

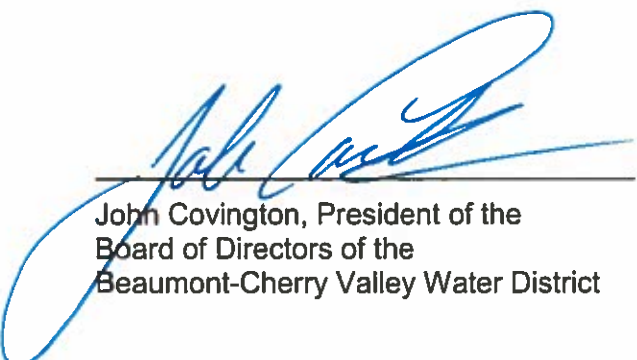


**CALL OF SPECIAL MEETING
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
BOARD OF DIRECTORS**

The undersigned, John Covington, President of the Beaumont-Cherry Valley Water District, hereby calls a Special Meeting of the Board of Directors to be held Tuesday, January 7, 2020 at 6:00 p.m. at the District's Administrative Offices located at 560 Magnolia Avenue, Beaumont, California 92223.

The agenda for said meeting will be posted no later than 5:59 p.m. on Monday, January 6, 2020.

Dated: Monday, December 30, 2019



John Covington, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District



SPECIAL MEETING NOTICE

Special Meeting of the Board of Directors of the Beaumont-Cherry Valley Water District Scheduled for January 7, 2020 at 6:00 p.m.

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Directors of the Beaumont-Cherry Valley Water District has been scheduled for Tuesday, January 7, 2020 at 6:00 p.m., at 560 Magnolia Ave., Beaumont, CA 92223.

The agenda for this meeting will be posted no later than 5:59 p.m. on Monday, January 6, 2020.

Respectfully,

Yolanda Rodriguez
Director of Finance & Administrative Services



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Tuesday, January 7, 2020 - 6:00 p.m.**

Call to Order: President Covington

Pledge of Allegiance: Director Ramirez

Invocation: Director Hoffman

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

Action may be taken on any item on the agenda. Information on the following items is included in the full Agenda Packet.

1. Adjustments to the Agenda

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

- a. November 2019 Budget Variance Report (pages 4 - 9)
- b. November 30, 2019 Cash/Investment Balance Report (page 10)
- c. December 2019 Check Register (pages 11 - 30)
- d. December 2019 Invoices Pending Approval (pages 31 - 32)
- e. Minutes of the Regular Meeting of December 5, 2019 (pages 33 - 40)
- f. Minutes of the Regular Meeting of December 18, 2019 (pages 41 - 53)

3. Resolution 2020-__ Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy (pages 54 - 69)

4. Resolution 2020-___: A Resolution of Intent to Increase Rates and Charges for the Users of the District's Water Services and Systems (pages 70 - 147)

5. **Authorization of General Manager to extend a Contract for Public Relations and Community Outreach Consulting Services with CV Strategies for a One-Year Term in an Amount Not-to-Exceed \$100,000** (pages 148 - 174)
6. **Confirmation of Duties of the Ad Hoc Communications Committee** (pages 175 - 177)
7. **Update: Landscaping Efforts and Brush Clearing at Bogart Park to Mitigate Transient Encampments** (No Staff Report)

8. Reports For Discussion

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

9. Announcements

- Collaborative Agencies Committee Meeting: Wednesday, Jan. 8, 2020 at 4:00 p.m.
- District Offices will be closed on Monday, Jan. 20, 2020 in observance of Martin Luther King Jr. Day
- Engineering Workshop: Thursday, Jan. 23, 2020 at 6:00 p.m.
- Personnel Committee Meeting: Monday, Jan. 27, 2020 at 5:30 p.m.
- Beaumont Basin Watermaster Committee Meeting: Wednesday, Feb. 5, 2020 at 10:00 a.m.
- Finance and Audit Committee Meeting: Thursday, Feb. 6, 2020 at 3:00 p.m.
- Regular Board Meeting: Wednesday, Feb. 12, 2020 at 6 p.m.
- District Offices will be closed on Monday, Feb. 17, 2020 in observance of Presidents' Day
- Town Hall Meeting regarding rate action: Thursday, Feb. 20, 2020 at 6 p.m.
- Regular Board Meeting including Public Hearing: Thursday, Feb. 27, 2020 at 6 p.m.

10. Action List for Future Meetings

- Water supply for BCVWD and the region

11. Closed Session

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

12. Adjournment

NOTICES

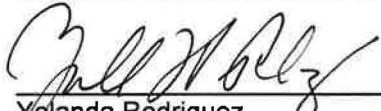
AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting 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.

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 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 January 6, 2020, 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 24 hours in advance of the meeting (Government Code §54954.2(a)).



Yolanda Rodriguez
Director of Finance and Administration

General Ledger

Budget Variance Revenue

User: wclayton
 Printed: 12/24/2019 11:13:07 AM
 Period 11 - 11
 Fiscal Year 2019

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

Account Number	Description	Budget	Period Amt	End Bal	Variance	% Avail/ Uncollect
50	GENERAL					
01-50-510-490001	Interest Income - Bonita Vista	\$ 1,900.00	\$ -	\$ 1,798.29	\$ 101.71	5.35%
01-50-510-490011	Interest Income-Fairway Canyon	\$ 52,000.00	\$ -	\$ -	\$ 52,000.00	100.00%
01-50-510-490021	Interest Income - General	\$ 600,000.00	\$ 58,294.54	\$ 1,240,721.81	\$ (640,721.81)	-106.79%
	Interest Income	\$ 653,900.00	\$ 58,294.54	\$ 1,242,520.10	\$ (588,620.10)	-90.02%
01-50-510-481001	Fac Fees-Wells	\$ 383,000.00	\$ -	\$ 548,410.72	\$ (165,410.72)	-43.19%
01-50-510-481006	Fac Fees-Water Rights (SWP)	\$ 242,000.00	\$ -	\$ 382,939.25	\$ (140,939.25)	-58.24%
01-50-510-481012	Fac Fees-Water Treatment Plant	\$ 182,000.00	\$ -	\$ 260,891.67	\$ (78,891.67)	-43.35%
01-50-510-481018	Fac Fees-Local Water Resources	\$ 96,000.00	\$ -	\$ 151,612.69	\$ (55,612.69)	-57.93%
01-50-510-481024	Fac Fees-Recycld Wtr Facilities	\$ 277,000.00	\$ -	\$ 488,849.36	\$ (211,849.36)	-76.48%
01-50-510-481030	Fac Fees-Transmission (16")	\$ 310,000.00	\$ -	\$ 444,167.36	\$ (134,167.36)	-43.28%
01-50-510-481036	Fac Fees-Storage	\$ 397,000.00	\$ -	\$ 568,806.16	\$ (171,806.16)	-43.28%
01-50-510-481042	Fac Fees-Booster	\$ 27,000.00	\$ -	\$ 39,374.53	\$ (12,374.53)	-45.83%
01-50-510-481048	Fac Fees-Pressure Reducng Stns	\$ 14,000.00	\$ -	\$ 20,112.17	\$ (6,112.17)	-43.66%
01-50-510-481054	Fac Fees-Misc Projects	\$ 12,000.00	\$ -	\$ 22,272.83	\$ (10,272.83)	-85.61%
01-50-510-481060	Fac Fees-Financing Costs	\$ 60,000.00	\$ -	\$ 89,160.45	\$ (29,160.45)	-48.60%
01-50-510-485001	Front Footage Fees	\$ -	\$ -	\$ 18,232.00	\$ (18,232.00)	0.00%
	Non-Operating Revenue	\$ 2,000,000.00	\$ -	\$ 3,034,829.19	\$ (1,034,829.19)	-51.74%
01-50-510-410100	Sales	\$ 5,151,000.00	\$ 534,505.45	\$ 4,432,816.16	\$ 718,183.84	13.94%
01-50-510-410151	Agricultural Irrigation Sales	\$ 20,000.00	\$ 9,608.13	\$ 26,402.41	\$ (6,402.41)	-32.01%
01-50-510-410171	Construction Sales	\$ 135,000.00	\$ 5,256.65	\$ 75,553.85	\$ 59,446.15	44.03%
01-50-510-413001	Backflow Admin Charges	\$ 44,000.00	\$ 2,711.21	\$ 41,815.40	\$ 2,184.60	4.97%
01-50-510-413011	Fixed Meter Charges	\$ 3,131,000.00	\$ 270,428.62	\$ 3,029,356.40	\$ 101,643.60	3.25%
01-50-510-413021	Meter Fees	\$ 425,000.00	\$ 25,872.00	\$ 666,114.00	\$ (241,114.00)	-56.73%
01-50-510-415001	SGPWA Importation Charges	\$ 2,853,000.00	\$ 259,689.78	\$ 2,066,617.58	\$ 786,382.42	27.56%
01-50-510-415011	SCE Power Charges	\$ 1,717,000.00	\$ 186,299.19	\$ 1,482,573.79	\$ 234,426.21	13.65%
01-50-510-417001	2nd Notice Penalties	\$ 92,000.00	\$ 9,890.00	\$ 93,975.00	\$ (1,975.00)	-2.15%
01-50-510-417011	3rd Notice Charges	\$ 32,000.00	\$ 3,655.00	\$ 34,585.00	\$ (2,585.00)	-8.08%
01-50-510-417021	Account Reinstatement Fees	\$ 44,000.00	\$ 4,000.00	\$ 40,650.00	\$ 3,350.00	7.61%
01-50-510-417031	Lien Processing Fees	\$ 5,000.00	\$ 500.00	\$ 4,100.00	\$ 900.00	18.00%
01-50-510-417041	Credit Check Processing Fees	\$ 11,000.00	\$ 940.00	\$ 10,090.00	\$ 910.00	8.27%
01-50-510-417051	Returned Check Fees	\$ 3,000.00	\$ 500.00	\$ 3,350.00	\$ (350.00)	-11.67%
01-50-510-417061	Custmr Damages/Upgrade Charges	\$ 22,000.00	\$ 60.00	\$ 41,976.15	\$ (19,976.15)	-90.80%
01-50-510-417071	After Hours Call Out Charges	\$ 1,500.00	\$ 150.00	\$ 600.00	\$ 900.00	60.00%
01-50-510-417091	Credit Card Processing Fees	\$ 41,000.00	\$ 4,742.50	\$ 46,286.75	\$ (5,286.75)	-12.89%
01-50-510-419001	Insurance Rebate	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00	100.00%
01-50-510-419011	Development Income	\$ 60,000.00	\$ 15,998.55	\$ 158,724.85	\$ (98,724.85)	-164.54%
01-50-510-419021	Recharge Income	\$ 15,000.00	\$ -	\$ 7,642.50	\$ 7,357.50	49.05%
01-50-510-419031	Well Maintenance Reimbursemnt	\$ -	\$ 4,455.98	\$ 12,448.93	\$ (12,448.93)	0.00%
01-50-510-419041	Gain (Loss) - Asset Disposal	\$ -	\$ -	\$ 15,840.00	\$ (15,840.00)	0.00%
01-50-510-419061	Miscellaneous Income	\$ 1,000.00	\$ -	\$ 3.81	\$ 996.19	99.62%
	Operating Revenue	\$ 13,852,500.00	\$ 1,339,263.06	\$ 12,291,518.77	\$ 1,560,981.23	11.27%
01-50-510-471001	Rent - 12303 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,200.00	\$ 200.00	8.33%
01-50-510-471011	Rent - 13695 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,200.00	\$ 200.00	8.33%
01-50-510-471021	Rent - 13697 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,200.00	\$ 200.00	8.33%
01-50-510-471031	Rent - 9781 Avenida Miravilla	\$ 2,400.00	\$ 200.00	\$ 2,200.00	\$ 200.00	8.33%
01-50-510-471101	Util - 12303 Oak Glen	\$ 2,614.00	\$ 185.11	\$ 2,484.53	\$ 129.47	4.95%
01-50-510-471111	Util - 13695 Oak Glen	\$ 2,500.00	\$ 810.58	\$ 3,234.13	\$ (734.13)	-29.37%
01-50-510-471121	Util - 13697 Oak Glen	\$ 3,400.00	\$ 747.73	\$ 4,117.57	\$ (717.57)	-21.11%
01-50-510-471131	Util - 9781 Avenida Miravilla	\$ 2,700.00	\$ 387.84	\$ 2,709.67	\$ (9.67)	-0.36%
	Rent/Utilities	\$ 20,814.00	\$ 2,931.26	\$ 21,345.90	\$ (531.90)	-2.56%
Revenue Total		\$ 16,528,214.00	\$ 1,400,488.86	\$ 16,590,217.77	\$ (62,003.77)	-0.38%

General Ledger

Budget Variance Expense

User: wclayton
 Printed: 12/24/2019 11:36:48 AM
 Period 11 - 11
 Fiscal Year 2019

Beaumont-Cherry Valley Water District

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



Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
10	BOARD OF DIRECTORS						
01-10-110-500101	Board of Directors Fees	\$ 61,400.00	\$ 3,200.00	\$ 34,600.00	\$ 26,800.00	\$ -	43.65%
01-10-110-500115	Social Security	\$ 3,807.00	\$ 198.40	\$ 2,145.20	\$ 1,661.80	\$ -	43.65%
01-10-110-500120	Medicare	\$ 891.00	\$ 46.40	\$ 501.70	\$ 389.30	\$ -	43.69%
01-10-110-500145	Workers' Compensation	\$ 890.00	\$ 18.08	\$ 187.10	\$ 702.90	\$ -	78.98%
01-10-110-500175	Training/Education/Mtgs/Travel	\$ 10,000.00	\$ -	\$ 6,869.26	\$ 3,130.74	\$ -	31.31%
	Board of Directors Personnel	\$ 76,988.00	\$ 3,462.88	\$ 44,303.26	\$ 32,684.74	\$ -	42.45%
01-10-110-550042	Supplies-Other	\$ 1,000.00	\$ -	\$ 483.61	\$ 516.39	\$ -	51.64%
	Board of Directors Materials & Supplies	\$ 1,000.00	\$ -	\$ 483.61	\$ 516.39	\$ -	51.64%
01-10-110-550012	Election Expenses	\$ 90,000.00	\$ -	\$ 6,091.92	\$ 83,908.08	\$ -	93.23%
	Board of Directors Services	\$ 90,000.00	\$ -	\$ 6,091.92	\$ 83,908.08	\$ -	93.23%
Expense Total	BOARD OF DIRECTORS	\$ 167,988.00	\$ 3,462.88	\$ 50,878.79	\$ 117,109.21	\$ -	69.71%
20	ENGINEERING						
01-20-210-500105	Labor	\$ 506,966.40	\$ 22,347.87	\$ 290,336.77	\$ 216,629.63	\$ -	42.73%
01-20-210-500115	Social Security	\$ 35,826.00	\$ 1,386.12	\$ 18,609.41	\$ 17,216.59	\$ -	48.06%
01-20-210-500120	Medicare	\$ 8,383.00	\$ 324.18	\$ 4,352.29	\$ 4,030.71	\$ -	48.08%
01-20-210-500125	Health Insurance	\$ 71,172.00	\$ 2,243.82	\$ 25,760.65	\$ 45,411.35	\$ -	63.81%
01-20-210-500140	Life Insurance	\$ 2,208.00	\$ 73.14	\$ 802.71	\$ 1,405.29	\$ -	63.65%
01-20-210-500143	EAP Program	\$ 195.00	\$ 4.70	\$ 51.70	\$ 143.30	\$ -	73.49%
01-20-210-500145	Workers' Compensation	\$ 7,580.00	\$ 153.08	\$ 1,976.36	\$ 5,603.64	\$ -	73.93%
01-20-210-500150	Unemployment Insurance	\$ 17,260.00	\$ -	\$ -	\$ 17,260.00	\$ -	100.00%
01-20-210-500155	Retirement/CalPERS	\$ 74,534.00	\$ 2,792.31	\$ 33,945.95	\$ 40,588.05	\$ -	54.46%
01-20-210-500165	Uniforms & Employee Benefits	\$ 350.00	\$ 230.58	\$ 230.58	\$ 119.42	\$ -	34.12%
01-20-210-500175	Training/Education/Mtgs/Travel	\$ 6,000.00	\$ 180.00	\$ 371.00	\$ 5,629.00	\$ -	93.82%
01-20-210-500180	Accrued Sick Leave Expense	\$ 24,497.00	\$ -	\$ 3,855.30	\$ 20,641.70	\$ -	84.26%
01-20-210-500185	Accrued Vacation Leave Expense	\$ 17,131.00	\$ -	\$ 5,853.72	\$ 11,277.28	\$ -	65.83%
01-20-210-500187	Accrual Leave Payments	\$ 21,430.00	\$ -	\$ -	\$ 21,430.00	\$ -	100.00%
01-20-210-500195	CIP Related Labor	\$ (225,187.00)	\$ (5,497.13)	\$ (60,486.48)	\$ (164,700.52)	\$ -	73.14%
	Engineering Personnel	\$ 568,345.40	\$ 24,238.67	\$ 325,659.96	\$ 242,685.44	\$ -	42.70%
01-20-210-540048	Permits, Fees & Licensing	\$ 2,000.00	\$ 52.50	\$ 951.27	\$ 1,048.73	\$ -	52.44%
	Engineering Materials & Supplies	\$ 2,000.00	\$ 52.50	\$ 951.27	\$ 1,048.73	\$ -	52.44%
01-20-210-550051	Advertising/Legal Notices	\$ 1,376.60	\$ -	\$ 1,181.60	\$ 195.00	\$ -	14.17%
01-20-210-580031	Outside Engineering	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	100.00%
01-20-210-580032	CIP Related Outside Engineering	\$ (40,000.00)	\$ -	\$ -	\$ (40,000.00)	\$ -	100.00%
	Engineering Services	\$ 21,376.60	\$ -	\$ 1,181.60	\$ 20,195.00	\$ -	94.47%
Expense Total	ENGINEERING	\$ 591,722.00	\$ 24,291.17	\$ 327,792.83	\$ 263,929.17	\$ -	44.60%
30	FINANCE & ADMIN SERVICES						
01-30-310-500105	Labor	\$ 1,063,933.00	\$ 71,893.44	\$ 819,115.81	\$ 244,817.19	\$ -	23.01%
01-30-310-500110	Overtime	\$ 5,604.00	\$ 133.17	\$ 484.05	\$ 5,119.95	\$ -	91.36%
01-30-310-500115	Social Security	\$ 87,863.00	\$ 2,807.54	\$ 49,040.15	\$ 38,822.85	\$ -	44.19%
01-30-310-500120	Medicare	\$ 20,558.00	\$ 1,072.57	\$ 13,104.16	\$ 7,453.84	\$ -	36.26%
01-30-310-500125	Health Insurance	\$ 260,964.00	\$ 14,953.46	\$ 152,367.15	\$ 108,596.85	\$ -	41.61%
01-30-310-500130	CalPERS Health Admin Costs	\$ 2,000.00	\$ 138.43	\$ 1,456.64	\$ 543.36	\$ -	27.17%
01-30-310-500140	Life Insurance	\$ 6,564.00	\$ 321.25	\$ 3,447.03	\$ 3,116.97	\$ -	47.49%
01-30-310-500143	EAP Program	\$ 777.00	\$ 25.85	\$ 265.55	\$ 511.45	\$ -	65.82%
01-30-310-500145	Workers' Compensation	\$ 15,866.00	\$ 436.74	\$ 4,851.99	\$ 11,014.01	\$ -	69.42%
01-30-310-500150	Unemployment Insurance	\$ 37,032.00	\$ -	\$ 7,782.00	\$ 29,250.00	\$ -	78.99%
01-30-310-500155	Retirement/CalPERS	\$ 178,906.00	\$ 13,134.27	\$ 147,522.22	\$ 31,383.78	\$ -	17.54%
01-30-310-500161	Estim Current Yr OPEB Expense	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	\$ -	100.00%
01-30-310-500165	Uniforms & Employee Benefits	\$ 750.00	\$ 703.61	\$ 819.98	\$ (69.98)	\$ -	-9.33%
01-30-310-500175	Training/Education/Mtgs/Travel	\$ 17,000.00	\$ 1,169.82	\$ 12,647.42	\$ 4,352.58	\$ -	25.60%
01-30-310-500180	Accrued Sick Leave Expense	\$ 62,055.00	\$ 373.25	\$ 7,321.17	\$ 54,733.83	\$ -	88.20%

