectively, in excess of federal depository insurance limits and subject to custodial credit risk as described above.

**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. 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 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. Accordingly, under the fair value hierarchy, the measurement of the District's investment is based on uncategoryed inputs not defined as Level 1, Level 2, or Level 3 inputs. Further information about LAIF is available on the California State Controller's website: [www.treasurer.ca.gov/pmia-laif/](http://www.treasurer.ca.gov/pmia-laif/).

**CalTRUST**

The District is a voluntary participant in CalTRUST, a Joint Exercise Powers Agreement of the Investment Trust of California. The principal executive office is located at 1100 K Street, Suite 1010, Sacramento, California 95814. CalTRUST is subject to the California Joint Exercise of Powers Act. Each participant in CalTRUST must be a California Public Agency. The purpose of CalTRUST is to consolidate investment activities of its participants and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTRUST.

The two funds the District has invested in are the short-term and medium-term fund. The short-term fund has a targeted portfolio duration of 0 to 2 years and medium-term fund has a targeted portfolio duration of 1 ½ to 3 ½ years. Investment strategies are to attain as high as a level of current income as is consistent with the preservation of principal.

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**CalTRUST (Continued)**

The fair value of the District’s investment in CalTRUST is based upon the net asset value (NAV) of shares held by the District at year-end. The net asset value per share is computed by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares. Liabilities include all accrued expenses and fees, including expenses of the trust. The market value of portfolio securities is determined on the basis of the market value of such securities, or, if market quotations are not readily available, at fair value under the guidelines established by the trustees. Investments with short remaining maturities may be valued at amortized cost which the CalTRUST Board has determined to equal fair value.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Water Sales and Services are reported net of uncollectible amounts based on actual collections as of the preparation date of the statements. The General Manager or their designee is authorized to file a lien against real property serviced with the Assessor-Clerk-Recorder of the County of Riverside for any charges 60 days past due. The amount of charges of unpaid bills are included as a lien against the debtor’s property until the unpaid charges are collected and the account is brought current. 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 accounts. 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. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) amount on the financial statements.

The detail of the receivables, including applicable allowances for uncollectible amounts as of December 31, 2018 is as follows:

	Water Sales and Services	Other	Developer	Total
Receivables	\$ 2,328,602	\$ 54,755	\$ 493,030	\$ 2,876,387
Less: allowance for uncollectible accounts	-	(1,036)	(267,724)	(268,760)
Net receivables	<u>\$ 2,328,602</u>	<u>\$ 53,719</u>	<u>\$ 225,306</u>	<u>\$ 2,607,627</u>

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 3 – ACCOUNTS RECEIVABLE (Continued)**

The detail of the receivables, including applicable allowances for uncollectible amounts, as of December 31, 2017 is as follows:

	<u>Water Sales and Services</u>	<u>Other</u>	<u>Developer</u>	<u>Total</u>
Receivables	\$ 2,257,606	\$ 26,498	\$ 432,369	\$ 2,716,473
Less: allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>(267,724)</u>	<u>(267,724)</u>
Net receivables	<u>\$ 2,257,606</u>	<u>\$ 26,498</u>	<u>\$ 164,645</u>	<u>\$ 2,448,749</u>

**NOTE 4 – NOTES RECEIVABLE**

In 2003, the Bonita Vista Mutual Water Company (Bonita Vista) 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 Bonita Vista were responsible for 1/100<sup>th</sup> 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 percent 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 (Fairway Canyon) for payment of the new water component of the water main extension and capacity charges. The notes are payable over 10 years at an annual interest rate of 10 percent.

Amounts due from Bonita Vista and Fairway Canyon are separated into current and non-current portions on the *Statement of Net Position*.

The detail of the notes, including applicable allowances for uncollectible amounts as of December 31, 2018 is as follows:

	<u>Notes Receivable</u>	<u>Restricted Notes Receivable</u>	
	<u>Bonita Vista</u>	<u>Fairway Canyon</u>	<u>Total</u>
Current	\$ 9,029	\$ 50,160	\$ 59,189
Non-current	<u>71,959</u>	<u>523,467</u>	<u>595,426</u>
Total notes receivable	<u>\$ 80,988</u>	<u>\$ 573,627</u>	<u>\$ 654,615</u>

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**NOTE 4 – NOTES RECEIVABLE (Continued)**

The detail of the notes, including applicable allowances for uncollectible amounts as of December 31, 2017 is as follows:

	Notes Receivable		Restricted Notes	Total
	Bonita Vista	Fairway Canyon	Receivable	
Current	\$ 9,751	\$ 45,600	\$	55,351
Non-current	86,069	573,627		659,696
Total notes receivable	<u>\$ 95,820</u>	<u>\$ 619,227</u>	<u>\$</u>	<u>715,047</u>

**NOTE 5 – CAPITAL ASSETS**

The following table summarizes capital asset activity during the year ended December 31, 2018:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 7,721,730	\$ -	\$ -	\$ -	\$ 7,721,730
Construction in progress	428,469	2,341,160	-	(1,781,457)	988,172
Total capital assets, not being depreciated	<u>8,150,199</u>	<u>2,341,160</u>	<u>-</u>	<u>(1,781,457)</u>	<u>8,709,902</u>
Capital assets, being depreciated:					
Transmission and distribution system	78,827,974	2,431,035	-	1,245,138	82,504,147
Structures and improvements	17,919,428	-	-	22,500	17,941,928
Reservoirs and tanks	22,546,667	-	-	-	22,546,667
Pumping and telemetry equipment	12,749,864	-	(46,816)	443,194	13,146,242
Vehicles and equipment	2,197,084	127,805	-	70,625	2,395,514
Total capital assets, being depreciated	<u>134,241,017</u>	<u>2,558,840</u>	<u>(46,816)</u>	<u>1,781,457</u>	<u>138,534,498</u>
Less accumulated depreciation for:					
Transmission and distribution system	(14,999,784)	(1,338,992)	-	-	(16,338,776)
Structures and improvements	(3,780,882)	(332,086)	-	-	(4,112,968)
Reservoirs and tanks	(5,824,416)	(487,724)	-	-	(6,312,140)
Pumping and telemetry equipment	(3,449,756)	(222,651)	46,816	-	(3,625,591)
Vehicles and equipment	(1,486,315)	(194,351)	-	-	(1,680,666)
Total accumulated depreciation	<u>(29,541,153)</u>	<u>(2,575,804)</u>	<u>46,816</u>	<u>-</u>	<u>(32,070,141)</u>
Total capital assets, being depreciated, net	<u>104,699,864</u>	<u>(16,964)</u>	<u>-</u>	<u>1,781,457</u>	<u>106,464,357</u>
Capital assets, net of depreciation	<u>\$ 112,850,063</u>	<u>\$ 2,324,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,174,259</u>

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**NOTE 5 – CAPITAL ASSETS (Continued)**

The following table summarizes capital asset activity during the year ended December 31, 2017:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 7,721,730	\$ -	\$ -	\$ -	\$ 7,721,730
Construction in progress	296,555	465,731	(14,432)	(319,385)	428,469
<b>Total capital assets, not being depreciated</b>	<b>8,018,285</b>	<b>465,731</b>	<b>(14,432)</b>	<b>(319,385)</b>	<b>8,150,199</b>
Capital assets, being depreciated:					
Transmission and distribution system	78,246,903	581,071	-	-	78,827,974
Structures and improvements	17,919,428	-	-	-	17,919,428
Reservoirs and tanks	22,546,667	-	-	-	22,546,667
Pumping and telemetry equipment	12,654,512	21,742	-	73,610	12,749,864
Vehicles and equipment	2,067,116	182,622	(298,429)	245,775	2,197,084
<b>Total capital assets, being depreciated</b>	<b>133,434,626</b>	<b>785,435</b>	<b>(298,429)</b>	<b>319,385</b>	<b>134,241,017</b>
Less accumulated depreciation for:					
Transmission and distribution system	(13,694,862)	(1,304,922)	-	-	(14,999,784)
Structures and improvements	(3,388,420)	(392,462)	-	-	(3,780,882)
Reservoirs and tanks	(5,331,144)	(493,272)	-	-	(5,824,416)
Pumping and telemetry equipment	(3,241,574)	(208,182)	-	-	(3,449,756)
Vehicles and equipment	(1,555,343)	(192,370)	261,398	-	(1,486,315)
<b>Total accumulated depreciation</b>	<b>(27,211,343)</b>	<b>(2,591,208)</b>	<b>261,398</b>	<b>-</b>	<b>(29,541,153)</b>
<b>Total capital assets, being depreciated, net</b>	<b>106,223,283</b>	<b>(1,805,773)</b>	<b>(37,031)</b>	<b>319,385</b>	<b>104,699,864</b>
<b>Capital assets, net of depreciation</b>	<b>\$ 114,241,568</b>	<b>\$ (1,340,042)</b>	<b>\$ (51,463)</b>	<b>\$ -</b>	<b>\$ 112,850,063</b>

**NOTE 6 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES**

Accounts payable and other accrued liabilities as of December 31 were as follows:

Description	2018	2017
Accounts payable	\$ 684,262	\$ 659,211
Salaries and employee benefits	72,374	42,446
Other	27,185	32,901
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 783,821</b>	<b>\$ 734,558</b>

**NOTE 7 – CUSTOMER ACCOUNT CREDIT BALANCES**

Credit balances on customer utility accounts are to be used against future billings or refunded upon request. As of December 31, 2018 and 2017, the balance was \$181,178 and \$163,619, respectively.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 8 – UNEARNED REVENUES**

Developers make payments in advance of the District providing services, including items such as meter installations, development plan checks and development inspections. As the District provides these services, revenues are recognized and the unearned revenues balance is reduced. As of December 31, 2018 and 2017, the balance was \$3,218,476 and \$2,887,482, respectively.

**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 ended December 31, 2018 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Current Portion	Non-current Portion
\$ 269,529	\$ 294,473	\$ (249,829)	\$ 314,173	\$ 213,171	\$ 101,002

The activity for the year ended December 31, 2017 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Current Portion	Non-current Portion
\$ 347,237	\$ 244,835	\$ (322,543)	\$ 269,529	\$ 168,758	\$ 100,771

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATION**

**A. Plan Description**

The District has established a Retiree Health plan which is a single employer defined benefit plan. The District pays a portion of the cost of health insurance (including prescription drug benefits) as post-employment benefits to retired employees who satisfy the eligibility rules as required by CalPERS Health Program enrollment. The current District contribution is fixed at \$450.30 per month and is scheduled to increase by 5 percent per year up to a maximum of \$474.00 per month. 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.



Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATION (Continued)**

**B. Employees Covered**

As of the June 30, 2018 measurement date, the following numbers of participants were covered by the benefit terms under the Plan:

Active employees	39
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>42</u>

**C. Funding Policy**

The District funds the Plan on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

**D. Net OPEB Liability**

The District’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2018 Measurement Date
Actuarial Valuation Date	June 30, 2018
Contribution Policy	No pre-funding
Discount Rate	3.87%
General Inflation	2.75%
Mortality, Retirement, Disability, Termination	Based on CalPERS 1997-2011 Experience Study
Salary increases	3.00%
Medical Trend	Non-Medicare – 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later Medicare – 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATION (Continued)**

**E. Discount Rate**

A discount rate of 3.87 percent was used in the valuation for measurement date June 30, 2018.

**F. Changes in the OPEB Liability**

The changes in the net OPEB liability for the Plan are as follows:

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) = (c) Net OPEB Liability
Balance at December 31, 2017 (6/30/17 measurement date)	\$ 1,251,010	\$ -	\$ 1,251,010
Changes recognized for the measurement period:			
Service cost	108,164	-	108,164
Interest	48,433	-	48,433
Differences between expected and actual experience	-	-	-
Changes in assumptions	(64,185)	-	(64,185)
Contributions – employer	-	-	-
Net investment income	-	-	-
Benefit payments	(12,565)	-	(12,565)
Administrative expense	-	-	-
Net changes	<u>79,847</u>	<u>-</u>	<u>79,847</u>
Balance at December 31, 2018 (6/30/18 measurement date)	<u>\$ 1,330,857</u>	<u>\$ -</u>	<u>\$ 1,330,857</u>

**G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB Liability	\$ 1,572,091	\$ 1,330,857	\$ 1,139,286

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATION (Continued)**

**H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates**

The following represents the net OPEB liability of the District if it were calculated using healthcare costs trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 1,204,837	\$ 1,330,857	\$ 1,538,991

**I. OPEB Plan Fiduciary Net Position**

As the District is not prefunding with an OPEB trust, Plan Fiduciary Net Position was \$0 at the June 30, 2018 measurement date.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized over the expected average remaining service lifetime (EARSL) of plan participants.

**J. OPEB Expense and Deferred Outflows /Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the District recognized OPEB expense of \$151,113. As of December 31, 2018, the District reported deferred outflows and inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 58,652
Contributions to OPEB plan subsequent to the measurement date	12,349	-
<b>Total</b>	<b>\$ 12,349</b>	<b>\$ 58,652</b>

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATION (Continued)**

**J. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

The \$12,349 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	\$ (5,533)
2020	(5,533)
2021	(5,533)
2022	(5,533)
2023	(5,533)
Thereafter	(30,987)
	<u>\$ (58,652)</u>

**NOTE 11 – NET POSITION**

	December 31, 2018	December 31, 2017
Net Position:		
Net investment in capital assets	\$ 115,174,259	\$ 112,850,063
Restricted		
Capital commitments	26,250,409	20,668,475
Notes receivable	573,627	619,227
Unrestricted	28,366,923	26,777,618
Total net position	\$ 170,365,218	\$ 160,915,383

Net investment in capital assets is the value of the District’s assets, less accumulated depreciation.

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 11 – NET POSITION (Continued)**

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

	December 31, 2018	December 31, 2017
Unrestricted Net Position:		
Nonspendable assets:		
Inventories	\$ 787,117	\$ 635,908
Prepaid items	195,622	161,261
Non-current portion of notes receivable	71,959	86,069
Total nonspendable items	1,054,698	883,238
Board of Directors' Designations:		
Capital replacement reserve	22,022,905	21,912,747
Operating reserve	3,371,679	2,307,050
Emergency reserve	1,917,641	1,674,583
Total designations	27,312,225	25,894,380
Total unrestricted net position	\$ 28,366,923	\$ 26,777,618

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**A. General Information about the Pension Plan (Continued)**

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan operates under the provisions of the California Public Employees’ Retirement Law (PERL), the California Public Employees’ Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan’s authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan’s provisions and benefits in effect at December 31, 2018 are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.0%
Required employee contribution rates	8.0%	7.0%
Required employer contribution rates	13.714%	7.170%

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

***A. General Information about the Pension Plan (Continued)***

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended December 31, 2018 were \$275,682. The actual employer payments of \$258,396 made to CalPERS by the District during the measurement period ended June 30, 2018 differed from the District's proportionate share of the employer's contributions of \$309,456 by \$51,060, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

***B. Net Pension Liability***

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

***B. Net Pension Liability (Continued)***

***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Salary Increases <sup>(1)</sup>	3.3% - 14.2%	3.2% - 12.2%
Investment Rate of Return <sup>(2)</sup>	7.65%	7.65%
Mortality Rate Table <sup>(3)</sup>	Derived using CalPERS' membership data for all Funds	Derived using CalPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

- (1) Annual increases vary by category, entry age and duration of service
- (2) Net of pension plan investment and administrative expenses; includes inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Change of Assumptions***

In 2018, there were no changes in the discount rate. In fiscal year 2017, the financial reporting discount rate for the PERF-C was lowered from 7.65 percent to 7.15 percent.



**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)*****B. Net Pension Liability (Continued)******Discount Rate (Continued)***

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Net Pension Liability (Continued)**

**Discount Rate (Continued)**

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
Total	100%		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

**Pension Plan Fiduciary Net Position**

Information about the pension plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS’ audited financial statements, which are publicly available reports that can be obtained at CalPERS’ website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and other post-employment benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**C. Proportionate Share of Net Pension Liability**

The following table shows the District’s proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (Valuation Date)	\$ 9,597,115	\$ 7,470,493	\$ 2,126,622
Balance at: 6/30/2018 (Measurement Date)	\$ 10,203,946	\$ 8,124,103	\$ 2,079,843
Net Changes during 2017-18	\$ 606,831	\$ 653,610	\$ (46,779)

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

***C. Proportionate Share of Net Pension Liability (Continued)***

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The changes in the District’s proportionate share of the net pension liability were as follows:

<b>December 31, 2018</b>		
<hr/>		
Proportionate Share - December 31, 2017 (measurement date June 30, 2017)		0.021444%
Proportionate Share - December 31, 2018 (measurement date June 30, 2018)		0.021580%
Change - Increase (Decrease)		0.000136%
<b>December 31, 2017</b>		
<hr/>		
Proportionate Share - December 31, 2016 (measurement date June 30, 2016)		0.020557%
Proportionate Share - December 31, 2017 (measurement date June 30, 2017)		0.021444%
Change - Increase (Decrease)		0.000887%

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the District’s proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

**December 31, 2018**

	<b>Discount Rate - 1%</b>	<b>Current Discount</b>	<b>Discount Rate + 1%</b>
	<b>(6.15%)</b>	<b>Rate (7.15%)</b>	<b>(8.15%)</b>
	<hr/>	<hr/>	<hr/>
Plan's Net Pension Liability \$	3,460,143	\$ 2,079,843	\$ 940,428

**December 31, 2017**

	<b>Discount Rate - 1%</b>	<b>Current Discount</b>	<b>Discount Rate + 1%</b>
	<b>(6.15%)</b>	<b>Rate (7.15%)</b>	<b>(8.15%)</b>
	<hr/>	<hr/>	<hr/>
Plan's Net Pension Liability \$	3,446,676	\$ 2,126,622	\$ 1,033,330

**Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017**

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

***C. Proportionate Share of Net Pension Liability (Continued)***

***Subsequent Events***

There were no subsequent events that would materially affect the results presented in this disclosure.

***Recognition of Gains and Losses***

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2017-18 measurement period is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2017), the District's net pension liability was \$2,126,622. For the measurement period ending June 30, 2018 (the measurement date), the District incurred a pension expense/(income) of \$92,646.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)

*D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)*

As of December 31, 2018 and 2017, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 237,108	\$ (58,111)
Changes of Assumptions	79,800	(27,155)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,281	-
Change in Employer's Proportion	20,150	(37,623)
Difference in Actual vs Projected Contributions	177,020	(36,448)
Pension Contributions Subsequent to Measurement Date	141,225	-
<b>Total</b>	<b>\$ 665,584</b>	<b>\$ (159,337)</b>

**December 31, 2017**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,228	\$ (46,241)
Changes of Assumptions	400,467	(30,536)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	90,568	-
Change in Employer's Proportion	153,148	(115,665)
Difference in Actual vs Projected Contributions	72,728	-
Pension Contributions Subsequent to Measurement Date	117,975	-
<b>Total</b>	<b>\$ 838,114</b>	<b>\$ (192,442)</b>

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)***

These amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense. Contributions subsequent to the measurement date of \$141,225 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Fiscal Year Ended December 31:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2019	\$ 251,607
2020	182,459
2021	(50,337)
2022	(18,707)

***E. Payable to the Pension Plan***

At December 31, 2018, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2018.

**NOTE 13 – 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. For the years ended December 31, 2018 and 2017, the District contributed \$37,874 and \$42,726, respectively.

**NOTE 14 – 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.

Notes to the Financial Statements  
For the Years Ended December 31, 2018 and 2017

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**NOTE 15 – 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, 2018, 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, computer fraud, disappearance and destruction coverages, subject to a \$1,000 deductible per occurrence.
- 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 \$1,000 deductible per occurrence. Mobile equipment and vehicles have a \$1,000 deductible and \$500 deductible per occurrence, respectively.
- 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 was no reduction in the District’s insurance coverage during the year ended December 31, 2018. 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.

**NOTE 16 – RESTATEMENT OF BEGINNING NET POSITION**

Beginning net position for the year ended June 30, 2018 has been restated as follows:

Net position - beginning as previously reported	\$ 161,399,305
Restatement of OPEB beginning liability (GASB 75)	(483,922)
	<u>\$ 160,915,383</u>

The restatement of the OPEB liability is due to the implementation of GASB Statement No. 75, as discussed on Note 1.



## Required Supplementary Information



**Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios as of the  
Measurement Date  
Last 10 Years\***

Measurement Date	Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	Employer's Proportionate Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of the Employer's Covered Payroll	Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	0.020719%	\$ 1,422,127	\$ 1,716,891	82.83%	82.06%
6/30/2016	0.020557%	\$ 1,778,844	\$ 1,894,097	93.92%	75.87%
6/30/2017	0.021444%	\$ 2,126,622	\$ 1,969,047	108.00%	75.39%
6/30/2018	0.021580%	\$ 2,079,843	\$ 2,128,022	97.74%	79.62%

<sup>1</sup> Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk pools excluding the 1959 Survivors Risk Pool.

\* Measurement date 6/30/2014 (fiscal year 2015) was the 1st year of implementation. Additional years will be presented as they become available.

**Required Supplementary Information  
Schedule of Plan Contributions  
Last 10 Years\***

Fiscal Year	Contractually Determined Contributions	Contributions in Relation to the Contractually Determined Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 275,729	\$ (275,729)	\$ -	\$ 1,914,001	14.41%
12/31/2016	237,259	(237,259)	-	1,985,446	11.95%
12/31/2017	241,633	(241,633)	-	2,019,541	11.96%
12/31/2018	275,682	(275,682)	-	2,393,812	11.52%

\* Measurement date 6/30/2014 (fiscal year 2015) was the 1st year of implementation. Additional years will be presented as they become available.

**Notes to Schedule:**

Change in Benefit Terms: None

Change in Assumptions: For measurement date 6/30/2017, the discount rate was changed from 7.65 percent (net of administrative expenses) to 7.15 percent. For measurement date 6/30/2015, the discount rate was changed from 7.5 percent (net of administrative expenses) to 7.65 percent.

Required Supplementary Information  
Schedule of Changes in Other Postemployment Benefits and Related Ratios

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Fiscal Year Measurement Period	<u>2018</u> <u>2017</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 108,164
Interest	48,433
Changes in assumptions	(64,185)
Benefit payments	<u>(12,565)</u>
Net change in total OPEB liability	79,847
Total OPEB liability - beginning	<u>1,251,010</u>
Total OPEB liability - ending (a)	<u>1,330,857</u>
<b>Plan Fiduciary Net Position</b>	
Contributions – employer	-
Net investment income	-
Benefit payments	-
Administrative expense	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 1,330,857</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%
Covered-employee payroll	\$ 2,186,445
Net OPEB liability as a percentage of covered payroll	60.9%

## Statistical Section



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Net Position by Component  
Last Ten Years

	2009	2010	2011	2012	2013
Net investment in capital assets	\$ 103,938,452	\$ 99,800,836	\$ 99,194,309	\$ 98,791,875	\$ 117,924,668
Restricted					
Capital commitments	-	-	-	-	-
Notes receivable	-	-	-	-	-
Unrestricted	2,885,726	7,090,191	5,283,208	5,827,344	5,499,646
Total net position	<u>\$ 106,824,178</u>	<u>\$ 106,891,027</u>	<u>\$ 104,477,517</u>	<u>\$ 104,619,219</u>	<u>\$ 123,424,314</u>
	2014	2015	2016	2017	2018
Net investment in capital assets	\$ 116,054,562	\$ 115,246,313	\$ 114,241,568	\$ 112,850,063	\$ 115,174,259
Restricted					
Capital commitments	2,138,747	9,225,608	10,226,231	20,668,475	26,250,409
Notes receivable	-	-	-	619,227	573,627
Unrestricted	13,498,835	14,338,676	25,294,018	26,777,618	28,191,312
Total net position	<u>\$ 131,692,144</u>	<u>\$ 138,810,597</u>	<u>\$ 149,761,817</u>	<u>\$ 160,915,383</u>	<u>\$ 170,189,607</u>

Source: Beaumont-Cherry Valley Water District

Changes in Net Position  
Last Ten Years

	2009	2010	2011	2012	2013
<b>OPERATING REVENUES</b>					
Metered water sales	\$ 4,651,105	\$ 4,170,001	\$ 4,766,022	\$ 5,139,923	\$ 5,046,558
Water service charges	1,796,816	1,810,098	2,188,438	2,339,128	2,544,173
Water importation pass-through charges	768,624	1,025,996	1,326,091	2,318,837	2,321,236
Water pumping power pass-through charges	1,263,040	1,349,287	1,617,081	1,663,191	1,685,246
Development and installation charges	282,049	228,986	127,141	146,889	271,122
Other revenue	262,823	381,094	288,708	364,628	369,537
<b>Total operating revenues</b>	<b>9,024,457</b>	<b>8,965,462</b>	<b>10,313,481</b>	<b>11,972,596</b>	<b>12,237,872</b>
<b>OPERATING EXPENSES <sup>(1)</sup></b>					
Salaries and employee benefits	2,495,567	2,404,984	3,094,522	4,040,757	3,780,225
Pension expense (credit)	-	-	-	-	-
Energy expenses	-	-	-	1,231,156	1,435,343
Water purchases	1,361,308	1,815,459	3,125,537	2,642,003	2,607,642
Administration	303,135	187,758	196,422	552,707	270,533
Operations	3,379,820	3,051,149	2,877,985	281,110	297,048
Maintenance and repairs	-	-	-	577,422	272,990
Depreciation	2,223,219	1,998,033	2,002,794	2,072,402	2,528,691
Insurance	-	-	-	95,208	96,385
Professional fees	-	-	-	211,580	295,528
Other expenses	174,322	193,713	199,934	11,749	11,246
<b>Total operating expenses</b>	<b>9,937,371</b>	<b>9,651,096</b>	<b>11,497,194</b>	<b>11,716,094</b>	<b>11,595,631</b>
<b>Operating Income (loss)</b>	<b>(912,914)</b>	<b>(685,634)</b>	<b>(1,183,713)</b>	<b>256,502</b>	<b>642,241</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest earnings	54,576	89,198	127,905	110,426	84,830
Rental income	10,027	22,031	20,507	22,969	17,815
Other revenue	38,243	193,834	101,383	43,092	3,889
Gain/loss on disposal of capital assets	-	4,500	-	-	(41,421)
Interest expense	-	(38,278)	(137,271)	(122,975)	(49,968)
Amortization of deferred charges	-	(13,742)	(18,322)	-	-
Other non-operating expenses	-	(104,659)	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>102,846</b>	<b>152,884</b>	<b>94,202</b>	<b>53,512</b>	<b>15,145</b>
<b>Income (loss) before contributions</b>	<b>(810,068)</b>	<b>(532,750)</b>	<b>(1,089,511)</b>	<b>310,014</b>	<b>657,386</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Donated capital assets	-	-	-	-	-
Capacity charges	478,614	1,853,106	579,869	66,382	1,025,791
<b>Total capital contributions</b>	<b>478,614</b>	<b>1,853,106</b>	<b>579,869</b>	<b>66,382</b>	<b>1,025,791</b>
<b>SPECIAL ITEM</b>					
Change in assumptions - OPEB	-	-	-	-	-
<b>Change in net position</b>	<b>(331,454)</b>	<b>1,320,356</b>	<b>(509,642)</b>	<b>376,396</b>	<b>1,683,177</b>
<b>Net position, beginning of year</b>	<b>-</b>	<b>106,824,178</b>	<b>106,891,027</b>	<b>104,477,517</b>	<b>104,619,219</b>
<b>Prior period adjustment</b>	<b>(434,725)</b>	<b>(1,253,507)</b>	<b>(1,903,868)</b>	<b>(234,694)</b>	<b>17,121,918</b>
<b>Net position, end of year</b>	<b>\$ 106,824,178</b>	<b>\$ 106,891,027</b>	<b>\$ 104,477,517</b>	<b>\$ 104,619,219</b>	<b>\$ 123,424,314</b>

**Note:**

(1)

Amounts may appear to be inconsistent and incomparable as classifications of operating expenses changed in 2012

Source: Beaumont-Cherry Valley Water District

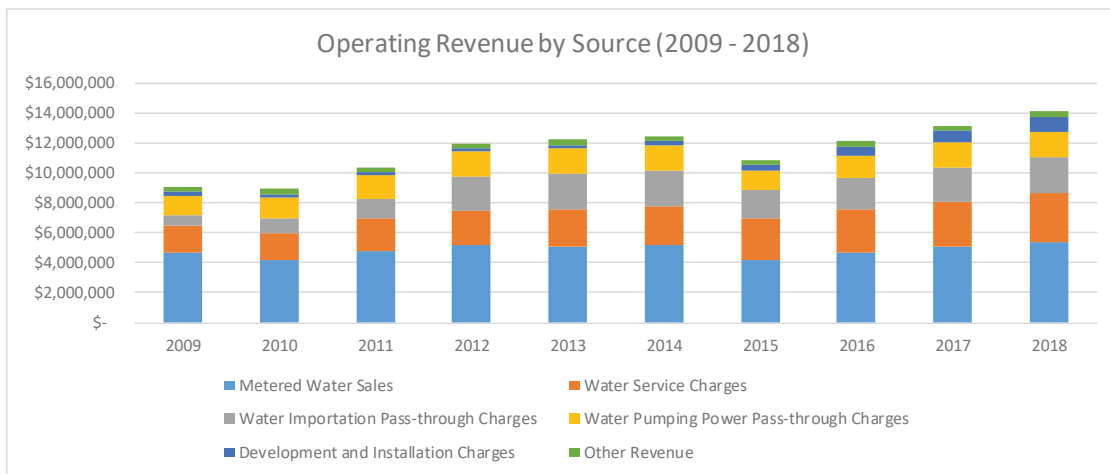
(continued)

	2014	2015	2016	2017	2018
\$	5,174,292	\$ 4,165,087	\$ 4,655,883	\$ 5,060,758	\$ 5,375,165
	2,623,140	2,756,998	2,865,733	3,014,752	3,238,643
	2,334,731	1,889,751	2,102,694	2,288,455	2,424,212
	1,674,936	1,355,677	1,508,460	1,641,681	1,739,022
	315,244	348,830	653,251	818,430	979,629
	313,807	315,952	353,419	353,433	403,970
	<u>12,436,150</u>	<u>10,832,295</u>	<u>12,139,440</u>	<u>13,177,509</u>	<u>14,160,641</u>
	2,985,138	3,076,232	2,974,987	3,395,058	3,855,018
	-	394,267	(225,040)	(87,514)	92,646
	1,772,112	1,371,858	1,344,733	1,598,665	1,760,641
	1,396,410	879,066	2,954,123	4,308,030	3,842,357
	173,873	381,598	193,382	284,724	313,973
	468,345	236,757	234,245	292,991	420,403
	469,552	591,554	604,118	515,645	493,357
	2,514,369	2,517,384	2,528,643	2,591,208	2,575,804
	80,162	78,285	75,502	73,674	73,530
	310,590	184,169	228,162	250,504	144,908
	10,736	10,503	10,978	12,115	11,334
	<u>10,181,287</u>	<u>9,721,673</u>	<u>10,923,833</u>	<u>13,235,100</u>	<u>13,583,971</u>
	2,254,863	1,110,622	1,215,607	(57,591)	576,670
	55,597	84,254	180,342	350,406	1,121,500
	21,007	20,103	20,577	21,715	20,934
	291,671	35,528	1,101	89,591	24,681
	3,310	-	(7,898)	(37,031)	-
	(300)	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>371,285</u>	<u>139,885</u>	<u>194,122</u>	<u>424,681</u>	<u>1,167,115</u>
	2,626,148	1,250,507	1,409,729	367,090	1,743,785
	-	1,092,505	1,004,624	-	2,423,839
	2,677,180	6,296,897	8,536,867	11,270,398	5,282,211
	<u>2,677,180</u>	<u>7,389,402</u>	<u>9,541,491</u>	<u>11,270,398</u>	<u>7,706,050</u>
	2,964,502	-	-	-	-
	8,267,830	8,639,909	10,951,220	11,637,488	9,449,835
	123,424,314	131,692,144	138,810,597	149,761,817	160,915,383
	-	(1,521,456)	-	(483,922)	-
\$	<u>131,692,144</u>	<u>138,810,597</u>	<u>149,761,817</u>	<u>160,915,383</u>	<u>170,365,218</u>



Operating Revenue by Source  
Last Ten Years

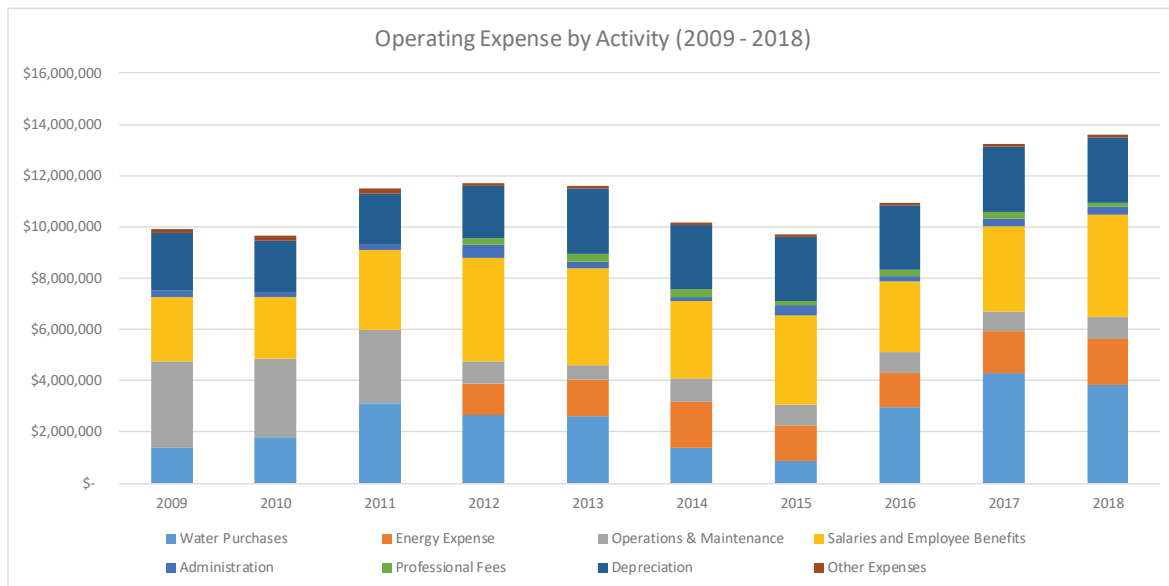
Fiscal Year	Metered Water Sales	Water Service Charges	Water Importation Pass-through Charges	Water Pumping Power Pass-through Charges	Development and Installation Charges	Other Revenue	Totals
2009	\$ 4,651,105	\$ 1,796,816	\$ 768,624	\$ 1,263,040	\$ 282,049	\$ 262,823	\$ 9,024,457
2010	4,170,001	1,810,098	1,025,996	1,349,287	228,986	381,094	8,965,462
2011	4,766,022	2,188,438	1,326,091	1,617,081	127,141	288,708	10,313,481
2012	5,139,923	2,339,128	2,318,837	1,663,191	146,889	364,628	11,972,596
2013	5,046,558	2,544,173	2,321,236	1,685,246	271,122	369,537	12,237,872
2014	5,174,292	2,623,140	2,334,731	1,674,936	315,244	313,807	12,436,150
2015	4,165,087	2,756,998	1,889,751	1,355,677	348,830	315,952	10,832,295
2016	4,655,883	2,865,733	2,102,694	1,508,460	653,251	353,419	12,139,440
2017	5,060,758	3,014,752	2,288,455	1,641,681	818,430	353,433	13,177,509
2018	5,375,165	3,238,643	2,424,212	1,739,022	979,629	403,970	14,160,641



Source: Beaumont-Cherry Valley Water District

Operating Expense by Activity<sup>(1)(2)</sup>  
Last Ten Years

Fiscal Year	Salaries and Employee Benefits	Water Purchases	Energy Expense	Operations & Maintenance	Administration	Professional Fees	Depreciation	Other Expenses
2009	\$ 2,495,567	\$ 1,361,308	\$ -	\$ 3,379,820	\$ 303,135	\$ -	\$ 2,223,219	\$ 174,322
2010	2,404,984	1,815,459	-	3,051,149	187,758	-	1,998,033	193,713
2011	3,094,522	3,125,537	-	2,877,985	196,422	-	2,002,794	199,934
2012	4,040,757	2,642,003	1,231,156	858,532	552,707	211,580	2,072,402	106,957
2013	3,780,225	2,607,642	1,435,343	570,038	270,533	295,528	2,528,691	107,631
2014	2,985,138	1,396,410	1,772,112	937,897	173,873	310,590	2,514,369	90,898
2015	3,470,499	879,066	1,371,858	828,311	381,598	184,169	2,517,384	88,788
2016	2,749,947	2,954,123	1,344,733	838,363	193,382	228,162	2,528,643	86,480
2017	3,307,544	4,308,030	1,598,665	808,636	284,724	250,504	2,591,208	85,789
2018	3,947,664	3,842,357	1,760,641	913,760	313,973	144,908	2,575,804	84,864



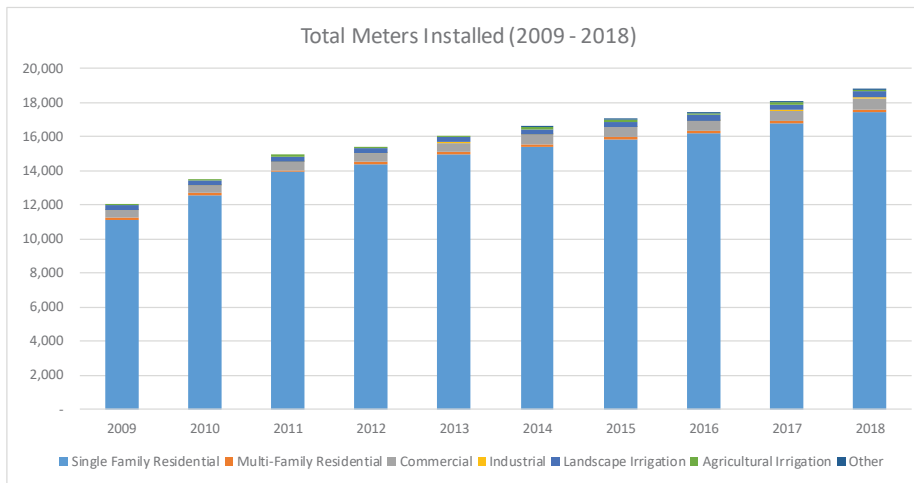
**Notes:**

- (1) Amounts may appear to be inconsistent and incomparable as classifications of operating expenses changed in 2012
- (2) Some amounts from the Changes in Net Position schedule are grouped together for comparability

Source: Beaumont-Cherry Valley Water District

Customers by Type  
Last Ten Years

Fiscal Year	Single Family Residential	Multi-Family Residential	Commercial	Industrial	Landscape Irrigation	Agricultural Irrigation	Other
2009	11,143	99	432	22	282	77	-
2010	12,578	114	453	23	286	82	-
2011	13,921	122	494	26	288	84	-
2012	14,388	130	507	26	297	86	-
2013	14,981	140	536	31	311	89	-
2014	15,436	140	540	31	314	90	1
2015	15,860	140	546	31	321	90	2
2016	16,222	141	560	31	326	89	1
2017	16,768	141	631	31	337	88	1
2018	17,430	159	692	33	354	88	1



Source: Beaumont-Cherry Valley Water District

Principal Customers  
Current and Eight Years Ago <sup>(1)</sup>

Customer	2018		2010		Change in Consumption	Percentage of Change
	Annual Consumption (hcf)	Percentage of Total Consumption	Annual Consumption (hcf)	Percentage of Total Consumption		
City of Beaumont	352,481	6.77%	323,495	6.73%	28,986	8.96%
Beaumont Unified School District	195,063	3.75%	157,291	3.27%	37,772	24.01%
K Hovnanians Four Seasons	180,034	3.46%	75,843	1.58%	104,191	137.38%
Fairway Cyn Comm Assoc	62,281	1.20%	54,593	1.14%	7,688	14.08%
Perricone Juices	60,870	1.17%	26,483	0.55%	34,387	129.85%
Solera Oak Valley Greens	58,525	1.12%	64,616	1.34%	(6,091)	-9.43%
Highland Sprgs Cntry Club	53,082	1.02%	51,032	1.06%	2,050	4.02%
Bcv Rec & Park District	31,283	0.60%	28,546	0.59%	2,737	9.59%
Country Highlands MHC	29,307	0.56%	30,631	0.64%	(1,324)	-4.32%
Oak Valley II Community Association	27,644	0.53%	-	0.00%	27,644	100.00%
	<u>1,050,570</u>	<u>20.19%</u>	<u>812,530</u>	<u>16.91%</u>	<u>238,040</u>	
Total Water Consumed	<u>5,202,948</u>	<u>100.00%</u>	<u>4,805,082</u>	<u>100.00%</u>		

**Notes:**

(1) Data for years prior to 2010 not available

**Source:** Beaumont-Cherry Valley Water District

Revenue Rates  
Last Ten Years

Charges for Water Used (per ccf)										
Fiscal Year	Single-Family Residential		Multi-Family Residential		Commercial/ Fire Service	Landscape	Agricultural Irrigation	Construction		
	Tier 1	Tier 2	Tier 1	Tier 2						
2009	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.84	\$ 0.47	\$ 1.61		
2010	0.80	0.88	0.80	0.82	0.82	0.96	0.84	0.96		
2011	0.91	1.00	0.91	0.93	0.94	1.09	0.96	1.09		
2012	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2013	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2014	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2015	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2016	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2017	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		
2018	0.96	1.05	0.96	0.98	0.99	1.15	1.01	1.15		

Domestic Service Charge (bi-monthly)											
Fiscal Year	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	8"	10"	12"
2009	\$ 12.00	\$ 17.25	\$ 28.00	\$ 54.00	\$ 85.00	\$ 158.00	\$ 262.00	\$ 522.00	\$ 834.00	\$ 1,198.00	\$ 2,238.00
2010	15.00	22.50	37.50	75.01	120.01	240.02	375.03	750.05	1,200.08	1,725.12	2,325.16
2011	17.04	25.56	42.61	85.21	136.34	272.67	426.05	852.10	1,363.36	1,959.83	2,641.51
2012	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2013	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2014	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2015	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2016	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2017	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71
2018	18.01	27.02	45.03	90.06	144.09	288.18	450.28	900.55	1,440.88	2,071.27	2,791.71

Source: Beaumont-Cherry Valley Water District

**Ratios of Outstanding Debt by Type  
Last Ten Years**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Loans Payable	Total Outstanding Debt	Per Capita	Share of Personal Income
2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
2010	-	-	4,530,000	-	-	4,530,000	121.52	0%
2011	-	-	3,585,000	-	-	3,585,000	92.99	0%
2012	-	-	2,600,000	-	-	2,600,000	66.07	0%
2013	-	-	-	-	-	-	-	0%
2014	-	-	-	-	-	-	-	0%
2015	-	-	-	-	-	-	-	0%
2016	-	-	-	-	-	-	-	0%
2017	-	-	-	-	-	-	-	0%
2018	-	-	-	-	-	-	-	0%

Source: Beaumont-Cherry Valley Water District

Debt Coverage  
Last Ten Years

Fiscal Year	Net Revenues	Operating Expenses	Net Available Revenues	Principal	Interest	Total	Debt Coverage Ratio
2009	\$ 9,605,917	\$ (7,714,152)	\$ 1,891,765	\$ -	\$ -	\$ -	-
2010	11,123,631	(7,653,063)	3,470,568	470,000	-	470,000	7.38
2011	11,143,145	(9,494,400)	1,648,745	945,000	145,256	1,090,256	1.74
2012	12,215,465	(9,643,692)	2,571,773	985,000	112,976	1,097,976	2.61
2013	13,370,197	(9,066,940)	4,303,257	2,600,000	71,938	2,671,938	1.66
2014	15,481,605	(7,666,918)	7,814,687	-	300	300	-
2015	17,269,077	(7,204,289)	10,064,788	-	-	-	-
2016	20,878,327	(8,395,190)	12,483,137	-	-	-	-
2017	24,909,619	(10,643,892)	14,265,727	-	-	-	-
2018	20,609,967	(11,008,167)	9,601,800	-	-	-	-

Source: Beaumont-Cherry Valley Water District

Demographic and Economic Statistics  
Last Ten Years

Calendar Year	Population	County of Riverside		
		Median Household Income	Per Capita Personal Income	Unemployment Rate
2009	33,523	\$ 58,134	\$ 24,361	10.6%
2010	37,278	57,768	24,431	11.2%
2011	38,553	58,365	24,516	12.9%
2012	39,353	57,096	23,863	14.2%
2013	40,424	56,529	23,591	14.9%
2014	42,117	63,523	23,660	14.3%
2015	43,629	56,603	23,783	12.9%
2016	45,349	57,972	24,443	11.3%
2017	46,179	60,100	36,800	4.3%
2018 <sup>(1)</sup>	48,237	63,900	39,300	4.1%

**Notes:**

(1) Population Source: State of California Department of Finance;  
County Source: Riverside County Economic Development Agency

**Source:** *United States Census Bureau*



Principal Employers for the Community Area <sup>(1)</sup>  
Current Year <sup>(3)</sup>

Employer	2018	
	Number of Employees	Total Employment <sup>(2)</sup>
County of Riverside	21,215	30.19%
March Air Reserve Base	9,000	12.81%
University of California, Riverside	8,735	12.43%
Kaiser Permanente Riverside Medical Center	5,592	7.96%
Corona-Norco Unified School District	4,989	7.10%
Pechanga Resort & Casino	4,683	6.66%
Riverside Unified School District	4,335	6.17%
Hemet Unified Schhol District	4,302	6.12%
Eisenhower Medical Center	3,743	5.33%
Morena Valley Unified School District	3,684	5.24%
Total	70,278	100.00%

**Notes:**

- (1) Community Area defined as the County of Riverside
- (2) Total employment for the ten major employers for the community area
- (3) Information for 2009 (ten years prior) is unavailable

**Source:** Riverside County Economic Development Agency

**Full-time and Part-time District Employees by Department  
Last Ten Years<sup>(1)</sup>**

Department	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Engineering	2	2	2	2	2	2	2	3	5	5
Finance & Administrative Services	11	11	13	7	8	6	10	10	12	13
IT	0	0	0	1	1	1	1	1	1	1
Operations										
Source of Supply	4	4	4	3	3	3	3	3	4	4
Transmission and Distribution	13	13	12	11	12	12	11	11	10	13
Customer Service and Meter Reading	3	3	3	3	3	3	3	3	3	3
<b>Total</b>	<b>33</b>	<b>33</b>	<b>34</b>	<b>27</b>	<b>29</b>	<b>27</b>	<b>30</b>	<b>31</b>	<b>35</b>	<b>39</b>

**Notes:**

(1) As of 12/31 of each year

**Source:** *Beaumont-Cherry Valley Water District*

Operating Indicators by Function  
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Service Area (square miles)	28	28	28	28	28	28	28	28	28	28
Water mains (miles)	282	282	282	282	282	282	282	282	282	282
Fire hydrants	1,189	1,248	1,310	1,375	1,443	1,515	1,590	1,669	1,752	1,840
Number of reservoirs (non-potable)	-	-	1	1	1	1	1	1	1	1
Reservoir capacity (MG)	-	-	2	2	2	2	2	2	2	2
Storage Tanks	13	13	13	13	13	13	13	13	13	13
Storage Capacity (MG)	23	23	23	23	23	23	23	23	23	23
Number of wells	22	22	21	21	21	21	21	21	21	21
Well Capacity (GPM)	23,175	23,175	23,175	23,175	23,175	23,175	23,175	23,175	23,175	23,175

Source: Beaumont-Cherry Valley Water District



**Beaumont-Cherry Valley Water District  
Board of Directors Meeting  
June 27, 2019**

Item 2

**STAFF REPORT**

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** **California Special Districts Association (CSDA) 2019 Board Elections: Vote to Elect a Representative to the California Special District Association Board of Directors in the Southern Network for Seat B**

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**Recommendation:**

Vote to elect a representative to the California Special District Association Board of Directors, Seat B for the Southern Network.

**Background**

BCVWD is a member of the California Special Districts Association (CSDA), a non-profit organization formed to promote good governance and improved core local services through professional development, advocacy and other services for all types of independent special districts. The CSDA is governed by an 18-member Board of Directors elected from the membership in six geographic networks. BCVWD is part of the Southern Network.

**Summary**

The CSDA has requested that the Board of Directors of the Beaumont-Cherry Valley Water District submit a ballot to vote for one candidate of their choice to represent the CSDA Southern Network, Seat B.

The incumbent is not running for re-election. Candidate information is attached. There are seven (7) candidates for the seat:

- Dennis LaMoreaux
- Greg Mills
- Michael Mack
- Ronald Coats
- Kelly Rivers
- Lindsay Woods
- Kathleen Tiegs

**Fiscal Impact**

There is no fiscal impact to the District.

**Attachments:**

- Candidate Information
- Letter of support for Kathleen Tiegs from the Cucamonga Valley Water District
- Letter from Greg Mills of the Serrano Water District requesting support
- Letter of support for Michael Mack from Rainbow Valley Municipal Water District
- Letter of support for Dennis LaMoreaux from Palmdale Water District

Report Prepared by Lynda Kerney, Administrative Assistant



## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

**Name:** Kathleen J. Tiegs

**District/Company:** Cucamonga Valley Water District

**Title:** Director, Division 2

**Elected/Appointed/Staff:** Elected

**Length of Service with District:** + 13 years

**1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

Currently serve on the Legislative Committee (have also served on the Membership & By-Laws Committees). Attend the CSDA Annual Conference and Special Districts Legislative Days every year. Have completed courses through the Special District Leadership Academy and attend local workshops and classes offered by CSDA.

**2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):**

\*ACWA (2008 – Present)- President & Vice President, Region 9 Board Member, and Federal Affairs, State Legislative, Water Resources, and Groundwater Cmtes.

\*ACWA/JPIA (2008 – Present)- Board Member, and Executive and Employee Benefits Cmtes.

\*Southern California Water Coalition (2016 – Present) Chair, Vice Chair, and Legislative Task Force.

**3. List local government involvement (such as LAFCo, Association of Governments, etc.):**

\*Association of San Bernardino County Special Districts (2010-2015)



**California Special  
Districts Association**  
*Districts Stronger Together*

**4. List civic organization involvement:**

Inland Empire Utilities Agency (IEUA) Regional Sewerage Policy Committee, Davenport

Institute Advisory Council

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**

# Kathleen J. Tiegs

2020-2022 California Special Districts Association  
Board of Directors, Southern Network, Seat B



I am pleased to share with you my interest in serving as the Southern Network, Seat B, representative for the California Special Districts Association (CSDA) Board of Directors. Through my involvement with CSDA since 2011, I have served with great passion and commitment on the Board of Directors, and the Membership, Legislative, and By-laws Committees.

My experience on the Cucamonga Valley Water District (CVWD) Board of Directors has provided me with a solid foundation to lead. Elected to the CVWD in November 2005, I have served as the Board President and currently serve on the Legislative and Outreach, and Human Resources/Risk Management Committees. From 2014 to 2017 I was honored to serve in the capacity of President and Vice President of the Association of California Water Agencies (ACWA). My duties at ACWA provided me the extremely valuable opportunity to effectively dialogue with special districts across the state on the important issues they are facing and how we can solve them.

I also served on the Association of San Bernardino County Special Districts Board of Directors from 2010 – 2015 where I developed a network of colleagues in a variety of agencies with a common goal of serving the needs of our constituents. There are numerous critical issues that confront special districts today; these challenges will require strong, experienced leadership, as well as a commitment to preserving the special district's mission to make communities better by providing core local services and taking action through community collaboration.

Thank you for allowing me to share with you my experience, leadership and knowledge. I look forward to serving you and the entire CSDA organization.

With Best Regards,

Handwritten signature of Kathleen J. Tiegs in black ink.



California Special Districts Association  
Districts Stronger Together

**2019 CSDA BOARD CANDIDATE INFORMATION SHEET**

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Greg Mills

District/Company: Serrano Water District

Title: Vice President/Director

Elected/Appointed/Staff: \_\_\_\_\_

Length of Service with District: 3 years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Actively attends conferences.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

ACWA-JPIA Board member - 1 year

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Orange County Sanitation District (Director two years); Orange County Vector Control (Director three years); Villa Park City Councilman & Mayor (4 years).

4. List civic organization involvement:

Villa Park Rotary (21 years); Indian Princess (7 years); Elks Club (seven years).

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**





**SERRANO WATER DISTRICT  
18021 EAST LINCOLN STREET  
VILLA PARK, CA 92861-6446  
714-538-0079**

**Directors**

C.L. "Larry" Pharris, Jr., President  
Greg Mills, Vice President  
Frank O. Bryant  
Jerry L. Haight  
Brad Reese

Jerry Vilander, General Manager

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May 6, 2019

Dear President and/or General Manager:

It is my honor to request your agency's support and vote for election to CSDA Seat B (California Special Districts Association) for the 2020-2022 term. Please disseminate this letter and attached candidate statement of experience to your agency's governing board.

I have served on the Serrano Water District Board for over three years and am currently the Board Vice President providing solid leadership and guidance with the District's Finance and Insurance Committees. Additionally, I have served as the District's representative for the ACWA-JPIA Insurance Committee for the past year.