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
01-30-310-500185	Accrued Vacation Leave Expense	\$ 91,967.00	\$ 1,321.37	\$ 27,514.85	\$ 64,452.15	\$ -	70.08%
01-30-310-500187	Accrual Leave Payments	\$ 159,803.00	-	\$ 46,365.84	\$ 113,437.16	\$ -	70.99%
01-30-310-550024	Employment Testing	\$ 200.00	-	\$ 300.00	\$ (100.00)	\$ -	-50.00%
01-30-315-500105	Labor	\$ 151,008.00	\$ 8,360.80	\$ 109,287.60	\$ 41,720.40	\$ -	27.63%
01-30-315-500115	Social Security	\$ 13,627.00	\$ 592.80	\$ 7,825.38	\$ 5,801.62	\$ -	42.57%
01-30-315-500120	Medicare	\$ 3,187.00	\$ 138.64	\$ 1,830.15	\$ 1,356.85	\$ -	42.57%
01-30-315-500125	Health Insurance	\$ 23,724.00	\$ 1,976.10	\$ 21,737.10	\$ 1,986.90	\$ -	8.38%
01-30-315-500140	Life Insurance	\$ 972.00	\$ 44.02	\$ 484.22	\$ 487.78	\$ -	50.18%
01-30-315-500143	EAP Program	\$ 65.00	\$ 2.35	\$ 25.85	\$ 39.15	\$ -	60.23%
01-30-315-500145	Workers' Compensation	\$ 2,181.00	\$ 54.08	\$ 605.20	\$ 1,575.80	\$ -	72.25%
01-30-315-500150	Unemployment Insurance	\$ 5,135.00	-	\$ -	\$ 5,135.00	\$ -	100.00%
01-30-315-500155	Retirement/CalPERS	\$ 13,989.00	\$ 1,015.35	\$ 11,106.26	\$ 2,882.74	\$ -	20.61%
01-30-315-500165	Uniforms & Employee Benefits	\$ -	\$ 39.87	\$ 39.87	\$ (39.87)	\$ -	0.00%
01-30-315-500175	Training/Education/Mtgs/Travel	\$ 4,000.00	-	\$ 3,055.00	\$ 945.00	\$ -	23.63%
01-30-315-500180	Accrued Sick Leave Expense	\$ 8,785.00	-	\$ -	\$ 8,785.00	\$ -	100.00%
01-30-315-500185	Accrued Vacation Leave Expense	\$ 15,972.00	\$ 1,194.40	\$ 2,388.80	\$ 13,583.20	\$ -	85.04%
01-30-315-500187	Accrual Leave Payments	\$ 43,303.00	-	\$ 14,465.08	\$ 28,837.92	\$ -	66.60%
01-30-315-500195	CIP Related Labor	\$ (31,855.00)	-	\$ -	\$ (31,855.00)	\$ -	100.00%
01-30-320-500105	Labor	\$ 64,626.00	\$ 4,051.26	\$ 7,118.46	\$ 57,507.54	\$ -	88.99%
01-30-320-500115	Social Security	\$ 4,914.00	\$ 253.58	\$ 443.77	\$ 4,470.23	\$ -	90.97%
01-30-320-500120	Medicare	\$ 1,150.00	\$ 59.30	\$ 103.78	\$ 1,046.22	\$ -	90.98%
01-30-320-500125	Health Insurance	\$ 23,724.00	\$ 1,250.14	\$ 1,250.14	\$ 22,473.86	\$ -	94.73%
01-30-320-500140	Life Insurance	\$ 432.00	\$ 18.82	\$ 18.82	\$ 413.18	\$ -	95.64%
01-30-320-500143	EAP Program	\$ 65.00	\$ 2.35	\$ 2.35	\$ 62.65	\$ -	96.38%
01-30-320-500145	Workers' Compensation	\$ 4,561.00	\$ 23.14	\$ 40.50	\$ 4,520.50	\$ -	99.11%
01-30-320-500150	Unemployment Insurance	\$ 2,198.00	-	\$ -	\$ 2,198.00	\$ -	100.00%
01-30-320-500155	Retirement/CalPERS	\$ 10,618.00	\$ 307.86	\$ 538.76	\$ 10,079.24	\$ -	94.93%
01-30-320-500175	Training/Education/Mtgs/Travel	\$ -	\$ 184.00	\$ 184.00	\$ (184.00)	\$ -	0.00%
01-30-320-500177	Gen Safety Training & Supplies	\$ 8,200.00	\$ 2,630.35	\$ 7,525.30	\$ 674.70	\$ -	8.23%
01-30-320-500180	Accrued Sick Leave Expense	\$ 7,014.00	\$ 38.34	\$ 38.34	\$ 6,975.66	\$ -	99.45%
01-30-320-500185	Accrued Vacation Leave Expense	\$ 7,230.00	-	\$ -	\$ 7,230.00	\$ -	100.00%
	Finance & Admin Services Personnel	\$ 2,500,667.00	\$ 130,722.32	\$ 1,484,520.74	\$ 1,016,146.26	\$ -	40.64%
01-30-310-550006	Cashiering Shortages/Overages	\$ 50.00	\$ (0.99)	\$ 5.52	\$ 44.48	\$ -	88.96%
01-30-310-550018	Employee Medical/First Aid	\$ 750.00	-	\$ 250.00	\$ 500.00	\$ -	66.67%
01-30-310-550042	Office Supplies	\$ 10,500.00	\$ 128.12	\$ 9,481.58	\$ 1,018.42	\$ -	9.70%
01-30-310-550046	Office Equipment	\$ 17,000.00	-	\$ 3,080.12	\$ 13,919.88	\$ -	81.88%
01-30-310-550048	Postage	\$ 5,000.00	\$ 220.00	\$ 13,977.17	\$ (8,977.17)	\$ -	-179.54%
01-30-310-550066	Subscriptions	\$ 2,000.00	-	\$ -	\$ 2,000.00	\$ -	100.00%
01-30-310-550072	Misc Operating Expenses	\$ 1,000.00	-	\$ 0.06	\$ 999.94	\$ -	99.99%
01-30-310-550078	Bad Debt Expense	\$ 3,000.00	-	\$ -	\$ 3,000.00	\$ -	100.00%
01-30-310-550084	Depreciation	\$ 2,554,000.00	\$ 224,314.51	\$ 2,470,045.90	\$ 83,954.10	\$ -	3.29%
01-30-315-501511	Phones - 560 Magnolia	\$ 28,000.00	\$ 1,634.14	\$ 17,437.84	\$ 10,562.16	\$ -	37.72%
01-30-315-501531	Phones - 851 E. 6th	\$ -	\$ 100.94	\$ 644.40	\$ (644.40)	\$ -	0.00%
01-30-315-501561	Phones - 815 E. 12th	\$ 3,800.00	-	\$ 3,200.15	\$ 599.85	\$ -	15.79%
01-30-315-550044	Printing/Toner & Maint	\$ 17,000.00	\$ 1,342.73	\$ 14,252.57	\$ 2,747.43	\$ -	16.16%
01-30-320-550042	Office Supplies	\$ 2,000.00	\$ 107.73	\$ 564.74	\$ 1,435.26	\$ -	71.76%
	Finance & Admin Services Materials & Supplies	\$ 2,644,100.00	\$ 227,847.18	\$ 2,532,940.05	\$ 111,159.95	\$ -	4.20%
01-30-310-500190	Temporary Labor	\$ 25,000.00	-	\$ 20,234.40	\$ 4,765.60	\$ -	19.06%
01-30-310-550001	Bank/Financial Service Fees	\$ 20,000.00	\$ 549.83	\$ 8,507.27	\$ 11,492.73	\$ -	57.46%
01-30-310-550008	Transaction/Return Fees	\$ 3,000.00	\$ 45.00	\$ 757.58	\$ 2,242.42	\$ -	74.75%
01-30-310-550010	Transaction/Credit Card Fees	\$ 44,000.00	\$ 5,505.55	\$ 47,195.90	\$ (3,195.90)	\$ -	-7.26%
01-30-310-550014	Credit Check Fees	\$ 10,000.00	\$ 534.90	\$ 5,867.20	\$ 4,132.80	\$ -	41.33%
01-30-310-550026	Recruitment Expense	\$ -	\$ -	\$ 110.29	\$ (110.29)	\$ -	0.00%
01-30-310-550030	Membership Dues	\$ 42,000.00	\$ 1,525.00	\$ 38,914.00	\$ 3,086.00	\$ -	7.35%
01-30-310-550036	Notary & Lien Fees	\$ 2,000.00	-	\$ 702.00	\$ 1,298.00	\$ -	64.90%
01-30-310-550050	Utility Billing Service	\$ 68,000.00	\$ 6,033.53	\$ 64,528.74	\$ 3,471.26	\$ -	5.10%
01-30-310-550051	Advertising/Legal Notices	\$ 4,000.00	\$ 360.00	\$ 2,373.40	\$ 1,626.60	\$ -	40.67%
01-30-310-550054	Property, Auto& Gen Liab Insur	\$ 80,000.00	\$ 7,411.09	\$ 68,447.15	\$ 11,552.85	\$ -	14.44%
01-30-310-580001	Accounting & Audit	\$ 35,000.00	\$ 320.00	\$ 31,649.38	\$ 3,350.62	\$ -	9.57%
01-30-310-580011	General Legal	\$ 102,000.00	\$ 5,767.51	\$ 36,802.45	\$ 65,197.55	\$ -	63.92%
01-30-310-580036	Other Professional Services	\$ 170,077.00	\$ 16,460.00	\$ 154,226.42	\$ 15,850.58	\$ 8,630.77	4.25%
01-30-315-550030	Membership Dues	\$ 2,000.00	\$ (80.00)	\$ 523.20	\$ 1,476.80	\$ -	73.84%
01-30-315-580016	Computer Hardware	\$ 20,000.00	\$ 6,725.93	\$ 14,207.70	\$ 5,792.30	\$ -	28.96%
01-30-315-580021	IT/Software Support	\$ 5,000.00	-	\$ 199.00	\$ 4,801.00	\$ -	96.02%
01-30-315-580026	License/Maintenance/Support	\$ 120,000.00	\$ 11,786.55	\$ 99,388.43	\$ 20,611.57	\$ -	17.18%
	Finance & Admin Services Services	\$ 752,077.00	\$ 62,944.89	\$ 594,634.51	\$ 157,442.49	\$ 8,630.77	19.79%
Expense Total	FINANCE & ADMIN SERVICES	\$ 5,896,844.00	\$ 421,514.39	\$ 4,612,095.30	\$ 1,284,748.70	\$ 8,630.77	21.64%

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
40	OPERATIONS						
410	Source of Supply Personnel						
01-40-410-500105	Labor	\$ 339,562.00	\$ 17,357.30	\$ 201,192.01	\$ 138,369.99	\$ -	40.75%
01-40-410-500110	Overtime	\$ 18,568.00	\$ 203.24	\$ 4,225.47	\$ 14,342.53	\$ -	77.24%
01-40-410-500111	Double Time	\$ 1,631.00	\$ -	\$ -	\$ 1,631.00	\$ -	100.00%
01-40-410-500113	Standby/On-Call	\$ 9,275.00	\$ 700.00	\$ 8,100.00	\$ 1,175.00	\$ -	12.67%
01-40-410-500115	Social Security	\$ 26,983.00	\$ 1,273.31	\$ 14,965.30	\$ 12,017.70	\$ -	44.54%
01-40-410-500120	Medicare	\$ 6,316.00	\$ 297.80	\$ 3,513.98	\$ 2,802.02	\$ -	44.36%
01-40-410-500125	Health Insurance	\$ 118,620.00	\$ 6,883.63	\$ 75,608.37	\$ 43,011.63	\$ -	36.26%
01-40-410-500140	Life Insurance	\$ 2,316.00	\$ 89.12	\$ 971.68	\$ 1,344.32	\$ -	58.04%
01-40-410-500143	EAP Program	\$ 325.00	\$ 9.40	\$ 103.19	\$ 221.81	\$ -	68.25%
01-40-410-500145	Workers' Compensation	\$ 24,619.00	\$ 599.10	\$ 6,721.25	\$ 17,897.75	\$ -	72.70%
01-40-410-500150	Unemployment Insurance	\$ 51,129.00	\$ -	\$ (259.00)	\$ 51,388.00	\$ -	100.51%
01-40-410-500155	Retirement/CalPERS	\$ 77,416.00	\$ 4,551.06	\$ 49,932.80	\$ 27,483.20	\$ -	35.50%
01-40-410-500165	Uniforms & Employee Benefits	\$ 2,600.00	\$ -	\$ 980.52	\$ 1,619.48	\$ -	62.29%
01-40-410-500175	Training/Education/Mtgs/Travel	\$ 4,000.00	\$ 90.00	\$ 3,220.50	\$ 779.50	\$ -	19.49%
01-40-410-500180	Accrued Sick Leave Expense	\$ 16,792.00	\$ 1,714.72	\$ 12,718.08	\$ 4,073.92	\$ -	24.26%
01-40-410-500185	Accrued Vacation Leave Expense	\$ 21,897.00	\$ 318.16	\$ 9,220.40	\$ 12,676.60	\$ -	57.89%
01-40-410-500187	Accrual Leave Payments	\$ 26,091.00	\$ -	\$ 2,163.98	\$ 23,927.02	\$ -	91.71%
01-40-410-500195	CIP Related Labor	\$ (25,000.00)	\$ -	\$ -	\$ (25,000.00)	\$ -	100.00%
01-40-410-550024	Employment Testing	\$ 200.00	\$ -	\$ 75.00	\$ 125.00	\$ -	62.50%
440	Transmission & Distribution Personnel						
01-40-440-500105	Labor	\$ 901,594.00	\$ 49,465.13	\$ 510,505.99	\$ 391,088.01	\$ -	43.38%
01-40-440-500110	Overtime	\$ 40,243.00	\$ 4,324.72	\$ 30,474.89	\$ 9,768.11	\$ -	24.27%
01-40-440-500111	Double Time	\$ 4,607.00	\$ 196.74	\$ 5,853.74	\$ (1,246.74)	\$ -	-27.06%
01-40-440-500113	Standby/On-Call	\$ 15,600.00	\$ 1,200.00	\$ 13,028.56	\$ 2,571.44	\$ -	16.48%
01-40-440-500115	Social Security	\$ 71,623.00	\$ 3,597.52	\$ 38,872.64	\$ 32,750.36	\$ -	45.73%
01-40-440-500120	Medicare	\$ 16,763.00	\$ 841.38	\$ 9,093.07	\$ 7,669.93	\$ -	45.76%
01-40-440-500125	Health Insurance	\$ 309,348.00	\$ 14,628.45	\$ 161,292.79	\$ 148,055.21	\$ -	47.86%
01-40-440-500140	Life Insurance	\$ 6,048.00	\$ 231.41	\$ 2,510.76	\$ 3,537.24	\$ -	58.49%
01-40-440-500143	EAP Program	\$ 847.00	\$ 24.21	\$ 269.95	\$ 577.05	\$ -	68.13%
01-40-440-500145	Workers' Compensation	\$ 49,660.00	\$ 1,314.19	\$ 13,400.90	\$ 36,259.10	\$ -	73.01%
01-40-440-500155	Retirement/CalPERS	\$ 174,925.00	\$ 12,189.28	\$ 128,761.97	\$ 46,163.03	\$ -	26.39%
01-40-440-500165	Uniforms & Employee Benefits	\$ 5,500.00	\$ 307.34	\$ 4,527.18	\$ 972.82	\$ -	17.69%
01-40-440-500175	Training/Education/Mtgs/Travel	\$ 4,500.00	\$ 87.50	\$ 2,156.40	\$ 2,343.60	\$ -	52.08%
01-40-440-500180	Accrued Sick Leave Expense	\$ 46,222.00	\$ 2,406.94	\$ 32,054.26	\$ 14,167.74	\$ -	30.65%
01-40-440-500185	Accrued Vacation Leave Expense	\$ 64,919.00	\$ 475.80	\$ 34,801.37	\$ 30,117.63	\$ -	46.39%
01-40-440-500187	Accrual Leave Payments	\$ 75,670.00	\$ -	\$ 2,452.76	\$ 73,217.24	\$ -	96.76%
01-40-440-500195	CIP Related Labor	\$ (60,000.00)	\$ (200.19)	\$ (1,782.15)	\$ (58,217.85)	\$ -	97.03%
01-40-440-550024	Employment Testing	\$ 400.00	\$ -	\$ 401.25	\$ (1.25)	\$ -	-0.31%
450	Inspections Personnel						
01-40-450-500105	Labor	\$ 28,126.00	\$ 389.53	\$ 17,960.55	\$ 10,165.45	\$ -	36.14%
01-40-450-500110	Overtime	\$ 4,985.00	\$ -	\$ 4,965.51	\$ 19.49	\$ -	0.39%
01-40-450-500111	Double Time	\$ 217.00	\$ -	\$ -	\$ 217.00	\$ -	100.00%
01-40-450-500113	Standby/On-Call	\$ 88.00	\$ -	\$ -	\$ 88.00	\$ -	100.00%
01-40-450-500115	Social Security	\$ 2,075.00	\$ 24.17	\$ 1,427.50	\$ 647.50	\$ -	31.20%
01-40-450-500120	Medicare	\$ 486.00	\$ 5.65	\$ 333.91	\$ 152.09	\$ -	31.29%
01-40-450-500125	Health Insurance	\$ 8,064.00	\$ 23.51	\$ 6,420.86	\$ 1,643.14	\$ -	20.38%
01-40-450-500140	Life Insurance	\$ 192.00	\$ 0.42	\$ 90.49	\$ 101.51	\$ -	52.87%
01-40-450-500143	EAP Program	\$ 22.00	\$ 0.03	\$ 9.13	\$ 12.87	\$ -	58.50%
01-40-450-500145	Workers' Compensation	\$ 1,991.00	\$ 11.40	\$ 531.60	\$ 1,459.40	\$ -	73.30%
01-40-450-500155	Retirement/CalPERS	\$ 9,199.00	\$ 234.04	\$ 5,211.01	\$ 3,987.99	\$ -	43.35%
460	Customer Svc & Meter Reading Personnel						
01-40-460-500105	Labor	\$ 166,735.00	\$ 14,933.85	\$ 152,426.48	\$ 14,308.52	\$ -	8.58%
01-40-460-500110	Overtime	\$ 14,351.00	\$ 210.72	\$ 3,168.05	\$ 11,182.95	\$ -	77.92%
01-40-460-500111	Double Time	\$ 1,557.00	\$ 77.22	\$ 766.68	\$ 790.32	\$ -	50.76%
01-40-460-500113	Standby/On-Call	\$ 7,800.00	\$ -	\$ 875.00	\$ 6,925.00	\$ -	88.78%
01-40-460-500115	Social Security	\$ 14,451.00	\$ 963.17	\$ 10,726.78	\$ 3,724.22	\$ -	25.77%
01-40-460-500120	Medicare	\$ 3,383.00	\$ 225.25	\$ 2,508.66	\$ 874.34	\$ -	25.85%
01-40-460-500125	Health Insurance	\$ 71,172.00	\$ 6,349.27	\$ 58,851.06	\$ 12,320.94	\$ -	17.31%
01-40-460-500140	Life Insurance	\$ 1,152.00	\$ 77.77	\$ 703.30	\$ 448.70	\$ -	38.95%
01-40-460-500143	EAP Program	\$ 195.00	\$ 10.27	\$ 89.90	\$ 105.10	\$ -	53.90%
01-40-460-500145	Workers' Compensation	\$ 12,318.00	\$ 453.92	\$ 4,852.94	\$ 7,465.06	\$ -	60.60%
01-40-460-500155	Retirement/CalPERS	\$ 42,238.00	\$ 3,352.63	\$ 35,511.04	\$ 6,726.96	\$ -	15.93%
01-40-460-500165	Uniforms & Employee Benefits	\$ 700.00	\$ -	\$ 1,566.70	\$ (866.70)	\$ -	-123.81%
01-40-460-500175	Training/Education/Mtgs/Travel	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ -	100.00%
01-40-460-500180	Accrued Sick Leave Expense	\$ 7,776.00	\$ 308.88	\$ 6,840.84	\$ 935.16	\$ -	12.03%
01-40-460-500185	Accrued Vacation Leave Expense	\$ 14,431.00	\$ -	\$ 8,915.01	\$ 5,515.99	\$ -	38.22%
01-40-460-500187	Accrual Leave Payments	\$ 19,562.00	\$ -	\$ -	\$ 19,562.00	\$ -	100.00%