Previously, I served on the Villa Park City Council for a four-year term including one term as Mayor and another as Mayor Pro-Tem. During my tenure with the City of Villa Park, I was very involved and an active participant in many sensitive community issues including the Community Development Committee, shortening the permitting process. Additionally, I served on the Orange County Sanitation District as a Board Member for two years proactively involved in many of the improvements that residents benefit from today. I also served a three-year term on the Orange County Vector Control District.

During my tenure here at Serrano Water District, I have been instrumental in spearheading financial programs, planning and fiscal analysis including capital improvement programs and ensuring that the District is providing high-quality water to its constituents in the most cost-effective manner. My personal commitment to the Serrano Water Districts ratepayer is emblematic of the successful stewardship towards ensuring that all assets are maintained and replaced within best industry practices.

Additionally, I have been fundamentally involved with the District's long-term planning including common sense initiatives for maximum rate payer benefit at minimum cost. I possess a solid understanding of Special Districts and believe that they provide better governance and

May 6, 2019

Page 2

improved local control. Also, I am actively involved with attending LAFCO meetings which provides me with the knowledge and skills necessary to work collaboratively in the best interest of Special Districts. Again, I am requesting your vote for the CSDA Seat B position. I am committed to working with all of the voting agencies to accomplish their goals. My statement of qualifications is attached for your perusal.

If you have any questions, kindly contact our General Manager, Jerry Vilander, at (714) 538-0079 or through email at [jerryv@serranowater.org](mailto:jerryv@serranowater.org). Thank you for considering me for the CSDA Seat B position.

Sincerely,

A handwritten signature in cursive script that reads "Greg Mills".

Greg Mills  
Serrano Water District, Vice President

cc: Board of Directors  
Jerry Vilander, General Manager

Attachment

# **Greg Mills**

## **Seat B CSDA**

### **EXPERIENCE**

#### **BUSINESS**

- Small business owner – fifteen years
- Analytical Chemist – six years
- Process Engineer – six years
- Technical Marketing Manager – three years
- Marketing Director – three years
- Marketing Executive – five years

#### **COMMUNITY INVOLVEMENT**

- Board Member (Vice President) - Serrano Water District three years
- Villa Park City Councilman – four years; One term Mayor and one term Mayor Pro-Tem (one year each)
- Orange County Sanitation District - Director two years
- Orange County Vector Control District - Director three years
- ACWA-JPIA - Representative Serrano Water District
- Villa Park Family Picnic – five years
  - Chair – three years
- Eagle Scout
- Villa Park Rotary - Board member twenty-one years.
  - Club President; Paul Harris Fellow
- Indian Princess YMCA - seven years
- Orange Elks Lodge – seven years



#### **PROFFESIONAL**

- American Chemical Society – thirty years
- CS Mantech – eleven years
- PDA (Parenteral Drug Association)– five years
- ISPE (International Society of Pharmaceutical Engineering – eight years
- SEMI (Semiconductor Equipment and Manufacturer Institute – nine years
- Optical Society of America – four years
- MEPTEC
- AVS (American Vacuum Society)
  - ICMCTF

#### **EDUCATION**

- B.A., Chemistry – Illinois College
  - Phi Alpha President/Vice President
- M.S., Engineering Management – Santa Clara University

#### **PERSONAL**

- Married – 25 years. Wife: Journalist and active member of the community. One daughter currently at university.



## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Michael Mack

District/Company: Rainbow Municipal Water District

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 2 yrs. 3 months

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Serve as the RWUD Representative at the local and statewide CSDA meetings conferences; academy accreditation has been achieved.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Serve as the RWUD Representative at ACWA and attend the ACWA conferences.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

\_\_\_\_\_  
\_\_\_\_\_

4. List civic organization involvement:

Rainbow Association of Rainbow Community  
<ARC>

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**

## **ENDLESS POSSIBILITIES**



My name is Michael Mack and I am honored to be seeking election to be on the Board of Directors of California Special Districts Association.

I was elected to the Rainbow Municipal Water District Board of Directors in December 2016 and appointed to serve as the District's representative at both ACWA and CSDA. My background includes a degree in horticulture and worked for the City of San Marcos for over thirty years. As the Parks Department Supervisor, I had many responsibilities including reviewing plans and inspection of new park and street median installations. I was both a Certified Playground Inspector and Irrigation Auditor. One of my main responsibilities was ensuring efficient usage of water resources. I calculated, determined, and programmed water requirements for the plant material for all parks and street medians within the City.

I have learned the importance of CSDA is we are the support system to help ensure efficient and productive services to both small and large communities throughout California at the local level of city governments. As your CSDA Board Member, I see endless possibilities and promise to tackle and meet the challenges our districts face. We all must work together for present and future needs for our special districts and by doing so we can and will achieve our goals. We must be proactive with our legislators and with this energy and commitment we can make the difference between success and failure.

I am very honored to have this chance to serve all of you and given this opportunity. I feel extensive service and experience in the public sector, I will work effortlessly to make those endless possibilities become reality.



May 22, 2019

Ms. Yolanda Rodriguez  
Beaumont-Cherry Valley Water District  
PO Box 2037  
Beaumont, CA 92223-0937

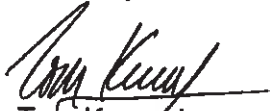
Dear Ms. Rodriguez,

It is with great pleasure that I forward for your consideration a candidate statement for Director Michael Mack who is seeking your support for the Southern Network (Seat B) of the California Special Districts Association Board of Directors.

Director Mack has served on the Rainbow Municipal Water District Board of Directors since 2016. He is actively involved in CSDA, serving on the Elections and Bylaws Committee, as well as with the Association of California Water Agencies.

Attached you will find a candidate's statement summarizing some of his many accomplishments. I encourage you to forward this information to your Board of Directors and consider supporting his candidacy for the 2019 elections which will take place June 17th to August 9th. Please do not hesitate to contact me, if you need additional information or if you would like him to contact your Board of Directors.

Sincerely,

  
Tom Kennedy  
General Manager



## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Dennis D. LaMoreaux, PE, SDA

District/Company: Palmdale Water District

Title: General Manager

Elected/Appointed/Staff: Staff

Length of Service with District: 30 years Palmdale Water District and Rosamond Community Services District

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Regular attendee of Annual Conferences, General Manager Leadership Summit, Governance Certificate, Special District Institute Certificate in Special District Leadership & Management, Special District, Administrator, Coach in CSDA Coaching Program.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Active in ACWA and ACWA/JPIA

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Participated in two MSR with the Los Angeles LAFCO, Executive Director for the Palmdale Recycled Water Authority, Chair of Antelope Valley Watermaster Advisory Committee.

4. List civic organization involvement:

Member of Palmdale, Hispanic, and Antelope Valley African American Chambers of Commerce.

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**



**California Special  
Districts Association**  
*Districts Stronger Together*

Dennis D. LaMoreaux Candidate Statement:

Fellow Southern Network CSDA Members,

I respectfully ask for your support to be the Seat "B" Board member for our area. I have worked with special districts in California for more than three decades and am confident that I have the skills, experience and commitment to be a strong proponent for our Network. There were several challenges and changes to special districts during my tenure. These include Little Hoover Commission reports, gaining representation on Local Agency Formation Commissions, and multiple efforts to better inform and educate State legislators. These challenges were handled successfully and made us stronger and more unified. My involvement with these matters will be helpful for both our Network and the entire Association as new issues arise.

My 30-plus years with special districts have been with Palmdale Water District and Rosamond Community Services District. Palmdale Water District celebrated 100 years of serving the community in 2018. It is a medium-sized water district with about 27,000 water service connections. It is a State Water Contractor that operates in an adjudicated groundwater basin and owns two surface water reservoirs and dams. Rosamond Community Services District was formed in 1966 to provide services in its area. It is a smaller district with 5,103 water and 4,738 sewer connections. It also operates streetlights and provides graffiti abatement. My experience in these different types of districts is valuable and gives a well-rounded background to understand and advocate for our Network.

The Southern Network has a large area and nearly 200 member agencies. I am fully committed to representing the entire Network as a board director. With your votes, I will be honored to work with current Southern Network Directors Arlene Schafer and Jo MacKenzie to make sure our needs are met and are well represented within the full CSDA Board.





**PALMDALE WATER DISTRICT**

A CENTURY OF SERVICE

June 3, 2019

**BOARD OF DIRECTORS**

**ROBERT E. ALVARADO**  
Division 1

**DON WILSON**  
Division 2

**GLORIA DIZMANG**  
Division 3

**KATHY MAC LAREN**  
Division 4

**VINCENT DINO**  
Division 5

Beaumont-Cherry Valley Water District  
ATTN: Ms. Yolanda Rodriguez  
Director of Finance & Admin Services  
PO Box 2037  
Beaumont, CA 92223-0937

**RE: SUPPORT FOR CSDA SEAT "B" IN SOUTHERN NETWORK**

Dear Ms. Rodriguez:

Palmdale Water District is honored to nominate Dennis LaMoreaux to serve on the Southern Network Board of Directors for the California Special Districts Association (CSDA). We respectfully request your support and vote in the upcoming election for Dennis to represent you. Enclosed is his candidate statement explaining his background and extensive qualifications that are critical for the continued success of the CSDA Board.

Dennis fully understands the important role special districts play to efficiently and responsibly provide services for the people of California. He is fully committed to strengthening the understanding of our role and helping to ensure we remain viable in California. Dennis' dedication, loyalty, knowledge and work ethic have made him a stellar leader for Palmdale Water District. We are confident that he will be a true asset to the Southern Network Board with your support.

Very truly yours,

  
VINCENT DINO,  
President

  
KATHY MAC LAREN,  
Vice-President

Enclosure

cc: PWD Board of Directors

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**DENNIS D. LaMOREAUX**  
General Manager

**ALESHIRE & WYNDER LLP**  
Attorneys



# VOTE FOR DENNIS D. LaMOREAUX

## CSDA SOUTHERN NETWORK

### BOARD SEAT "B"

Fellow Southern Network CSDA Members,

I respectfully ask for your support to be the Seat "B" Board member for our area. I have worked with special districts in California for more than three decades and am confident that I have the skills, experience and commitment to be a strong proponent for our Network. There were several challenges and changes to special districts during my tenure. These include Little Hoover Commission reports, gaining representation on Local Agency Formation Commissions, and multiple efforts to better inform and educate State legislators. These challenges were handled successfully and made us stronger and more unified. My involvement with these matters will be helpful for both our Network and the entire Association as new issues arise.

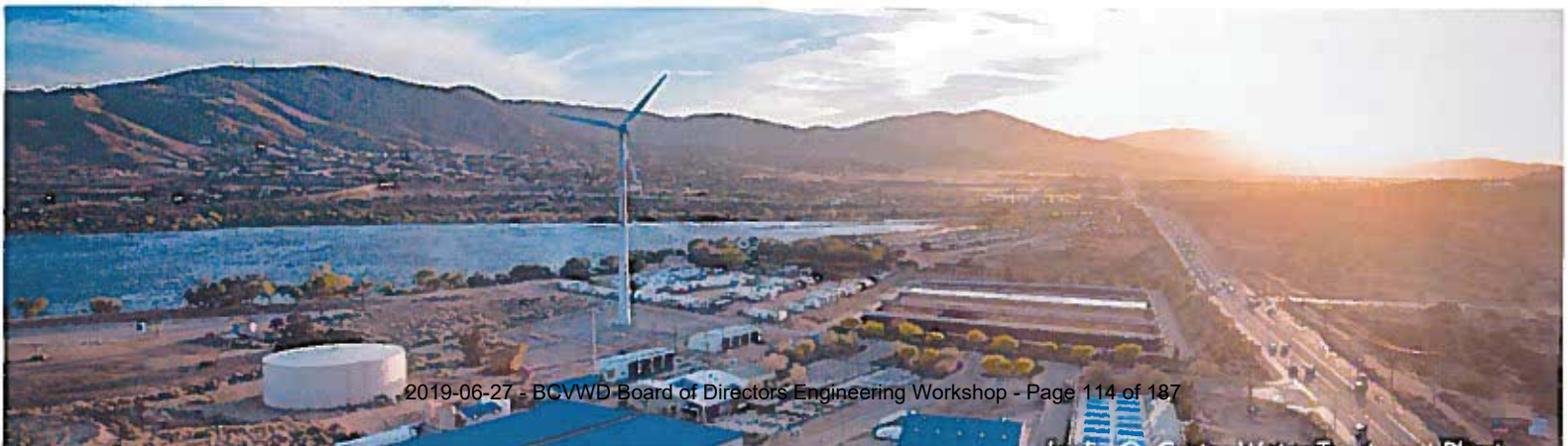
My 30-plus years with special districts have been with Palmdale Water District and Rosamond Community Services District. Palmdale Water District celebrated 100 years of serving the community in 2018. It is a medium-sized water district with about 27,000 water service connections. It is a State Water Contractor that operates in an adjudicated groundwater basin and owns two surface water reservoirs and dams. Rosamond Community Services District was formed in 1966 to provide services in its area. It is a smaller district with 5,103 water and 4,738 sewer connections. It also operates streetlights and provides graffiti abatement. My experience in these different types of districts is valuable and gives a well-rounded background to understand and advocate for our Network.

The Southern Network has a large area and nearly 200 member agencies. I am fully committed to representing the entire Network as a board director. With your votes, I will be honored to work with current Southern Network Directors Arlene Schafer and Jo MacKenzie to make sure our needs are met and are well represented within the full CSDA Board.



*Dennis D. LaMoreaux*

A handwritten signature in black ink that reads 'Dennis D. LaMoreaux'.





**California Special  
Districts Association**  
*Districts Stronger Together*

## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Ronald L. Coats

District/Company: East Valley Water District

Title: Governing Board Member

Elected/Appointed/Staff: Elected

Length of Service with District: Five Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

\* Please see attached

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

\* Please see attached

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

\* Please see attached

4. List civic organization involvement:

\* Please see attached

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**

## Ronald L. Coats – 2019 CSDA Board Candidate Information Sheet

### 1) Involvement with CSDA

- Served on the Member Services Committee and the Professional Development Committee.
- Received the Recognition in Special District Governance.
- Received my Certificate of Completion in the Special District Leadership Academy Advanced Coursework.
- Attended several workshops, webinars and conferences through CSDA.

### 2) State-wide Associations

1. Member of the California State Sheriff's Association (Over 30 Years)

### 3) Local government involvement

1. Currently serving as a Director, previously served as Vice Chair and Chairman of the Board for East Valley Water District (5 Years)
2. Currently serving as Vice Chair for the Advisory Committee on Water Policy for the San Bernardino Valley Municipal Water District (2 Years)
3. Served on the Citizens Advisory Committee for the Review of the General Plan for the City of San Bernardino (2 Years)
4. Served as a member, Vice Chair and Chairman of the Citizens Oversight Committee for the San Bernardino City Unified School District (12 Years)
5. Served as a member and Chairman of the Citizens Oversight Committee for the San Bernardino Community College District (3 Years)
6. Currently serving as a board member for the Association of San Bernardino County Special Districts (2 Years)

### 4) Civic involvement

1. Donated over 36 gallons of Blood to Life Stream Blood Bank in San Bernardino and Riverside Counties
2. Member of the American Legion Post 421 in Highland, CA. (Over 35 Years)
3. Conducted "mock" job interviews to seniors at Redlands Unified School District schools (3 Years)
4. Served on the Planning and Allocations and Community Impact Cabinet committees for the Arrowhead United Way (15 Years)
5. Served in the United States Army from August of 1966 until August of 1970, attaining the rank of Staff Sergeant. Served in the United States and The Federal Republic of Germany (4 Years)
6. Served as a member and Chairman of the Ambassadors for the San Bernardino Area Chamber of Commerce (15 Years)



# EAST VALLEY WATER DISTRICT

LEADERSHIP | PARTNERSHIP | STEWARDSHIP

## BOARD OF DIRECTORS

Chris Carrillo  
President

David E. Smith  
Vice President

Ronald L. Coats  
Director

Phillip R. Goodrich  
Director

James Morales, Jr.  
Director

John Mura, General Manager/CEO

Dear Fellow CSDA Member:

Since joining the East Valley Water District Board in 2014, I have had the pleasure of being part of a world class organization. I firmly believe in the importance of transparent government and public service. With these foundational principles, I look forward to representing this region in a professional manner, as the Southern Network, Seat B, Board of Directors representative for the California Special Districts Association (CSDA).

I am a proud member of the California Special District's Association and currently sit on the Member Services Committee and the Professional Development Committee. I am committed to active civic engagement, where I was also an ambassador for the San Bernardino Area Chamber of Commerce; Chairman of the Citizens Oversight Committee for San Bernardino Community College District; Vice Chairman of Advisory Commission on Water Policy Board for San Bernardino Valley Municipal Water District; Budget Review Committee member for the San Bernardino City Unified School District; along with being a 36 gallon plus donor to Life Stream Blood Bank; served in the United States Army; and member of many other civic organizations.

I have had the opportunity to work with a number of organizations through my involvement with CSDA, and truly believe in the importance of sharing knowledge, experiences, and lessons learned. As a lifetime member of the CSDA Leadership Foundation, I have experienced the benefits of a strong peer network firsthand. With East Valley Water District recently receiving its Gold District of Distinction Accreditation, we look forward to continuing to be an active member in the valuable organization.

As a CSDA Director, I will bring that passion for good governance and public service. I look forward to conveying local issues for discussion on a broader level and working through the challenges and opportunities facing special districts in California.

Whether it is serving in the military, participation in local organization, or representing the residents East Valley Water District, I have taken great pride in being an active member of my community. I look forward to your consideration for allowing me the opportunity to serve on the board of our special district community.

Sincerely,

Ronald L. Coats  
East Valley Water District Board Member



## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Kelly A. Rivers

District/Company: Orange County Cemetery District

Title: Trustee

Elected/Appointed/Staff: Appointed

Length of Service with District: 3 years - 2 months

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

Received Recognition in Special District Governance Dec. 2016

Attendance at the CSDA Annual Conferences

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Currently Board of Director on the California Association of Public Cemeteries (CAPC)

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

Regularly attends the Independent Special Districts of Orange County Meetings

4. List civic organization involvement:

Huntington Beach Historical Society, Huntington Beach 4th of July Parade Board

Huntington Beach Historic Resources Board, Boy Scouts of America Unit Commissioner

**\*\*Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot.**



**Kelly A. Rivers**  
**Board of Trustees**  
**Orange County Cemetery District**

Hello,

My name is Kelly Rivers, and I am running for the California Special Districts Association (CSDA) Board of Directors. I am excited for the opportunity to do my part for Special Districts in California, and will strive to expand awareness with both legislators and the public of the vital role special districts play.

Serving my community is a passion and it is a responsibility I take seriously. I am in my fourth year as a Board of Trustee for the Orange County Cemetery District, and recently completed my first term as Board Chair for 2018. I am also Chair of the District's Personnel Committee and serve as a member of the Communications & Public Relations Committee. In addition, I serve as a Board of Director for the California Association of Public Cemeteries (CAPC).

I have been a community volunteer my entire life, working with cemeteries, historical sites and planning and organizing special community events. I am the President of the Huntington Beach Historical Society and manage two of the largest living history events in California that attract thousands of visitors annually. During my tenure, I have vastly improved public outreach by successfully involving the community and effectively partnering with local businesses and public services.

It would be an honor to represent my fellow Special District members on the CSDA Board for the Southern Network and I humbly ask for your support. I believe my background, experience, and commitment to public service will be an asset to you and to our association. I appreciate your consideration.



## 2019 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

**Name:** Lindsay Woods

**District/Company:** Hesperia Recreation and Park District

**Title:** General Manager

**Elected/Appointed/Staff:** Staff

**Length of Service with District:** 32 years

**1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

- Professional Development Committee
- Elections & Bylaws Committee
- Board Secretary Graduate
- Special District Leadership Academy Graduate
- Recognition in Governance Certificate
- General Manager's Summit Attendee
- Annual Conference Attendee
- Legislative Days Attendee

**2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):**

- CAPRI: California Association of Park and Recreation Indemnity – Current Board President
  - Personnel/Finance Committee Chair
- CARPD: California Association of Recreation and Park Districts – Current Board Member
  - Bylaws and Elections Committee
  - Annual Conference Committee
  - Awards Committee
  - CSDA Representative
- California Park and Recreation Society
- California Peace Officers Association
- Park Rangers Association of California

**3. List local government involvement (such as LAFCO, Association of Governments, etc.):**

- Tri Agency Committee Member for 8 years
- Agency Membership in Association of San Bernardino County Special Districts
- Institute for Local Government

**4. List civic organization involvement:**

- Hesperia Chamber of Commerce
- Kiwanis International & CALNEHA Lifetime Membership Recipient
- Rotary Club of the High Desert
- Hesperia Area Recreation District Foundation, Executive Director
- American Red Cross, Past Board Member, Current Volunteer and Instructor
- California State Parks Association

**\*\*Candidate Statement-**Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after April 17, 2019 will not be included with the ballot mailing.**



## **Candidate for the CSDA Board of Directors**

# **Lindsay Woods**



**Dedicated to special districts and the VITAL services we all provide our communities.**

**CSDA's success is due to the work member agencies do in their communities, the hard work of the staff, and 50 years of strong board leadership. I believe being a successful board member is about the approach you take to understand the items before you. My approach is:**

- **Include others who lend understanding to the issues before the board.**
- **Understand how things are done and consider if there is a better approach.**
- **Remain open to new ideas and embrace change.**
- **Understanding the mission, vision and purpose of the organization.**

**It has been a privilege and honor to be active with CSDA by serving at the committee level, representing the California Special Districts Association's Southern Network. I have served the Hesperia Recreation and Park District (HRPD) since 1987 in a variety of capacities. In addition, I have experience serving as a board member on statewide organizations. I believe these experiences have prepared me to serve CSDA in the role of Board Member.**

**With your support I will serve you, your agency, and other member districts of CSDA with the same high level of professionalism, dedication, service, and innovation that I have provided to the residents of Hesperia. If elected, I will work cooperatively with the other CSDA Board of Directors to advance the work of special districts throughout the state and work with other organizations to protect districts and the vital services we provide to our communities. We all face many of the same challenges, and I want to be an active part of the future of CSDA as we work to educate, strengthen, and defend special districts both now and in the future. Lastly, I am committed to working hard to keep our Districts intact.**

**Please feel free to view more about me on my profile on the CSDA website.**

**Your District's vote will be greatly appreciated.**



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 3

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Consideration of Opposition to AB 1486 (Ting): Surplus Land

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**Staff Recommendation**

Consider the letter of opposition and direct staff:

- a. To execute the letter and forward to the California Special Districts Association and designated elected officials
- b. To not execute or forward the letter

**Background**

In May 2019, the California State Assembly took up AB 1486 (Ting), which would expand the existing Surplus Land Act (SLA) to cover all land owned by public agencies. AB 1486 passed the Assembly Floor and now advances to the Senate for consideration in policy committees.

**AB 1486 (Ting):** Would expand surplus property requirements for state and local agencies under the Surplus Land Act by:

- Specifying that the definition of “surplus” refers to land not needed for the agency’s own governmental operations.
- Setting various exemptions on what is considered “exempt surplus land.”
- Modifying procedures for notification of surplus lands, and how the local agency can negotiate with the interested party or parties on that land.
- Allowing any surplus land disposed of by a public agency to be permitted for residential use, regardless of local zoning designations, if 100% of the units are sold or rented at an affordable housing cost or affordable rent.

This bill would also require local agencies to create an inventory of all surplus lands they hold, own, or control and to report this information to HCD each year.

Previously, AB 1486 was significantly amended in the Assembly Local Government Committee in a positive step for special districts. Assembly Member Phil Ting (D - San Francisco) agreed to amendments proposed by the Assembly Local Government Committee to remove the bill's new definition of "disposal" under the SLA. In effect, leases and transfers of land will continue to not be subject to the SLA.

AB 1486 generated intense opposition from a coalition of public agencies, including CSDA. More than 40 CSDA members submitted letters of opposition to the bill and called members of the Committee. Thanks largely to this grassroots effort, the author was compelled to accept the



Committee's amendment in order to keep AB 1486 moving through the Legislature as other concerns are addressed.

### **Summary**

The California Special Districts Association opposes AB 1486 unless amended and has requested its members contact their representatives in opposition. The CSDA has been unable to resolve remaining concerns, and now calls upon its membership to renew opposition as the organization continues its attempts to work with the Committee and the author in good faith. Items remaining to be addressed include:

- Allowing agencies discretion to determine what land is actually surplus to their mission / purpose.
- Allowing agencies to conduct informal and formal negotiations to determine the market value of their land without triggering the requirements of the SLA.
- Removing provisions that would invalidate land transfers where an agency did not follow the SLA when required.

If approved, BCVWD staff will finalize the attached letter and disseminate to the CSDA and recommended legislators.

### **Fiscal Impact:**

None.

### **Attachments**

Text of AB 1486 - Redline

Draft letter in opposition to AB 1486

Report prepared by Lynda Kerney, Administrative Assistant



AB-1486 Surplus land. (2019-2020)

SHARE THIS:



Date Published: 05/17/2019 04:00 AM

AMENDED IN ASSEMBLY MAY 16, 2019

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY MARCH 28, 2019

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

ASSEMBLY BILL

No. 1486

Introduced by Assembly Member Ting  
(Coauthor: Assembly Member Wicks)  
(Coauthor: Senator Skinner)

February 22, 2019

An act to amend Sections 11011, ~~11011.1~~, 54220, 54221, 54222, 54222.3, 54223, 54225, 54226, 54227, 54230, 54230.5, 54233, 65400, 65583.2, and 65585 of the Government Code, relating to ~~local government~~; surplus land.

LEGISLATIVE COUNSEL'S DIGEST

AB 1486, as amended, Ting. ~~Local agencies~~; surplus land.

(1) Existing law prescribes requirements for the disposal of surplus land by a local agency. Existing law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. Existing law defines "surplus land" for these purposes as land owned by any local agency that is determined to be no longer necessary for the agency's use, except property being held by the agency for the purpose of exchange. Existing law defines "exempt surplus land" to mean land that is less than 5,000 square feet in area, less than the applicable minimum legal residential building lot size, or has no record access and is less than 10,000 square feet in area, and that is not contiguous to land owned by a state or local agency and used for park, recreational, open-space, or affordable housing.

This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term "district" includes all districts within the state, and that this change is declaratory of existing law. The bill would revise the definition of "surplus land" to mean land owned by any local agency that is not necessary for the agency's governmental operations, except property being held by the

agency expressly for the purpose of exchange for another property necessary for its governmental operations and would define "governmental operations" to mean land that is being used for the express purpose of agency work or operations, as specified. The bill would provide that land is presumed to be surplus land when a local agency initiates an action to dispose of it. The bill would provide that "surplus land" for these purposes includes land held in the Community Redevelopment Property Trust Fund and land that has been designated in the long-range property management plan, either for sale or for retention, for future development, as specified. The bill would also broaden the definition of "exempt surplus land" to include specified types of lands.