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
01-40-460-500195	CIP Related Labor	\$ (10,000.00)	\$ (445.32)	\$ (24,071.67)	\$ 14,071.67	\$ -	-140.72%
01-40-460-550024	Employment Testing	\$ 200.00	\$ -	\$ -	\$ 200.00	\$ -	100.00%
470	Maintenance & General Plant Personnel						
01-40-470-500105	Labor	\$ 34,443.00	\$ 895.68	\$ 43,890.04	\$ (9,447.04)	\$ -	-27.43%
01-40-470-500110	Overtime	\$ 2,475.00	\$ -	\$ -	\$ 2,475.00	\$ -	100.00%
01-40-470-500111	Double Time	\$ 214.00	\$ -	\$ -	\$ 214.00	\$ -	100.00%
01-40-470-500113	Standby/On-Call	\$ 88.00	\$ -	\$ -	\$ 88.00	\$ -	100.00%
01-40-470-500115	Social Security	\$ 2,313.00	\$ 55.55	\$ 2,725.16	\$ (412.16)	\$ -	-17.82%
01-40-470-500120	Medicare	\$ 543.00	\$ 12.99	\$ 637.32	\$ (94.32)	\$ -	-17.37%
01-40-470-500125	Health Insurance	\$ 14,724.00	\$ 397.86	\$ 13,244.53	\$ 1,479.47	\$ -	10.05%
01-40-470-500140	Life Insurance	\$ 240.00	\$ 5.05	\$ 182.30	\$ 57.70	\$ -	24.04%
01-40-470-500143	EAP Program	\$ 41.00	\$ 0.74	\$ 26.03	\$ 14.97	\$ -	36.51%
01-40-470-500145	Workers' Compensation	\$ 2,439.00	\$ 26.05	\$ 1,185.44	\$ 1,253.56	\$ -	51.40%
01-40-470-500155	Retirement/CalPERS	\$ 7,806.00	\$ 281.00	\$ 7,286.16	\$ 519.84	\$ -	6.66%
	Operations Personnel	\$ 2,941,001.00	\$ 154,058.56	\$ 1,751,988.17	\$ 1,189,012.83	\$ -	40.43%
410	Source of Supply Materials & Supplies						
01-40-410-501101	Electricity - Wells	\$ 1,717,000.00	\$ 92,299.90	\$ 1,448,494.18	\$ 268,505.82	\$ -	15.64%
01-40-410-501201	Gas - Wells	\$ 225.00	\$ 15.78	\$ 164.20	\$ 60.80	\$ -	27.02%
01-40-410-510011	Treatment & Chemicals	\$ 90,000.00	\$ 1,688.88	\$ 73,479.58	\$ 16,520.42	\$ -	18.36%
01-40-410-510021	Lab Testing	\$ 120,000.00	\$ 12,241.09	\$ 51,922.17	\$ 68,077.83	\$ -	56.73%
01-40-410-510031	Small Tools, Parts & Maint	\$ 3,200.00	\$ -	\$ 2,737.25	\$ 462.75	\$ -	14.46%
01-40-410-520021	Maint & Rpr-Telemetry Equip	\$ 10,000.00	\$ 879.76	\$ 4,279.92	\$ 5,720.08	\$ -	57.20%
01-40-410-520061	Maint & Rpr-Pumping Equipment	\$ 125,000.00	\$ 6,548.11	\$ 61,385.71	\$ 63,614.29	\$ 11,584.18	41.62%
01-40-410-550066	Subscriptions	\$ 1,000.00	\$ -	\$ 726.27	\$ 273.73	\$ -	27.37%
440	Transmission & Distribution Materials & Supplies						
01-40-440-510031	Small Tools, Parts & Maint	\$ 8,500.00	\$ 269.21	\$ 9,063.79	\$ (563.79)	\$ -	-6.63%
01-40-440-520071	Maint & Rpr-Pipelines&Hydrants	\$ 55,000.00	\$ 718.72	\$ 62,312.20	\$ (7,312.20)	\$ -	-13.29%
01-40-440-520081	Maint & Rpr-Pressure Regulatrs	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00	\$ -	100.00%
01-40-440-540001	Backflow Program	\$ 7,500.00	\$ -	\$ 1,886.87	\$ 5,613.13	\$ -	74.84%
01-40-440-540024	Inventory Adjustments	\$ 3,000.00	\$ -	\$ (3,860.00)	\$ 6,860.00	\$ -	228.67%
01-40-440-540036	Line Locates	\$ 3,500.00	\$ 123.85	\$ 3,186.80	\$ 313.20	\$ -	8.95%
01-40-440-540042	Meters Maintenance & Services	\$ 150,000.00	\$ 11,573.27	\$ 161,577.46	\$ (11,577.46)	\$ 0.77	-7.72%
01-40-440-540078	Reservoirs Maintenance	\$ 24,500.00	\$ -	\$ 23,372.62	\$ 1,127.38	\$ -	4.60%
470	Maintenance & General Plant Materials & Supplies						
01-40-470-501111	Electricity - 560 Magnolia	\$ 27,200.00	\$ 1,445.63	\$ 21,765.35	\$ 5,434.65	\$ -	19.98%
01-40-470-501121	Electricity - 12303 Oak Glen	\$ 2,500.00	\$ 185.11	\$ 2,484.53	\$ 15.47	\$ -	0.62%
01-40-470-501131	Electricity - 13695 Oak Glen	\$ 1,848.00	\$ 79.51	\$ 1,192.15	\$ 655.85	\$ -	35.49%
01-40-470-501141	Electricity - 13697 Oak Glen	\$ 2,818.00	\$ 148.74	\$ 1,951.77	\$ 866.23	\$ -	30.74%
01-40-470-501151	Elec - 9781 Avenida Miravilla	\$ 1,834.00	\$ 73.44	\$ 1,325.27	\$ 508.73	\$ -	27.74%
01-40-470-501161	Electricity - 815 E. 12th	\$ 6,000.00	\$ 305.63	\$ 4,297.88	\$ 1,702.12	\$ -	28.37%
01-40-470-501171	Electricity - 851 E. 6th	\$ -	\$ 173.16	\$ 1,337.85	\$ (1,337.85)	\$ -	0.00%
01-40-470-501321	Propane - 12303 Oak Glen	\$ 114.00	\$ -	\$ -	\$ 114.00	\$ -	100.00%
01-40-470-501331	Propane - 13695 Oak Glen	\$ 683.00	\$ 416.07	\$ 2,041.98	\$ (1,358.98)	\$ -	-198.97%
01-40-470-501341	Propane - 13697 Oak Glen	\$ 618.00	\$ 598.99	\$ 2,165.80	\$ (1,547.80)	\$ -	-250.45%
01-40-470-501351	Propane-9781 Avenida Miravilla	\$ 903.00	\$ 314.40	\$ 1,384.40	\$ (481.40)	\$ -	-53.31%
01-40-470-501411	Sanitation - 560 Magnolia	\$ 2,900.00	\$ 205.31	\$ 2,518.37	\$ 381.63	\$ -	13.16%
01-40-470-501461	Sanitation - 815 E. 12th	\$ 4,050.00	\$ 398.86	\$ 4,080.51	\$ (30.51)	\$ -	-0.75%
01-40-470-501471	Sanitation - 11083 Cherry Ave	\$ 3,200.00	\$ 271.47	\$ 2,938.59	\$ 261.41	\$ -	8.17%
01-40-470-501611	Maint & Repair- 560 Magnolia	\$ 20,000.00	\$ 3,235.00	\$ 24,353.05	\$ (4,353.05)	\$ -	-21.77%
01-40-470-501621	Maint & Repair- 12303 Oak Glen	\$ 1,200.00	\$ -	\$ 52.80	\$ 1,147.20	\$ -	95.60%
01-40-470-501631	Maint & Repair- 13695 Oak Glen	\$ 1,000.00	\$ -	\$ 973.00	\$ 27.00	\$ -	2.70%
01-40-470-501641	Maint & Repair- 13697 Oak Glen	\$ 1,000.00	\$ -	\$ 966.00	\$ 34.00	\$ -	3.40%
01-40-470-501651	Maint & Rpr-9781 Ave Miravilla	\$ 1,500.00	\$ -	\$ 1,496.11	\$ 3.89	\$ -	0.26%
01-40-470-501661	Maint & Repair- 815 E. 12th	\$ 5,000.00	\$ 982.65	\$ 5,053.54	\$ (53.54)	\$ -	-1.07%
01-40-470-501671	Maint & Repair- 851 E. 6th	\$ -	\$ 474.68	\$ 6,874.94	\$ (6,874.94)	\$ -	0.00%
01-40-470-501691	Maint & Rpr- Buidgls (General)	\$ 4,500.00	\$ 2,125.84	\$ 3,240.83	\$ 1,259.17	\$ -	27.98%
01-40-470-510001	Auto/Fuel	\$ 78,000.00	\$ 6,738.93	\$ 81,265.55	\$ (3,265.55)	\$ -	-4.19%
01-40-470-520011	Maint & Rpr-Safety Equipment	\$ 17,000.00	\$ 974.17	\$ 12,686.79	\$ 4,313.21	\$ -	25.37%
01-40-470-520031	Maint & Rpr-General Equipment	\$ 46,000.00	\$ 4,819.96	\$ 42,972.14	\$ 3,027.86	\$ 119.08	6.32%
01-40-470-520041	Maint & Rpr-Fleet	\$ 50,000.00	\$ 4,825.78	\$ 42,302.50	\$ 7,697.50	\$ -	15.40%
01-40-470-520091	Maint & Rpr-Communicatn Equip	\$ 5,500.00	\$ -	\$ -	\$ 5,500.00	\$ -	100.00%
	Operations Materials & Supplies	\$ 2,611,293.00	\$ 155,151.90	\$ 2,172,450.72	\$ 438,842.28	\$ 11,704.03	16.36%
410	Source of Supply Services						
01-40-410-500501	State Project Water Purchases	\$ 5,899,426.00	\$ 637,203.00	\$ 4,988,372.00	\$ 911,054.00	\$ -	15.44%
01-40-410-540084	State Mandates & Tariffs	\$ 70,000.00	\$ 3,279.42	\$ 51,904.29	\$ 18,095.71	\$ -	25.85%
440	Transmission & Distribution Services						
01-40-440-550051	Advertising/Legal Notices	\$ 4,000.00	\$ -	\$ 1,760.00	\$ 2,240.00	\$ -	56.00%

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
470	Maintenance & General Plant Services						
01-40-470-540030	Landscape Maintenance	\$ 61,560.00	\$ 4,825.00	\$ 48,334.78	\$ 13,225.22	\$ -	21.48%
01-40-470-540072	Rechrg Facs, Cynns&Ponds Maint	\$ 108,440.00	\$ 1,101.34	\$ 108,066.32	\$ 373.68	\$ -	0.34%
	Operations Services	\$ 6,143,426.00	\$ 646,408.76	\$ 5,198,437.39	\$ 944,988.61	\$ -	15.38%
Expense Total	OPERATIONS	\$ 11,695,720.00	\$ 955,619.22	\$ 9,122,876.28	\$ 2,572,843.72	\$ 11,704.03	21.90%
50	GENERAL						
01-50-510-502001	Rents/Leases	\$ -	\$ 2,025.00	\$ 13,500.00	\$ (13,500.00)	\$ -	0.00%
01-50-510-510031	Small Tools, Parts & Maint	\$ 500.00	\$ -	\$ 30.06	\$ 469.94	\$ -	93.99%
01-50-510-540066	Property Damages & Theft	\$ 15,000.00	\$ 7,002.91	\$ 26,826.57	\$ (11,826.57)	\$ -	-78.84%
01-50-510-550040	General Supplies	\$ 11,000.00	\$ 672.19	\$ 11,438.78	\$ (438.78)	\$ -	-3.99%
01-50-510-550060	Public Ed./Community Outreach	\$ 126,574.00	\$ 9,930.00	\$ 93,458.26	\$ 33,115.74	\$ -	26.16%
01-50-510-550072	Misc Operating Expenses	\$ 1,000.00	\$ -	\$ 512.43	\$ 487.57	\$ -	48.76%
	General Materials & Supplies	\$ 154,074.00	\$ 19,630.10	\$ 145,766.10	\$ 8,307.90	\$ -	5.39%
01-50-510-550096	Beaumont Basin Watermaster	\$ 42,000.00	\$ -	\$ 23,498.00	\$ 18,502.00	\$ -	44.05%
	General Services	\$ 42,000.00	\$ -	\$ 23,498.00	\$ 18,502.00	\$ -	44.05%
Expense Total	GENERAL	\$ 196,074.00	\$ 19,630.10	\$ 169,264.10	\$ 26,809.90	\$ -	13.67%
Expense Total	ALL EXPENSES	\$ 18,548,348.00	\$ 1,424,517.76	\$ 14,282,907.30	\$ 4,265,440.70	\$ 20,334.80	22.89%



**Beaumont-Cherry Valley Water District
Cash Balance & Investment Report
As of November 30, 2019**

Account Name	Account Ending #	Cash Balance Per Account	
		Balance	Prior Month Balance
Wells Fargo	General	4152	
		<u>\$595,996.22</u>	<u>\$1,561,383.50</u>
	Total Cash	\$ 595,996.22	\$ 1,561,383.50

Account Name	Market Value	Prior Month Balance	Actual % of Total	Policy % Limit	Maturity	Par Amount	Rate	2019 Interest
								to Date
Ca. State Treasurer's Office: Local Agency Investment Fund	<u>\$24,579,591.09</u>	<u>\$23,594,591.09</u>	40%	No Limit	Liquid	N/A	2.07	<u>\$599,036.87</u>
CalTRUST Short Term Fund	<u>\$36,231,374.65</u>	<u>\$36,173,080.10</u>	60%	No Limit	Liquid	N/A	2.02	<u>\$790,008.74</u>
Total Investments	<u>\$60,810,965.74</u>	<u>\$59,767,671.19</u>						<u>\$1,389,045.61</u>
Total Cash & Investments	\$ 61,406,961.96	\$ 61,329,054.69						

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

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

Accounts Payable

Checks by Date - Detail by Check Date

User: wclayton
 Printed: 12/24/2019 12:33 PM

Beaumont-Cherry Valley Water District

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



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
ACH	10147 960783	Online Information Services, Inc. 231 Credit Reports - Oct 2019	11/19/2019		653.70
Total for this ACH Check for Vendor 10147:				0.00	653.70
Total for 11/19/2019:				0.00	653.70
ACH	10138 HW201Nov 2019	ARCO Business Solutions ARCO Fuel Charges 10/12 - 11/11/2019 - Nov 2019	12/03/2019		6,738.93
Total for this ACH Check for Vendor 10138:				0.00	6,738.93
Total for 12/3/2019:				0.00	6,738.93
9656	10515 INV-ACC49311 INV-ACC49311 INV-ACC49312 INV-ACC49312	Accela, Inc Accela Civic Pay Lic - Jan 2020 Accela Civic Pay Lic - Dec 2019 Prepaid - Accela Software Maint Support - Jan 2020 Accela Software Maint - Dec 2019	12/05/2019		2,807.75 255.25 22,298.87 2,027.13
Total for Check Number 9656:				0.00	27,389.00
9657	10319 12312019	ACWA Joint Powers Insurance Authority (35) Employee Assistance Program - Dec 2019	12/05/2019		82.25
Total for Check Number 9657:				0.00	82.25
9658	10144 LYUM1416201 LYUM1420063 LYUM1420065	Alsco Inc Cleaning of Mats & Shop Towels 12th/Palm - Nov 2019 Cleaning of Mats & Shop Towels 12th/Palm - Nov 2019 Cleaning of 3 Office Mats 560 Magnolia - Nov 2019	12/05/2019		35.10 35.10 43.16
Total for Check Number 9658:				0.00	113.36
9659	10272 BJ90684 BJ90686 BJ91117 BJ91117 BJ91263 BJ91275 BJ91275 BJ91695 BJ91954 BJ92773	Babcock Laboratories Inc (1) Coliforms Lab Sample (15) Coliforms Lab Sample (6) Haloacetic Acid/Trihalomethanes (5) Total Trihalomethanes (15) Coliforms Lab Sample (2) Nitrate-Nitrogen Wells (4) Coliforms Wells (3) Coliforms Lab Sample (15) Coliforms Lab Sample (15) Coliforms Lab Sample	12/05/2019		126.00 630.00 756.00 395.00 630.00 32.00 168.00 126.00 630.00 630.00
Total for Check Number 9659:				0.00	4,123.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9660	10855 S1122307.001 S1122307.001	Badger Meter, Inc (30) 3/4" Badger Meters w/Wire - Inventory (124) 5/8" Badger Meters w/Wire - Inventory	12/05/2019		5,559.90 19,239.84
Total for Check Number 9660:				0.00	24,799.74
9661	10338 10012019	California Special Districts Association Prepaid - 2020 CSDA Membership Renewal - 560 Magnolia	12/05/2019		7,615.00
Total for Check Number 9661:				0.00	7,615.00
9662	10774 250984 250985	Jesus Camacho (18) Truck Washes - Dec 2019 (3) Truck Washes - Dec 2019	12/05/2019		190.00 30.00
Total for Check Number 9662:				0.00	220.00
9663	10614 27713 27713 27714 27720 27720	Cherry Valley Automotive Labor - Changed Oil/Filter - OD 4,439 - Unit 40 Oil/Filter - OD 4,439 - Unit 40 Flat Repair - OD 15,372 - Unit 37 Oil/Filter - OD 38,565 - Unit 1 Labor - Changed Oil/Filter - OD 38,565 - Unit 1	12/05/2019		22.00 33.07 20.00 17.98 22.00
Total for Check Number 9663:				0.00	115.05
9664	10772 5342	CV Strategies Strategic Communication Services - Oct 2019	12/05/2019		5,260.00
Total for Check Number 9664:				0.00	5,260.00
9665	10354 00292019	Eric Dahlstrom Boots - E Dahlstrom	12/05/2019		97.19
Total for Check Number 9665:				0.00	97.19
9666	10390 S1388526.001 S1388526.001 S1388894.001 S1389055.001 S1389055.001 S1389055.001 S1389055.001	Dangelo Company (1) 4" Galv Nipple x 48" - Inventory (1) 4" Comp Flange - Inventory (12) 1" Brass Ells 90 - Inventory (2) 4" Flange x MJ Adapters - Inventory (1) 4" Companion Flange - Inventory (1) 4" x 36" Galv Nipple - Meter Repair (4) 4" Nut and Bolt Sets - Inventory	12/05/2019		131.93 32.14 106.41 81.03 22.90 75.75 18.41
Total for Check Number 9666:				0.00	468.57
9667	10854 11132019	Sabrina Foley Mileage -Training/CalPERS - 11/12-13/19 - S Foley	12/05/2019		50.11
Total for Check Number 9667:				0.00	50.11
9668	10600 12022019	Gaicho Gophers & Landscape Management NCR 1 Rodent Control - Nov 2019	12/05/2019		1,000.00
Total for Check Number 9668:				0.00	1,000.00
9669	10465 25AR1053525 25AR1053525	Image Source Xerox 3610 Usage Charges - 11/1 - 30/19 - Nov 2019 Xerox 3610 Contract Charges - 12/ - 31/19 - Dec 2019	12/05/2019		79.82 71.71
Total for Check Number 9669:				0.00	151.53