The bill would recast various provisions referring to the sale or lease of surplus land to instead refer to the disposal of surplus land. The bill would also delete certain obsolete references and make related conforming changes.

(2) Existing law requires a local agency disposing of surplus land to send, prior to disposing of that property, a written offer to sell or lease the property to specified entities. Existing law requires that a local agency, upon a written request, send a written offer to sell or lease surplus land to a housing sponsor, as defined, for the purpose of developing low- and moderate-income housing. Existing law also requires the local agency to send a written offer to sell or lease surplus land for the purpose of developing property located within an infill opportunity zone, designated as provided, to, among others, a community redevelopment agency.

This bill would instead require the local agency disposing of surplus land to send, prior to disposing of that property or participating in any formal or informal negotiations to dispose of that property, a written notice of availability. The bill would make various related conforming changes. With regards to a housing sponsor, the bill would require that the written notice of availability be sent if the housing sponsor has notified the applicable regional council of governments or, in the case of a local agency without a council of governments, the Department of Housing and Community Development of its interest in the land, rather than upon written request. With regards to surplus land to be used for the purpose of developing property located within an infill opportunity zone, as described above, the bill would instead require that the written notice of availability be sent to a successor agency to a former redevelopment agency. *The bill would, with regard to disposing of surplus land for the purpose of developing low- and moderate-income housing, only require the local agency disposing of the surplus land to send a specified notice of availability if the land is located in an urbanized area.*

(3) After the disposing agency has received a notice from an entity desiring to purchase or lease the land, existing law requires the disposing agency to enter into good faith negotiations to determine a mutually satisfactory sales price or lease terms.

This bill would limit negotiations to sales price and lease terms, including the amount and timing of any payments.

(4) Existing law requires a local agency to give priority to the development of affordable housing for lower income elderly or disabled persons or households, and other lower income households when disposing of surplus land.

This bill would remove that priority.

(5) If the local agency receives offers from more than one entity that agrees to meet specified requirements related to the provision of affordable housing on the surplus land, existing law requires the local agency to give priority to the entity that proposes to provide the greatest number of units that meet those requirements. Notwithstanding that requirement, existing law requires the local agency to give first priority to an entity in specified circumstances.

This bill would define "priority" for these purposes as meaning that the local agency negotiates in good faith exclusively with the entity pursuant to specified requirements. In the event that more than one entity proposes the same number of units that meet the above-described affordable housing requirements, this bill would require that priority be given to the entity that proposes the deepest average level of affordability for the affordable units. The bill would authorize a local agency to negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing.

(6) Under existing law, failure by a local agency to comply with these requirements for the disposal of surplus land does not invalidate the transfer or conveyance of real property to a purchaser or encumbrancer of value.

This bill would invalidate that transfer or conveyance unless the local agency makes an alternative site available that can accommodate an equal or greater number of housing units as the original site whose transfer or conveyance was effected.

(7) If a local agency does not agree to price and terms with an entity to which notice and an opportunity to purchase or lease are given and disposes of the surplus land to an entity that uses the property for the development of 10 or more residential units, existing law requires the purchasing entity or a successor in interest to provide not less than 15% of the total number of units developed on the parcels at an affordable housing cost or affordable rent to lower income households.

This bill would revise this requirement to apply if the local agency does not agree to price and terms with an entity to which notice of availability of land was given, or if no entity to which a notice of availability was given responds to that notice, and 10 or more residential units are developed on the property.

The bill would permit residential uses on certain types of land that a local agency disposes of as surplus, if 100% of the residential units are sold or rented at an affordable housing cost, as specified.

(8) Existing law requires each state agency to make a review of all proprietary state lands over which it has jurisdiction, except as specified, on or before December 31 of each year to determine what, if any, land is in excess of its foreseeable needs and report thereon in writing to the Department of General Services. Existing law requires the department to annually report to the Legislature the land declared excess and to request authorization to dispose of the land by sale or otherwise, as specified. ~~Existing law requires the department to comply with specified requirements and procedures when disposing of surplus land that the department has received authorization to dispose of by the Legislature, including that the department may dispose of the land upon any terms and conditions that the department determines is in the best interest of the state.~~

This bill would, instead, require each state agency to review state lands over which it has jurisdiction to determine if any land is in excess of its foreseeable needs for governmental operations. The bill would require the department to *request authorization to* dispose of at least 10% of the land that the department has determined is not needed by any other state agency, as specified. The bill would require surplus land disposed of by the department *to* be permitted for a residential use if 100% of the residential units are sold or rented at an affordable housing cost, as defined. ~~The bill would delete the authority of the department to dispose of surplus land upon any terms and conditions that the department determines are in the best interest of the state.~~

(9) Existing law authorizes a board of supervisors of a county to establish a central inventory of all surplus governmental property located in the county.

This bill, instead, would require a local agency to make a central inventory of specified surplus governmental property on or before December 31 of each year, and would require the local agency to make a description of each parcel and its present uses a matter of public record and to report this information to the Department of Housing and Community Development no later than April 1 of each year, beginning April 1, 2021. The bill would require a local agency, upon request, to provide a list of its surplus governmental properties to a citizen, limited dividend corporation, housing corporation, or nonprofit corporation without charge. The bill would require, by September 30, 2021, the Department of Housing and Community Development to create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses.

~~(10) Existing law authorizes the Director of General Services to dispose of surplus state real property if that property is not needed by another state agency and the Legislature has authorized disposal of the property. Existing law also specifies the manner in which the department is to dispose of surplus state real property first to a local agency and then to nonprofit affordable housing sponsors.~~

~~This bill would revise the manner in which the department is to dispose of surplus state real property. The bill would require the department to provide notice of surplus property to specified entities including, among others, public entities and housing sponsors for the purpose of constructing low- and moderate income housing. The bill would require the department enter good faith negotiations with any entity that provides written notice of their desire to purchase the property. The bill would require that an entity that proposes to construct affordable housing on the surplus property provide at least 25% of the total number of units developed at affordable housing cost. The bill would provide that if the department does not receive a written notice from any entity to purchase the property or negotiations are unsuccessful, and 10 or more residential units are constructed on the property, at least 15% of the total number of residential units developed on the parcels be sold or rented at affordable housing cost.~~

~~(11)~~

(10) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the planning agency of a city or county to provide by April 1 of each year an annual report to, among other entities, the

Department of Housing and Community Development that includes, among other specified information, the number of net new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy thus far in the housing element cycle, as provided.

This bill would require a city or county to include as a part of that report a listing of sites owned or leased by the city or county that have been sold, leased, or otherwise disposed of in the prior year, and sites with leases that expired in the prior year.

The Planning and Zoning Law requires that the housing element include, among other things, an inventory of land suitable for residential development to be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need determined pursuant to specified law.

This bill would require the housing element to provide a description of nonvacant sites owned by the city or county and provide whether there are any plans to dispose of the property during the planning period and how the city or county will comply with specified provisions relating to the disposal of surplus land by a local agency.

~~(12)~~

(11) Existing law requires the Department of Housing and Community Development to notify a city or county and authorize notice to the Attorney General when a city or county has taken an action that violates the Housing Accountability Act, specified provisions relating to local housing elements, and the Density Bonus Law.

This bill would also require the Department of Housing and Community Development to notify the city or county and authorizes notice to the Attorney General when the city or county has taken an action that violates these provisions relating to surplus property.

~~(13)~~

(12) Existing law makes various findings and declarations as to the need for affordable housing and the use of surplus government land for that purpose.

This bill would revise these findings.

This bill would express the intent of the Legislature to enact legislation that addresses the need for affordable housing by utilizing surplus land within the state, as specified.

~~(14)~~

(13) By adding to the duties of local officials with respect to the disposal of surplus land, and expanding the scope of local agencies subject to the bill's requirements, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 11011 of the Government Code is amended to read:

**11011.** (a) On or before December 31 of each year, each state agency shall make a review of all proprietary state lands, other than tax-deeded land, land held for highway purposes, lands under the jurisdiction of the State Lands Commission, land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons, and lands under the jurisdiction of the State Coastal Conservancy, over which it has jurisdiction to determine what, if any, land is in excess of its foreseeable needs for governmental operations and report thereon in writing to the Department of General Services. These lands shall include, but not be limited to, the following:

(1) Land not currently being utilized, or currently being underutilized, by the state agency for any existing or ongoing state program.

(2) Land for which the state agency has not identified any specific utilization relative to future programmatic needs.

(3) Land not identified by the state agency within its master plans for facility development.

(b) Jurisdiction of all land reported as excess shall be transferred to the Department of General Services, when requested by the director of that department, for sale or disposition under this section or as may be otherwise authorized by law.

(c) The Department of General Services shall report to the Legislature annually, the land declared excess and request authorization to dispose of the land by sale or otherwise.

(d) The Department of General Services shall review and consider reports submitted to the Director of General Services pursuant to Section 66907.12 of this code and Section 31104.3 of the Public Resources Code prior to recommending or taking any action on surplus land, and shall also circulate the reports to all agencies that are required to report excess land pursuant to this section. In recommending or determining the disposition of surplus lands, the Director of General Services may give priority to proposals by the state that involve the exchange of surplus lands for lands listed in those reports.

(e) Except as otherwise provided by any other law, whenever any land is reported as excess pursuant to this section, the Department of General Services shall determine whether or not the use of the land is needed by any other state agency. If the Department of General Services determines that any land is needed by any other state agency it may transfer the jurisdiction of this land to the other state agency upon the terms and conditions as it may deem to be for the best interests of the state.

(f) When authority is granted for the sale or other disposition of lands declared excess, and the Department of General Services has determined that the use of the land is not needed by any other state agency, the Department of General Services shall sell the land or otherwise dispose of the same pursuant to Section 11011.1. The Department of General Services shall report to the Legislature annually, with respect to each parcel of land authorized to be sold under this section, giving the following information:

(1) A description or other identification of the property.

(2) The date of authorization.

(3) With regard to each parcel sold after the next preceding report, the date of sale and price received, or the value of the land received in exchange.

(4) The present status of the property, if not sold or otherwise disposed of at the time of the report.

(g) (1) Except as otherwise specified by law, the net proceeds received from any real property disposition, including the sale, lease, exchange, or other means, that is received pursuant to this section shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. Thereafter, the net proceeds received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

(2) For purposes of this subdivision, net proceeds means proceeds less any outstanding loans from the General Fund, or outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred prior to June 30, 2005, related to the management of the state's real property assets, including, but not limited to, surplus property identification, legal research, feasibility statistics, activities associated with land use, and due diligence.

(h) The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account, which is hereby created in the State Treasury, for the purposes of supporting the management of the state's real property assets.

(i) Any rentals or other revenues received by the department from real properties, the jurisdiction of which has been transferred to the Department of General Services under this section, shall be deposited in the Property



Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation by the Legislature.

(j) Nothing contained in this section shall be construed to prohibit the sale, letting, or other disposition of any state lands pursuant to any law now or hereafter enacted authorizing the sale, letting, or disposition.

(k) (1) The disposition of a parcel of surplus state real property, pursuant to Section 11011.1, made on an "as is" basis shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code. Upon title to the parcel vesting in the purchaser or transferee of the property, the purchaser or transferee shall be subject to any local governmental land use entitlement approval requirements and to Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code, except as provided in Section 11011.1.

(2) If the disposition of a parcel of surplus state real property, pursuant to Section 11011.1, is not made on an "as is" basis and close of escrow is contingent on the satisfaction of a local governmental land use entitlement approval requirement or compliance by the local government with Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code, the execution of the purchase and sale agreement or of the exchange agreement by all parties to the agreement shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

(3) For the purposes of this subdivision, "disposition" means the sale, exchange, sale combined with an exchange, or transfer of a parcel of surplus state property.

(l) For land that the Department of General Services has determined is not needed by any other state agency pursuant to subdivision (e), the department shall request authorization to dispose of no less than 10 percent of the land on an annual basis pursuant to Section 11011.1.

(m) Notwithstanding local zoning designations, surplus land that the department has disposed of shall be permitted for a residential use if 100 percent of the residential units, except for the units occupied by onsite management staff, are sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(n) The department shall make every effort to conclude the pending disposition of surplus land that it has received authorization to dispose of within 24 months of the date the sale, exchange, or transfer of land was approved by the department.

(o) As used in this section, "governmental operations" means land that is being used for the express purpose of agency work or operations, including utility sites, watershed property, land being used for conservation purposes, and buffer sites near sensitive governmental uses, including, but not limited to, wastewater treatment plants.

~~SEC. 2. Section 11011.1 of the Government Code is amended to read:~~

~~11011.1. (a) Notwithstanding any other provision of law, except Article 9.5 (commencing with Section 54235) of Chapter 5 of Part 1 of Division 2 of Title 5, the disposal of surplus state real property by the Department of General Services shall be subject to the requirements of this section. For purposes of this section, "surplus state real property" means real property declared surplus by the Legislature and directed to be disposed of by the Department of General Services, including any real property previously declared surplus by the Legislature but not yet disposed of by the Department of General Services prior to the enactment of this section.~~

~~(b) (1) The department may dispose of surplus state real property by sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of property, as authorized by the Legislature, subject to this section.~~

~~(2) The Legislature finds and declares that the provision of decent housing for all Californians is a state goal of the highest priority. The disposal of surplus state real property is a direct and substantial public purpose of statewide concern and will serve an important public purpose, including mitigating the environmental effects of state activities. Therefore, it is the intent of the Legislature that priority be given, as specified in this section, to the disposal of surplus state real property to housing for persons and families of low or moderate income, where land is suitable for housing and there is a need for housing in the community.~~

~~(3) The department shall send, before disposing of surplus property or participating in negotiations to dispose of surplus property, a written notice of availability of the property to all of the following entities:~~

~~(A) A written notice of availability for the purpose of developing low- and moderate-income housing, as defined in Section 50079 of the Health and Safety Code, to both of the following:~~

~~(i) Any local public entity within whose jurisdiction the surplus land is located.~~

~~(ii) A housing sponsor, as defined by Section 50074 of the Health and Safety Code, that has notified the department of its interest in surplus land for the purpose of developing low- and moderate-income housing.~~

~~(B) A written notice of availability for open-space purposes to all of the following:~~

~~(i) Any park or recreation department of any city within which the land may be situated.~~

~~(ii) Any park or recreation department of the county within which the land is situated.~~

~~(iii) Any regional park authority having jurisdiction within the area in which the land is situated.~~

~~(iv) The Natural Resources Agency or any agency that may succeed to its powers.~~

~~(C) A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes to any school district in whose jurisdiction the land is located.~~

~~(D) A written notice of availability for the purpose of developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7) to any county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located.~~

~~(4) The entity or association desiring to purchase or lease the surplus land for any of the purposes authorized by this section shall notify the department in writing of its interest in purchasing or leasing the land within 60 days after receipt of the notice of availability of the land pursuant to paragraph (3).~~

~~(5) The department shall send all notices of availability by first-class mail and, if possible, by electronic mail, and shall include in that notice the location and a description of the property.~~

~~(6) An entity proposing to use the surplus land for developing low- and moderate-income housing shall agree to make available not less than 25 percent of the total number of units developed on the parcels at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land at the time of sale, which shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the following:~~

~~(A) The department.~~

~~(B) A resident of a unit subject to this subdivision.~~

~~(C) A resident association with members who reside in units subject to this subdivision.~~

~~(D) A former resident of a unit subject to this section who last resided in that unit.~~

~~(E) An applicant seeking to enforce the covenants or restrictions for a particular unit that is subject to this subdivision, if the applicant conforms to all of the following:~~

~~(i) Is of low or moderate income, as defined in Section 50093 of the Health and Safety Code.~~

~~(ii) Is able and willing to occupy that particular unit.~~

~~(iii) Was denied occupancy of that particular unit due to an alleged breach of a covenant or restriction implementing this subdivision.~~

~~(F) A person on an affordable housing waiting list who is of low or moderate income, as defined in Section 50093 of the Health and Safety Code, and who is able and willing to occupy a unit subject to this subdivision.~~

~~(7)After the department has received notice from the entity desiring to purchase or lease the land on terms that comply with this subdivision, the department and the entity shall enter into good faith negotiations to determine a mutually satisfactory sales price and terms or lease terms. If the price or terms cannot be agreed upon after a good faith negotiation period of not less than 90 days, the land may be disposed of without further regard to this subdivision, except that paragraph (10) shall apply.~~

~~(8)Nothing in this subdivision shall preclude a local agency, housing authority, or redevelopment agency that purchases land from a disposing agency pursuant to this article from reconveying the land to a nonprofit or for-profit housing developer for development of low- and moderate-income housing as authorized under other provisions of law.~~

~~(9)(A)In the event that the department receives a notice of interest to purchase or lease of that land from more than one of the entities to which notice of available surplus land was given pursuant to this subdivision, the department shall give first priority to the entity that agrees to use the site for housing that meets the requirements of paragraph (6). If the department receives offers from more than one entity that agrees to meet the requirements of paragraph (6), then the department shall give priority to the entity that proposes to provide the greatest number of units that meet the requirements of paragraph (6). In the event that more than one entity proposes the same number of units that meet the requirements of paragraph (6), priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. The department may negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing that meets the requirements of paragraph (6).~~

~~(B)Notwithstanding subparagraph (A), the department shall give first priority to an entity that agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose.~~

~~(C)For purposes of this paragraph, "priority" means that the department shall negotiate in good faith exclusively with the entity in accordance with paragraph (7).~~

~~(10)If the department does not agree to price and terms with an entity to which notice of availability of land was given pursuant to this subdivision, or if no entity to which a notice of availability was given responds to that notice, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. The department shall include these requirements in a covenant or restriction recorded against the surplus land before land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the entities described in subparagraphs (A) to (F), inclusive, of paragraph (4).~~

~~(c)Thirty days prior to executing a transaction for a sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of the surplus state real property for less than fair market value or for affordable housing, or as authorized by the Legislature, the Director of General Services shall report to the chairpersons of the fiscal committees of the Legislature all of the following:~~

~~(1)The financial terms of the transaction.~~

~~(2)A comparison of fair market value for the surplus state real property and the terms listed in paragraph (1).~~

~~(3)The basis for agreeing to terms and conditions other than fair market value.~~

~~(d)As to surplus state real property sold or exchanged pursuant to this section, the director shall except and reserve to the state all mineral deposits, as described in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. If, however, the director determines that there is little or no potential for mineral deposits, the reservation may be without surface right of entry above a depth of 500 feet, or the rights to prospect for, mine, and remove the deposits shall be limited to those areas of the surplus state real property conveyed that the director determines to be reasonably necessary for the removal of the deposits.~~

~~(e)The failure to comply with this section, except for subdivision (d), shall not invalidate the transfer or conveyance of surplus state real property to a purchaser for value.~~

~~(f)For purposes of this section, fair market value is established by an appraisal and economic evaluation conducted by the department or approved by the department.~~

**SEC. 3. SEC. 2.** Section 54220 of the Government Code is amended to read:

**54220.** (a) The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.

(b) The Legislature reaffirms its belief that there is an identifiable deficiency in the amount of land available for recreational purposes and that surplus land, prior to disposition, should be made available for park and recreation purposes or for open-space purposes. This article shall not apply to surplus residential property as defined in Section 54236.

(c) The Legislature reaffirms its declaration of the importance of appropriate planning and development near transit stations, to encourage the clustering of housing and commercial development around such stations. Studies of transit ridership in California indicate that a higher percentage of persons who live or work within walking distance of major transit stations utilize the transit system more than those living elsewhere, and that lower income households are more likely to use transit when living near a major transit station than higher income households. The sale or lease of surplus land at less than fair market value to facilitate the creation of affordable housing near transit is consistent with goals and objectives to achieve optimal transportation use. The Legislature also notes that the Federal Transit Administration gives priority for funding of rail transit proposals to areas that are implementing higher density, mixed-use, and affordable development near major transit stations.

**SEC. 4. SEC. 3.** Section 54221 of the Government Code is amended to read:

**54221.** As used in this article, the following definitions shall apply:

(a) (1) "Local agency" means every city, whether organized under general law or by charter, county, city and county, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.

(2) The Legislature finds and declares that the term "district" as used in paragraph (7) includes all districts within the state, including, but not limited to, all special districts, sewer, water, utility, and local and regional park districts, and any other political subdivision of this state that is a district, and therefore the changes in paragraph (1) made by the act adding this paragraph that specify that the provisions of this article apply to all districts, including school, sewer, water, utility, and local and regional park districts of any kind or class, are declaratory of, and not a change in, existing law.

(b) "Surplus land" means land owned by any local agency that is not necessary for the agency's governmental operations. Land shall be presumed to be "surplus land" when a local agency initiates an action to dispose of it. "Surplus land" includes land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code and land that has been designated in the long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code, either for sale or for retention, for future development and that was not subject to an exclusive negotiating agreement or legally binding agreement to dispose of the land. Exclusive negotiating agreements or other agreements or contracts for land held in the Community Redevelopment Property Trust Fund shall be subject to this article.

(c) "Governmental operations" means land that is being used for the express purpose of agency work or operations, including utility sites, watershed property, land being used for conservation purposes, and buffer sites near sensitive governmental uses, including, but not limited to, waste water treatment plants.

(d) "Open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(e) "Persons and families of low or moderate income" has the same meaning as provided in Section 50093 of the Health and Safety Code.

(f) (1) Except as provided in paragraph (2), "exempt surplus land" means any of the following:

(A) Surplus land that is transferred pursuant to Section 25539.4.

(B) Surplus land that is (i) less than 5,000 square feet in area, (ii) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (iii) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to this article.

(C) Surplus land held by the local agency for the express purpose of exchange for another property necessary for its governmental operations.

(D) Surplus land held by the local agency for the express purpose of transfer to another local agency for its governmental operations.

(E) Surplus land that is put out to open, competitive bid by a local agency, provided all entities identified in subdivision (a) of Section 54222 will be invited to participate in the competitive bid process, for either of the following purposes:

(i) A housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located.

(ii) A mixed-use development that is more than one acre in area, that includes not less than 300 housing units, and that restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years.

(F) Surplus land that is subject to legal restrictions that would make housing prohibited or incompatible on the site due to state or federal statutes, voter-approved measures, or other legal restrictions that are not imposed by the local agency. Existing zoning alone is not a legal restriction that would make housing prohibited or incompatible. Nothing in this article limits a local agency's jurisdiction or discretion regarding land use, zoning, or entitlement decisions in connection with surplus land.

(2) Notwithstanding paragraph (1), a written notice of the availability of surplus land for open-space purposes shall be sent to the entities described in subdivision (b) of Section 54222 prior to disposing of the surplus land if the land is any of the following:

(A) Within a coastal zone.

(B) Adjacent to a historical unit of the State Parks System.

(C) Listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(D) Within the Lake Tahoe region as defined in Section 66905.5.

~~SEC. 5.~~ **SEC. 4.** Section 54222 of the Government Code is amended to read:

**54222.** Any local agency disposing of surplus land shall send, prior to disposing of that property or participating in negotiations to dispose of that property, a written notice of availability of the property to all of the following entities:

(a) ~~A~~ *If the surplus land is located in an urbanized area, a* written notice of availability for the purpose of developing low- and moderate-income housing shall be sent to any local public entity, as defined in Section

50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located. Housing sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the applicable regional council of governments or, in the case of a local agency without a council of governments, the Department of Housing and Community Development, of their interest in surplus land shall be sent a written notice of availability of surplus land for the purpose of developing low- and moderate-income housing. All notices shall be sent by first-class mail and, if possible, by electronic mail, and shall include the location and a description of the property.

(b) A written notice of availability for open-space purposes shall be sent:

- (1) To any park or recreation department of any city within which the land may be situated.
- (2) To any park or recreation department of the county within which the land is situated.
- (3) To any regional park authority having jurisdiction within the area in which the land is situated.
- (4) To the State Resources Agency or any agency that may succeed to its powers.

(c) A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes shall be sent to any school district in whose jurisdiction the land is located.

(d) A written notice of availability for the purpose of developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7) shall be sent to any county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located.

(e) The entity or association desiring to purchase or lease the surplus land for any of the purposes authorized by this section shall notify in writing the disposing agency of its interest in purchasing or leasing the land within 60 days after receipt of the agency's notice of availability of the land.

**SEC. 6.** **SEC. 5.** Section 54222.3 of the Government Code is amended to read:

**54222.3.** This article shall not apply to the disposal of exempt surplus land as defined in Section 54221 by an agency of the state or any local agency.

**SEC. 7.** **SEC. 6.** Section 54223 of the Government Code is amended to read:

**54223.** After the disposing agency has received notice from the entity desiring to purchase or lease the land on terms that comply with this article, the disposing agency and the entity shall enter into good faith negotiations to determine a mutually satisfactory sales price and terms or lease terms. If the price or terms cannot be agreed upon after a good faith negotiation period of not less than 90 days, the land may be disposed of without further regard to this article, except that Section 54233 shall apply. Negotiations shall be limited to sales price and lease terms, including the amount and timing of any payments.

**SEC. 8.** **SEC. 7.** Section 54225 of the Government Code is amended to read:

**54225.** (a) Any public agency disposing of surplus land to an entity described in Section 54222 for park or recreation purposes, for open-space purposes, for school purposes, or for low- and moderate-income housing purposes may provide for a payment period of up to 20 years in any contract of sale or sale by trust deed for the land. The payment period for surplus land disposed of for housing for persons and families of low and moderate income may exceed 20 years, but the payment period shall not exceed the term that the land is required to be used for low- or moderate-income housing.

(b) Notwithstanding local zoning designations, any surplus land disposed of by a public agency shall be permitted for residential use if 100 percent of the units, except for units occupied by onsite management staff, are sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This subdivision shall not apply to exempt surplus land or surplus land that is ineligible for any public financing for affordable housing.

**SEC. 9.** **SEC. 8.** Section 54226 of the Government Code is amended to read:

**54226.** This article shall not be interpreted to limit the power of any local agency to dispose of surplus land at fair market value or at less than fair market value, and any disposal at or less than fair market value consistent with this article shall not be construed as inconsistent with an agency's purpose. No provision of this article shall be applied when it conflicts with any other provision of statutory law.

~~SEC. 10.~~**SEC. 9.** Section 54227 of the Government Code is amended to read:

**54227.** (a) In the event that any local agency disposing of surplus land receives a notice of interest to purchase or lease of that land from more than one of the entities to which notice of available surplus land was given pursuant to this article, the local agency shall give first priority to the entity that agrees to use the site for housing that meets the requirements of Section 54222.5. If the local agency receives offers from more than one entity that agrees to meet the requirements of Section 54222.5, then the local agency shall give priority to the entity that proposes to provide the greatest number of units that meet the requirements of Section 54222.5. In the event that more than one entity proposes the same number of units that meet the requirements of Section 54222.5, priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. A local agency may negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing that meets the requirements of Section 54222.5.