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9670	10273	Inland Water Works Supply Co.	12/05/2019		
	S1029616.001	(1) Replace Insides And Reg On Fire Meter			522.69
	S1029750.002	(28) 1 .5" Drop In Meter Gaskets - Inventory			71.56
	S1029750.002	(3) 2" Drop In Meter Gaskets - Inventory			8.58
	S1029750.002	(35) 2" Meter Bolt Sets - Inventory			116.42
	S1029750.002	(2) 3765 Fire Hydrants - Inventory			7,774.27
	S1029750.003	(4) 2" Meter Flanges - Inventory			78.70
	S1029787.002	(82) 1" Brass Couplings - Inventory			952.29
	S1029787.002	(2) 1" Lock Offs - Inventory			193.43
	S1029787.002	(50) 1" x 6" Brass Nipples - Inventory			646.66
	S1029787.002	(100) 1" x Brass Close - Inventory			353.67
	S1029788.002	(52) 1" Ball Valves - Inventory			2,136.80
	S1029788.002	(86) 1" Check Valves - Inventory			8,536.30
Total for Check Number 9670:				0.00	21,391.37
9671	10809	Inner-City Auto Repair & Tires	12/05/2019		
	750	Labor - Changed Oil/Filters- OD 15,102 - Unit 37			29.60
	750	Oil/Filters - OD 15,102 - Unit 37			36.72
	759	Gas Spring/Switch/Filters/Oil - Compressor			978.26
	759	Labor - Replace OFF/ON Switch/Hood Shocks - Compressor			100.00
	759	Labor - Changed Oil/Filters - Compressor			47.50
	763	Labor - Changed Oil/Filters - OD 65,087 - Unit 8			110.00
	763	Labor - Remove/Replace V Belt - OD 65,087 - Unit 8			110.00
	763	Labor - Remove/Replace Fuel Filter - OD 65,087 - Unit 8			115.00
	763	Oil/Filters/V Belt - OD 65,087 - Unit 8			571.95
	770	Labor - Remove/Replace Water Pump Belt - OD 47,747 - Unit 4			99.63
	770	Labor - Changed Oil/Filter - OD 47,747 - Unit 4			26.60
	770	Oil/Filter/Fuel Cap/Serpentine Belt - OD 47,747 - Unit 4			181.53
	770	Labor - Replace Fuel Filter - OD 47,747 - Unit 4			40.00
Total for Check Number 9671:				0.00	2,446.79
9672	10518	Innovyze, Inc	12/05/2019		
	190967674	Prepaid - Engineering Software Renewal - Jan 2020			3,575.00
Total for Check Number 9672:				0.00	3,575.00
9673	10450	Daniel Jagggers	12/05/2019		
	12042019	4th Quarter Medicare Rounding Overage - D Jagggers			8.73
Total for Check Number 9673:				0.00	8.73
9674	10429	Legend Pump & Well Service Inc	12/05/2019		
	55992	Checked System/Controls - Well 22			227.00
Total for Check Number 9674:				0.00	227.00
9675	10026	McCrometer Inc	12/05/2019		
	531588 RI	(1) 4" Meter W/Out Body Tested & Certified			1,259.33
Total for Check Number 9675:				0.00	1,259.33
9676	10278	MetLife - Group Benefits	12/05/2019		
	KM05754034Dec	MetLife Dental Ins - Dec 2019			853.04
	KM05754034Dec	MetLife Vision Ins - Dec 2019			216.72
Total for Check Number 9676:				0.00	1,069.76

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9677	10045 R 152178 R 152179	Pacific Alarm Service Inc Alarm Equip/Rent/Service/Monitor - 560 Magnolia - Dec 2019 Alarm Equip/Rent/Service/Monitor - 11083 Cherry Ave - Dec 2019	12/05/2019		368.00 59.50
Total for Check Number 9677:				0.00	427.50
9678	10102 17683 17683 17684 17684	Pat's Pots Rental Portable Toilets -10/22 - 11/18/19 Labor - Rental Portable Toilets - 10/22 - 11/18/19 Rental Portable Toilets - 11/19/19 - 12/16/19 Labor - Rental Portable Toilets - 11/19/19 - 12/16/19	12/05/2019		64.80 260.20 64.80 260.20
Total for Check Number 9678:				0.00	650.00
9679	10632 PCA00154446	Quinn Company (2) Fuel Cap For Dozer Plus a Spare	12/05/2019		199.51
Total for Check Number 9679:				0.00	199.51
9680	10317 591309 591309	Robertson's Ready Mix (25.55) Tons of Sand - Meter Maint (25.38) Tons of Sand - Maint/Repair Pipelines & Hydrants	12/05/2019		255.44 253.92
Total for Check Number 9680:				0.00	509.36
9681	10862 127332	Joshua Sibole Boots - J Sibole	12/05/2019		120.15
Total for Check Number 9681:				0.00	120.15
9682	10042 07132135000Nov	Southern California Gas Company Monthly Gas Charges -10/24 - 11/25/19 - Nov 2019	12/05/2019		15.78
Total for Check Number 9682:				0.00	15.78
9683	10276 00610763 Dec	Standard Insurance Company Monthly Life & AD&D Insurance - Dec 2019	12/05/2019		861.76
Total for Check Number 9683:				0.00	861.76
9684	10743 15436	Townsend Public Affairs, Inc Consulting Services - Dec 2019	12/05/2019		4,000.00
Total for Check Number 9684:				0.00	4,000.00
9685	10043 1194780-0002	Trench Shoring (1) 8" x 12" Traffic Plate For 39227 Oak View	12/05/2019		170.50
Total for Check Number 9685:				0.00	170.50
9686	10284 1120190047 1120190047	Underground Service Alert of Southern California (69) New Ticket Charges - Nov 2019 Monthly Maintenance Fee	12/05/2019		113.85 10.00
Total for Check Number 9686:				0.00	123.85

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9687	10778	Urban Habitat	12/05/2019		
	5253	2850 Pressure Zone Reservoir (Vineland Tanks)			540.00
	5253	Well Site 29			240.00
	5253	2750 Pressure Zone Reservoir (Cherry Tanks)			930.00
	5253	Well Site 25			120.00
	5253	Well Site 2			330.00
	5253	2650 Pressure Zone Reservoir (Hannon Tank)			900.00
	5253	Well Site 24			330.00
	5253	Well Site 22			510.00
	5253	BCVWD Business Office			150.00
	5253	Well Site 16			345.00
	5253	Well Site 3			420.00
Total for Check Number 9687:				0.00	4,815.00
9688	10385 5477257	Waterline Technologies, Inc. - PSOC (2) 53 Gallons Chlorine - Well 5	12/05/2019		464.44
Total for Check Number 9688:				0.00	464.44
9689	10651 13487	Weldors Supply and Steel, Inc Blades/Acetylene 3 - Unit 17	12/05/2019		79.88
Total for Check Number 9689:				0.00	79.88
9690	10158 86981	Wienhoff Drug Testing (2) DOT Employees Tested - Nov 2019	12/05/2019		150.00
Total for Check Number 9690:				0.00	150.00
9691	UB*03595	American Integrated Services Inc Refund Check Refund Check	12/05/2019		2,279.97 49.45
Total for Check Number 9691:				0.00	2,329.42
9692	UB*03608	Roy Bettencourt Refund Check Refund Check Refund Check Refund Check	12/05/2019		20.44 86.98 14.66 42.64
Total for Check Number 9692:				0.00	164.72
9693	UB*03587	April or Robert Cox Refund Check	12/05/2019		139.55
Total for Check Number 9693:				0.00	139.55
9694	UB*03589	Roberto Diaz Refund Check Refund Check Refund Check Refund Check	12/05/2019		0.65 0.39 0.91 2.00
Total for Check Number 9694:				0.00	3.95
9695	UB*03570	Candice Dowdy Refund Check	12/05/2019		50.00
Total for Check Number 9695:				0.00	50.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9696	UB*03593	Denise Ferren Refund Check Refund Check Refund Check Refund Check	12/05/2019		25.59 8.91 12.06 8.66
Total for Check Number 9696:				0.00	55.22
9697	UB*03591	James Field Refund Check	12/05/2019		2,026.57
Total for Check Number 9697:				0.00	2,026.57
9698	UB*03605	William Friend Refund Check	12/05/2019		175.57
Total for Check Number 9698:				0.00	175.57
9699	UB*03607	April Gallup Refund Check Refund Check Refund Check Refund Check	12/05/2019		0.85 1.76 561.15 0.61
Total for Check Number 9699:				0.00	564.37
9700	UB*03603	Johnnie Jackson Refund Check	12/05/2019		60.46
Total for Check Number 9700:				0.00	60.46
9701	UB*03596	Janica Jacques Refund Check	12/05/2019		208.51
Total for Check Number 9701:				0.00	208.51
9702	UB*03583	Select Ventures Inc or Jagdish Sodi Refund Check Refund Check Refund Check Refund Check	12/05/2019		10.12 1,858.67 7.26 25.30
Total for Check Number 9702:				0.00	1,901.35
9703	UB*03602	Felicia Johnson Refund Check	12/05/2019		32.77
Total for Check Number 9703:				0.00	32.77
9704	UB*03585	Chad Watkins or Juanita Douglas Refund Check	12/05/2019		183.54
Total for Check Number 9704:				0.00	183.54
9705	UB*03599	Sue Lara Refund Check	12/05/2019		188.85
Total for Check Number 9705:				0.00	188.85

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9706	UB*03592	Karen Lewis Refund Check	12/05/2019		224.54
Total for Check Number 9706:				0.00	224.54
9707	UB*03584	Shalea or Jayson Lyles Refund Check	12/05/2019		58.74
Total for Check Number 9707:				0.00	58.74
9708	UB*03601	Donald Makela Refund Check	12/05/2019		8.20
Total for Check Number 9708:				0.00	8.20
9709	UB*03600	Juan Martinez Refund Check	12/05/2019		14.64
Total for Check Number 9709:				0.00	14.64
9710	UB*03590	Jami McLaughlin Refund Check Refund Check Refund Check Refund Check	12/05/2019		10.93 31.80 149.16 15.24
Total for Check Number 9710:				0.00	207.13
9711	UB*03588	Katie Meeks Refund Check Refund Check Refund Check Refund Check	12/05/2019		3.63 10.55 128.60 5.05
Total for Check Number 9711:				0.00	147.83
9712	UB*03594	Oaktree Design and Build Refund Check	12/05/2019		1,985.06
Total for Check Number 9712:				0.00	1,985.06
9713	UB*03606	Cynthia O'dell Refund Check	12/05/2019		737.98
Total for Check Number 9713:				0.00	737.98
9714	UB*03586	PC Electric Inc Refund Check Refund Check Refund Check Refund Check	12/05/2019		15.34 1,947.98 11.00 38.35
Total for Check Number 9714:				0.00	2,012.67
9715	UB*03598	Patricia Peebles Refund Check	12/05/2019		0.70
Total for Check Number 9715:				0.00	0.70

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9716	UB*03597	Kenneth & Lindsay Phillips Refund Check	12/05/2019		39.76
Total for Check Number 9716:				0.00	39.76
9717	UB*03604	Cory & Jessica Smith Refund Check	12/05/2019		11.93
Total for Check Number 9717:				0.00	11.93
9718	UB*03582	TNT Blanchard General Engineering Inc Refund Check	12/05/2019		1,406.49
Total for Check Number 9718:				0.00	1,406.49
Total for 12/5/2019:				0.00	128,991.03
ACH	10288 11142019 12202019 12202019 12202019 12202019 12202019 12202019	CalPERS Health Fiscal Services Division Active Employees Health Ins - Dec 2019 Admin Fee for Retired Emp Health Ins - Dec 2019 Health Ins - Final - C Vieyra - Dec 2019 Retired Employees Health Ins - Dec 2019 Health Ins - Final - C Vieyra - Dec 2019 Pending Billing - Health Ins - C Kitchen - Nov 2019 Admin Fee for Health Ins - Dec 2019	12/09/2019		49,956.38 13.23 -627.07 2,370.00 627.07 -1,257.26 131.49
Total for this ACH Check for Vendor 10288:				0.00	51,213.84
9719	10773 19-969	Bartel Associates, LLC Actuarial Consulting Services - Oct 2019	12/09/2019		320.00
Total for Check Number 9719:				0.00	320.00
9720	10506 07012019 07012019	Santa Ana Watershed Project Authority 2019/2020 Basin Monitoring Program - Jan - June 2020 2019/2020 Basin Monitoring Program - July - Dec 2019	12/09/2019		8,398.00 8,398.00
Total for Check Number 9720:				0.00	16,796.00
9721	UB*03609	Ashleigh Moshier Refund Check	12/09/2019		388.52
Total for Check Number 9721:				0.00	388.52
Total for 12/9/2019:				0.00	68,718.36
ACH	10086 410003	American Family Life Assurance Company of Columbus AFLAC Employee Insurance - Dec 2019	12/11/2019		919.48
Total for this ACH Check for Vendor 10086:				0.00	919.48
Total for 12/11/2019:				0.00	919.48

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
ACH	10085	CalPERS Retirement System	12/12/2019		
	15857432	PR Batch 00001.12.2019 CalPERS 8% EE Paid			2,127.95
	15857432	PR Batch 00001.12.2019 CalPERS 7.5% EE PEPRA			2,767.02
	15857432	PR Batch 00001.12.2019 CalPERS ER PEPRA			345.42
	15857432	PR Batch 00001.12.2019 CalPERS ER Paid Classic			8,925.17
	15857432	PR Batch 00001.12.2019 CalPERS 7.5% EE PEPRA			203.49
	15857432	PR Batch 00001.12.2019 CalPERS ER PEPRA			2,492.94
	15857432	PR Batch 00001.12.2019 CalPERS 8% ER Paid			1,204.84
	15857432	PR Batch 00001.12.2019 CalPERS 1% ER Paid			174.58
	15857432	PR Batch 00001.12.2019 CalPERS 7% EE Deduction			1,222.09
Total for this ACH Check for Vendor 10085:				0.00	19,463.50
ACH	10087	EDD	12/12/2019		
	0-997-542-848	PR Batch 00001.12.2019 State Income Tax			6,459.63
	0-997-542-848	PR Batch 00001.12.2019 CA SDI			1,012.84
Total for this ACH Check for Vendor 10087:				0.00	7,472.47
ACH	10094	U.S. Treasury	12/12/2019		
	44292819	PR Batch 00001.12.2019 Medicare Employer Portion			1,883.19
	44292819	PR Batch 00001.12.2019 FICA Employer Portion			7,104.60
	44292819	PR Batch 00001.12.2019 Federal Income Tax			14,139.95
	44292819	PR Batch 00001.12.2019 FICA Employee Portion			7,104.60
	44292819	PR Batch 00001.12.2019 Medicare Employee Portion			1,958.74
Total for this ACH Check for Vendor 10094:				0.00	32,191.08
ACH	10141	Ca State Disbursement Unit	12/12/2019		
	QUFNKHD6657	PR Batch 00001.12.2019 Garnishment			360.05
	QUFNKHD6657	PR Batch 00001.12.2019 Garnishment			288.46
Total for this ACH Check for Vendor 10141:				0.00	648.51
ACH	10203	Voya Financial	12/12/2019		
	VB1450-PP25	PR Batch 00001.12.2019 Deferred Comp			475.00
Total for this ACH Check for Vendor 10203:				0.00	475.00
ACH	10264	CalPERS Supplemental Income Plans	12/12/2019		
	15883788	PR Batch 00001.12.2019 ROTH-Post-Tax			211.83
	15883788	PR Batch 00001.12.2019 CalPERS 457			640.00
	15883788	PR Batch 00001.12.2019 CalPERS 457 %			128.59
Total for this ACH Check for Vendor 10264:				0.00	980.42
Total for 12/12/2019:				0.00	61,230.98
ACH	10138	ARCO Business Solutions	12/16/2019		
	HW201 Dec 2019	ARCO Fuel Charges - 11/12/19 - 12/11/19 - Dec 2019			7,020.24
Total for this ACH Check for Vendor 10138:				0.00	7,020.24
ACH	10030	Southern California Edison	12/16/2019		
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 12303 Oak Glen Rd			185.11
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 9781 Avenida Miravilla			73.44
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 815 E 12th Ave			305.63
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 13697 Oak Glen Rd			148.74
	2-03-937-4889	Electricity 10/23 - 11/22/19 - Wells			92,223.60
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 13695 Oak Glen Rd			79.51
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 851 E 6th St			173.16
	2-03-937-4889	Electricity 10/23 - 11/22/19 - 560 Magnolia Ave			1,445.63
	2-03-937-4889	Electricity 09/23 - 10/23/19 - Wells			76.30
Total for this ACH Check for Vendor 10030:				0.00	94,711.12

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
ACH	10147 966762	Online Information Services, Inc 187 Credit Reports - Nov 2019	12/16/2019		534.90
Total for this ACH Check for Vendor 10147:				0.00	534.90
Total for 12/16/2019:				0.00	102,266.26
9722	10792 12162019	A-1 Financial Services January Rent - 851 E 6th St - Engineering Office	12/19/2019		2,025.00
Total for Check Number 9722:				0.00	2,025.00
9723	10001 47945 47945 47945 47945 47945 47945	Action True Value Hardware Cotter Pins - John Deere Grinding Disk/Mason Bits - Shop Demo Pins/Clip/Nuts/Bolt - Tail Gate - Unit 12 Carb Cleaner - District Small Engines Rain Suit - Unit 41 Clamps/Rubber Straps - Repair Dozer	12/19/2019		8.19 15.05 2.37 6.99 22.62 36.69
Total for Check Number 9723:				0.00	91.91
9724	10003 39867	All Purpose Rental Trenching Shovel - Unit 11	12/19/2019		25.27
Total for Check Number 9724:				0.00	25.27
9725	10272 BJ90982 BJ91403 BJ92213 BK90241 BK90250 BK90704 BK90706 BK91171 BK91177 BK92212 SINV100883	Babcock Laboratories Inc (6) Pesticide/Metal Lab Samples (17) Pesticide/Metal Lab Samples (15) Coliforms Lab Samples (3) Coliforms Wells (15) Coliforms Lab Samples (15) Coliforms Lab Samples (2) Coliforms Wells (2) Coliforms Wells (15) Coliforms Lab Samples (1) Coliforms Well Late Charges - Oct 2019	12/19/2019		5,310.00 4,050.00 630.00 126.00 630.00 630.00 84.00 84.00 630.00 42.00 25.09
Total for Check Number 9725:				0.00	12,241.09
9726	10382 2801 2801	Beaumont Power Equipment Inc Oil/Chains for Pole Chain Saw - 12th/Palm Pole Chain Saw - 12th/Palm	12/19/2019		104.46 431.00
Total for Check Number 9726:				0.00	535.46
9727	10135 4034 4034 4034	Big Time Design Uniform Polo Shirts - Engineering Uniform Sweaters - Main Office Uniform Sweater - IT	12/19/2019		230.58 703.61 39.87
Total for Check Number 9727:				0.00	974.06
9728	10019 0098587	C R & R Incorporated Monthly Charges 3 YD Commercial Bin - Dec 2019	12/19/2019		271.47
Total for Check Number 9728:				0.00	271.47

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9729	10774	Jesus Camacho	12/19/2019		
	161808	(2) Truck Washes - Nov 2019			20.00
	161809	(18) Truck Washes - Nov 2019			185.00
Total for Check Number 9729:				0.00	205.00
9730	10614	Cherry Valley Automotive	12/19/2019		
	27847	Labor - Replaced Pads/Rotors - OD 160,978 - Unit 11			284.82
	27847	Pad Set/Tires - OD 160,978 - Unit 11			706.59
	27847	Labor - Alignment/Mount/Balance Tires - OD 160,978 - Unit 11			162.75
Total for Check Number 9730:				0.00	1,154.16
9731	10112	Cla-Val	12/19/2019		
	786461	Labor - Rebuilt Main Valve & Pilot - Palmer PRV			2,392.00
	786461	Rubbers/Nuts/Plugs/Studs/Washers - Palmer PRV			4,706.95
Total for Check Number 9731:				0.00	7,098.95
9732	10266	Cozad & Fox Inc.	12/19/2019		
	14755	(80%) Project Coordination - Noble Storage Tank			1,176.20
	14755	(80%) Project Coordination - Noble Storage Tank			1,176.20
	17360	(70%) Revise Basin Grading - Noble Water Storage Tank			1,295.00
	17360	(75%) Prepare Water Quality Mgmt Plan - Noble Water Storage Tank			3,096.00
	17360	(75%) Prepare Water Quality Mgmt Plan - Noble Water Storage Tank			3,096.00
	17360	(70%) Revise Basin Grading - Noble Water Storage Tank			1,295.00
	17397	(100%) Infiltration Testing - Noble Water Storage Tank			1,969.00
	17397	(100%) Infiltration Testing - Noble Water Storage Tank			1,969.00
	17397	(85%) Prepare Water Quality Mgmt Plan - Noble Water Storage Tank			412.80
	17397	(85%) Prepare Water Quality Mgmt Plan - Noble Water Storage Tank			412.80
	17454	(100%) Updated CEQA - Noble Storage Tank			75.55
	17454	(100%) Prepare Water Quality Mgmt Plan - Noble Storage Tank			619.20
	17454	(100%) Prepare Water Quality Mgmt Plan - Noble Storage Tank			619.20
	17454	(100%) Updated CEQA - Noble Storage Tank			75.55
	17454	(100%) Revise Basin Grading - Noble Storage Tank			555.00
	17454	(100%) Revise Basin Grading - Noble Storage Tank			555.00
	17454	(100%) Undated Study/Negative Declaration - Noble Storage Tank			2,782.50
	17454	(100%) Undated Study/Negative Declaration - Noble Storage Tank			2,782.50
Total for Check Number 9732:				0.00	23,962.50
9733	10772	CV Strategies	12/19/2019		
	5353	Strategic Communication Services - Nov 2019			4,190.00
Total for Check Number 9733:				0.00	4,190.00
9734	10631	Sandra Delgadillo	12/19/2019		
	12042019	Reimb Mileage - Springbrook SNUG - 12/4/19 - S Delgadillo			72.15
Total for Check Number 9734:				0.00	72.15
9735	10052	Home Depot Credit Services	12/19/2019		
	11706	Safety Gloves - Field Staff			16.13
	2032918	(40) Stranded THHN/Connector - Edgar Booster			362.63
	522505	Kitchen Faucet/Basin Wrench - 1613 B Dry Creek			149.75
	7011081	(3) Shovels - Unit 17			96.91
	8034333	Shelves - Shop			1,619.48
	9610057	Dish Soap/Air Freshener - 12th/Palm			28.83
	W942568879	Power Inlet/Outlet - Well 3			48.59
Total for Check Number 9735:				0.00	2,322.32

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9736	10398	Infosend, Inc	12/19/2019		
	162983	Nov 2019 Supply Charges for Utility Billing			814.11
	162983	Nov 2019 Billing Charges for Utility Billing			863.38
	162983	Nov 2019 Postage Charges for Utility Billing			4,356.04
Total for Check Number 9736:				0.00	6,033.53
9737	10809	Inner-City Auto Repair & Tires	12/19/2019		
	780	Oil/Filter - OD 11,369 - Unit 35			47.08
Total for Check Number 9737:				0.00	47.08
9738	10400	Sylvia Molina	12/19/2019		
	12042019	Reimb Mileage - Springbrook SNUG - 12/4/19 - S Molina Mileage			26.68
Total for Check Number 9738:				0.00	26.68
9739	10350	NAPA Auto Parts	12/19/2019		
	107762	Floor Cleaner - New Building			10.22
	107762	Oil - Honda Generator			8.61
	107762	Carb Cleaner - Portable Generator			27.47
	108852	Connector - Light Tower			17.00
	108937	Wiper Blades - Dozer/Loader			62.44
	109010	LED Lamp - Tail Light - Unit 5			40.92
	109056	Cleaners - Bull Dozer Maint			16.13
	109056	Wiper Blades - Unit 11			10.76
	109557	Oil - Large Equipment			90.45
	109614	Wiper Blades - Unit 4			21.53
Total for Check Number 9739:				0.00	305.53
9740	10756	Cole Nyberg	12/19/2019		
	12142019	Safety Boots - C Nyberg			200.00
Total for Check Number 9740:				0.00	200.00
9741	10045	Pacific Alarm Service Inc	12/19/2019		
	R 151782	Alarm Equip/Rent/Service/Monitor - 815 E 12th St - Dec 2019			76.00
Total for Check Number 9741:				0.00	76.00
9742	10632	Quinn Company	12/19/2019		
	PAC001558636	(3) Hydraulic Fluid - CAT Dozer			308.38
	PAC001558636	(1) Hydraulic Filter Gasket - CAT Dozer			8.03
Total for Check Number 9742:				0.00	316.41
9743	10797	Raftelis Financial Consultants, Inc	12/19/2019		
	13626	Fees for Water Rate Study - Nov 2019			12,460.00
Total for Check Number 9743:				0.00	12,460.00
9744	10095	Riverside County Dept of Waste Resources	12/19/2019		
	201911000339	Weeds/Trash Removal NCR 1 - Nov 2019			10.00
Total for Check Number 9744:				0.00	10.00
9745	10317	Robertson's Ready Mix	12/19/2019		
	594130	(13.02) Tons of Base - Maint and Repairs Pipelines and Hydrants			200.12
	594130	(13.02) Tons of Base - Meter Maintenance			200.12
Total for Check Number 9745:				0.00	400.24

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9746	10290 19-00207	San Gorgonio Pass Water Agency 1,597 AF @ \$399 - Nov 2019	12/19/2019		637,203.00
Total for Check Number 9746:				0.00	637,203.00
9747	10431 26575	Southern California West Coast Electric Completed Generator To ATS Electrical - Well 21	12/19/2019		7,800.00
Total for Check Number 9747:				0.00	7,800.00
9748	10668	Thomas Harder & Co	12/19/2019		
	8	Preparation of Well Drilling - Replacement Well - Well 2A			1,450.00
	8	Preparation of Well Drilling - Replacement Well - Well 1A			1,450.00
	9	Environmental Compliance - Replacement Well - Well 2A			483.75
	9	Preparation of Well Drilling - Replacement Well - Well 2A			298.75
	9	Environmental Compliance - Replacement Well - Well 1A			483.75
	9	Preparation of Well Drilling - Replacement Well - Well 1A			298.75
Total for Check Number 9748:				0.00	4,465.00
9749	10255	Unlimited Services Building Maintenance	12/19/2019		
	040228-IN	Dec 2019 Janitorial Services - 560 Magnolia Ave			845.00
	0404227-IN	Dec 2019 Janitorial Services - 815 E 12th			150.00
	0404492IN	Dec 2019 Janitorial Services - 851 E 6th St			375.00
Total for Check Number 9749:				0.00	1,370.00
9750	10116	Verizon Wireless Services LLC	12/19/2019		
	9843116172	Cell Phone Charges - Nov 2019			220.03
	9843116172	iPad Charges - Nov 2019			120.03
Total for Check Number 9750:				0.00	340.06
9751	10651 13621	Weldors Supply and Steel, Inc Gas/Cored Wire for Torches - Unit 5	12/19/2019		105.10
Total for Check Number 9751:				0.00	105.10
9752	10293 161893	Western Dental Services Inc Western Dental Premiums - Dec 2019	12/19/2019		86.14
Total for Check Number 9752:				0.00	86.14
9753	10753 12092019	Lona Williams Reimb Mileage - ACWA Conference 12/02 - 05/2019 - L Williams	12/19/2019		363.28
Total for Check Number 9753:				0.00	363.28
9754	10864 23938	Xcel Pest Control, Inc Exterminator - 560 Magnolia	12/19/2019		195.00
Total for Check Number 9754:				0.00	195.00
9755	UB*03622	Anthony Banks Refund Check	12/19/2019		106.97
Total for Check Number 9755:				0.00	106.97
9756	UB*03620	Mary Barendt Refund Check	12/19/2019		65.26
Total for Check Number 9756:				0.00	65.26

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9757	UB*03625	Gregory Bustamante Refund Check Refund Check	12/19/2019		22.29 4.97
Total for Check Number 9757:				0.00	27.26
9758	UB*03626	Joel Cabrera Jimenez Refund Check Refund Check Refund Check Refund Check	12/19/2019		0.13 0.37 0.18 1.75
Total for Check Number 9758:				0.00	2.43
9759	UB*03627	Robert & Angela Carmell Refund Check Refund Check Refund Check Refund Check	12/19/2019		23.17 29.01 20.80 61.10
Total for Check Number 9759:				0.00	134.08
9760	UB*03633	Karen Corona Refund Check	12/19/2019		122.39
Total for Check Number 9760:				0.00	122.39
9761	UB*03619	Belete Demissie Refund Check Refund Check Refund Check Refund Check	12/19/2019		11.04 5.98 4.28 12.46
Total for Check Number 9761:				0.00	33.76
9762	UB*03618	Ruth Dursteler Refund Check	12/19/2019		89.72
Total for Check Number 9762:				0.00	89.72
9763	UB*03611	Cary Farrier Refund Check	12/19/2019		155.73
Total for Check Number 9763:				0.00	155.73
9764	UB*03605	William Friend Refund Check	12/19/2019		175.57
Total for Check Number 9764:				0.00	175.57
9765	UB*03615	Buford Hayes Refund Check	12/19/2019		1.03
Total for Check Number 9765:				0.00	1.03
9766	UB*03621	Jacqueline Hilovsky Refund Check Refund Check Refund Check Refund Check	12/19/2019		62.22 21.39 37.65 29.81
Total for Check Number 9766:				0.00	151.07

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9767	UB*03617	Emanuel Jenkins Refund Check	12/19/2019		250.00
Total for Check Number 9767:				0.00	250.00
9768	UB*03631	Nicole Johnson Refund Check Refund Check Refund Check Refund Check	12/19/2019		12.62 17.60 36.72 61.52
Total for Check Number 9768:				0.00	128.46
9769	UB*03632	Master Development LLC Refund Check Refund Check Refund Check Refund Check	12/19/2019		491.02 1,136.45 196.41 140.90
Total for Check Number 9769:				0.00	1,964.78
9770	UB*03612	McDonald Property Refund Check Refund Check Refund Check Refund Check Refund Check	12/19/2019		33.38 11.13 12.65 136.41 15.51
Total for Check Number 9770:				0.00	209.08
9771	UB*03610	Allan Mcnew Refund Check Refund Check	12/19/2019		316.39 371.48
Total for Check Number 9771:				0.00	687.87
9772	UB*03613	Hoadon Nguyen Muy Huynh Refund Check Refund Check Refund Check Refund Check	12/19/2019		15.54 0.65 0.47 1.36
Total for Check Number 9772:				0.00	18.02
9773	UB*03629	Oakridge Energy & Construction Refund Check Refund Check Refund Check Refund Check	12/19/2019		202.71 1,626.71 81.08 58.17
Total for Check Number 9773:				0.00	1,968.67
9774	UB*03614	Justin Pickens & Jackie Quintero Refund Check Refund Check Refund Check Refund Check	12/19/2019		0.16 0.24 0.47 0.22
Total for Check Number 9774:				0.00	1.09

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9775	UB*03616	Dave Rohrbacker Refund Check Refund Check Refund Check Refund Check	12/19/2019		0.02 0.03 0.06 0.28
Total for Check Number 9775:				0.00	0.39
9776	UB*03623	Michael & Maralyn Smith Refund Check	12/19/2019		138.51
Total for Check Number 9776:				0.00	138.51
9777	UB*03624	Dien Trinh Refund Check Refund Check Refund Check Refund Check	12/19/2019		10.50 7.53 79.04 21.91
Total for Check Number 9777:				0.00	118.98
9778	UB*03630	Ashlee Welch Refund Check Refund Check Refund Check Refund Check	12/19/2019		31.16 33.89 65.03 22.36
Total for Check Number 9778:				0.00	152.44
9779	UB*03628	Susan Wilhelm Refund Check Refund Check Refund Check Refund Check	12/19/2019		1.72 1.81 3.76 1.29
Total for Check Number 9779:				0.00	8.58
Total for 12/19/2019:				0.00	733,684.53
ACH	10781 10034 10037 10074 10162 10171 10173	Umpqua Bank US Postal Service Stamps - 560 Magnolia Waste Management Of Inland Empire Recycling Dumpster Charges - 815 E 12th - Nov 2019 Yard Dumpsters - 815 E 12th - Nov 2019 Monthly Sanitation - 560 Magnolia - Nov 2019 Recycling Dumpster Charges - 560 Magnolia - Nov 2019 American Water Works Association AWWA Cross Connection Course - 1/6 - 1/10/2020- J Bean AWWA Cross Connection Course - 1/6 - 1/10/2020 - J McCue In Gear Technology Labor - Install Starter - Unit 8 Starter/Oil/Filter/Battery/Cable Ends - Unit 8 Riverside Assessor - County Recorder Filed Under Environmental - San Timoteo Ground Water Basin California Society of Municipal Finance Officers CSMFO - Chapter Meeting - 12/5/19 - S Molina CSMFO - Chapter Meeting - 12/5/19 - S Delgadillo CSMFO - Chapter Meeting - 12/5/19 - S Foley CSMFO - Chapter Meeting - 12/5/19 - L Lopez Prepaid - CSMFO Conf - 1/28 - 1/31/20 -Y Rodriguez Prepaid - Pre-Conf Session - 1/28 - 1/31/20 -Y Rodriguez	12/23/2019		220.00 92.72 306.14 112.59 92.72 960.00 960.00 280.00 254.35 52.50 40.00 40.00 40.00 40.00 425.00 150.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	10249	CDW Government LLC (8) Monitors - Board Room			1,055.31
		Renewal - Shorecare Phone Support - Nov 2019 - Oct 2020			1,512.00
		Renewal - Canon Check Scanner - Nov 2019 - Oct 2020			760.24
	10262	Dick's All Auto Repair Inc Smog Inspection - OD 38,564 - Unit 1			51.75
	10303	Grainger Inc Inverter Generator - To Power Telemetry (3) Knee Boots - Field Staff			879.76 171.36
	10397	Wal-Mart Marine Univ Fuel Kit - Portable Generator			96.11
	10420	Amazon.com Hydration Packs - Meter Reads Fuel Cut Off Valve 2 Way - Well 23			54.57 21.54
	10424	Top-Line Industrial Supply, LLC Flushing Hoses/Clamps/Coupling - Flushing Program			304.52
	10455	Advance Refrigeration & Ice Systems, Inc Labor - Remove/Flush Water System Components - 12th/Palm Water Filter/Sanitizer/Cleaner - 12th/Palm			458.66 227.79
	10526	Verizon Monthly Phone Service - 11/01-11/30/2019 - Nov 2019			1,004.08
	10545	Itron, Inc Handheld Cables - Meter Reading			268.15
	10546	Frontier Communications 10/25-11/24/19 - Nov FIOS/FAX 56 - 560 Magnolia 10/25-11/24/19 - Nov FIOS/FAX 56 - 851 E 6th St			290.00 100.94
	10623	WP Engine Website Hosting for BCVWD Website - Nov 2019			35.00
	10656	EC-Council International Ltd Refund - ECE Annual Membership Fee - R Rasha			-80.00
	10709	Core & Main LP International Fee Monthly Network Monitoring - Nov 2019 Monthly Email - Nov 2019			4.04 202.14 264.00
	10735	ASCE Water Quality Management Plan Workshop - 12/11/19 - D Baguyo Water Quality Management Plan Workshop - 12/11/19 - J Bean			90.00 90.00
	10761	BLS*Spamtitan Email Filtering - Nov 2019 International Fee International Fee Monthly Spam Filter - Nov 2019			47.00 0.94 1.44 71.88
	10784	Autodesk, Inc Monthly Auto CAD - Engineering			710.00
	10790	Microsoft Monthly Microsoft Office - Nov 2019			500.00
	10801	PK Safety Supply Shower/Eye Wash Station - Well 22 & 16			2,103.90
	10840	Ready Fresh (Arrowhead) Water - 851 E 6th St - Eng - Nov 2019			123.68

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	10846	Art To Frames Frames for Code of Ethics Certificates			46.59
		CA Sales/Use Tax - Frames for Code of Ethics Certificates			-2.56
	10865	CPS HR Consulting Employee Relations Training - 12/18/19 - HR			184.00
	10866	Magento First Aid Supplies - 560 Magnolia			58.88
	10868	National Fire Protection Association CA Use/Sales Tax - NFPA 2020 Digital eForms & Book			-6.78
		NFPA 2020 Digital eForms & Book			94.28
Total for this ACH Check for Vendor 10781:				0.00	15,861.23
Total for 12/23/2019:				0.00	15,861.23
ACH	10085	CalPERS Retirement System	12/24/2019		
	1001471667	PR Batch 00002.12.2019 CalPERS ER PEPRA			2,893.41
	1001471667	PR Batch 00002.12.2019 CalPERS 8% ER Paid			1,179.39
	1001471667	PR Batch 00002.12.2019 One-time CalPERS Retro Adj			-203.49
	1001471667	PR Batch 00002.12.2019 CalPERS ER Paid Classic			9,136.57
	1001471667	PR Batch 00002.12.2019 CalPERS 7% EE Deduction			1,210.65
	1001471667	PR Batch 00002.12.2019 CalPERS 7.5% EE PEPRA			2,630.91
	1001471667	PR Batch 00002.12.2019 CalPERS 8% EE Paid			1,140.39
	1001471667	PR Batch 00002.12.2019 CalPERS 1% ER Paid			172.94
	1001471667	PR Batch 00002.12.2019 CalPERS calculation adjustment			-345.42
Total for this ACH Check for Vendor 10085:				0.00	17,815.35
ACH	10087	EDD	12/24/2019		
	1-798-200-256	PR Batch 00002.12.2019 CA SDI			802.37
	1-798-200-256	PR Batch 00002.12.2019 State Income Tax			4,434.35
Total for this ACH Check for Vendor 10087:				0.00	5,236.72
ACH	10094	U.S. Treasury	12/24/2019		
	53788505	PR Batch 00002.12.2019 Medicare Employer Portion			1,537.83
	53788505	PR Batch 00002.12.2019 FICA Employee Portion			5,149.56
	53788505	PR Batch 00002.12.2019 Medicare Employee Portion			1,613.38
	53788505	PR Batch 00002.12.2019 Federal Income Tax			11,756.05
	53788505	PR Batch 00002.12.2019 FICA Employer Portion			5,149.56
Total for this ACH Check for Vendor 10094:				0.00	25,206.38
ACH	10141	Ca State Disbursement Unit	12/24/2019		
	4KLOCPY6657	PR Batch 00002.12.2019 Garnishment			360.05
	4KLOCPY6657	PR Batch 00002.12.2019 Garnishment			288.46
Total for this ACH Check for Vendor 10141:				0.00	648.51
ACH	10203	Voya Financial	12/24/2019		
	VB1450-PP26	PR Batch 00002.12.2019 Deferred Comp			475.00
Total for this ACH Check for Vendor 10203:				0.00	475.00
ACH	10264	CalPERS Supplemental Income Plans	12/24/2019		
	1001471713	PR Batch 00002.12.2019 CalPERS 457			640.00
	1001471713	PR Batch 00002.12.2019 CalPERS 457 %			128.59
	1001471713	PR Batch 00002.12.2019 ROTH-Post-Tax			211.83
Total for this ACH Check for Vendor 10264:				0.00	980.42

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9780	10144	AlSCO Inc	12/24/2019		
	LYUM1423958	Cleaning of Mats & Shop Towels 12th/Palm - Dec 2019			36.15
	LYUM1423960	Cleaning of 3 Office Mats 560 Magnolia - Dec 2019			44.45
Total for Check Number 9780:				0.00	80.60
9781	10695	B-81 Paving Inc	12/24/2019		
	2664	(8) Districtwide Repairs - Main Line			8,671.00
	2664	Paving - Storm Drain - Grand Ave			10,983.75
	2664	(3) Districtwide Repairs - Meter Service Line			5,249.00
Total for Check Number 9781:				0.00	24,903.75
9782	10271	Beaumont Ace Home Center	12/24/2019		
	1-Nov	Fuel Line/Air Filling - Back Up Power - Well 23			26.88
	1-Nov	Hand Cleaner - Unit 36			15.61
	1-Nov	Adapters/Locknuts/Fittings - Well 23			11.83
	1-Nov	Lights - Cherry Yard Shop			86.58
	1-Nov	Battery - Locator			20.46
	1-Nov	No Parking Sign/Tape - 560 Magnolia			52.50
	1-Nov	Box of Rags - Unit 4			18.31
	1-Nov	Refund - Redi Mix Concrete			-13.47
	1-Nov	Coupling - Well 3			1.50
	1-Nov	Conduit/Outlets/Cement - Repairs - Shop			287.26
	1-Nov	Hand Sanitizers - District Trucks			11.31
	1-Nov	Keys - Generator			11.57
	1-Nov	Pipes/Coupling - Altejo Bella			76.30
	1-Nov	Vac Floor Nozzle - Vac			17.23
	1-Nov	Nut/Sleeve/Nipple/Tee - Well 22			23.48
	1-Nov	Straw Waddle/Wood Stakes - Phase 1 Recharge			71.18
	1-Nov	Screwdriver Set - Unit 17			5.35
	1-Nov	Rivet/Hole Saws/Mandrel - Back Up Power - Well 23			85.61
	1-Nov	Water Jug - Unit 10			16.69
	1-Nov	Straw Waddle - Phase 1			30.16
	1-Nov	Junction Box/Rivet - Well 23			29.61
	1-Nov	Hanging Strips - 560 Magnolia			4.84
	1-Nov	Redi Mix Concrete - Ring Ranch Rd			36.98
	1-Nov	Connectors/Wire - Shop Repair			67.41
	1-Nov	Fuel Line/Clamps/ Coupling - Back Up Power - Well 23			11.35
	1-Nov	Reducer/Adapters/Couplings - Repairs - Shop			20.46
	1-Nov	Redi Mix Concrete - Blow Off			23.11
	1-Nov	Adapter - Altejo Bella			12.92
	1-Nov	(4) Shovels - Unit 5			120.64
	1-Nov	Tube/Pipe Cutter - Unit 4			29.08
	1-Nov	CF - Repairs - Shop			3.40
	1-Nov	Liquid Chlorine - Well 3			27.44
	1-Nov	Pipes/Elbows - Olive Job			31.12
	1-Nov	Cable - Dump Trailer			1.74
Total for Check Number 9782:				0.00	1,276.44
9783	10774	Jesus Camacho	12/24/2019		
	250986	(18) Truck Washes - Dec 2019			185.00
	250987	(2) Truck Washes - Dec 2019			20.00
Total for Check Number 9783:				0.00	205.00
9784	10244	Fiserv Inc	12/24/2019		
	11202019	Fiserv NSF - 055199-000			28.51
Total for Check Number 9784:				0.00	28.51