(b) Notwithstanding subdivision (a), first priority shall be given to an entity that agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose.

(c) For purposes of this section, "priority" means that the local agency shall negotiate in good faith exclusively with the entity in accordance with Section 54223.

~~SEC. 11.~~**SEC. 10.** Section 54230 of the Government Code is amended to read:

**54230.** (a) (1) On or before December 31 of each year, each local agency shall make a central inventory of all surplus governmental property located in *all urbanized areas within* the jurisdiction of the local agency that the local agency or any of its departments, agencies, or authorities owns or controls to determine what land, if any, is in excess of its foreseeable needs for its governmental operations.

(2) A local agency shall make a description of each parcel found to be in excess of the needs and the present use of the parcel a matter of public record and shall report this information to the Department of Housing and Community Development no later than April 1 of each year, beginning April 1, 2021.

(3) A local agency, upon request, shall provide a list of its surplus governmental properties to a citizen, limited dividend corporation, housing corporation, or nonprofit corporation without charge.

(b) The Department of Housing and Community Development shall create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses in the state on its internet website, which shall be updated on an annual basis. The inventory shall be available no later than September 30, 2021.

~~SEC. 12.~~**SEC. 11.** Section 54230.5 of the Government Code is amended to read:

**54230.5.** The failure by a local agency to comply with this article shall invalidate the transfer or conveyance of real property to a purchaser or encumbrancer for value, unless the local agency makes an alternative site available subject to Section 54227 that can accommodate an equal or greater number of housing units as the original site whose transfer or conveyance was effected.

~~SEC. 13.~~**SEC. 12.** Section 54233 of the Government Code is amended to read:

**54233.** If the local agency does not agree to price and terms with an entity to which notice of availability of land was given pursuant to this article, or if no entity to which a notice of availability was given pursuant to this article responds to that notice, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a

period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land prior to land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5.

~~SEC. 14.~~ **SEC. 13.** Section 65400 of the Government Code is amended to read:

**65400.** (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions, to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. That report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

The report may include the number of units that have been substantially rehabilitated, converted from nonaffordable to affordable by acquisition, and preserved consistent with the standards set forth in paragraph (2) of subdivision (c) of Section 65583.1. The report shall document how the units meet the standards set forth in that subdivision.

(C) The number of housing development applications received in the prior year.

(D) The number of units included in all development applications in the prior year.

(E) The number of units approved and disapproved in the prior year.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) A listing of sites owned or leased by the city or county that have been sold, leased, or otherwise disposed of in the prior year, and a listing of sites with leases that expired in the prior year. The list shall include the entity to whom each site was transferred and the intended use for the site.

(I) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall, for each income category described in this subparagraph, distinguish between the



number of rental housing units and the number of for-sale units that satisfy each income category. The production report shall include, for each entitlement, building permit, or certificate of occupancy, a unique site identifier which must include the assessor's parcel number, but may include street address, or other identifiers.

(J) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (b) of Section 65913.4, the total number of building permits issued pursuant to subdivision (b) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (b) of Section 65913.4.

(K) The Department of Housing and Community Development shall post a report submitted pursuant to this paragraph on its internet website within a reasonable time of receiving the report.

(b) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

**SEC. 15. SEC. 14.** Section 65583.2 of the Government Code, as amended by Section 3 of Chapter 958 of the Statutes of 2018, is amended to read:

**65583.2.** (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

- (1) Vacant sites zoned for residential use.
- (2) Vacant sites zoned for nonresidential use that allows residential development.
- (3) Residentially zoned sites that are capable of being developed at a higher density, including the airspace above sites owned or leased by a city, county, or city and county.
- (4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by a city, county, or city and county.

(b) The inventory of land shall include all of the following:

- (1) A listing of properties by assessor parcel number.
- (2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.
- (3) For nonvacant sites, a description of the existing use of each property. If a site subject to this paragraph is owned by the city or county, the description shall also include whether there are any plans to dispose of the property during the planning period and how the city or county will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.
- (4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate ~~lower income~~ *lower income* housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) (1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(2) (A) (i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.

(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.

(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on ~~Transportation and~~ Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times: once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or

county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marín Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.

(k) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(l) This section shall remain in effect only until December 31, 2028, and as of that date is repealed.

**SEC. 16.** ~~SEC. 15.~~ Section 65583.2 of the Government Code, as amended by Section 4 of Chapter 958 of the Statutes of 2018, is amended to read:

**65583.2.** (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period

and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

- (1) Vacant sites zoned for residential use.
  - (2) Vacant sites zoned for nonresidential use that allows residential development.
  - (3) Residentially zoned sites that are capable of being developed at a higher density, and sites owned or leased by a city, county, or city and county.
  - (4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the sites, as necessary, to permit residential use, including sites owned or leased by a city, county, or city and county.
- (b) The inventory of land shall include all of the following:
- (1) A listing of properties by assessor parcel number.
  - (2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.
  - (3) For nonvacant sites, a description of the existing use of each property. If a site subject to this paragraph is owned by the city or county, the description shall also include whether there are any plans to dispose of the property during the planning period and how the city or county will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.
  - (4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.
  - (5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.
  - (B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.
  - (6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.
  - (7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan for reference purposes only.
- (c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate ~~lower-income~~ *lower income* housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units,

emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c), and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed uses project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(k) This section shall become operative on December 31, 2028.

**SEC. 17. SEC. 16.** Section 65585 of the Government Code is amended to read:  
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**65585.** (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) (1) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department.

(2) The planning agency staff shall collect and compile the public comments regarding the housing element received by the city, county, or city and county, and provide these comments to each member of the legislative body before it adopts the housing element.

(3) The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

(i) (1) (A) The department shall review any action or failure to act by the city, county, or city and county that it determines is inconsistent with an adopted housing element or Section 65583, including any failure to implement any program actions included in the housing element pursuant to Section 65583. The department shall issue written findings to the city, county, or city and county as to whether the action or failure to act substantially complies with this article, and provide a reasonable time no longer than 30 days for the city, county, or city and county to respond to the findings before taking any other action authorized by this section, including the action authorized by subparagraph (B).

(B) If the department finds that the action or failure to act by the city, county, or city and county does not substantially comply with this article, and if it has issued findings pursuant to this section that an amendment to the housing element substantially complies with this article, the department may revoke its findings until it determines that the city, county, or city and county has come into compliance with this article.

(2) The department may consult with any local government, public agency, group, or person, and shall receive and consider any written comments from any public agency, group, or person, regarding the action or failure to act by the city, county, or city and county described in paragraph (1), in determining whether the housing element substantially complies with this article.

(j) The department shall notify the city, county, or city and county and may notify the Office of the Attorney General that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to this element, or any action or failure to act described in subdivision (i),



does not substantially comply with this article or that any local government has taken an action in violation of the following:

- (1) Housing Accountability Act (Section 65589.5 of the Government Code).
- (2) Section 65863 of the Government Code.
- (3) Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.
- (4) Section 65008 of the Government Code.
- (5) Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code.

~~SEC. 18.~~ **SEC. 17.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.



# Beaumont-Cherry Valley Water District

Phone: (951) 845-9581 Fax: (951) 845-0159

Email: [info@bcvwd.org](mailto:info@bcvwd.org)

<http://www.bcvwd.org>

## Board of Directors

David Hoffman  
Division 5

John Covington  
Division 4

Daniel Slawson  
Division 3

Lona Williams  
Division 2

Andy Ramirez  
Division 1

June 28, 2019

The Honorable Mike Morrell  
California State Senate  
State Capitol 3056  
Sacramento, CA 95814

### **RE: Assembly Bill 1486 (Ting) – OPPOSE Unless Amended [As Amended May 16, 2019]**

Dear Senator Morrell,

AB 1486 has progressed to the Senate. The Beaumont-Cherry Valley Water District is opposed to Assembly Bill 1486 unless it is amended to address our concerns. AB 1486 would impose onerous new requirements on public agencies attempting to dispose of land.

BCVWD provides potable and non-potable water service to more than 18,000 connections. Its service area covers 28 square miles, virtually all of which is in Riverside County, and includes the City of Beaumont and the community of Cherry Valley.

The Surplus Land Act (SLA) requires special districts and other local agencies to offer the right of first refusal to affordable housing developers, schools, and parks before selling their land. The new requirements imposed by AB 1486 would force public agencies to open up land currently preserved for public purposes to private development by applying a new definition to the requirements of the SLA limiting public agencies' flexibility in maximizing their land and facilities.

AB 1486 also would require a local agency to notice the availability of property prior to participating in any formal or informal negotiations to dispose of the land and would prevent local agencies from negotiating anything other than price in the disposition of surplus land. These provisions would make it difficult for an agency to get a good sense of the market value of their land and impossible to negotiate reserved rights and easements.

Finally, AB 1486 would invalidate any transfer or conveyance of land for value where a public agency did not comply with the requirements of the SLA. This provision would make public agencies' land less marketable when buyers are aware a purchase could be invalidated and would make it difficult for potential buyers to secure the financing and insurance necessary to make property purchases possible, costing public agencies and the communities they serve millions of dollars.

We respectfully request AB 1486 be amended to address these issues. Our opposition is not a challenge to the need for affordable housing, but a validation of the need for local flexibility when it comes to proper governmental land use management.

For these reasons, the Beaumont-Cherry Valley Water District respectfully opposes AB 1486 unless it is amended.

560 Magnolia Avenue Beaumont CA 92223



# Beaumont-Cherry Valley Water District

Phone: (951) 845-9581 Fax: (951) 845-0159

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Division 5

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Division 2

Andy Ramirez  
Division 1

Sincerely,

BEAUMONT-CHERRY VALLEY BOARD OF DIRECTORS

Daniel Slawson, Vice President

cc: Assemblyman Phil Ting  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0019

Tara Gamboa-Eastman  
Office of Assembly Member Phil Ting  
[Tara.Gamboa-Eastman@asm.ca.gov](mailto:Tara.Gamboa-Eastman@asm.ca.gov)

Rylan Gervase, Legislative Representative  
California Special Districts Association [[advocacy@csda.net](mailto:advocacy@csda.net)]



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 4

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Review Annual Disclosure (California Government Code Section 66013(d)),  
Fiscal Year 2018 Capacity Charges**

---

**Staff Recommendation**

Information only.

**Background**

District staff has prepared the following Staff Report and attached schedules to increase transparency and document ongoing record-keeping and accounting of the following information on capacity charges (facilities fees) in accordance with Government Code Section 66013.

*Capacity Charges Defined (66013(b)(3))*

“A charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.”

The District charges a capacity charge (facilities fee) on all new development and all expansions or changes of existing development to pay for current and future capital improvement projects that are designed to accommodate growth or expanded use. For the year ended December 31, 2018, the fee for capacity charges was \$10,122 per Equivalent Dwelling Unit.

*Accounting Requirements (66013(d)(1)-(5))*

The District is required to make the following information regarding capacity charges available to the public within 180 days after the last day of each fiscal year:

- 1) A description of the charges deposited in the fund.
- 2) The beginning and ending balance of the fund and the interest earned from investment of monies in the fund.
- 3) The amount of water capacity charges collected in that fiscal year.
- 4) An identification of each of the following:
  - a. Each public improvement on which charges were expended and the amount of the expenditure for each project, including the percentage of the total cost of the public improvement that was funded with water capacity charges if more than one source of funding was used.
  - b. Each public improvement on which water capacity charges were expended that was completed during that fiscal year.
  - c. Each public improvement that is anticipated to be undertaken in the following fiscal year.



- 5) For entities engaged in fund accounting, a description of each interfund transfer or loan made from the capital facilities fund. The information provided shall identify the public improvements on which transferred monies are, or will be, expended and shall also include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

The Capacity Charges Collected and Used, Detail of Capacity Charges Used, and the Anticipated Public Improvements in Following Fiscal Year, for the year ended December 31, 2018 are attached as Schedules 1, 2, and 3, respectively, for Board and public inspection. Capacity charges collected and used, and the interest thereon, are tracked each year by the District, but the schedules are presented for the first time in this format.

### **Attachments**

- Schedule 1 – Year Ended December 31, 2018 Capacity Charges Collected and Used
- Schedule 2 – Year Ended December 31, 2018 Detail of Capacity Charges Used
- Schedule 3 – Year Ended December 31, 2018 Anticipated Public Improvements in Following Fiscal Year

Report prepared by Erica Gonzales, Administrative Assistant and Bill Clayton, Senior Finance and Administrative Analyst

**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
Government Code Section 66013(d) Report**

Year Ended December 31, 2018  
Capacity Charges Collected and Used

Capacity Charge Schedule - December 31, 2018	
Single Family Residential	\$ 10,122
Multiple Family Residential	\$ 6,073
Commercial Property	Projected water use vs 580 gal/day times \$10,122
Industrial Property	Projected water use vs 580 gal/day times \$10,122

2018
\$ 20,668,475

**BEGINNING BALANCE: RESTRICTED CASH - CAPITAL COMMITMENTS**

**Charges Collected and Interest Earned**

Capacity charges and front footage fees collected <sup>(1)</sup>	5,314,306
Interest Earnings Allocated <sup>(2)</sup>	486,420
<b>Total Charges Collected</b>	<b>5,800,726</b>

**Charges Used**

Projects Completed during the Calendar Year Ongoing Projects	- 218,792
<b>Total Charges Used</b>	<b>218,792</b>

**Charges Collected over (under) Charges Used**

5,581,934
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**ENDING BALANCE: RESTRICTED CASH - CAPITAL COMMITMENTS**

\$ 26,250,409
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Financial Statement: Restricted Cash - Capital Commitments

Note(s):

- (1) GC 66013 only requires that capacity charges be accounted for and included in the publicly available information. However, the District does account for front footage fees in the same manner.
- (2) Unused capacity charges are invested with other District funds; interest is allocated to the capacity charges using the higher interest rate between CalTRUST and LAIF, the two investment pools that the District participates in.

**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
Government Code Section 66013(d) Report**

Year Ended December 31, 2018  
Detail of Capacity Charges Used

<b>Projects Completed during the Year</b>		<b>2018</b>
<u>Project No.</u>	<u>Description</u>	
<b>Total</b>		<b>\$ -</b>
<b>Ongoing Projects</b>		<b>2018</b>
<u>Project No.</u>	<u>Description</u>	
-	Recycled Water Masterplan Update 2016	\$ 10,353
-	Grand Ave. Storm Drain	1,056
-	2016 Capacity Fee Study	308
W-2750-0002	2750 Zone Well in Noble Creek Regional Park	10,965
W-2750-0005	Replace 2750 Zone Well 1	25,663
W-2850-0001	New Beaumont Basin Well on Pardee Sundance Site	10,965
M-2850-0001	Well 25 East Block Wall and Entrance Gate	1,778
T-3040-0001 PZ Pipeline	Noble Tank Pipeline	8,740
T-3040-0001 Tank	Noble Tank No. 2	148,963
<b>Total</b>		<b>\$ 218,791</b>

**BEAUMONT-CHERRY VALLEY WATER DISTRICT**  
**Government Code Section 66013(d) Report**

Year Ended December 31, 2018  
 Anticipated Public Improvements in Following Fiscal Year

**Appendix B: Potable Infrastructure Projects**

<u>Project No.</u>	<u>Description</u>	<u>2018 Carryover</u>	<u>2019 Original</u>
WR-SITES-Reser.	Investment in Sites Reservoir Project	\$ 73,800	
W-2750-0002	2750 Zone Well in Noble Creek Regional Park	3,192,085	1,849,225
W-2750-0005	Replace 2750 Zone Well 1	2,720,625	940,025
BP-2850-0001	2850 Zone to 3040 Zone Booster Pump Station	379,998	194,509
M-2850-0001	Well 25 East Block Wall and Entrance Gate	51,900	
W-2850-0001	New Beaumont Basin Well on Pardee Sundance Site	2,287,890	194,509
W-2850-0003	New Beaumont Basin Well Noble Creek Meadows	2,167,908	2,229,022
T-3040-0001	2 MG 3040 Zone Tank	135,544	12,685
T-3040-0001	Pressure Zone Pipeline	53,475	2,174
WR	Grand Avenue Storm Drain	312,744	845,690
	<b>Total</b>	<b>\$ 11,375,969</b>	<b>\$ 6,267,840</b>

**Appendix C: Non-Potable Infrastructure Projects**

<u>Project No.</u>	<u>Description</u>	<u>2018 Carryover</u>	<u>2019 Original</u>
NPR-2520-0001	2520 to 2370 Non-potable Water Pressure Regulator	\$ 134,041	
NPR-2600-0001	2600 to 2520 Non-potable Water Pressure Regulator	134,041	
NBP-2600-0001	2600 Zone to 2800 Zone Booster Pump Station		1,533,086
NPR-2600-0001	2600 Zone Non-potable Regulation and Metering Station	178,721	183,754
NBP-2600-0003	2600 Zone Non-potable Booster at COB Treatment Plant		1,375,407
NPR-2800-0001	2800 to 2600 Non-potable Water Pressure Regulator	211,431	
NPT-2800-001	Raw Water Filter System at 2800 PZ Tank	261,308	
NT-2800-0001	2MG Non-potable 2800 Zone Tank	35,744	
NWR-2600-0002	San Timoteo Creek Non-potable Extraction Wells	773,566	795,349
NP-2600-0001	24" San Timoteo Rd, Palmer to Tukwet Canyon		278,449
	<b>Total</b>	<b>\$ 1,728,852</b>	<b>\$ 4,237,377</b>

**Appendix D: Potable Pipeline Projects**

<u>Project No.</u>	<u>Description</u>	<u>2018 Carryover</u>	<u>2019 Original</u>
P-2520-0003	Cherry Valley Blvd., End Ex. 24-in to Suncal PA 17	\$ 99,970	
P-2520-0004	Cherry Valley Blvd., Suncal PA 17 to PA 22/26		508,389
P-2650-0008	Sunny Cal Egg Ranch, Cherry Valley Blvd South		60,345
P-2650-0017	Cherry Valley Blvd, Champions Dr., to Oak Valley Pkwy		516,953
P-2850-0017	Sundance Drive, Sundance Circle to Highland Springs Rd.		241,956
P-3040-0009	Cherry Ave. Noble Tank to Dutton St		603,801
P-3040-0016	Cougar Way, Cherry Ave. to Highland Springs Ave.		283,487
P-3040-0017	2850 Sundance Booster to 3040 Zone		31,722
	<b>Total</b>	<b>\$ 99,970</b>	<b>\$ 2,246,653</b>
	<b>TOTAL - ALL PROJECTS</b>	<b>\$ 13,204,791</b>	<b>\$ 12,751,869</b>





**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 5

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Consideration of Proposed Revision to BCVWD's "Will Serve Letter" Policy

---

**Staff Recommendation**

Information and consideration.

**Background**

At the May 23, 2019 Beaumont-Cherry Valley Engineering Workshop, members of the Board directed staff to evaluate Beaumont-Cherry Valley Water District's current "Will Serve Letter" (WSL) Policy with regard to subsequent updates or extensions after Board approval.

District staff has reviewed the current Policy, Section 8-1.2 (attached) of the Beaumont-Cherry Valley Water District Regulations Governing Water Service, and said Policy and states the following:

*8-1.2 WILL SERVE LETTERS – Will be subject to approval of the Board and to all Rules and Regulations of the District at the time water service actually occurs, and if granted will be based on available new source of supply, including but not limited to new groundwater, imported water, or reclamation water for irrigation, used to offset existing local groundwater demand."*

The BCVWD Water Service Application Process, adopted on April 01, 2011 and attached (page 6 of 14), further states:

*Once Board approval has been granted, the developer will have 1 year to begin the project. If the project has not started within 1 year the Applicant shall request an extension in writing to the General Manager. General Manager may choose to extend the deadline or end the development process.*

Currently, as well as during the term of the previous three (3) General Managers, the District has provided all Developer "Will Serve Letter" original letter or extension letters to the Board for review and consideration to ensure the Board actively participates in all "Will Serve Letter" extensions.

If the Board elects to modify the District's existing policy, District staff proposes the following addition be added to Section 8-1.2:

*Once Board approval has been granted, the Applicant will have one (1) year to begin the project. If the project has not started within one (1) year, the Applicant shall request an extension in writing to the General Manager. The General Manager is authorized by the Board to grant a single one (1) year extension, otherwise any subsequent "Will Serve Letter" extension(s) shall be approved by the Board of Directors.*



Should the Board desire the above addition to the BCVWD Regulations Governing Water Service Section 8-1.2, staff will prepare a Resolution for the next Board meeting.

**Fiscal Impact**

There would be minimal fiscal impact to the District. All staff time and administration costs are charged to deposits and fees paid by the Applicants.

**Attachment(s)**

BCVWD Regulations Governing Water Service Section 8-1.2  
BCVWD Water Service Application Process page 6 of 14

Staff Report prepared by Erica Gonzales, Administrative Assistant

## REGULATIONS GOVERNING WATER SERVICE

### PART 8 ANNEXATION AND WATER MAIN EXTENSION

#### 8-1 ANNEXATIONS

##### 8-1.1 GENERAL PROVISIONS

8-1.2 WILL SERVE LETTERS – Will be subject to approval of the Board and to all Rules and Regulations of the District at the time water service actually occurs, and if granted will be based on available new source of supply, including but not limited to new groundwater, imported water, or reclamation water for irrigation, used to offset existing local groundwater demand.

8-1.3 ANNEXATION TO THE DISTRICT – Applicants for service to property lying outside the District boundaries will be required to annex such property to the District prior to receiving water service. Property proposed for annexation will be subject to administrative charges, facilities fees, and any other charges approved by the Board of Directors and applied on a District-wide basis as set forth in the District's Rules Governing Water Service. All annexations shall be completed within one (1) year of issuance of letter of intent to service (will serve letter). (Rev. 1-6-97)

8-1.4 ANNEXATION AGREEMENT - Following annexation approval by the Local Agency Formation Commission, the applicant will enter into an Annexation Agreement establishing terms and conditions of administrative charges, facilities fees, and other related fees and charges approved by the Board of Directors and applied on a District-wide basis as set forth in the District's Rules Governing Water Service. The annexation agreement will establish any credits and reimbursements that may be applicable. All final agreement drafts shall be submitted to the Board of Directors for final approval. (Rev 1-6-97)

8-1.5 WATER MAIN EXTENSION AND FACILITIES CONSTRUCTION AGREEMENT – Following completion of the annexation procedure and prior to development, the applicant shall enter into a Water Main Extension and Facilities Construction Agreement prepared by the district, including both "Applicant" and "District" obligations for system construction to serve the applicant's property.

8-1.6 CONSTRUCTED FACILITIES REIMBURSEMENT AGREEMENT – The District, upon Board approval, may enter into a reimbursement agreement for any facilities or water system appurtenances required to be installed for off-site improvements necessary to serve the applicant's property. Any Board approved reimbursement agreement shall not exceed a period of ten (10) years from the date of installation. All reimbursements made by subsequent water users will be reimbursed to the applicant during the month of December in the year which the reimbursement was collected by the District. Any reimbursable balance remaining at the expiration of the ten (10) year period shall become the property of the District and no longer subject to refund.

- A project folder containing all information regarding the project will be created by Engineering Staff
- Water Supply Assessment (Engineering Staff)
  - If a water supply assessment is required, Engineering Staff will prepare all necessary documents.
- Board approved letter of intent to serve (Board)
  - The General Manager will review the letter of intent to serve and supporting staff report and direct the Executive Assistant to place the documents on the next available board meeting agenda to seek Board of Directors approval. The Executive Assistant will notify the Applicant of the date and time of the meeting.
  - Once Board approval has been granted, the developer will have 1 year to begin the project. If the project has not started within 1 year the Applicant shall request an extension in writing to the General Manager. General Manager may choose to extend the deadline or end the development process.
  - The Executive Assistant informs the Business Office, Engineering Staff and the Applicant of the Board's approval or rejection.

## Annexation

During the initial engineering meeting a determination will be made if annexation to the District is required. If annexation is required, the following steps shall be taken.

- Request for annexation (Applicant submits to Executive Assistant)
  - The Applicant must submit a letter requesting annexation to the District. Annexation requires Board of Directors approval. The request for annexation should be submitted along with the request for water service so the Board may approve both the letter of intent to serve and the annexation at the same board meeting. If the letter of intent to serve is not approved, then the annexation request will automatically be rejected.
  - The Executive Assistant places the request for annexation along with the intent to serve letter on the next available board meeting agenda, under the direction of the General Manager and notifies the Applicant of the date and time of the meeting.
- Board approval of annexation (Board)
  - Upon Board approval, the Executive Assistant will prepare a letter to the Applicant, notifying the Applicant of the Board's decision and notifies the Business Office and Engineering Staff of the Boards approval or rejection
- Annexation deposit (Applicant submits to the Business Office)
  - An initial annexation deposit of \$5000 is required to cover any cost the District incurs as a result of the annexation process. This deposit only covers District costs and not LAFCO expenses. When the Application for Annexation is submitted to LAFCO, the LAFCO fees can be estimated and the Applicant shall deposit the estimated LAFCO fees with District's Business Office. Additional deposits may be required and the Applicant will be so notified by the Executive Assistant. Reference Policies and Procedures Part IV Section 8.3.
- Plan of Service (Engineering Staff)
  - The Engineering Staff will prepare the LAFCO required plan of service upon receipt of the initial deposit
  - Engineering will provide a copy of the Plan of Service to the applicant.



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 6

STAFF REPORT

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** **Consideration of Request for “Will Serve Letter” at 550 East 1st Street (Riverside County Assessor’s Parcel No. 418-260-023) in the City of Beaumont**

**Staff Recommendation**

Consider the request for water service “Will Serve Letter” for a property located at 550 East 1st Street, identified as **Riverside County Assessor’s Parcel No. (APN) 418-260-023** within the City of Beaumont, subject to payment of all fees to the District and securing all approvals from the City of Beaumont and:

- A. Approve the Application for Water Service and furnish “Will Serve Letter”, or;
- B. Deny the Application for Water Service

**Background**

The Applicant, Chris Stark, has requested water service from the District for a proposed Recreational Vehicle (RV) Storage Facility to be constructed on an existing parcel of land located at 550 East 1st Street and further identified as APN 418-260-023.

Subject property is located on East 1st Street, East of Maple Avenue, West of Pennsylvania Avenue in the City of Beaumont, California (see Figure 1 attached). This parcel is currently within the District’s Service Boundary and the District has confirmed there is an existing 16-inch domestic water main and a 24-inch non-potable water main fronting the property. The Applicant plans to construct an RV Storage Facility on approximately 2.67 acres identified on Figure 1. After review of the Conceptual Landscape Plan and the Grading Plans for the proposed project, the District has identified a need for irrigation and domestic service. The Applicant has provided the Estimated Total Water Usage (ETWU) calculations for the onsite landscaping (totaling 97,813 gallons per year) or approximately 268 gallons per day (0.46 EDU’s). The Applicant also provided Grading Plans which identify a need for a domestic water service which appears to provide water service to an “ice house” facility. Said total water system usage is summarized as follows:

	Acre Feet Per Year (AF)	Gallons Per Day (GPD)	Equivalent Dwelling Unit (EDU)
Potable Water Demand	0.65 AF	580 GPD	1 EDU
Non-Potable Water Demand	0.30 AF	268 GPD	0.46 EDUs
<b>TOTAL WATER DEMAND:</b>	<b>0.95 AF</b>	<b>848 GPD</b>	<b>1.46 EDUs</b>

Although not clearly defined by the Applicant at this time, District Staff has initially estimated potable water demand required by the project is estimated to be 211,700 GPY (1 EDU). The impact of this project on the District’s water supply system is low. The Applicant will be required



finalize domestic water supply estimates to pay all applicable District fees, including Facilities Fees, a non-tract water service installation charge, and front-footage fees, in effect at the time of application for service installation. The Applicant will need to secure the necessary approvals from the City of Beaumont and/or County of Riverside.

Final domestic and non-potable meter sizes will be determined by the Applicant. Fire Flow requirements will be determined by the County of Riverside Fire Department and said requirements will dictate actual required Fire Hydrant Fire Flows to the property and non-potable landscape system requirements. The District is aware of a requirement set by the County of Riverside Fire Department regarding private facilities. The Applicant's engineer has provided a connection detail identifying a need for a 6" fire service. The Applicant will also be required to install a separate domestic meter for the "ice house" facility. Said "ice house" facility shall not be served from the identified 6" fire service.

**Conditions:**

The Applicant shall conform to all District requirements for water service and all City of Beaumont requirements.

1. The Applicant will be required to pay commercial front-footage fees along all property frontages where facilities are currently installed.
2. The Applicant is required to install a 6" fire service to support the County of Riverside Fire Department's requirement for 2 Fire Hydrants.
3. In the event the Applicant constructs facilities (including the "ice house" facility) identified on the plan submittal, the Applicant will be required to install a separate domestic service to facilitate the domestic consumption requirements.
4. The District reserves the right to review annual consumption data and conduct a water consumption audit to appropriately adjust facilities fees (at the cost when the audit is performed) for any amount greater than 1 EDU (580 gal/day) of domestic water and 0.46 EDUs (268 gal/day) of non-potable water which is currently proposed for the subject property.
5. To minimize the use of potable water, the District requires the applicant to conform to the City of Beaumont Landscaping Ordinances which pertains to water efficient landscape requirements and the following:
  - a. Landscaped areas which have turf, shall have "smart irrigation controllers" which use Evapotranspiration (ET) data to automatically control the watering. Systems shall have an automatic rain sensor to prevent watering during and shortly after rainfall, automatically determine watering schedule based on weather conditions, and not require seasonal monitoring changes. Orchard areas, if any, shall have drip irrigation.
  - b. Landscaping in non-turf areas should be drought-tolerant, consisting of planting materials which are native to the region. Irrigation systems for these areas should be drip or bubbler type.

**Fiscal Impact:**

None. All fees and deposits will be paid by the Applicant prior to providing service.



## **Attachments**

Figure 1 – APN 418-260-023

Figure 2 – Conceptual Landscape Plan

Figure 3 – 1st Street RV & Boat Storage Grading Plan

Figure 4 – Water Improvement Plan

Application for Water Service for Riverside County APN 418-260-023

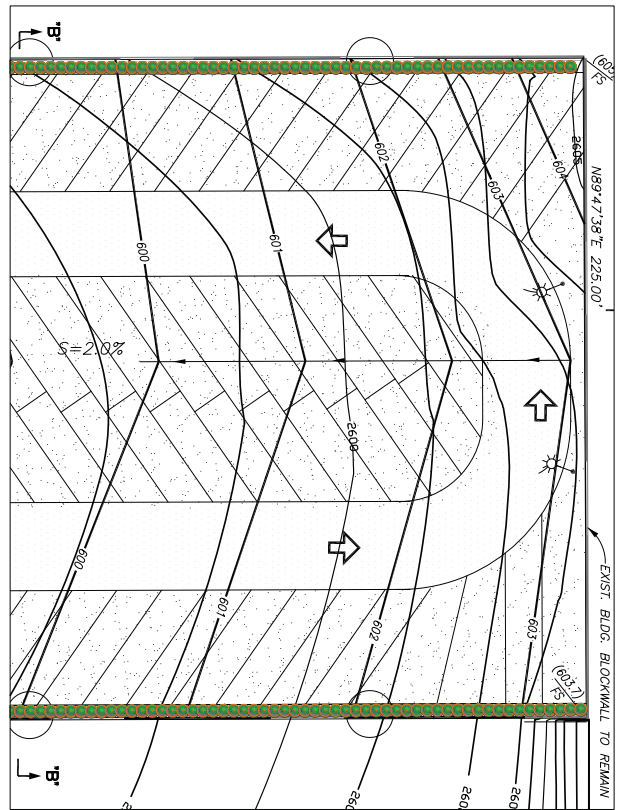
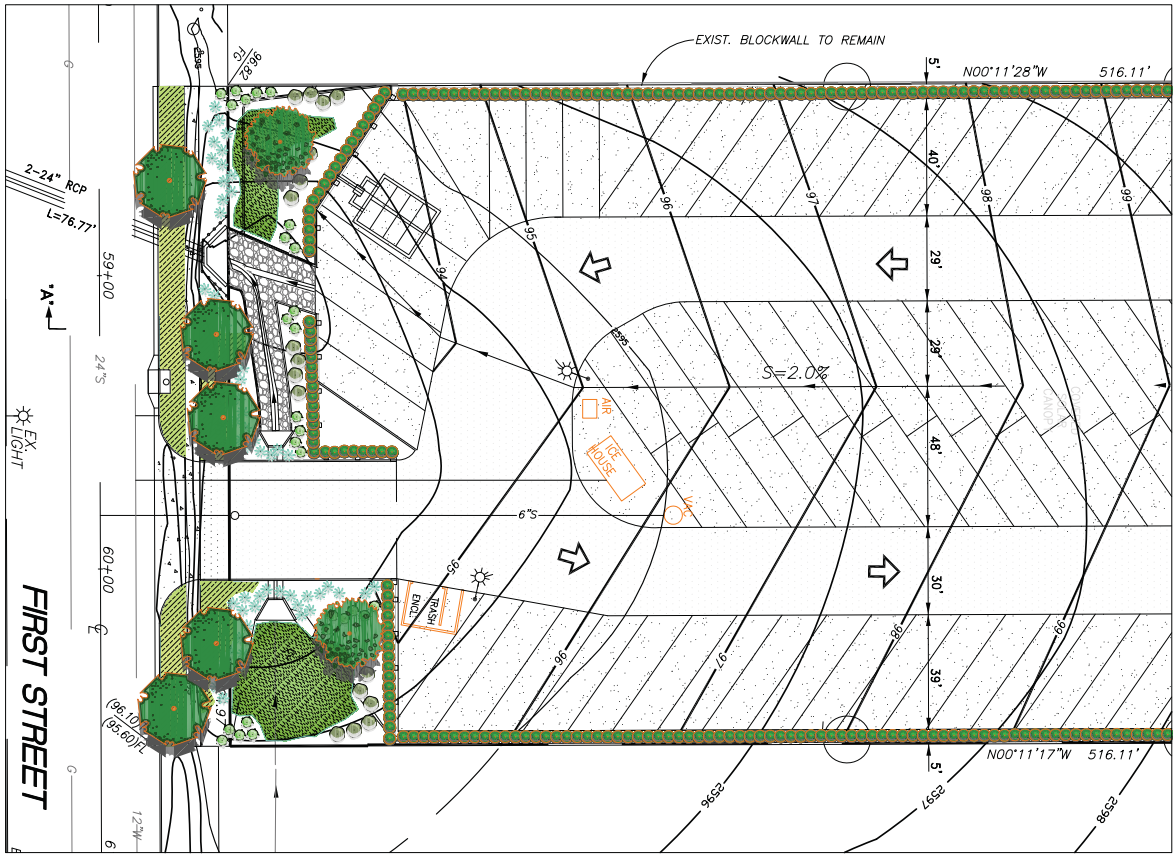
Staff Report prepared by Aaron Walker



**FIGURE 1 – APN 418-260-023**







**PLANT SCHEDULE**

TREES	BOTANICAL NAME / COMMON NAME	CODE	QTY	
	ACACIA STROPHOMYLLA / SHOEBRUSH ACACIA	1B 6AL	2	
	CAREX LASiocarpus / ITALIAN CYPRESS	5 6AL	231	
	COLEUTHERIA PANICULATA / GOLDEN RAIN TREE	1B 6AL	5	
SHRUBS	BOTANICAL NAME / COMMON NAME	SIZE	QTY	
	ANETHUS WEDD / STRAWBERRY TREE SHRUB	5 6AL	18	
	HEPERALOE PARVIFLORA YELLOW / YELLOW YUCCA	5 6AL	54	
	ROSA FLORIBUNDA VIGOROSA / ICEBERG ROSE	5 6AL	27	
SHRUB AREAS	BOTANICAL NAME / COMMON NAME	CODE	SQUARES	QTY
	MAHONDIAGRA RUBRA / DESK GRASS	1 6AL	607 sq. ft.	88
	ROSEMARYS OFFICINALIS HANINGTON CARETT / HANINGTON CARETT ROSEMARY	1 6AL	367 sq. ft.	260

Preliminary Water Use Calculations  
 MAWA = 198,073 gallons per year  
 EAWU = 97,813 gallons per year

# CITY OF BEAUMONT, CALIFORNIA

## GRADING PLANS FOR OAKRIDGE FIRST STREET RV AND BOAT STORAGE C.U.P. 2017-0005

**FIGURE 3**



**GENERAL NOTES**

- THE PLAN SHEETS WERE PREPARED BY THE CITY OF BEAUMONT ENGINEERING DEPARTMENT. THE CITY ENGINEER'S REVIEW AND APPROVAL IS LIMITED TO THE TECHNICAL ASPECTS OF THE PLAN SHEETS AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED TO THE CITY ENGINEER. THE CITY ENGINEER'S REVIEW IS LIMITED TO THE TECHNICAL ASPECTS OF THE PLAN SHEETS AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED TO THE CITY ENGINEER.
- APPROVAL OF THIS PLAN DOES NOT LESSEN OR WAIVE ANY PORTION OF THE STANDARDS OR OTHER ADDITIONAL DOCUMENTS LISTED HEREIN AS THEY MAY PERTAIN TO THE CITY ENGINEER'S REVIEW AND APPROVAL.
- THE CITY ENGINEER'S REVIEW AND APPROVAL IS LIMITED TO THE TECHNICAL ASPECTS OF THE PLAN SHEETS AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED TO THE CITY ENGINEER. THE CITY ENGINEER'S REVIEW IS LIMITED TO THE TECHNICAL ASPECTS OF THE PLAN SHEETS AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OF THE INFORMATION PROVIDED TO THE CITY ENGINEER.
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**CONSTRUCTION NOTES**

- CONSTRUCT ASPHALT CONCRETE OVER AGGREGATE BASE, SECTION PER SOILS REPORT.
- CONSTRUCT DRIVEWAY PER CITY ENGINEER'S REPORT.
- CONSTRUCT 5" WIDE SIDEWALK PER STREET IMPROVEMENT PLAN.
- CONSTRUCT GRAVEL PAVED PARKING AREA, SECTION PER SOILS ENGINEER'S REPORT.
- CONSTRUCT 10' WIDE X 12' HIGH RIP-RAP OPEN CHANNEL.
- CONSTRUCT 6" HIGH CHINA LINK FENCE LINED WITH WILES.
- CONSTRUCT 2-24" RCP STORM DRAIN LINE.
- CONSTRUCT RETAINING WALL PER CALTRANS STD. NO. DR0.
- 4" SLOPE LIGHT STANDARD.
- 6" WROUGHT IRON FENCE.
- PAVEMENT MARKING.
- CONSTRUCT RETAINING WALL (MAX. H=5.5) PER RIVERSIDE COUNTY STANDARDS.

**QUANTITIES**

31,634 S.F.  
1 EACH  
122 L.F.  
70,650 S.F.  
1,010 S.F.  
919 L.F.  
58 L.F.  
2 EACH  
1 EACH  
1 EACH  
1 EACH  
L.S.  
89 L.F.

**EARTHWORK**

CUT = 385 C.Y.  
FILL = 1,175 C.Y.  
SHORING = 91 C.Y.  
SUBSIDENCE = 258 C.Y.  
IMPORT = 430 C.Y.

**PRIVATE ENGINEERS NOTICE TO CONTRACTOR(S)**

- STRUCTURES SHOWN ON THESE PLANS ARE OBTAINED BY A SEARCH OF AVAILABLE RECORDS, TO THE BEST OF OUR KNOWLEDGE. THERE ARE NO RECORDS SHOWN FOR THE PROTECTION OF, AND ANY DAMAGE TO THESE LOTS OR STRUCTURES.
- IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO NOTIFY THE OWNER OF ANY ADJACENT STRUCTURES OR UTILITIES THAT MAY BE AFFECTED BY THE PROPOSED WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL UTILITIES SHOWN, AND ANY OTHER LINES OR STRUCTURES NOT SHOWN ON THESE PLANS.
- THE PRIVATE ENGINEER'S SOILING THESE PLANS IS RESPONSIBLE FOR ASSURING THE ACCURACY AND ACCEPTABILITY OF THE DESIGN HEREON. IN THE EVENT OF A DISCREPANCY OR ERROR IN THE DESIGN OR CONSTRUCTION, THE PRIVATE ENGINEER SHALL BE RESPONSIBLE FOR DETERMINING AN ACCEPTABLE SOLUTION AND REVISING THE PLANS FOR APPROVAL BY THE CITY.
- APPROVAL OF THESE PLANS APPLIES ONLY WITHIN THE JURISDICTION OF THE CITY OF BEAUMONT.
- THE CITY RESERVES THE RIGHT TO REQUIRE REVISION OF THE APPROVED CONSTRUCTION. THE PRIVATE ENGINEER SHALL BE RESPONSIBLE FOR DETERMINING AN ACCEPTABLE SOLUTION AND REVISING THE PLANS FOR APPROVAL BY THE CITY.

**LEGAL DESCRIPTION**

550 EAST FIRST STREET  
BEAUMONT, CA 92223

**ASSESSOR'S PARCEL NO.**  
419-200-023

**SITE ADDRESS**  
550 EAST FIRST STREET  
BEAUMONT, CA 92223

**SITE AREA**  
A = 116,100 S.F.  
= 2.67 AC.

**DISTURBANCE AREA**  
A = 116,100 S.F.  
= 2.67 AC.

**INDEX OF SHEETS**

SHEET 1 - TITLE SHEET - GENERAL NOTES  
SHEET 2 - PRECISE GRADING PLAN  
SHEET 3 - TEMPORARY EROSION CONTROL PLAN  
SHEET 4 - CONDITIONS OF APPROVAL

**DECLARATION OF RESPONSIBLE CHARGE**

I, THE ENGINEER, HEREBY DECLARE THAT I AM THE ENGINEER OF RECORD FOR THE DESIGN OF THE PROJECT AS SHOWN ON THESE PLANS. I UNDERSTAND THAT THE DESIGN OF THE PROJECT AS SHOWN ON THESE PLANS IS SUBJECT TO THE CHECK OF PROJECT DRAWINGS AND SPECIFICATIONS BY THE CITY OF BEAUMONT ENGINEERING DEPARTMENT. I UNDERSTAND THAT THE DESIGN OF THE PROJECT AS SHOWN ON THESE PLANS IS SUBJECT TO THE CHECK OF PROJECT DRAWINGS AND SPECIFICATIONS BY THE CITY OF BEAUMONT ENGINEERING DEPARTMENT.

DATE: 11/27/18

**OWNER/APPLICANT:**  
300 E. STATE STREET, # 2ND FLOOR  
RELANDS, CA 92273  
TEL: (909) 751-8444

**LEGAL DESCRIPTION:**  
550 EAST FIRST STREET  
BEAUMONT, CA 92223

**ASSESSOR'S PARCEL NO.:**  
419-200-023

**SITE ADDRESS:**  
550 EAST FIRST STREET  
BEAUMONT, CA 92223

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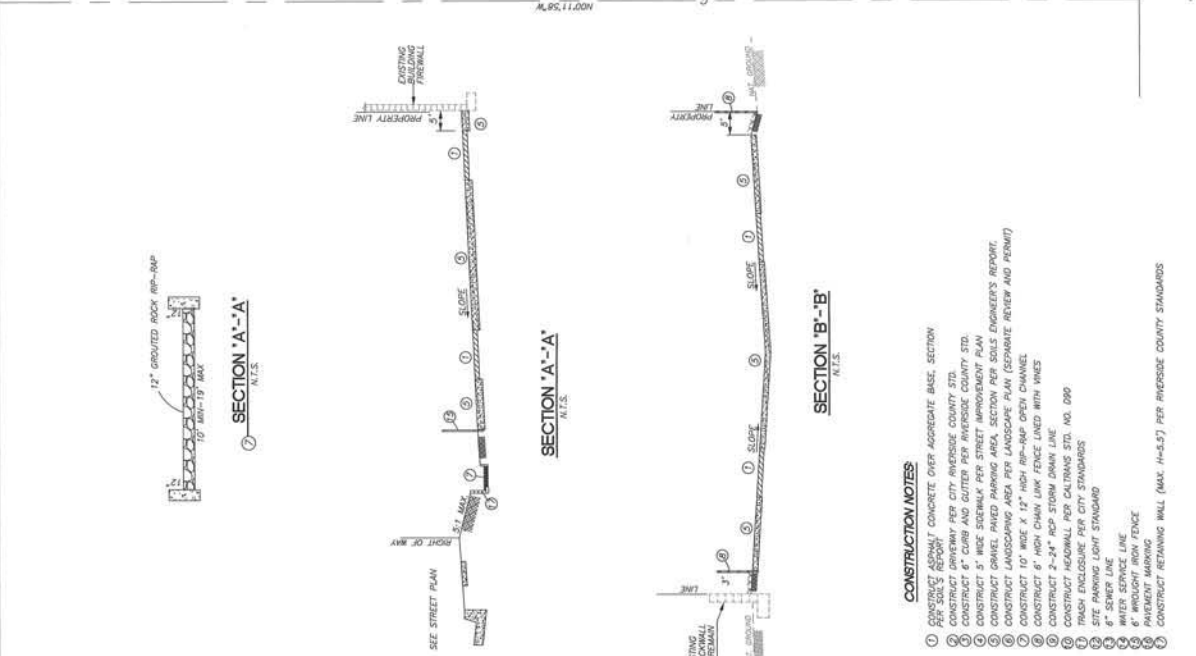
DATE: 11/27/18

	DESIGNED BY:	DATE:
	CHECKED BY:	DATE:
	TITLE:	DATE:
	DATE:	DATE:
CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT 11/27/18		
<b>BENCHMARK:</b> CITY OF BEAUMONT BN NO. 05.A.8 ELEV. 2631.257, NOV 29		
CITY OF BEAUMONT, CALIFORNIA GRADING PLANS FOR: <b>OAKRIDGE FIRST STREET          RV AND BOAT STORAGE</b>		
TITLE SHEET OF 4 SHEETS FILE NO.		



10	FREEMAN	10	STREET
10	THIRD	10	STREET
10	FIRST	10	STREET

VICINITY MAP  
100' TO SCALE



- CONSTRUCTION NOTES**
- CONSTRUCT ASPHALT CONCRETE OVER AGGREGATE BASE, SECTION
  - CONSTRUCT DRIVEWAY PER CITY RIVERSIDE COUNTY STD.
  - CONSTRUCT 4" CURB AND GUTTER PER RIVERSIDE COUNTY STD.
  - CONSTRUCT 5" WIDE SIDEWALK PER STREET IMPROVEMENT PLAN
  - CONSTRUCT DRAINEL PAVED PARKING AREA, SECTION PER SOILS ENGINEER'S REPORT.
  - CONSTRUCT LANDSCAPING AREA PER LANDSCAPE PLAN (SEPARATE REVIEW AND PERMIT)
  - CONSTRUCT 10" WIDE X 12" HIGH RIP-RAP OPEN CHANNEL
  - CONSTRUCT 5" HIGH CHAIN LINK FENCE LINED WITH VINES
  - CONSTRUCT 2'-24" RCP STORM DRAIN LINE
  - CONSTRUCT 4" RCP SERVICE LINE PER CHANDS STD. NO. 090
  - CONSTRUCT 6" RCP SERVICE LINE PER CHANDS STD. NO. 090
  - CONSTRUCT 8" SERVICE LINE
  - WHEN SERVICE LINE
  - 6" WROUGHT IRON FENCE
  - CONSTRUCT RETAINING WALL (MAX. H=4.57) PER RIVERSIDE COUNTY STANDARDS

REVISION	DATE	BY	APP'D

BENCHMARK: CITY OF BEAUMONT BLMG 05A-02  
ELEV. 2631.251, NOV10.29

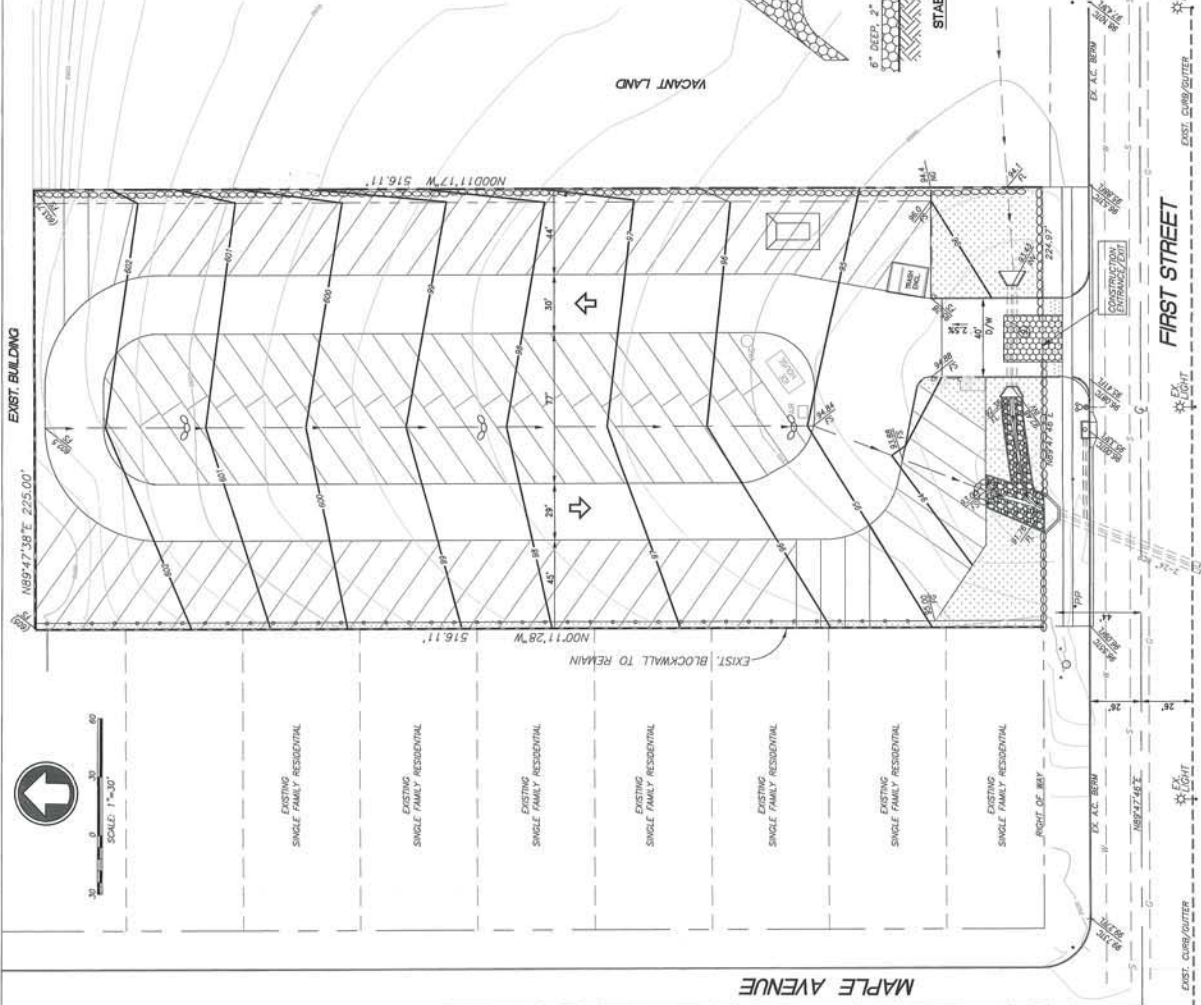
HP ENGINEERING, INC.  
1445 CROFTVIEW ROAD, BEAUMONT, CA 92724  
TEL: (909) 338-8200 FAX: (909) 338-9949

11/27/16

DATE

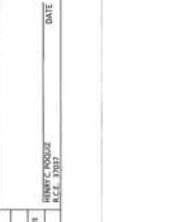
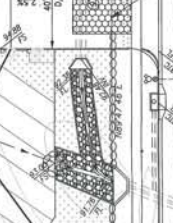
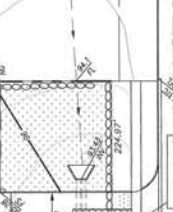
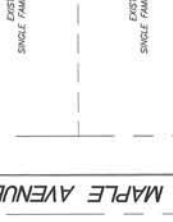
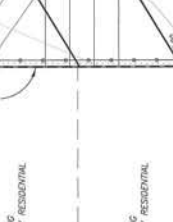
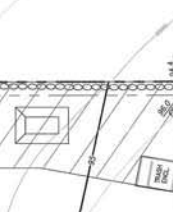
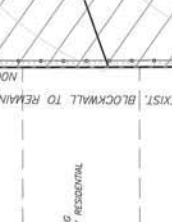
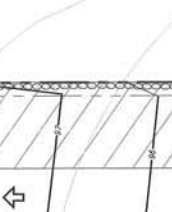
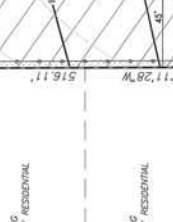
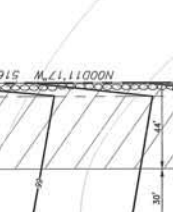
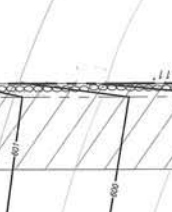
	REVIEWED BY: _____ DATE: _____ RECOMMENDED FOR APPROVAL BY: _____ DATE: _____ APPROVED BY: _____ DATE: _____	CITY OF BEAUMONT, CALIFORNIA GRADING PLANS FOR: <b>OAKRIDGE FIRST STREET          RV AND BOAT STORAGE</b>	SHEET <b>2</b> OF 4 SHEETS FILE NO.
	CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT ENGINEERING DIVISION	PRECISE GRADING PLAN	HP ENGINEERING, INC. 1445 CROFTVIEW ROAD, BEAUMONT, CA 92724 TEL: (909) 338-8200 FAX: (909) 338-9949

FREEMANTH AVENUE TO  
 STREET  
 MAPLE AVENUE  
 FIRST STREET  
 VICINITY MAP  
 2017-10-20



**BEST MANAGEMENT PRACTICES**  
 THE FOLLOWING BMPs AS OUTLINED IN, BUT NOT LIMITED TO, THE CALIFORNIA STORMWATER BMP MANUAL, THE LATEST EDITION, SHALL BE INSTALLED AND MAINTAINED THROUGHOUT THIS PROJECT. ADDITIONAL MEASURES MAY BE REQUIRED IF DETERMINED APPROPRIATE BY CITY/COUNTY AGENCIES.