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
9785	10854 12182019	Sabrina Foley Reimb - CPS HR Employee Relations Training - 12/18/19 - S Foley	12/24/2019		75.84
Total for Check Number 9785:				0.00	75.84
9786	10309 BCVWD-4 BCVWD-4	Inland Empire Resource Conservation District Water Conservation Program - Palm Innovation Academy - 4/30/19 Water Conservation Program - Anna Hause Elementary 5/30/19	12/24/2019		240.00 240.00
Total for Check Number 9786:				0.00	480.00
9787	10273 S1029750.004 S1029787.003 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001 S1029939.001	Inland Water Works Supply Co. (20) 1 1/2" Meter Flgs - Inventory (17) 1" x Brass Closes - Inventory (1) 10" Flg Gate Valve - Inventory (20) 4" Flg Bolts - Inventory (4) Flg x MJ Adapters - Inventory (4) 10" Flg Gaskets - Inventory (20) 4" Flg Gaskets - Inventory (4) 10"- 12" Flg Bolts - Inventory (4) 4" MJ x Flgs 45 - Inventory (4) 4" MJ 90 - Inventory (4) 4" MJ 45 - Inventory	12/24/2019		372.07 60.14 1,829.79 105.59 306.35 42.24 84.48 92.92 405.11 330.22 275.73
Total for Check Number 9787:				0.00	3,904.64
9788	10202 055076	Kaboo Leasing Co. Fabricate Pipe from Main Line to Entry - Well 3	12/24/2019		1,200.00
Total for Check Number 9788:				0.00	1,200.00
9789	10077 11012019	Michael Morales Reimb - Renewal Certificate - Grade D3/OP 26931 - M Morales	12/24/2019		90.00
Total for Check Number 9789:				0.00	90.00
9790	10223 224307	Richards, Watson & Gershon Legal Services Oct Board Approval 12/18/19	12/24/2019		5,767.51
Total for Check Number 9790:				0.00	5,767.51
9791	10341 LW 1025048 LW 1025048	State Water Resources Control Board Prepaid - Title 22 Water System Annual Fee - 7/1/2019 - 6/30/202 Title 22 Water System Annual Fee - 7/1/2019 - 6/30/2020	12/24/2019		24,600.05 24,600.05
Total for Check Number 9791:				0.00	49,200.10
9792	10447 12172019 12172019	State Water Resources Control Board - DWOCP Certificate Renewal - Grade D2/OP 48426 - C Kitchen Certificate Renewal - Grade D5/OP 9525 - A Couch	12/24/2019		60.00 105.00
Total for Check Number 9792:				0.00	165.00
9793	UB*03634	Victoria Santillan Refund Check	12/24/2019		81.56
Total for Check Number 9793:				0.00	81.56
Total for 12/24/2019:				0.00	153,762.56
Report Total (157 checks):				0.00	1,257,045.83



**Beaumont-Cherry Valley Water District
Board of Directors Meeting
January 7, 2020**

Item 2d

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
SUBJECT: **Approval of Pending Invoices**

Staff Recommendation

Approve the pending invoices totaling \$9,107.15.

Background

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

Fiscal Impact

There is a \$9,107.15 impact to the District which will be paid from the 2019 budget.

Attachment(s)

- Richards Watson Gershon Invoice # 224725



T 213.626.8484
F 213.626.0078
Fed. I.D. No. 95-3292015

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

CONFIDENTIAL
This material is subject to the attorney-client privilege and/or attorney work product protection, or otherwise is privileged or confidential. Do not disclose the contents hereof. Do not file with publicly-accessible records.

DAN JAGGERS, GENERAL MANAGER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, Ca 92223-2258

December 9, 2019
Invoice # 224725

Re: [REDACTED] GENERAL COUNSEL SERVICES

For professional services rendered through November 30, 2019:

Current Legal Fees	\$8,998.50
Current Client Costs Advanced	<u>\$108.65</u>
TOTAL CURRENT FEES AND COSTS	<u>\$9,107.15</u>
Balance Due From Previous Statement	\$5,767.51
TOTAL BALANCE DUE FOR THIS MATTER	<u>\$14,874.66</u>

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE TO

RICHARDS, WATSON & GERSHON
355 South Grand Avenue, 40th Floor
Los Angeles, CA 90071-3101





**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, December 5, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:15 p.m.

Pledge of Allegiance: President Covington

President Covington led the pledge.

Invocation: Vice President Slawson

Vice President Slawson gave the invocation.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Yolanda Rodriguez Senior Engineer Mark Swanson Administrative Assistant Erica Gonzales Assistant Director of Operations James Bean Senior Accountant Sylvia Molina Senior Finance and Administrative Analyst William Clayton
Legal counsel:	None.

Members of the public who registered their attendance: Thomas Medina, Norma Medina, and Nisha Wade.

Public Comment: Mr. Thomas Medina reminded the Board that he notified them of a development in his neighborhood and that water lines cross the property. Negotiations between the property owner, Mr. Ortiz, and BCVWD failed, he said, and an easement was granted to be able to access the water lines in case of a leak. So much material has been brought into the area, Mr. Medina reported, that there is no way it will be moved if there is a water leak. He requested the BCVWD re-route the water lines in front of the properties along Elm Avenue.

Ms. Norma Medina said she wants to make sure the residents' water is taken care of. On November 18, she experienced a water outage and called BCVWD and was informed there was an emergency shutoff. On November 19, a BCVWD representative visited to alert of another shutoff. She presented documentation of a visit to BCVWD in August noting that several Board members agreed the water

lines should be run in Elm Avenue and to add a fire hydrant. She requested the BCVWD not forget about the residents.

President Covington noted the residents have not been forgotten and indicated there was a commitment that will be honored.

ACTION ITEMS

- 1. Adjustments to the Agenda:** None.
- 2. BCVWD Fiscal Year 2020 Operating & Capital Improvement Budget Finances**
 - a. Preliminary revenue and expense estimates
 - b. CV Strategies 2019 Activities and Associated Expenses and Projected 2020 Budget line item
 - c. Townsend Public Affairs, Inc. 2019 Activities and Associated Expenses and Projected 2020 Budget line item

General Manager Jagers advised that the Finance and Audit Committee requested discussion of the imported water supply as the increase from \$317 to \$399 per acre-foot (AF) has had a significant effect on the budget. Staff advised the Board of the increases and a budget adjustment of up to \$3,046,426 was approved to purchase available water supply, Jagers reminded. In FY 2019, staff budgeted \$2,818,211 for approximately 8,900 AF of replenishment. With more water available in 2019, the Board authorized up to an additional \$3,046,326.

Funding was to come from capital reserves and should be recoverable in future sales as rates are adjusted and pass-through fees are evenly distributed, Jagers said. This resulted in an amended budget, Jagers explained. Some of the imbalances seen in the 2020 budget are significantly affected by this component, he noted. Staff is projecting \$3.7 million in water purchases for replenishment needs, which is \$900,000 greater than last year's projection of \$2.81 million. Total expenditures for imported water by December 31, 2019 are expected to be \$5.2 or \$5.3 million. Jagers explained the inclusion of this expense within the rate study and detailed replenishment needs. He estimated that the San Geronio Pass Water Agency's (SGPWA) imported water price increase added \$500,000 to 2019. President Covington noted the rate study will include consideration of the cost increase and Mr. Jagers indicated that estimates of the pass-through charge are 71 to 72 cents per unit of sale.

Jagers responded to questions from Directors Ramirez and Hoffman and explained the presentation of an unbalanced budget in anticipation of the rate study. President Covington noted it is painful to be paying from reserves but there will be dry years and said he is glad the Board has been proactive in approving the additional funds. Staff continues to project needs and water deliveries, Jagers assured.

Operating Budget

Director of Finance and Administrative Services Yolanda Rodriguez introduced the 2020 proposed Operating and Five-Year Capital Improvement budgets and

gave an overview of the District. The City of Beaumont is experiencing about 4 percent annual growth, she reported.

District accomplishments in 2019, Ms. Rodriguez noted, included development of working relationships with regional stakeholders, completion of a Comprehensive Annual Financial Report, increased capacity of the East Branch Extension Noble Creek Turnout to 34 cubic feet per second (cfs), finalization of the Bogart Park lease agreement, celebration of the District's 100-year anniversary, hosting of state legislators on site, maximized interest earnings, and enhanced transparency and communication.

The 2020 budget, Rodriguez explained, proposes revenue of \$16.9 million, and expenses of \$17.1 million, a deficit of \$38,412 before adjusting for capacity fees and depreciation. She explained the assumptions in the budget including growth of 400 homes. Mr. Jagers added that production was higher in 2018 than in 2019 and explained factors affecting the budget estimates. Ms. Rodriguez continued detailing the budget proposal, noting that a conservative approach was taken.

General Manager Jagers pointed to facilities fees projections and noted the District is conducting a fee study. Adjustments may be made with a later budget amendment, he advised.

Ms. Rodriguez explained proposed budget expenditures and responded to questions from the Board. Mr. Jagers offered detail on source of supply and related increased expenses. Ms. Rodriguez explained liabilities of \$1.3 million related to current and future retirees. Recommendations made by the District's hired consultant include establishing a trust for Other Post-Employment Benefits, she noted.

Ms. Rodriguez pointed to net revenue of \$13 million which is what is used to run the District, and explained expenses not including capital replacement at \$14.3 million. The budget is not balanced, she explained, by \$394,012. The District has normally set aside funds for capital replacement, she said, and recommended a one-time use of capital replacement reserves to balance the budget. Mr. Jagers warned that if it is a dry year and the District cannot purchase the water needed for replenishment, and the rates are not adjusted, this remains a problem. A budget amendment will remedy the issue, he said. The choice now is to buy less water, take the money from reserves, or have the adjusted rate satisfy the activities, he said. A significant component is the SGPWA pass-through cost recovery, Jagers reminded. He acknowledged uncertainties.

Several factors affecting the budget were noted by Ms. Rodriguez, including the cost-of-living adjustments outlined by the compensation study, health coverage cost increases, retirement costs, and water purchases. Mr. Jagers added that conscious decisions have been made to buy water which has a sale value.

Projected cash on hand by December 31, 2019 is \$3.3 million for operating reserves. She noted \$23.7 million in capital replacement reserves which will not likely be put aside this year. Unrestricted cash totals \$28.1 million to access for regular operations, she said. Restricted cash totals \$31.9 million for capital commitments, Rodriguez noted.

Mr. Jagers interjected that projects such as the replacement pipeline and well re-drills come out of the \$23 million. Capital commitments include the recycled water booster station, Grand Avenue storm drain project, Noble Tank and transmission pipeline and others, he added; large projects consume the reserves along with the commitment to Sites Reservoir.

Ms. Rodriguez drew attention to the organizational chart. President Covington said he noticed there is no change in full time equivalents. Mr. Jagers reminded that a second Civil Engineering Assistant position to support recycled water was added after last year's budget but has not been filled. Director Ramirez noted that the Director of Engineering position is budgeted but not filled. Mr. Jagers explained that current staffing includes a Senior Engineer and one Civil Engineering Assistant.

Director Ramirez noted there is no Director of Operations and noted the Assistant Director of Operations is fulfilling a hybrid role.

Five-Year Capital Improvement Budget

General Manager Jagers advised the Board that a hard look was taken at the projects in order to smooth expenditures and as part of the facilities fee study. President Covington asked about funding depreciation. Ms. Rodriguez explained that it is being funded in 2019, but not in the 2020 proposed budget. Mr. Jagers pointed to a \$2.86 million deficit in the 2020 budget until the rates are adjusted and the budget cleaned up as part of the rate study. There will be an issue if there is no rate increase, he noted.

Ms. Rodriguez listed goals for 2020 which are to complete the water rate study and facilities fee study, implement the findings, finalize a recycled water purchase agreement with the City of Beaumont, implement the recycled water system, construct the capital facilities such as the Noble Tank and Pipeline, the 2017 replacement pipelines, Wells 1 A and 2A re-drills, apply for certification for delivery of recycled water, design and bid items related to recycled water, revise and update the District's disaster preparedness plan, and pursue grant funding opportunities.

Discussion

President Covington asked about activity by the grant consultant. Ms. Rodriguez pointed to updates provided from Townsend and Associates and CV Strategies. Mr. Jagers indicated there are some grant applications pending and there are future opportunities.

Director Ramirez asked if there were options considered to cover the deficit other than to use reserves. Ms. Rodriguez advised that expenses would have to be reduced, perhaps by buying less water. Other operational expenses such as salaries and health benefits are not in the District's control, she pointed out, and Ramirez asked if reductions were feasible. Ms. Rodriguez discussed current staffing and noted that cuts would still not get close to making up the deficit. Mr. Jagers explained that some staff time is recovered through developer deposits due to tasks, like plan checks, done in house. He indicated the District is running lean and described some succession/organizational planning and cost-saving measures. He said he is unsure there are other large expenditures to cut other than water supply costs.

Ramirez suggested continuing to rely on current staff and pointed out that expenditures on IT have significantly increased. He asked about expenditures related to the proposed Emergency Operations Center (EOC). Mr. Jagers reminded the Board of discussion of land acquisition and facilities needs under Capital Replacement Reserves for a facility and planning activities, budgeted at \$1.7 million. It is a factor in the rate.

President Covington pointed out the huge impact of the SGPWA imported water rate and that there are still many unknowns. He supported purchase of as much water as possible and noted the District has water in storage. At mid-year there may be a point when the District must buy less water for a period of time in order to balance, Covington said. Director Ramirez indicated that reducing the purchase of water would be less a priority than the near-term investment in the EOC.

Mr. Jagers reminded the Board about participation in the Sites Reservoir and noted there may be opportunity for additional supply from the Bay-Delta. He noted other water deals made by the SGPWA and reminded the Board about the tools used to project water supply needs moving forward.

In response to President Covington, Mr. Jagers confirmed the source of supply is not included in the rate increase potentially effective in March; the budget is projected from the current rate structure. He further detailed cost savings within the current organizational structure and emphasized succession planning.

Director Ramirez said he commended the GM for the current hybrid solutions but pushed for reductions such as spreading out costs for the EOC or leaving positions vacant. President Covington asked about any effects of the potential rate increase. Ms. Rodriguez said the rate study objective is to balance revenues with the needed budget. Covington pointed out that BCVWD's rates are low, but he said he believes it is reasonable to assume that the proposed rates will close the \$400,000 gap. The District is five years behind, Covington continued, and should be able to catch up by 2020 or 2021 with a rate increase. Mr. Jagers assured the Board that all the costs included in the budget are reflected in the rate, and all the numbers included in the current budget projections are included in the rate study. Ms. Rodriguez added that the rate study also considers the capital replacement reserves.

Mr. Jagers asked the Board to review the detailed budget documents included in the meeting agenda packet and to contact staff with any questions.

Director Ramirez asked about any benefit in spreading out costs; President Covington indicated yes, if feasible. Mr. Jagers explained that staff has examined capital replacement needs in depth. Director Ramirez asked about the current facilities / EOC. Mr. Jagers reviewed District facilities and stated that new solutions are necessary. The first step is to set aside the \$1.7 million for land acquisition, and to do some design and planning, he said.

Director Ramirez suggested the Board look at how much it wants to invest in District facilities this coming year. He said the Board should be able to say that due diligence was done, as costs will be created and passed to residents via the water rate. President Covington asked Mr. Jagers whether the EOC puts the District in a bad spot if the allocation were reduced to \$600,000. All the

numbers are reasonable estimates, Jagers answered, it just moves the project farther away. Covington said it was unlikely that \$1 million would be spent on the EOC in 2020, as the rate may not be approved until March. If the costs are spread, Jagers responded, a bond sale may be avoided, but the revenue must still be collected. He noted the Board had given direction on the EOC at a previous meeting. Director Ramirez indicated that spreading things out allows any rate increase to be less of a shock.

Covington pointed out these numbers must be included in the rate study in order to be collected, but that doesn't mean the District will be spending \$1 million in 2020. The EOC project could go out until 2024, he noted, but the revenue will be collected. Jagers said it will be smoothed as much as possible to avoid declining reserves. Jagers also reminded the Board that Capital Improvement costs are entered into the rate model at only 75 percent due to the Board's concern about rates.

CV Strategies 2019 Activities and Budget

Director of Finance and Administrative Services Yolanda Rodriguez noted that the District is still in the Proposition 218 process and the rate study activities include staff training and a Town Hall meeting. The cafeteria-style proposal for 2020 totals \$104,115, she noted.

Director Ramirez suggested the proposal go to the Ad Hoc Communications Committee for thorough study. Mr. Jagers noted that the CV Strategies contract extension is currently included in the proposed 2020 budget. President Covington suggested the Committee determine a not-to-exceed amount. How the resources are moved around is up to the Committee, Covington stated, and can be brought back to the Board in January. The meeting date was tentatively set for December 9 at 5:30 p.m.

Townsend Public Affairs

The Board requested an annual evaluation of Townsend, Ms. Ramirez noted. She pointed to the list of services proposed in 2020. The budget is \$48,000 annually.

Mr. Jagers reminded the Board of the site visits by a state senator and assemblyman and noted that Townsend is seeking opportunities for grants. Staff would not have time to do these applications without assistance/guidance, he pointed out.

In response to Director Ramirez, Mr. Jagers indicated it is a multi-year agreement. The Board had wanted an opportunity to unplug if dissatisfied. This is the first year of that opportunity, he said. It is a flat monthly fee and the consultant interfaces with staff and does the heavy lifting on grant applications.

3. Reports For Discussion

- a. Ad Hoc Committees: No Report.
- b. General Manager:

Mr. Jagers said he is meeting next week with the City Manager to discuss the move-forward position on recycled water and the purchase agreement. He

provided some detail on the project progress. The Ad Hoc committee may meet in January, he added.

Mr. Jagers advised that work was performed at Noble Creek Recharge Facility Phase I near The Grange and has been restored to make parking available for the Winterfest this weekend.

Significant recharge was performed last month but will be slowing down in December due to a shutdown on the East Branch Extension in January. Jagers described maintenance being performed.

c. Directors' Reports:

VP Slawson noted that the San Geronio Pass Water Alliance met and will be determining if the Alliance will dissolve or continue to meet.

Director Ramirez reported that he and Director Hoffman attended the Personnel Committee and reviewed a number of items including Board of Directors compensation and potential medical reimbursements for directors.

Mr. Jagers acknowledged items from the Committee and said the intent is to bring them to the Board, but due to workload there may not be actionable items ready. Ms. Rodriguez confirmed that a benefits broker contract will be before the Board.

Director Ramirez requested staff provide enough information on the items from the Personnel Committee for the Board to give direction or take action at the Dec. 18 meeting.

Director Williams noted she just returned from the Association of California Water Agencies conference and there were many good presentations.

President Covington noted that Winterfest is this weekend at The Grange. There will be a presentation on behalf of former BCVWD Board member Stella Parks. He invited directors to attend.

d. Legal Counsel Report: None.

4. Announcements

President Covington read the following announcements:

- Regular Board Meeting: Wednesday, Dec. 18, 2019 at 6 p.m.
- District Offices will be closed on Wednesday, Dec. 25, 2019 in observance of Christmas Day
- District Offices will be closed on Wednesday, Jan. 1, 2020 in observance of New Year's Day
- Finance and Audit Committee Meeting: Thursday, Jan. 2, 2020 at 3:00 p.m.
- Regular Board Meeting: Wednesday, Jan. 8, 2020 at 6:00 p.m.
- Engineering Workshop: Thursday, Jan. 23, 2020 at 6:00 p.m.
- Personnel Committee Meeting: Monday, Jan. 27, 2020 at 5:30 p.m.
- Beaumont Basin Watermaster Committee Meeting: Wednesday, Feb. 5, 2020 at 10:00 a.m.