SC-1	SCHEMATIC TWP	AS-12	CONCRETE CURING
SC-2	CHECK DAM	AS-13	CONCRETE FINISHING
SC-3	SWALE	SC-1	CONCRETE JOINTS
SC-4	SWALE BANDS	SC-2	DRAINAGE/GRADIENT
SC-5	SWALE INLET PROTECTION	SC-3	DRAINAGE/GRADIENT
SC-6	SWALE INLET PROTECTION	SC-4	SWALE PROTECTION AND CONTROL
SC-7	SWALE INLET PROTECTION	SC-5	SWALE PROTECTION AND CONTROL
SC-8	SWALE INLET PROTECTION	SC-6	SWALE PROTECTION AND CONTROL
SC-9	SWALE INLET PROTECTION	SC-7	SWALE PROTECTION AND CONTROL
SC-10	SWALE INLET PROTECTION	SC-8	SWALE PROTECTION AND CONTROL
SC-11	SWALE INLET PROTECTION	SC-9	SWALE PROTECTION AND CONTROL
SC-12	SWALE INLET PROTECTION	SC-10	SWALE PROTECTION AND CONTROL
SC-13	SWALE INLET PROTECTION	SC-11	SWALE PROTECTION AND CONTROL
SC-14	SWALE INLET PROTECTION	SC-12	SWALE PROTECTION AND CONTROL
SC-15	SWALE INLET PROTECTION	SC-13	SWALE PROTECTION AND CONTROL
SC-16	SWALE INLET PROTECTION	SC-14	SWALE PROTECTION AND CONTROL
SC-17	SWALE INLET PROTECTION	SC-15	SWALE PROTECTION AND CONTROL
SC-18	SWALE INLET PROTECTION	SC-16	SWALE PROTECTION AND CONTROL
SC-19	SWALE INLET PROTECTION	SC-17	SWALE PROTECTION AND CONTROL
SC-20	SWALE INLET PROTECTION	SC-18	SWALE PROTECTION AND CONTROL



HP ENGINEERING, INC.  
 CIVIL ENGINEERING, LAND SURVEYING  
 1445 CANTRELL ROAD, BEAUMONT, CA 92724  
 TEL: (925) 338-8338 FAX: (925) 338-8460

REVIEWED BY: [Signature]  
 CHECKED BY: [Signature]  
 SCALE: [Scale]  
 DATE: 11/27/18

PROJECT NO.: [Project No.]  
 SHEET NO.: 3 OF 4 SHEETS  
 FILE NO.: [File No.]

CITY OF BEAUMONT, CALIFORNIA  
 GRADING PLANS FOR:  
**OAKRIDGE FIRST STREET  
 RV AND BOAT STORAGE**

TEMPORARY EROSION CONTROL PLAN

SHEET 3 OF 4 SHEETS  
 FILE NO.

CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT  
 ENGINEERING DIVISION

DATE: 11/27/18

HP ENGINEERING, INC.  
 CIVIL ENGINEERING, LAND SURVEYING  
 1445 CANTRELL ROAD, BEAUMONT, CA 92724  
 TEL: (925) 338-8338 FAX: (925) 338-8460

REVIEWED BY: [Signature]  
 CHECKED BY: [Signature]  
 SCALE: [Scale]  
 DATE: 11/27/18

PROJECT NO.: [Project No.]  
 SHEET NO.: 3 OF 4 SHEETS  
 FILE NO.: [File No.]



57538

lot 21674



# BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue • PO Box 2037  
Beaumont, CA 92223-2258  
Phone (951) 845-9581  
www.bcvwd.org

Will Serve Request     Water Supply Assessment (SB210)

Applicant Name: <b>CHRIS STARK - GO RV STORAGE</b>		Contact Phone #: <b>951-634-4590</b>
Mailing Address: <b>300 E. STATE ST #360</b>		Fax #:
City: <b>REDLANDS</b>	E-mail: <b>oakridgedd@gmail.com</b>	
State & Zip: <b>CA 92373</b>		
Service Address: <b>550 E. FIRST ST.</b>		
Assessor's Parcel Number (APN), Tract Map No. Parcel Map No.: <b>418-260-023-8</b>		
Project Type: <input type="checkbox"/> Single-Family <input type="checkbox"/> Multi-Family <input checked="" type="checkbox"/> Commercial/Industrial <input type="checkbox"/> Minor Subdivision (5 lots or less) <input type="checkbox"/> Major subdivision (6+ lots) <input type="checkbox"/> Other		
Site Map Attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

The letter should be delivered to:

Recipient: CHRIS STARK  
300 E. STATE ST #360  
REDLANDS, CA 92373

PLEASE CHOOSE ONE:

Mail (above address)     E-mail  
 Fax     Will pick up

The District reserves the right to impose terms and conditions in Will Serve Letters and/or Water Supply Assessment Reports that take into account water availability issues, conservation issues and the District's existing facilities, all of which impact the District's ability to provide service to the subject property and maintain the District's ability to meet existing water demands.

Applicant's Signature

2-27-19  
Date

FEB 28 2019



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 8

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Consideration of Request for Variance to Conditional Water Service “Will Serve Letter” for Riverside County Assessor’s Parcel No. 401-141-010 located on Avenida Miravilla, Northeast of the Edgar Canyon Road, Avenida Miravilla Intersection in the Community of Cherry Valley**

---

**Staff Recommendation**

Consider the request for variance to conditional water service “Will Serve Letter” for a property located on Avenida Miravilla, identified as **Riverside County Assessor’s Parcel No. (APN) 401-141-010** within the community of Cherry Valley:

- A. Approve the Applicant’s request for variance to the conditionally approved water service “Will Serve Letter,” or;
- B. Deny the request for variance to water service “Will Serve Letter”

**Background**

The Applicant, Hendrik Becker (Master Development LLC), was conditionally approved for water service on April 10, 2019 by the Beaumont-Cherry Valley Water District (BCVWD) Board of Directors for a proposed single family residence to be constructed on an existing parcel of land located on Avenida Miravilla and further identified as Riverside County Assessor’s Parcel No. (APN) 401-141-010. In the April 10, 2019 Regular Board meeting Staff Report, the District set a condition requiring the Applicant design and construct an 8-inch water main along all property frontages where facilities are planned which are referenced in the District’s 2016 Potable Water System Master Plan.

Following the April 10, 2019 Regular Board meeting, the Applicant met with District Staff and requested the District consider allowing the Applicant design and construct the 8-inch water main within the Avenida Miravilla right-of-way but outside of the roadway. Allowing the Applicant to design and construct the 8-inch water main out of the paved roadway, would benefit the Applicant by reducing substantial costs due to associated asphalt pavement repair activities which would most likely be required by the County of Riverside. The District was willing to consider the idea of constructing the water main in the right-of-way, but requested the Applicant have the section of Avenida Miravilla that fronts his property surveyed to ensure the work would be feasible.

On June 12, 2019, the Applicant presented a letter to the BCVWD Board of Directors, which was read aloud, requesting the District accept a variance to the conditions which were set at the April 10, 2019 Regular Board meeting as subsequently discussed with the Applicant. In the request for variance (letter), the Applicant has requested the Board to consider allowing the Applicant take service from an existing 4-inch water main located at the northwest corner of the Applicant’s property.



If the BCVWD Board of Directors were to approve the request for variance, District Staff would need to identify whether the project demands would meet Riverside County Fire's requirements.

This issue is a typical condition across much of the 330 and 3620 pressure zones (Mesa area) and most of the remaining properties to be developed require some form of main extension to acquire service.

Should a variance be provided to the Applicant, a precedent might be set for developments within the District's service area, in this area as well as across the District as a whole. The condition requiring new developments extend facilities across all frontages of a property has been an enforced District requirement for all previous developments and is a typical industry standard. The potential for future developments referencing this variance and asking for similar variance in the future may be problematic for the District moving forward.

The Applicant's request for variance letter submitted to the District also included a request that the District consider an alternate request if the above variance is not approved, allowing the applicant hold a bond towards the design and construction of the 8-inch water main in the future if the Board of Directors does not approve the request for variance.

Similar to the concerns regarding not requiring the Applicant extend facilities along all property frontages, the District is concerned that this too will set a precedent by allowing future developments not to either provide the design for or construct the required District's infrastructure to service their properties. This activity could result in the existing rate payers ultimately having to pay for and construct new facilities required to service one (1) individual parcel of land.

In conclusion, District staff recommends working with the Applicant by considering construction of the 8-inch water main be constructed in the right-of-way once the section of Avenida Miravilla is surveyed and the construction of said water main is proven feasible.

### **Fiscal Impact:**

None. All fees and deposits will be paid by the Applicant prior to providing service.

### **Attachments**

Figure 1 – APN 401-141-010

Figure 2 – BCVWD 3330 Pressure Zone 2016 Master Plan

Figure 3 – Proposed Site Plan APN 401-141-010

Figure 4 – April 10, 2019 Regular Board meeting Staff Report

Figure 5 – June 11, 2019 Letter to BCVWD Board from Hendrick Becker

Application for Water Service for Riverside County APN 401-141-010 (Avenida Miravilla)

Staff Report prepared by Aaron Walker, Engineering Office Assistant





FIGURE 1 – APN 401-141-010

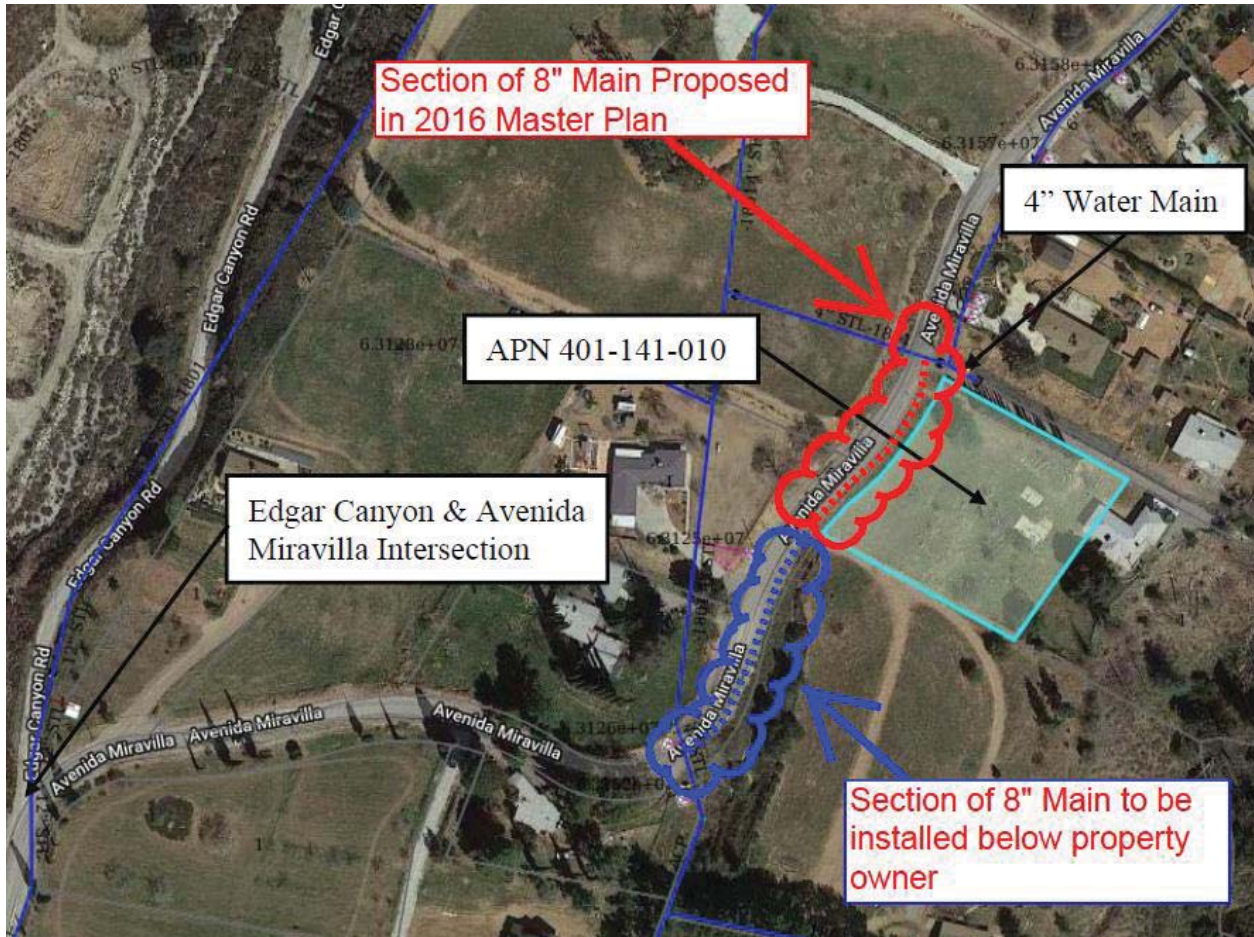
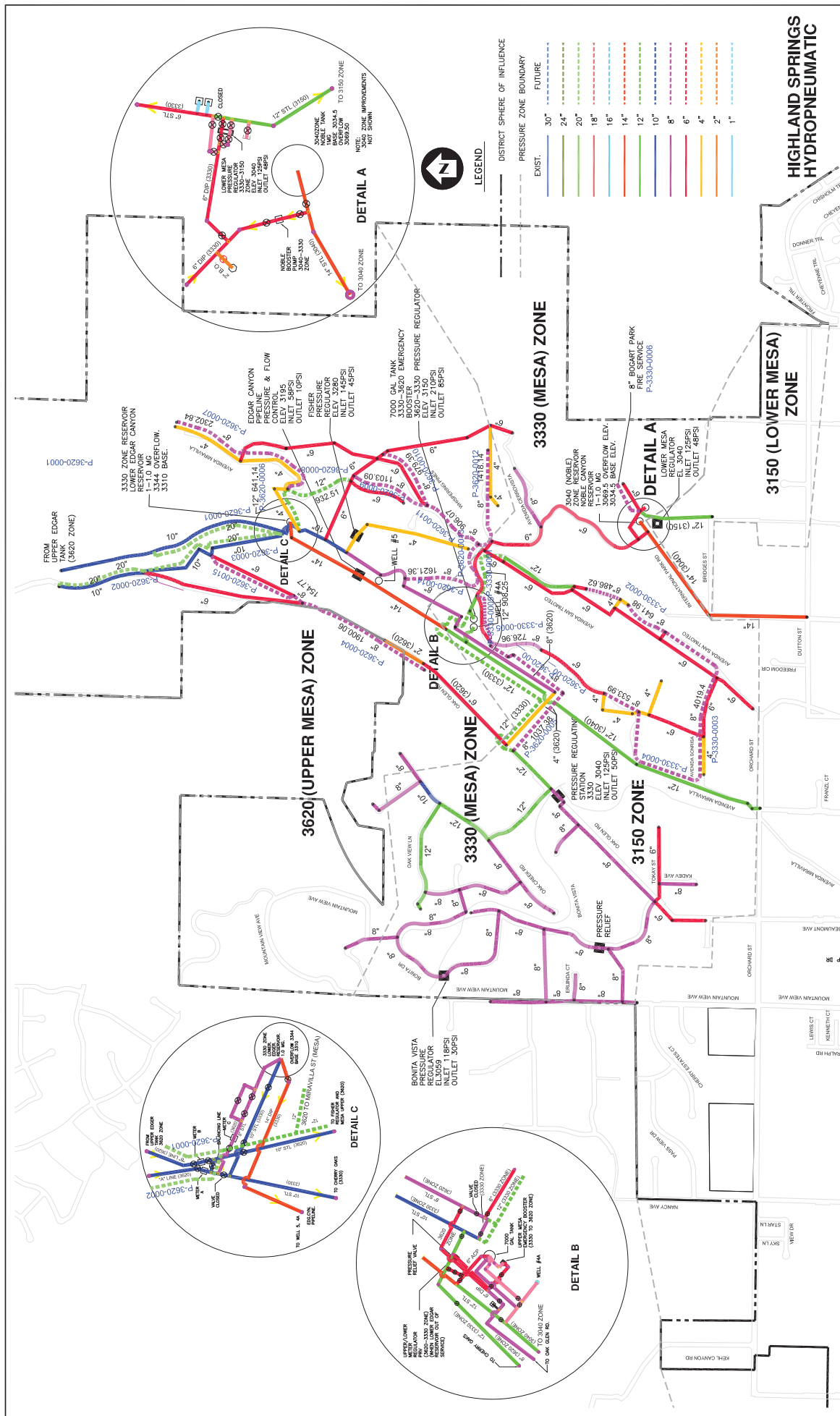


Figure 2 BCVWD 3330 Pressure Zone 2016 Master Plan



BEAUMONT CHERRY VALLEY WATER DISTRICT  
 3620 (NOBLE) & 3330 (MESA) ZONES

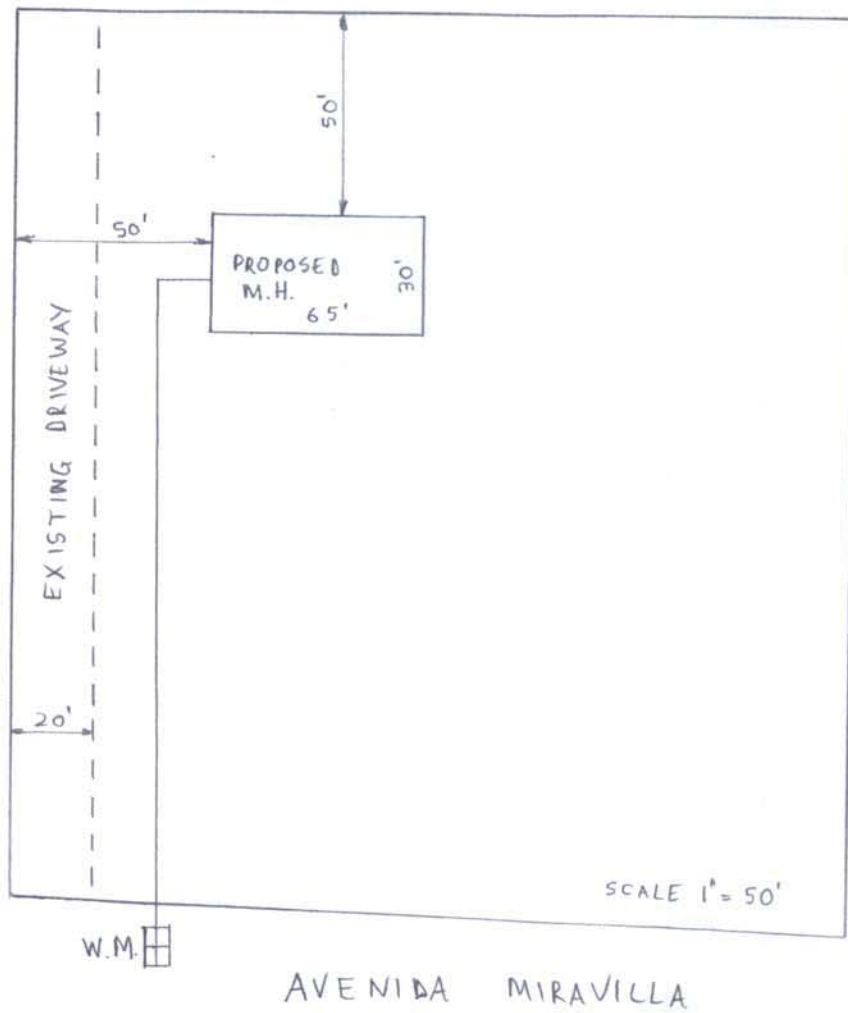
WATER MASTER PLAN

456 E. VANDERBILT WAY, SAN BERNARDINO, CALIFORNIA 92408  
 Phone 1-909-890-5611

**NOBEL**

FIGURE 3

PROPOSED SITE PLAN APN 401-141-010



## FIGURE 4



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
April 10, 2019**

**Item 5  
Attachment**

### STAFF REPORT

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** Consideration of Request for “Will Serve Letter” for Riverside County Assessor’s Parcel No. 401-141-010 located on Avenida Miravilla, Northeast of the Edgar Canyon Road, Avenida Miravilla Intersection in the Community of Cherry Valley

---

#### **Staff Recommendation**

Consider the request for water service “Will Serve Letter” for a property located on Avenida Miravilla, identified as **Riverside County Assessor’s Parcel No. (APN) 401-141-010** within the community of Cherry Valley, subject to payment of all fees to the District and securing all approvals from the County of Riverside and:

- A. Approve the Application for Water Service and furnish “Will Serve Letter”, or;
- B. Deny the Application for Water Service

#### **Background**

The Applicant, Master Development LLC, has requested water service from the District for a proposed single family residence to be constructed on an existing parcel of land located on Avenida Miravilla and further identified as Riverside County Assessor’s Parcel No. 401-141-010.

Subject property is located on Avenida Miravilla, northeast of the Edgar Canyon Road, Avenida Miravilla intersection in the Community of Cherry Valley, California (see Figure 1 attached). Said property has not yet been designated a numeric address. This parcel is currently within the District’s Service Boundary within the District’s 3330 pressure zone and the District has confirmed there is a 6-inch water main at the northwest corner of the property. The Applicant plans to build a single family residence on the parcel identified on Figure 1. The Applicant will need to secure the necessary approvals from the County of Riverside.

The District’s 2015 Master Plan Update identifies that an 8-inch water main extension along the property frontage is required. Said extension would be required to connect to the existing 6-inch water main located north of said parcel.

The impact of this residence on the District’s water supply system is minimal. The Applicant will be required to prepare and construct water main drawings across said property frontage and pay all applicable District Fees, including Facilities Fees, and installed water service. The Applicant will be required to pay all actual applicable fees in effect at the time of application for service installation.

Final meter size will be determined by the Applicant. Fire Flow requirements will be determined by the County of Riverside Fire Department and said requirements will dictate actual required Fire Hydrant Fire Flows and residential fire sprinkler requirements for the residence.



### **Conditions:**

The Applicant shall conform to all District requirements for water service and all County of Riverside requirements.

The Applicant will be responsible to design and construct an 8-inch water main extension along all property frontages where facilities are forecasted in the District's Potable Water System Master Plan. 8-inch water main located within Avenida Miravilla.

To minimize the use of potable water, the District requires the applicant to conform to the County of Riverside Landscaping Ordinances which pertains to water efficient landscape requirements and the following:

1. Landscaped areas which have turf, shall have "smart irrigation controllers" which use Evapotranspiration (ET) data to automatically control the watering. Systems shall have an automatic rain sensor to prevent watering during and shortly after rainfall, automatically determine watering schedule based on weather conditions, and not require seasonal monitoring changes. Orchard areas, if any, shall have drip irrigation.
2. Landscaping in non-turf areas should be drought-tolerant, consisting of planting materials similar to that at the District's demonstration garden at the Noble Creek Groundwater Recharge site. Irrigation systems for these areas should be drip or bubbler type.

### **Fiscal Impact:**

None. All fees and deposits will be paid by the Applicant prior to providing service.

### **Attachments**

Figure 1 – APN 401-141-010

Figure 2 – BCVWD 3330 Pressure Zone 2015 Master Plan – APN 401-141-010

Figure 3 – Proposed Site Plan APN 401-141-010

Application for Water Service for Riverside County APN 401-141-010 (Avenida Miravilla)

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**MASTER DEVELOPMENT LLC**

909-522-4618  
[masterdevelopment@protonmail.com](mailto:masterdevelopment@protonmail.com)

13045 South Ln  
Redlands, CA 92373

June 11, 2019  
John Covington  
Chairman of the Board  
BCVWD  
560 Magnolia Avenue  
Beaumont, CA 92223

Dear Mr. Chairman,

I am writing to you and the board to respectfully request a variance in the requirements submitted to me in my request for service at 9584 Avenida Miravilla, Cherry Valley. In order for me to receive service I have to do an 8" main line extension of 230' along the front of my property, as well as to install a new fire hydrant.

The property behind me is already receiving service with the line running through my property to get there.

The Fire department already cleared my permit to build based on the existing fire flow data and with the added sprinkler requirements involved.

My manufactured house will arrive in the first week of July.

If no variance is possible, may I request for you to consider a bond that I pay towards the future extension project, so that I can just receive the service needed at my house at this time.

Thank you for your kind consideration.

Sincerely,



Hendrik Becker

5761



# BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue • PO Box 2037  
Beaumont, CA 92223-2258  
Phone (951) 845-9581  
www.bcvwd.org

lot  
216916

Will Serve Request     Water Supply Assessment (SB210)

Applicant Name: Master Development LLC	Contact Phone # 909-522-4618
Mailing Address: 13045 SOUTH LANE	Fax #:
City: REDLANDS	E-mail: masterdevelopment@protonmail.com
State & Zip: CA 92373	
Service Address: Avenida Miravilla / Edgar Canyon Rd.	
Assessor's Parcel Number (APN), Tract Map No., Parcel Map No.:	401-141-010
Project Type: <input checked="" type="checkbox"/> Single-Family <input type="checkbox"/> Multi-Family <input type="checkbox"/> Commercial/Industrial <input type="checkbox"/> Minor Subdivision (5 lots or less) <input type="checkbox"/> Major subdivision (6+ lots) <input type="checkbox"/> Other	
Site Map Attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

The letter should be delivered to:

Recipient: HENDRIK BECKER

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLEASE CHOOSE ONE:

Mail (above address)     E-mail  
 Fax     Will pick up

The District reserves the right to impose terms and conditions in Will Serve Letters and/or Water Supply Assessment Reports that take into account water availability issues, conservation issues and the District's existing facilities, all of which impact the District's ability to provide service to the subject property and maintain the District's ability to meet existing water demands.

Hendrik M. Becker  
Applicant's Signature

03-05-2019  
Date

MAR 13 2019  
BY:



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

Item 11

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Update: Status of District Wells, Capital Improvements, and Engineering Projects**

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**Staff Recommendation**

No recommendation.

**Background**

Beginning in late 2017, the Board approved a number of Capital Improvement, Engineering and Well repair and rehabilitation projects, either as part of the annual program to ensure quality of supply and serviceable equipment, or out of necessity due to equipment failure. The purpose of this staff report is to update the Board on all major Capital Improvement, Engineering and Well repair and rehabilitation projects that are ongoing or are upcoming in the near future.

**Summary**

The attached tables set forth the current status of said on-going projects.

**Attachments**

Table 1 – 2019 Board Approved Facility Replacement and Well Site Repair, Rehabilitation, and Replacement

Table 2 – On-going Capital Improvement Projects

Table 3 – Upcoming Capital Improvement Progress

Prepared by Erica Gonzales, Administrative Assistant



Table 1 2018-19 Board Approved Facility Replacement and Well Site Repair, Rehabilitation, and Replacement							
Potable Infrastructure Project Description	Total Anticipated Project Amount	Total Project Expenses	Y-T-D Actuals 2019	Funding Source	Current Status	Project Notes	
Well 21 and Booster 21A	\$ 70,837	\$ 59,889	\$ 59,889	Capital Replacement Reserve	Complete	New motors installed and in service	
Well 22 Repair and Rehabilitation	\$ 217,660	\$ 205,736	\$ 20,689	Capital Replacement Reserve	Ongoing	Work complete pending landscaping, and paint	
Well 3 Repair and Rehabilitation	\$ 113,240	\$ 29,211	\$ 29,211	Capital Replacement Reserve	Ongoing	Completion pending well chemical treatment, instalation of new equipment, flushing and sampling	
Well 4A Repair and Rehabilitation	\$ 80,000	\$ -	\$ -	Capital Replacement Reserve	Underway	Contract has been executed, work starting soon	
Well 10 Repair and Rehabilitation	See Well 4A	\$ -	\$ -	Capital Replacement Reserve	Underway	Contract has been executed, work starting soon	
Well 18 Repair and Rehabilitation	See Well 4A	\$ -	\$ -	Capital Replacement Reserve	Underway	Contract has been executed, work starting soon	

# Beaumont-Cherry Valley Water District

Table 2 Ongoing Capital Improvement Plan (CIP) Projects								
Project No.	Project Description	Approved CIP Cost	Total Project Costs (May 31, 2019)	% Expended	Budget 2019	Y-T-D Costs (May 31, 2019)	% Completion	Funding Source
WR-REWTR-Plan	Recycled Water Masterplan Update 2016	\$ 25,000	\$ 88,997	356%	\$ -		60%	Facilities Fees
WR	Grand Avenue Storm Drain	\$ 2,145,810	\$ 38,942	2%	\$ 1,158,434	\$ 576	20%	Facilities Fees
W-2750-0005	Replace 2750 Zone Well 1	\$ 4,130,856	\$ 31,965	1%	\$ 3,660,650	\$ 1,135	1%	Facilities Fees
W-2750-0001	Replacement for Well 2	\$ 5,360,424	\$ 30,807	1%	\$ 2,356,775	\$ 1,135	1%	Capital Replacement Reserve
W-2750-0002	2750 Zone Well in Noble Creek Regional Park	\$ 5,978,918	\$ 16,732	0%	\$ 5,041,310		1%	Facilities Fees
W-2850-0001	New Beaumont Basin Well on Pardee Sundance Site	\$ 5,844,739	\$ 16,004	0%	\$ 2,482,399		1%	Facilities Fees
M-2750-0001	2850/2750 Pressure Reducing Station & Piping (Cherry Reservoir)	\$ 51,898	\$ 869	2%	\$ 51,898		1%	Capital Replacement Reserve
M-2850-0001	Well 25 East Block Wall and Entrance Gate	\$ 51,900	\$ 4,761	9%	\$ 51,900		15%	Facilities Fees
M-0000-0001	800hp Spare Motor	\$ 129,512	\$ 2,433	2%	\$ 129,512		2%	Capital Replacement Reserve
M-3040-0002	Noble Booster Pump and Motor (Spare Pump & Motor)	\$ 23,211	\$ 2,978	13%	\$ 23,211		13%	Capital Replacement Reserve
NPT-2800-001	Raw Water Filter System at 2800 PZ Tank	\$ 261,308	\$ 2,235	1%	\$ 261,308		1%	Facilities Fees
T-3040-0001	Pressure Zone Pipeline	\$ 1,238,531	\$ 19,265	2%	\$ 55,649	\$ 5,326	70%	Facilities Fees
T-3040-0001	2 MG 3040 Zone Tank	\$ 3,664,982	\$ 172,801	5%	\$ 148,229	\$ 12,687	70%	Facilities Fees
P-2750-0069	Egan Ave-California Ave. Alley, 5th to 7th	\$ 183,896	\$ 52,536	29%	\$ 183,896	\$ 5,483	70%	Capital Replacement Reserve
P-3620-0012	Ave Altejo Bella, Ave Miravilla to end of cul-de-sac	\$ 257,504	\$ 52,670	20%	\$ 257,504	\$ 5,619	70%	Capital Replacement Reserve

Beaumont-Cherry Valley Water District

Table 2 Ongoing Capital Improvement Plan (CIP) Projects									
Project No.	Project Description	Approved CIP Cost	Total Project Costs (May 31, 2019)	% Expended	Budget 2019	Y-T-D Costs (May 31, 2019)	% Completion	Funding Source	
P-3620-0015	Appletree Ln, B line to Oak Glen Rd	\$ 659,530	\$ 51,687	8%	\$ 659,530	\$ 6,167	70%	Capital Replacement Reserve	
M-0000-0002	Chlorination Retrofit At Misc. Wells (6 Well Sites)	\$ 68,189	\$ 31,615	46%	\$ 36,574		46%	Capital Replacement Reserve	
IT-NETW-0004	Email Spam Protection/Archive Solution	\$ 6,917	\$ 922	13%	\$ 6,917		80%	Capital Replacement Reserve	
IT-SCAD-0002	Wonderware SCADA Phase 2 Project	\$ 391,596	\$ 263	0%	\$ 391,596		50%	Capital Replacement Reserve	
IT-NETW-0002	Redundant SAN Project	\$ 51,417	\$ 49,807	97%	\$ 23,467	\$ 49,807	100%	Capital Replacement Reserve	
IT-NETW-0012	Server Replacement Project	\$ 51,771	\$ 50,737	98%	\$ 51,771	\$ 50,737	100%	Capital Replacement Reserve	
WR-SITES-Reser.	Investment in Sites Reservoir Project	\$ 4,000,000	\$ 406,200	10%	\$ 73,800	\$ 240,000	20%(1)	Facilities Fees	
IT-NETW-0006	Workstation Replacement project (50 units @ \$1,000 per unit - 33% per year)	\$ 101,392	\$ 31,981	32%	\$ 20,597	\$ 3,461	75% (2)	Capital Replacement Reserve	
IT-ADMIN-0003	Front Office Space Reconfiguration and Furniture Replacement	\$ 38,500	\$ 1,387	4%	\$ 38,500	\$ 1,387	15%	Capital Replacement Reserve	
VE-EQIP-0004	Confined Space Retrieval System	\$ 15,000	\$ 12,402	83%	\$ 15,000	\$ 12,402	100%	Capital Replacement Reserve	
	Well Eyewash Station Additions	\$ 51,630	\$ 17	100%	\$ -	\$ 17	1%	Capital Replacement Reserve	
	Engineering Office Tenant Improvements/Furniture	\$ -	\$ 9,502	100%	\$ -	\$ 9,502	100% (3)	Capital Replacement Reserve	
IT-SCAD-0004	AMR / AMI Deployment Project	\$ 4,044,735	\$ 407,732	10%	\$ 1,890,335	\$ 122,345	50%	Capital Replacement Reserve	

NOTES:

- (1) BCVWD is a participant in this project , currently in Phase II, for 4,000 AF
- (2) Project completion % for 2019 portion
- (3) Budget from IT-ADMIN-0003 used to fund

# Beaumont-Cherry Valley Water District

**Table 3**  
**2019 Upcoming Capital Improvement Plan (CIP) Projects**

Project No.	Project Description	Approved Capital Improvement Budget Cost	Funding Source	Priority (1 -5)
M-0000-0002	Chlorination Retrofit at Misc. Wells	\$ 68,189	Capital Replacement Reserve	2
TM-3040-0001	Highland Springs Reservoir Recoat & Retrofit	\$ 375,201	Capital Replacement Reserve	2
TM-3330-0001	Lower Edgar Reservoir Recoat & Retrofit	\$ 375,201	Capital Replacement Reserve	2
BP-2850-0001	2850 Zone to 3040 Zone Booster Pump Station	\$ 3,921,014	Facilities Fees	2 - 3
W-2850-0003	New Beaumont Basin Well Noble Creek Meadows	\$ 6,688,707	Facilities Fees	5
PR-3330-0001	3330 to 3150 Lower Mesa, Noble Regulator	\$ 37,286	Capital Replacement Reserve	4
PR-3620-0001	3620 to 3330 Fisher Pressure Regulator	\$ 37,286	Capital Replacement Reserve	3
-	Arc Flash Study and Improvement Project	\$ 58,708	Capital Replacement Reserve	1
-	Well Eyewash Station Additions	\$ 51,630	Capital Replacement Reserve	1
-	Well 29 Primary Conductor Replacement	\$ 17,360	Capital Replacement Reserve	1
-	Well 21 Generator Conduit and Wiring	\$ 33,090	Capital Replacement Reserve	1
-	Climate Control for High Horsepower Electrical Buildings	\$ 50,000	Capital Replacement Reserve	2
NBP-2600-0001	2600 Zone to 2800 Zone Booster Pump Station	\$ 4,729,888	Facilities Fees	1
NPR-2600-0001	2600 Zone Non-potable Regulation and Metering Station	\$ 362,475	Facilities Fees	3 - 4

# Beaumont-Cherry Valley Water District

**Table 3**  
**2019 Upcoming Capital Improvement Plan (CIP) Projects**

Project No.	Project Description	Approved Capital Improvement Budget Cost	Funding Source	Priority (1 -5)
NBP-2600-0003	2600 Zone Non-potable Booster at CoB Treatment Plant	\$ 2,789,545	Facilities Fees	3 - 4
NPR-2800-0001	2800 to 2600 Non-potable Water Pressure Regulator	\$ 211,431	Facilities Fees	2
NPT-2800-001	Raw Water Filter System at 2800 PZ Tank	\$ 261,308	Facilities Fees	2 - 3
NT-2800-0001	2MG Non-potable 2800 Zone Tank	\$ 200,018	Facilities Fees	3 - 4
NWR-2600-0002	San Timoteo Creek Non-potable Extraction Wells	\$ 4,980,678	Facilities Fees	2 - 3
P-3040-0021	Lincoln St., Noble St to West end	\$ 326,050	Capital Replacement Reserve	4
P-3040-0022	Friendship Dr., Vineland St. to End	\$ 120,347	Capital Replacement Reserve	4
P-3040-0025	Star Ln, Sky Ln, and View Dr	\$ 374,235	Capital Replacement Reserve	2
P-3040-0026	Utica Way, Vineland St to View Dr.	\$ 173,350	Capital Replacement Reserve	1
P-3620-0009	Ave. Miravilla, End of 12-in to Whispering Pines	\$ 339,092	Capital Replacement Reserve	1
P-2750-0067	Elm Ave.-Wellwood Ave. Alley, 7th St. to 5th St.	\$ 152,976	Capital Replacement Reserve	1
IT-NETW-0003	Endpoint Protection / LanGuard Security Software Project	\$ 11,010	Capital Replacement Reserve	2
IT-NETW-0008	Shoretel Phone System Redundancy Equipment	\$ 13,769	Capital Replacement Reserve	2
IT-NETW-0011	Server Room Uninterrupted Power Source	\$ 50,886	Capital Replacement Reserve	2
IT-SCAD-0003	Wonderware SCADA Phase 3 Project	\$ 224,685	Capital Replacement Reserve	3 - 4

# Beaumont-Cherry Valley Water District

**Table 3**  
**2019 Upcoming Capital Improvement Plan (CIP) Projects**

Project No.	Project Description	Approved Capital Improvement Budget Cost	Funding Source	Priority (1 -5)
IT-ADMIN-0001	Laser-Fishe Digitized Fileroom Project	\$ 132,910	Capital Replacement Reserve	5
IT-ADMIN-0002	Board Room Audio/Video System	\$ 150,000	Capital Replacement Reserve	4
IT-ADMIN-0003	Front Office Space Reconfiguration and Furniture Replacement	\$ 38,500	Capital Replacement Reserve	2 - 3
VE-TRUK-0008	2006 4X4 F250 (Apr, 2006)	\$ 35,179	Capital Replacement Reserve	1
VE-TRUK-0009	2008 4X4 F250 (May, 2007)	\$ 35,046	Capital Replacement Reserve	1
VE-TRUK-0011	2008 F250 (Feb, 2008)	\$ 47,440	Capital Replacement Reserve	1
VE-EQIP-0004	Confined Space Retrieval System	\$ 15,000	Capital Replacement Reserve	1



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
June 27, 2019**

**Item 12**

**Update: Legislative Action and Issues Affecting BCVWD**

Federal				New or Change in Status (New/Y/N)
Issue	Status	Description		
HR 1435 – Sites Reservoir Protection Act	2/28/19 – Introduced 3/15/19 Ref to Com on Water, Oceans & Wildlife	Referred to Committee on Natural Resources. Supports building of the Reservoir and other water infrastructure in the Central Valley. Could also authorize additional funding and technological assistance for the project. Matching funds provided through Prop. 1.		N
HR 2473 – SAVE Water Resources Act	5/2/19 - Introduced in House 6/13/19 – Heard in Natural Resources Subcommittee	Requires the Bureau of Reclamation to fast-track California water storage projects such as the Sites Reservoir. The legislation, which has bipartisan support, will create cutting-edge programs to grow and sustain the region's water supply by improving storage capacity, supporting key new technological innovations for drought resistance and groundwater management and establishing responsible levels of federal funding to invest in water future.		New
H. Res 19 – Expressing Concern Regarding the Prevalence of Hex. Chrom. In Water	1/3/19 - Introduced in House.	Resolution recognizes the importance of protecting the American people from drinking water polluted with carcinogens, such as hexavalent chromium. Referred to Committee on Energy and Commerce, and Committee on Ways and Means, then to Subcommittee on Environment and Climate Change 6/19/19 – No change in status		N
H.R. 6705 – Amd. to Safe Drinking Water Act	9/8/18 – Referred to the House Subcommittee on Environment	To amend the Safe Drinking Water Act to require the Administrator of the Environmental Protection Agency to publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for perchlorate, and for other purposes. 6/19/19 – No change in status. Still listed as “in committee,” but appears dead.		N
H.R. 1621 – Water Supply Permitting Coordination Act	Introduced 3/7/19 – Referred to House Com on Natural Resources	To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes. Helps with NEPA and Endangered Species Act. FEO becomes lead review agency. 6/19/19 – No change in status		N

California			
Issue	Status	Description	New or Change in Status (New/Y/N)
<b>ACA 1: 55% Vote for General Obligation Bonds and Special Taxes</b>	3/28/19 – Revised and referred to Com on Appropriations 5/20/19 – 3 <sup>rd</sup> reading in Assembly	Supported by CSDA. Currently, the California Constitution requires a two-thirds vote at the local level for both General Obligation (G.O.) bonds and special taxes, regardless of for what the city, county, or special district proposes to use the funds. Creates a new constitutional vote threshold of 55 percent for both G.O. bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for those purposes. The bill also specifies requirements for voter protection, public notice, and financial accountability.	N
<b>ACA 3: Clean Water for All Act</b>	3/20/19 – Amended in Assembly 4/30/19 – Failed Committee, granted reconsideration	Constitutional Amendment to require a minimum of 2% of specified state revenues to be earmarked for payment of principal and interest on bonds authorized by the Water Quality, Supply and Infrastructure Improvement Act of 2014. 4/15/19 – Now called the “Clean Water for All Act” 6/19/19 – No change in status	N
<b>AB 60: Water Conservation: Water Meter accuracy</b>	4/24/19 – In Com on Appropriations Suspend File 5/17/19 – Held under Submission	Would require the Energy Resources Conservation and Development Commission, on or before January 1, 2022, to adopt regulations setting standards for the accuracy of water meters, as described. The bill would prohibit any water meter manufactured on or after the effective date of those regulations from being sold or offered for sale in the state, or installed by a water purveyor, unless it is certified by the manufacturer to be in compliance with those standards 5/17/19 – Did not receive enough votes to pass out of committee. May be heard in 2020.	N
<b>AB 636: State Water Resources Control Board – water quality initiatives</b>	2/15/19 – Introduced 3/14/19 - Referred to Com on Env Safety and Toxic Materials	Requires the Legislature to hold a hearing to review proposals of the State Board which result in significant environmental harm before said proposals can go into effect. Targeted at the Bay-Delta plan, could affect the Sites Reservoir. 4/9/19 – First hearing was set, but then canceled by author. 6/19/19 – Failed deadline, now a 2-year bill	N
<b>AB 637: SWRCB – Regional water quality control boards, DACs, drinking water</b>	4/11/19 – Amended 5/1/19 In Com on Appr Suspend File 5/17/19 – Held under Submission	Prohibits the SWRCB from approving the sacrifice of drinking water supplies in disadvantaged communities. Under the Bay-Delta Plan, the State Water Board currently balances the adverse impacts their plan will have on the quality of drinking water in communities like Dos Palos, Planada, and Santa Nella against the benefits of increased flow in the Delta. Such a scheme would be prohibited under this bill. 4/11/19 - Amended to include the requirement for a public hearing. 6/19/19 – Failed deadline, now a 2-year bill	N



<p><b>AB 638: Dept of Water Resources: Water storage: climate change impacts</b></p>	<p>4/10/19 – Com on Appropriations 5/16/19 – Amended, on to second reading 6/19 – Amended, re-ref. to Com on RLS</p>	<p>Requires the state to take into account the impacts climate change will have on water reliability, including accounting for the projected shrinkage of the Sierra Nevada snowpack which acts as California's largest natural reservoir. The state would be required to identify projects and strategies to mitigate adverse impacts losses and incorporate those strategies into planning efforts going forward. 5/16/19 – Title of bill amended. Now requires inventory of storage facilities and pushes deadline to 2023.</p>	<p>Y</p>
<p><b>AB 756: Public Water Systems - Contaminants</b></p>	<p>5/9/19 – Passed Appropriations, read 1<sup>st</sup> time in Senate 5/24 – Amd in Senate, ref to Com</p>	<p>Would require a public water system to monitor for perfluoroalkyl and polyfluoroalkyl substances. The bill would additionally require a public water system to publish and keep current on its internet website water quality information relating to regulated contaminants and to notify each customer on the customer's next water bill and through email, as prescribed, of confirmed detections of specified excess contaminants</p>	<p>Y</p>
<p><b>AB 992: Open Meetings – Social Media</b></p>	<p>2/21/19 – Introduced 3/7/19 – Ref. to Com on Local Govt 5/1/19 – Failed to pass Com on LG, but granted reconsideration</p>	<p>The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and expressly excludes certain activities from the application of the act. This bill would provide that the Act does <b>not</b> apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency. CSDA supports. 6/19 – No change</p>	<p>N</p>
<p><b>AB 1180: Recycled Water</b></p>	<p>5/16/19 – Passed Appropriations 6/18 – Amd by author, re-ref to Appr</p>	<p>Existing law requires, on or before January 1, 2020, the state board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook, as specified. This bill would require that handbook to include provisions for the use of a swivel or changeover device to supply potable water to a dual-plumbed system during an interruption in recycled water service.</p>	<p>Y</p>
<p><b>AB 1204: Maximum Contaminant Level Compliance Period</b></p>	<p>2/21/19: Read first time. 4/9/19: Second committee hearing canceled</p>	<p>Sponsored by ACWA and the Calif Water Assn. Would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. 6/19/19 – No change in status</p>	<p>N</p>
<p><b>SB 13: Accessory Dwelling Units</b></p>	<p>5/16/19 – Passed Appr, read second time and amended 5/22 Read 1<sup>st</sup> time in Asm. 6/6 – Ref to Local Gov Com</p>	<p>Opposed by CSDA. Would prohibit impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and significantly limit the impact fees that can be charged for larger ADUs. Given that revenue for local governments is tightly restricted by the California Constitution, fees are one of the few ways special districts can offset the indirect costs of growth. Impact fees are critical for park, fire protection, and other types of districts trying to recoup their costs for providing infrastructure and services to new ADU developments. 5/16/19 – Amended pertaining to max. / min. square footage of accessory dwelling unit</p>	<p>Y</p>

<p><b>SB 669: Safe Drinking Water Trust</b></p>	<p>5/13/19 – Hearing in Com on Appropriations. 5/17/19 – Held under Submission</p>	<p>CSDA and ACWA support. Would establish the Safe Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the state board. The bill would require the state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests, transfers by the Legislature from the General Fund and the Greenhouse Gas Reduction Fund, funding from authorized general obligation bond acts, and net revenue from the Safe Drinking Water Trust that this bill would create. 3/13/19 – BCVWD Board voted to support the bill 5/17/19 – Bill will not move forward this year</p>	<p>Y</p>
<p><b>AB 1486: Disposal of Surplus Land</b></p>	<p>2/22/19 – Introduced 4/11/19 – Amended in Assembly 5/17/19 – Passed Apr, read second time and amended 5/29/19 – Amended and passed Assembly 5/30 – Read 1<sup>st</sup> time in Senate 6/12 – Ref to Com on Gov &amp; Finance</p>	<p>Strongly opposed by CSDA. Amends Calif Govt Code to require special districts and other public agencies to offer a right of first refusal to affordable housing developers, schools, and park agencies before leasing, selling, or otherwise "conveying" any of the agency's land. The new mandate in <u>Assembly Bill 1486</u> would prevent prudent efforts to lease or otherwise protect land for important community purposes, such as buffer land surrounding a water or wastewater treatment facility, energy generation plant, or airport, as well as the long-term lease of district property that will be needed for future infrastructure.  4/11/19 – Amended to require local agency to provide an annual list of properties to the Calif Department of Housing and Community Development. 4/16/19 – (update from CSDA) Amended in Assembly Local Government Committee in a positive step for special districts. Amendments remove the bill's new definition of "disposal" under the Surplus Land Act (SLA). In effect, leases and transfers of land will continue to not be subject to the SLA. "AB 1486 generated intense opposition from a coalition of public agencies, including CSDA. Over 40 CSDA members submitted letters of opposition to the bill and called members of the Committee. Thanks largely to this grassroots effort, the author was compelled to accept the Committee's amendment in order to keep AB 1486 moving through the Legislature."  5/16/19 – Amended to specify "the bill would, with regard to disposing of surplus land for the purpose of developing low- and moderate-income housing, only require the local agency disposing of the surplus land to send a specified notice of availability if the land is located in an urbanized area."  5/29/19 – Amended in Assembly to expand the Surplus Land Act to cover ALL land owned by public agencies. AB 1486 passed off the Assembly Floor on a mostly party line vote and now advances to the Senate for consideration in policy committees.</p>	<p>Y</p>

<p>AB 217: Safe Drinking Water for All</p>	<p>5/8/19 – 1<sup>st</sup> hearing in Com on Appropriations 5/17/19 – Moves to House floor</p>	<p>CSDA and ACWA: oppose-unless-amended. Part of Gov. Newsom's Water Tax plan. Would establish a safe and affordable drinking water fee in the amount of \$0.50 per service connection on all public water systems. The bill would require each public water system to remit to the board the amount of the fee for their public water system on July 1, 2020, and by July 1 annually thereafter. The bill would require these fees to be deposited into the fund. 5/16/19 – \$150 million proposal reportedly rejected by Senate Budget Committee 5/17/19 – Passed to move to House floor with amendments, but still includes water tax 6/13/19 – DEAD. Gut and Amend. Now an income tax bill. Compromise reached for funding the drinking water projects will instead come from climate change funds, as detailed in the 2019 Budget.</p>	<p>Y</p>
<p>SB 200: Safe and Affordable Drinking Water Fund</p>	<p>5/16/19 – Amended and passed Appropriations 6/10 – Ref to Com on Environment</p>	<p>Would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. Would authorize deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to fund grants, loans, contracts, or services to assist eligible recipients.</p>	<p>Y</p>
<p>ACR 89 – Special Districts Week</p>	<p>5/13/19 – Introduced in House, Ref. to Com. On RLS 6/19/- On Asm Consent Cal</p>	<p>Assembly Concurrent Resolution 89 declares the week of September 22, 2019, to September 28, 2019, to be "Special Districts Week." It will coincide with the annual meeting of the California Special Districts Association. ACR 89 encourages all Californians to be involved in their communities and be civically engaged with their local government. It raises awareness of the role and services of special districts. 6/19/19 Probable adoption on Asm Consent Calendar</p>	<p>New</p>
<p>AB 658 Water Rights – Water Management</p>	<p>5/20/19 – Second reading in Assembly, 6/6 – Ref to Com on Natural Resources</p>	<p>Would create a five-year permit that would allow groundwater recharge projects to divert water during high-flow events. The intent of the bill is to increase groundwater recharge when specific conditions exist.</p>	<p>New</p>
<p>SB 749 – Public Records Act amendments</p>	<p>5/23/19 – Amended and passed Senate 5/30/19 – Read first time in Assembly 6/18 – Amended, ref to Com on Appropri.</p>	<p>CSDA opposed. This bill will have a single provision that seeks to remove the "Trade Secrets" exemption from the CPRA for records of wages, benefits, working hours, and other employment terms and conditions of employees working for a private industry employer, or a subcontractor of a private industry employer, pursuant to a contract with a state or local agency. This provision may impact the number of bids Districts receive in response to RFPs and the amount of information provided in those bids.  CSDA remains opposed to SB 749, but will be evaluating its position on the bill going forward since the amendments addressed the most significant concerns.</p>	<p>New</p>

**California Budget 2019:** The Legislature adopted a \$215 billion budget on June 13. The budget includes \$130 million for a Safe Drinking Water fund, and the related bills were scrapped. Instead of a new tax, or use of surplus funds, the funding will come from the existing Cap and Trade (climate change) program intended to reduce greenhouse gas emissions.