5. Action List for Future Meetings

- Water supply for BCVWD and the region
- Board compensation

6. Adjournment: 8:40 p.m.

ATTEST:

DRAFT UNTIL APPROVED

DRAFT UNTIL APPROVED

Director John Covington, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

Director Andy Ramirez, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, December 18, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:08 p.m.

Pledge of Allegiance: Director Hoffman

Director Hoffman led the pledge.

Invocation: Director Williams

Director Williams gave the invocation.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Yolanda Rodriguez Senior Engineer Mark Swanson Administrative Assistant Erica Gonzales Assistant Director of Operations James Bean Senior Finance and Administrative Analyst William Clayton Senior Accountant Sylvia Molina Customer Service Representative III Sandra Delgadillo
Legal counsel:	Jim Markman

Members of the public who registered their attendance: Tim Cook, Amber Cook, Doris Harrison, Steven D. Harrison, Raquel Thornton, Natalie Thornton. From the San Geronio Pass Water Agency: Dr. Blair Ball.

Public Comment:

Ms. Amber Cook voiced concern about Bogart Park. She noted there have been two fires and asked if tree trimming and brush cleanup could be done. She said she thinks there are homeless people living there and starting fires. Mr. Jagers said staff would investigate.

Ms. Doris Harrison said she lives on the mesa in Cherry Valley. She reminded the Board about the Rapley fire and told the Board there have been two fires within the last 12 days and said there may be homeless people who may have started the fires. She asked the Board to clear the brush and do what is possible to discourage

people from the fire zone area. Director Hoffman suggested reporting the issue to the Sheriff's Department.

Mr. Steve Harrison echoed the previous comments and noted that fire in this area is always a concern with high winds from the east. He encouraged trimming of the brush and trees, noting that homeless people are less likely to be there without the cover of vegetation. Mr. Harrison advised that the Sheriff's Department caught a potential arsonist from the mobile home park on Cherry Valley Boulevard.

President Covington asked the speakers to provide contact information and asked them to call the District if people are observed on District property.

Ms. Raquel Thornton said she lives near the fire area and agrees with the previous speakers. She said she keeps her property clear and noted that during the December 5 fire, a neighbor would have had no clue it was nearby if it wasn't for the Cooks.

ACTION ITEMS

1. Adjustments to the Agenda:

General Manager Jagers pointed out an adjustment to Item 5, the budget staff report and drew attention to a handout with two amended pages.

2. Reorganization of the Board of Directors for Calendar Year 2020

- Nomination and Election of the President

Director Slawson nominated President Covington for a third term.

MOVED: Slawson	SECONDED: Ramirez	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson. Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Nomination and Election of the Vice President

President Covington nominated Director Hoffman.

MOVED: Covington	SECONDED: Ramirez	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson. Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Nomination and Election of the District Treasurer

Director Hoffman nominated Director Slawson.

MOVED: Hoffman	SECONDED: None ¹	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson. Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Nomination and Election of the District Secretary

President Covington nominated Director Williams.

MOVED: Covington	SECONDED: None ²	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson. Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Appointment of the Personnel Committee:

President Covington appointed Covington, Ramirez and Hoffman (alternate).

- Appointment of the Finance & Audit Committee:

President Covington appointed Hoffman, Slawson and Williams (alternate).

- Appointment of the Bogart Park Ad Hoc Committee

President Covington said he would like to keep the Committee active until officially dissolved. He appointed Williams, Hoffman and Ramirez (alternate).

- Appointment to the San Gorgonio Pass Regional Water Alliance

President Covington re-appointed Director Slawson with Director Williams (alternate).

- Appointment of the Ad Hoc Committee on Water Re-Use

President Covington appointed Hoffman, Slawson and Ramirez (alternate).

- Appointment to the Collaborative Agencies Committee

President Covington appointed Covington and Ramirez (alternate).

- Appointment of the Ad Hoc Communications Committee

President Covington appointed Ramirez, Williams and Hoffman (alternate).

¹ There was no second; however, nominations do not require a second.

² There was no second; however, nominations do not require a second.

- Appointment of the Recording Secretary

President Covington appointed the Director of Finance and Administration, Yolanda Rodriguez.

3. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- October 2019 Budget Variance Report
- October 31, 2019 Cash/Investment Balance Report
- November 2019 Check Register
- November 2019 Invoices Pending Approval
- Minutes of the Special Meeting of November 5, 2019
- Minutes of the Regular Meeting of November 13, 2019
- Minutes of the Regular Meeting of November 21, 2019
- Ratify the November 13, 2019 vote to adopt Resolution 2019-13: adopting a Mitigated Negative Declaration (MND) and the Mitigation Monitoring and Reporting Program (MMRP) for the 2017 Water Pipeline Replacement Project

MOVED: Slawson	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

4. Adopt Annual Meeting Calendar

A change was requested to the proposed 2020 meeting calendar: The Engineering Workshop was changed to Monday, December 14.

The Board adopted the 2020 Annual Meeting Calendar with the requested change by the following vote:

MOVED: Slawson	SECONDED: Williams	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

5. Resolution 2019-15: BCVWD Fiscal Year 2020 Operating & 2020-2024 Capital Improvement Budgets

General Manager Jagers introduced the item. President Covington asked the Board to hold questions until the end of the presentation and reminded the directors that this is a three-month budget until the anticipated amendment in April 2020 after consideration of new water rates.

Senior Finance and Administrative Analyst William Clayton reiterated the Board is asked to adopt the Resolution as an operating budget is needed to be in place on January 1, 2020 in order to continue District operations. The revenues in the budget as presented at the December 5, 2019 Workshop were based on current rates, Clayton pointed out. Board direction at that Workshop was to utilize a one-time contribution of \$394,125 from operating reserves to make up the shortfall in the budget. This is consistent with the District's Reserves Policy to ensure continuity of customer services regardless of cash flow, he noted.

If the proposed new rates take effect on March 1, 2020, the Board will have an amended revenue budget presented for adoption, Clayton explained. Expenses would stay the same. An excess of operating revenue would be used to repay the one-time contribution from operating reserves as well as to fund capital replacement reserves.

Mr. Clayton presented the proposed budget of \$16.9 million in revenues and \$17 million in expenses less the non-cash expense of depreciation to net expenses of \$14.3 million which is a net shortfall. He explained a \$1 million increase in operating revenue projections if the new water rate is approved by the Board to be effective March 1. Clayton reminded the Board of discussion at the Workshop and reviewed increased expenses.

Clayton advised that the capital improvement budget over the next five years will be depleted rapidly. The Board adopted a ten-year (2017 to 2026) Capital Improvement Plan (CIP) and updated it in 2018. Staff plans to bring back to the Board the full ten-year CIP in 2021. The capital improvement plan is a dynamic, five-year roadmap and its budget is separate from the operating budget, he noted. The pending rate adjustment, he reminded the Board, was calculated to allow for only 75 percent funding of anticipated project costs over the 2020 to 2024 period while keeping reserves at or slightly above the minimum recommended level.

Mr. Clayton advised that staff will likely bring to the Board an amendment to the reserves policy of keeping the capital replacement reserves at a five-year average of the actual CIP. Mr. Clayton shared the capital replacement budget proposing 100 percent of the costs.

President Covington noted that with larger projects in the capital improvement budget, numerous carry-overs will be seen year after year due to length of time for completion. Mr. Clayton added that the carry-over is then allocated and spread over the five years; it is allocated based on inflation. He advised that staff looked at the CIP in detail to prepare for the rate study and took a more structured approach to the projects.

Director Hoffman noted the depreciation expense is technically a bookkeeping entry – an internal record of asset depreciation. President Covington indicated concern regarding balance of the budget and indicated staff's recommendation of balancing through use of capital reserves was more logical than potentially reducing the purchase of water.

The Board adopted Resolution 2019-15 the BCVWD Fiscal Year 2020 Operating and 2020-2024 Capital Improvement Budgets by the following vote:

MOVED: Hoffman	SECONDED: Williams	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None.	
ABSTAIN:	Ramirez.	
ABSENT:	None.	

6. Adjustment of Director Per Diem Fees

General Manager Jagers explained options were discussed at the last Personnel Committee meeting and are listed in the staff report. The Committee recommended further Board consideration of per diem fees.

Director health insurance benefits and co-pay opportunities will be discussed later in the meeting, Jagers noted. President Covington requested comment from the Personnel Committee members. Director Ramirez indicated the Committee requested staff put together the options and noted that the \$200 per diem has been in effect for several years. The Committee wanted to make sure the per diem was fair and that the Board had an opportunity to look at options.

President Covington called on Dr. Blair Ball for public comment. Dr. Ball explained he reviewed the tables provided in the staff report of the October 9 Board meeting. The tables showed other districts similar to BCVWD, but all were larger than BCVWD. He pointed out the Desert Water Agency (DWA) is a state water contractor and retailer; the DWA directors receive \$390 per diem with full-time equivalent (FTE) of 85 employees, which is an anomaly within the table. Removing DWA, Ball continued, the average per diem is \$135 with an average maximum meeting of eight per month. State law and BCVWD allow 10 meetings per month. Not shown, Ball said, are any of the other smaller districts. He posited it would be interesting to see what they are paying their directors per diem.

The BCVWD \$200 per diem is at the upper level, tied with one other district in the table as well as number of meetings per month, Ball pointed out. He stated that elected officials should be paid, and said he observed over past years that a director would never be fully reimbursed commensurate to the time spent of their duties. He said he feels it is a privilege to serve, and suggested caution. If the pay is zero, it will be difficult to get quality candidates to run for office, Ball continued. If a director is paid at a rate that is more than equitable, he said, another group will run for the benefits or money and those do not make the best Board members. There must be something equitable, and it is a dilemma, he noted. He pointed out there will be a new rate set in March, increasing 50 percent over five years. At the same time, if directors give themselves a raise in money or benefits, it could be problematic at election time, Ball cautioned. The San Geronio Pass Water Agency (SGPWA) raised its imported water rates but that does not mean those rates are going to stand, Ball advised, and said he is working diligently on his end to try to move that backwards.

Director Williams agreed with Dr. Ball in perception of a rate increase coupled with an increase in pay. She noted that when she was appointed, she was unaware of the director per diem and she supported the per diem staying the same.

Director Ramirez indicated he is torn, as the goal is to be as fair as possible but that does not mean taking an extreme on either side. He reminded that the per diem has been the same for 13 years and said there are some options that are

equitable and fair. There is some sacrifice involved in service, he said, and this is being done with the right heart. Any of the options are fair, he opined.

President Covington noted the item on potential director benefits and stressed caution. He acknowledged that the per diem has been the same for many years. Covington said that two years ago, he felt the BCVWD directors were overdue for some increase in compensation and he moved to increase the per diem by 5 percent, but the motion died. Covington explained the importance of taking time to go through the agenda items in order to fully understand the discussion. He acknowledged the deep variations in per diem fees paid to elected officials and said he wished the BCVWD had adopted an annual escalator. Now, the directors could potentially make a decision playing catch up again. He agreed with Director Ramirez about raising the per diem rate to the maximum amount of \$300. Covington also agreed with Dr. Ball's comments cautioning that this should not be a position where candidates for the office of director are interested only due to availability of medical insurance. Even if the per diem is raised to the maximum, Covington said he did not feel that would be the case and indicated support for a raise to \$260 per diem. Next year, Covington indicated the Board should consider 3 percent or other just to keep it moving forward. He pointed out that it is often difficult to find candidates to run for election to the Board.

Director Hoffman said he agrees with much of what has been said, and he has not seen a queue of potential candidates. He said he does not believe any current directors are in their positions due to earnings, but in hopes of providing service. He said he is leaning toward \$240 to \$260.

Director Slawson said he had concluded it would be fair to include a cost of living adjustment (COLA) increase, which keeps the per diem up with the times. He said he initially did not want to increase it but has heard some good points and he indicated support for \$260. President Covington indicated the COLA would be reviewed annually.

The Board directed staff to prepare an amendment to Ordinance 2007-01 and set a date for the required public hearing to raise the per diem rate to \$260 by the following vote:

MOVED: Slawson	SECONDED: Covington	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

7. Recommendation of the Personnel Committee regarding Equitable Compensation to Elected Members of the Board of Directors

General Manager Jagers explained the request of the Personnel Committee to look at different options including a medical reimbursement program as an alternative to the health benefit offered by many other agencies, a cellular telephone opportunity, and a California Public Employees Retirement Systems (CalPERS) service credit.

Director Ramirez thanked staff for research and acknowledged that CalPERS is not an option. He noted discussion regarding an allowance for cell phones and said the impetus for the medical reimbursement program came from lengthy discussion and looking at other districts that provide full health coverage for their board. The Committee leaned toward the potential for a medical reimbursement program up to \$3,000 per fiscal year, Ramirez said, to make sure that directors had an opportunity to get health care and make sure they are well in order to continue to be of good service to the district.

Director Hoffman added that he has re-evaluated and since concluded that the responsibility as directors is still considered part time and said the primary employer should be the medical provider.

Director Slawson indicated that \$3,000 per year does not pay for health insurance for a single person. Director Hoffman added that insurance coverage for older persons is more costly than younger, which does not seem equitable.

Director Ramirez explained that directors cannot join the District's medical insurance plan for regular employees therefore the Committee considered options, one of which was a separate policy, and whether it would include dependents. Most current directors receive health insurance and the reimbursement program with a \$3,000 cap might be helpful covering non-reimbursed costs. He said he leans toward more generosity on the insurance if it is an option, and those who do not need it could have the reimbursement option. Mr. Jagers added that the SGPWA program was discussed at the Committee and indicated the intent is to provide better health for the directors; the SGPWA program is an example.

Counsel Markman noted that for employees who do not take the primary policy, a medical reimbursement is the type of program offered by his firm, usually referred to as a flex plan. It allows up to a certain amount per year not covered by insurance, typically co-pays, he explained.

Director Slawson indicated he is leaning toward offering a regular insurance plan.

President Covington called upon Dr. Ball for public comment. Dr. Ball reminded the Board that the CalPERS service credit option has come before the BCVWD previously with the same answer: directors are ineligible. Dr. Ball indicated it is mandatory to have insurance to avoid tax penalty, but insurance would be very cost-prohibitive to the ratepayers.

GM Jagers pointed to the later agenda item 10 on the Benefits Broker and advised it may be some time before the insurance item comes back to the Board. President Covington directed staff to bring back all options for primary healthcare and for medical reimbursement and to expedite the report as soon as possible.

8. Resolution 2019-16: Revision of District Policies and Procedures Manual: Part II – Applicable to Board of Directors and District Staff

President Covington reminded the Board of previous discussion and noted the revision of Section 6C by the Personnel Committee per request of the Board. Mr. Jagers explained the adjustments related to preparation of the Board meeting agenda.

Director Ramirez indicated the Committee wanted to make sure directors had the same privilege that anyone else had to place an item on the agenda.

The Board adopted Resolution 2019-16: Revision of District Policies and Procedures Manual: Part II – Applicable to Board of Directors and District Staff by the following vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

9. Resolution 2019-17: Amending the District’s Regulations Governing Water Service – Part 6 – Customer Account Billing to comply with SB 998, the Water Shutoff Protection Act

Mr. Jagers reminded the Board of discussion and direction on this subject at the September 26, 2019 meeting. The Board requested a 15-day period for payment and a grace period to emulate the current billing cycle, Jagers said. This expands payment options as required by law, he added.

Director Williams asked about the timeline for disconnection. Counsel Markman explained that his office reviewed and advised on the creation of the policy, therefore BCVWD now has a cutting-edge version of the turnoff policy that meets all requirements of SB998, which is very protective of the public. Many actions must take place before water shutoff, he continued, including offering payment plans to customers with financial issues, Markman explained.

GM Jagers noted that the intent is to implement the program in a manner to assure the customer has an opportunity to pay either physically or via phone or credit card.

Director Hoffman asked how delinquencies or partial payments would be handled. Mr. Jagers explained the customer is entitled to one payment plan during a 12-month period when the bill is delinquent. Markman pointed to the policy section in question including criteria for the payment plan. Hoffman asked about fees paid for credit card use. GM Jagers noted the cost of the credit card payment is recovered via a surcharge.

The Board adopted Resolution 2019-17: Amending the District’s Regulations Governing Water Service – Part 6 – Customer Account Billing by the following vote:

MOVED: Slawson	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

10. Authorize the General Manager to Execute a Contract with Keenan & Associates as the District’s Benefits Broker of Record

Director of Finance and Administrative Services Yolanda Rodriguez explained that the HR Coordinator and Personnel Committee learned that employees desire additional benefits options for the District-provided medical, dental, vision, and life insurance. For example, the District offers only HMOs, no PPOs.

Staff reached out to get prices for BCVWD but found that because the District has fewer than 50 employees and participation is not required, it is not attractive to benefits providers, Rodriguez stated. At the recommendation of BCVWD’s human resources consultant, HR Dynamics, staff contacted Keenan and Associates since the broker has the added buying power of a larger pool at no cost to the District. In 2021, Rodriguez added, the District will be able to re-examine the medical options.

President Covington commented that Keenan and Associates has been around a long time and primarily serves public agencies. Director Hoffman said he thinks this is the right direction.

The Board authorized the General Manager to execute a contract with Keenan & Associates as the District’s Benefits Broker of Record by the following vote:

MOVED: Hoffman	SECONDED: Williams	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

11. Beaumont Master Drainage Plan Line 16 Status

Mr. Jagers advised the Board that staff had worked with the Riverside County Flood Control and Water Conservation District (Flood Control) to utilize their design consultant to add the needed facilities within BCVWD’s Noble Creek Phase II to the project design for the MDP Line 16. A more defined cost estimate has been prepared that is higher than was previously discussed with the Board, Jagers noted. The current not-to-exceed amount is \$5 million, with each agency providing approximately \$2 million. Jagers notified the Board that staff will be bringing back a more defined cost which may require consideration of a change in the Memorandum of Understanding (MOU) with a larger number.

The current difference is \$2.75 million, Jagers continued. Approximately \$2 million was added due to significant spillways in the recharge facility, he explained. This is the first submittal, Jagers said, and staff has met with Flood Control and the design consultant regarding cost-saving design changes. He detailed some of the engineering suggestions which may bring the difference down to \$700,000.

It appears that Flood Control is interested in moving forward even with the adjusted project cost, Jagers noted, and said the item would come back to the Board.

In response to President Covington, Mr. Jagers stated that BCVWD’s modifications were sent to Flood Control, but the MOU has not yet been signed.

Covington noted concern about BCVWD's design input and considerations. Mr. Jagers noted that Flood Control has been receptive to the District's changes and the agencies are working through it.

12. Water Rate Study Information, Findings and Recommendations

General Manager Jagers indicated that the budget workshop included discussion of the rate study and offered an opportunity for Board input or discussion.

President Covington asked about the current schedule for the consultants. Mr. Jagers pointed to the handout of the draft rate study and said further staff comments would be provided to the consultant tomorrow (Thursday).

Director of Finance and Administrative Services Yolanda Rodriguez advised that the Town Hall Meeting has been scheduled for February 20, 2020 and recommended the time be set after working hours to maximize attendance. President Covington suggested 6 p.m. even if the date changes; the Board concurred. Ms. Rodriguez reviewed the timeline and noted everything is moving forward.

President Covington reminded the Board that this has been discussed and direction was given to the consultant regarding tier structure and noted he has no comments. He encouraged keeping on schedule and asked staff to alert directors of any changes. Ms. Rodriguez advised the schedule is very tight to facilitate completion of the process; Covington indicated support for the schedule.

13. Reports For Discussion

a. Ad Hoc Committees:

Ad Hoc Water Re-Use Committee: President Covington asked if the Committee was meeting again; Mr. Jagers reported meeting with Beaumont City Manager Todd Parton to determine the approach to the recycled water purchase agreement and many things have been settled such as plant site and connection, and booster station. He and Parton discussed the Committee meeting monthly or bi-weekly.

b. General Manager:

Mr. Jagers reported that the mold issue at the Cherry yard Quonset hut was addressed and the building has been repaired and updates such as shelving were added. Staff is in the process of re-wiring for new lights to replace those removed, and some flashing work must be done.

Work on Well 3 was completed that day and the well should be back in service in the next week or two after testing.

Estimated year-end total production from the Beaumont Basin is approximately 11,427 acre-feet (AF) for BCVWD and 1,297 AF from Edgar Canyon, which will increase next year once well rehab projects are complete. Total replenishment need is 9,470 AF. Jagers described significant operations at the Noble Creek Recharge Facility Phase I to process excess soil and restore

pond elevations at the lowest cost solution. Jagers said he will keep the Board updated.

Recharge water has been slowed in order to facilitate these maintenance activities, Jagers reported. Staff prepared for an early shutdown from December 23, 2019 to February 1, 2020 Jagers noted, and the SGPWA is beginning to commission its ponds. He described the planned maintenance activities.

Mr. Jagers advised that with the shutoff, recharge in December will be 584 AF, which means the District will replenish approximately 13,698 AF into the Beaumont Basin, bringing BCVWD's total storage account to around 39,100 AF. The requirement is higher due to Edgar Canyon wells being down, but the projections were fairly accurate, Jagers stated. He said he expected the total 2019 addition to storage will be 4,230 AF. He reminded the Board that water is being purchased for future sales using funds taken from reserves, which also helps with drought-proofing.

The SGPWA bringing its Fiesta Recharge Facility online allows BCVWD extra flexibility once the Notice of Completion is filed with the County. The facility is currently undergoing testing, Jagers reported. In response to President Covington, Mr. Jagers said he believes the SGPWA facility will run at 20 cfs until December 30, 2019.

c. Directors' Reports:

Director Ramirez reported that the kickoff meeting of the Communications Committee was successful, and he thanked Director Williams for her participation. He said the Committee intends to stay conservative on the budget with the public relations firm and to be focused on how the District will be communicating to its constituents.

President Covington thanked directors for their work this year.

d. Legal Counsel Report: None.

14. Announcements

President Covington read the following announcements:

- District Offices will be closed on Wednesday, December 25 in observance of Christmas Day
- District Offices will be closed on Wednesday, January 1, 2020 in observance of New Year's Day
- Finance and Audit Committee Meeting: Thursday, January 2, 2020 at 3 p.m.
- Collaborative Agencies Committee Meeting: Wednesday, January 8 at 4 p.m.
- Regular Board Meeting: Wednesday, January 8, 2020 at 6:00 p.m.
- Engineering Workshop: Thursday, January 23, 2020 at 6:00 p.m.
- Personnel Committee Meeting: Monday, January 27, 2020 at 5:30 p.m.
- Beaumont Basin Watermaster Committee Meeting: Wednesday, February 5, 2020 at 10 a.m.

Ms. Rodriguez added that the Ad Hoc Communications Committee will meet again on December 30 at 5:30 p.m.

15. Action List for Future Meetings

- Water supply for BCVWD and the region

16. Convened in Closed Session: 8:08 p.m.

- a. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation Pursuant to Government Code Section 54956.9(d)(4) One Potential Case

Reconvened in Open Session: 8:16 p.m.

Report on Action Taken During Closed Session:

No reportable action was taken.

17. Adjournment: 8:17 p.m.

ATTEST:

DRAFT UNTIL APPROVED

DRAFT UNTIL APPROVED

Director John Covington, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

Director Andy Ramirez, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District



**Beaumont-Cherry Valley Water District
Special Board Meeting
January 7, 2020**

Item 3

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
SUBJECT: **Resolution 2020-___: Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy**

Staff Recommendation

Adopt Resolution 2020-___, Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy.

Background

In order to best safeguard cash on hand, the District must develop and implement an Investment Policy. State law requires that an investment policy and any material changes in the policy be approved by the Board of Directors annually at a public meeting. Section 53607 of the State of California Government Code limits the authorization of the legislative body to delegate investment authority to a one-year period, renewable annually.

The current investment policy update was approved on December 13, 2017 by Resolution 2017-09 and was approved as part of the District's annual review on January 10, 2018 with Resolution 2018-01 and January 09, 2019 with Resolution 2019-01. There are no revisions being made to the policy as it continues to be in compliance with all applicable sections of the Government Code.

The primary objectives, in priority order, of investment activities shall be: safety, liquidity and return.

Safety: It is the primary duty and responsibility of the General Manager to protect, preserve and maintain cash and investments of the District. **Liquidity:** Investments should be maintained in liquid short-term securities which can be converted to cash, if necessary, to meet disbursement requirements. **Return:** Should become a consideration only after the basic requirements of safety and liquidity are met.

Fiscal Impact

None. The attached policy is in full compliance with all applicable government codes.

Attachments

1. Resolution 2020-___
2. Investment Policy

Report prepared by Erica Gonzales, Administrative Assistant

RESOLUTION 2020-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
ACKNOWLEDGING THE REVIEW, RECEIPT AND ACCEPTANCE OF THE
DISTRICT'S INVESTMENT POLICY**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of a local agency may invest surplus monies not required by the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5920 et seq. and 53601 et seq.; and

WHEREAS, the General Manager of the Beaumont-Cherry Valley Water District shall annually prepare and submit a statement of investment policy and such policy shall be considered by the Board of Directors at a public meeting (California Government Code 53646(a)); and

WHEREAS, the District's investment policy was last reviewed and approved by Resolution 2019-01 on January 9, 2019; and

WHEREAS, the entirety of the Beaumont-Cherry Valley Water District Investment Policy attached hereto as Exhibit A is incorporated by reference,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Beaumont-Cherry Valley Water District declares the Investment Policy attached as Exhibit A approved and adopted.

ADOPTED this _____ day of _____, 2020 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Director John Covington, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District

Director Lona Williams, Secretary to the
Board of Directors of the
Beaumont-Cherry Valley Water District



PPM NUMBER	TITLE	ISSUE DATE	REVISION DATE
III-9	INVESTMENT POLICY	April 28, 2011	December 13, 2017

1.0 POLICY

This investment policy ("Policy") is set forth by the Beaumont-Cherry Valley Water District ("District") for the following purposes:

- a. To establish clear guidance and understanding for the District's Board of Directors ("Board"), management, designated employees, citizens and third parties of the objectives, policies and guidelines for the investment of the District's idle surplus funds; and
- b. To establish a basis for evaluating investment results.

The District establishes investment policies that meet its current investment goals. The District shall review this Policy annually and may change its policies as its investment objectives change.

2.0 SCOPE

This investment policy applies to all investment activities and financial assets of the District. The funds covered by this policy are accounted for and incorporated in the District's Annual Financial Report

The Deferred Compensation Plan is excluded because it is managed by a third party administrator and invested by individual plan participants.

Proceeds of debt issuances shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, such proceeds will be invested in accordance with the general investment philosophy of the District as set forth in this Policy.

3.0 PRUDENT INVESTOR STANDARD

The standard of prudence to be used by the designated representative shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to The **Prudent Investor Standard**, which states "When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."



PPM NUMBER	TITLE	ISSUE DATE	REVISION DATE
III-9	INVESTMENT POLICY	April 28, 2011	December 13, 2017

4. OBJECTIVES

As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the District's investment activities and of this Policy shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the District's overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities with independent returns.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, as long as it does not diminish the objectives of Safety and Liquidity.

5.0 DELEGATION OF AUTHORITY

The authority of the District's Board to invest or reinvest funds of the District as permitted under Section 53600 et seq. of the California Government Code is delegated by Board resolution in conjunction with the annual investment policy review. Management responsibility for the investment program is hereby delegated, with the General Manager's oversight, to the Director of Finance and Administrative Services, who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of his/her designee, and their procedures in the absence of the General Manager or his/her designee, or Director of Finance and Administrative Services. The Director of Finance and Administrative Services shall establish procedures for the management of investment activities, including the activities of staff consistent with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance and Administrative Services.

The Director of Finance and Administrative Services may retain the services of an outside investment advisor or manager as approved by the Board to assist with the District's investment program. Qualified outside managers will be either SEC Registered Investment Advisors or Bank Money Managers. The investment advisor shall make investment decisions and transactions in strict accordance with State and Federal law, this Policy, and such other written instructions as are provided. The performance and service levels of such advisors and managers shall be reviewed annually.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the District's General Manager any material financial interest in the financial institutions that conduct business with the District.



PPM NUMBER	TITLE	ISSUE DATE	REVISION DATE
III-9	INVESTMENT POLICY	April 28, 2011	December 13, 2017

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Director of Finance and Administrative Services will maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. Broker/dealers will be selected for credit worthiness and must be authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15(C)3-I (uniform net capital rule). No public deposit will be made by the broker/dealer except in a qualified public depository as established by the established state laws. Before a financial institution or broker/dealer is used, they are subject to investigation and approval by the Director of Finance and Administrative Services or his/her designee, and must submit the following:

1. Certification of having read and understood this investment policy resolution and agreeing to comply with the District's investment policy;
2. Proof of Federal Investment Regulatory Authority certification;
3. Proof of State of California registration;
4. Audited financial statements for the institution's three (3) most recent fiscal years;
5. References of other public-sector clients that similar services are provided to.

If a third party investment advisor is authorized to conduct investment transactions on the District's behalf, the investment advisor may use their own list of approved independent broker/dealers and financial institutions. The investment advisor's approved list must be made available to the District upon request.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District's investments are governed by the California Government Code. Within the investments permitted by the Government Code, the District may seek to further restrict eligible investments. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence. A table of allowable investment instruments per California Government Code can be found in section 19.0 of the Policy.

United States Treasury Issues. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.

Federal Agency Obligations. Federal agency or United States government-sponsored enterprise senior debt obligations, participations, mortgage backed securities, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category.

Municipal Debt. Registered treasury notes or bonds of this state or any of the other 49 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state or any of the other 49 United States.

Bonds, notes, warrants, or other evidence of indebtedness of any local agency, including the District's own bonds, within this state, including bonds payable solely out of the revenues from a revenue-producing property



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owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

There is no limitation as to the percentage of the portfolio that may be invested in this category.

Medium-Term Notes. All corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities that have a long-term debt rating of at least "A", or its equivalent, by a Nationally Recognized Statistical Rating Organization ("NRSRO"). A maximum of 30 percent of the portfolio may be invested in this category.

Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. In combination with placement service CDs, a maximum of 30 percent of the portfolio may be invested in this category.

Placement Service Certificates of Deposit. Certificates of deposit placed through a deposit placement service shall meet the requirements under Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. In combination with negotiable certificates of deposit, a maximum of 30 percent of the portfolio may be invested in this category.

Bank Deposits. FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time deposits. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance and Administrative Services, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated at least "A", or its equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

Bankers' Acceptances. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases are limited to bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptances may not exceed 180 days maturity. Eligible bankers' acceptances are restricted to issuing financial institutions with a short-term debt rating of at least "A-1", or its equivalent, by a NRSRO. No more than 30 percent of the District's money may be in bankers' acceptances of any one commercial bank, while a maximum of 40 percent of the portfolio may be invested in this category.



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State of California Local Agency Investment Fund (LAIF). There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the current maximum allowed by LAIF.

Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value ("NAV"), and (iii) the pool must be rated at least "AAM", or its equivalent, by a NRSRO. There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the current maximum allowed by the pool.

Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission. The company shall have met either of the following criteria: (A) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (B) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 20 percent of the portfolio may be invested in this category.

Repurchase Agreements. Repurchase agreements are to be used as short-term investments not to exceed 1 year. Repurchase agreements shall only be made only with counterparties that are a nationally or state-chartered bank that has or has had a significant banking relationship with the District.

The District shall have a properly executed master repurchase agreement with each counterparty for which it enters into an agreement for repurchase agreements. Collateral of at least 102 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District's custodian bank or handled under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

9.0 PROHIBITED INVESTMENTS

Section 53601.6 of the Government Code lists the investments that are prohibited. Prohibited investments shall include, but are not limited to, equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity. The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in section 7.0 of this Policy is prohibited without the prior approval of the Board.

10.0 REVIEW OF INVESTMENT PORTFOLIO

The securities held by the District must be in compliance with Section 8.0 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 8.0 Authorized and Suitable Investments subsequent to the date of purchase, the Director of Finance and Administrative Services or their



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designee shall at least annually review the portfolio to identify those securities that do not comply. The Director of Finance and Administrative Services or their designee shall establish procedures to report to the Board, should one exist, major and critical incidences of noncompliance identified through the review of the portfolio.

11.0 INVESTMENT POOLS/MUTUAL FUNDS DUE DILIGENCE

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

12.0 COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse repurchase) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for Certificate of Deposits and 102% for reverse repurchase agreements of principal and accrued interest.

The District chooses to limit collateral to the following: U.S. Treasuries and Federal Agency Obligations. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

13.0 SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, and reverse repurchase agreements entered into by the (Local Agency) shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.



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14.0 DIVERSIFICATION AND MAXIMUM MATURITIES

It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U.S. Treasuries, Federal Agency securities, LGIPs, and LAIF, the District's investment in any one issuer is limited to 5 percent of the District's surplus funds.

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. The maximum maturity of individual investments shall not exceed the limits set forth in Section 8.0. Where no maturity limit is stated, no investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment. With respect to maximum maturities, this Policy authorizes investing reserve funds beyond five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

15.0 INTERNAL CONTROLS

The Director of Finance and Administrative Services shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Compliance with this Policy and internal controls shall be reviewed annually by the District's independent, external auditors.

16.0 PERFORMANCE STANDARDS

The investment performance of the District's operating portfolio shall be evaluated and compared to an appropriate benchmark in order to assess the success of the investment program relative to the District's Safety, Liquidity and Yield objectives. This review will be conducted annually with the Board's Finance Committee.

17.0 INVESTMENT REPORTING

- a. **Monthly.** The Director of Finance and Administrative Services shall prepare a monthly investment report for review and approval by the Board, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the Board to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following.
 1. Listing of individual securities held at the end of the reporting period;
 2. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
 3. Average weighted yield to maturity of portfolio;
 4. Listing of investment by maturity date;
 5. Percentage of the total portfolio, which each type of investment represents;



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2. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
 2. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).
- b. **Quarterly.** On a quarterly basis, the Director of Finance and Administrative Services shall report the total rate of return on each of the District's portfolios to the Board.
 - c. **Annually.** On an annual basis, the Director of Finance and Administrative Services shall present the Investment Policy, together with any proposed amendments, to the Board for its consideration.

As specified in CGC 53646(e), if funds are placed in LAIF, FDIC insured accounts and/or in an LGIP, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Beaumont Cherry Valley Water District will meet its expenditure obligations for the next six months as required by CGC 53646(b)(2) and (3) respectively. The Director of Finance and Administrative Services shall maintain a complete and timely record of all investment transactions.

18.0 POLICY ADOPTION AND REVIEW

This Policy shall be adopted by resolution of the Board. Moreover, the Policy shall be reviewed on an annual basis and modifications, if any, must be approved by the Board by resolution.



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19.0 ALLOWABLE INVESTMENT INSTRUMENTS PER CALIFORNIA GOVERNMENT CODE

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2017)^A APPLICABLE TO ALL LOCAL AGENCIES^B			
Investment Type	Maximum Maturity^C	Maximum Specified % of Portfolio^D	Minimum Quality Requirements
Local Agency Bonds	5 years	None	None
US Treasury Obligations:	5 years	None	None
State Obligations – CA and others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
US Agency Obligations	5 years	None	None
Bankers Acceptances	180 days	40% ^E	None
Commercial Paper – Pooled Funds ^I	270 days	40% of the District's money ^G	Highest letter and number rating by an NRSRO ^H
Commercial Paper – Non-Pooled Funds ^F	270 days	25% of the District's money ^G	Highest letter and number rating by an NRSRO ^H
Negotiable Certificates of Deposit	5 years	30% ^J	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	30% ^K	None
Placement Service Certificates of Deposit	5 years	30% ^K	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M
Medium-Term Notes ^N	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Mutual Funds	N/A	20% ^O	Multiple ^{P,Q}
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better ^R
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple ^S
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund ^T	N/A	None	None
Supranational Obligations ^U	5 years	30%	"AA" rating category or its equivalent or better

(Source: *Local Agency Investment Guidelines: Update for 2017* published by the California Debt and Investment Advisory Commission (CDIAC). See Notes to AUTHORIZED AND SUITABLE INVESTMENTS TABLE on the following page for footnote references in this table.)



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Notes to Authorized and Suitable Investments Table

- A. Sources: Sections 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.
- B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.
- C. Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the Board of Directors may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.
- D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.
- E. No more than 30 percent of the District's money may be in bankers' acceptances of any one commercial bank.
- F. "Select Agencies" are defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same Board."
- G. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.
- H. Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, has program credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- I. "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same Board." Local agencies that pool exclusively with other local agencies that have the same Board must adhere to the limits set for "Select Agencies," above.
- J. No more than 30 percent of the District's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- K. No more than 30 percent of the District's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).
- L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.
- M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The District must have held the securities used for the agreements for at least 30 days.
- N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."
- O. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.
- Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.
- R. Issuer must be rated in a rating category of "A" or its equivalent or better as provided by a nationally recognized statistical rating organization.
- S. A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).
- T. Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.
- U. Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).



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20.0 GLOSSARY OF TERMS

AGENCY SECURITIES: Securities issued by a U.S. government-sponsored entity (GSE) and federally related institutions. Examples of a GSE include: Federal Farm Credit Bank System (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Company (FHLMC-Freddie Mac), Federal National Mortgage Association (FNMA-Fannie Mae), and Student Loan Marketing Association (SLMA-Sallie Mae).

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft, bill, or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities.

BROKER: A broker brings buyers and sellers together for a commission.

CALLABLE SECURITY: A security that is redeemable by the issuer before the scheduled maturity. Bonds are usually called when the interest rates fall so significantly that the issuer can save money by floating new bonds at lower rates.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

ANNUAL FINANCIAL REPORT: The official annual report of the Beaumont-Cherry Valley Water District. It includes financial statements prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions and extensive introductory material.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): The delivery of securities with an exchange of money for the securities.



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DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns with the goal of spreading risk throughout the portfolio holdings.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary program created by state statute as an investment alternative for California's local governments and Special Districts under the administration of the California State Treasurer's Office. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): A state or local government pool offered to public entities for the investment of public funds.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO): A credit rating agency that provides credit ratings that are used by the U.S. government and investors as benchmarks. Examples include Moody's, Standard & Poor's, and Fitch Ratings.

OFFER: The price asked by a seller of securities.



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OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT INVESTOR STANDARD: An investment standard to be followed by those authorized to make investment decisions on behalf of a local agency. Those authorized shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of that agency.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.



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TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.



**Beaumont-Cherry Valley Water District
Special Board Meeting
January 7, 2020**

Item 4

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
SUBJECT: **Resolution 2020-____: A Resolution of Intent to Increase Rates and Charges for the Users of the District's Water Services and Systems and Setting the Date for the Public Hearing on February 27, 2020**

Staff Recommendation

Review and consider the 2019 Water Financial Plan and Utility Rate Study as prepared by Raftelis Financial Consultants (Raftelis) and adopt Resolution 2020-__: A Resolution of Intent to Increase Rates and Charges for the Users of the District's Water Services and Systems and set the date for the Public Hearing on February 27, 2020.

Background

The Beaumont-Cherry Valley Water District (BCVWD) last adopted a rate increase with Resolution 2010-09 on June 30, 2010. Over the past nine years, the District's costs have risen, and the existing rate structure is not sufficient to maintain necessary funding levels.

In addition, the cost of imported water for recharge of the adjudicated Beaumont Basin has increased significantly. In order to continue to provide adequate water supply to the region, the San Geronio Pass Water Agency increased the imported water rate to \$399 per acre-foot (AF), from the previous \$317 per AF, a 26 percent increase. This charge is shared among all BCVWD customers as a pass-through on the water bill and cannot be avoided or otherwise absorbed. These costs are a direct pass-through to the customer.

Southern California Edison also restructured its rates in 2019. Operations has adjusted pumping schedules and implemented new procedures to maintain maximum efficiency and minimize power use. These costs are also a direct pass-through to the customer.

The District is obligated by state law to establish rates and set charges that are sufficient to cover operating expenses, including interest on debts, and to provide funds for replacement or construction of facilities. The District's rates are made up of the following components:

- Quantity (volume) charge: Based on the actual amount of water used, measured in CCFs (centum cubic feet)
- Service and demand (readiness to serve) charge: A charge to cover the fixed costs of maintaining a meter, customer accounts, and basic water facilities
- Fire service charge
- Imported water pass-through
- Energy pass-through
- Drought rates



At its meeting of May 8, 2019, the Board approved a contract with Raftelis to prepare a Water Financial Plan and Utility Rate Study to determine adequate rates to cover the above components.

Summary

The Water Financial Plan and Utility Rate Study prepared by Raftelis, attached, has determined that the current rate structure is not sufficient to maintain funding levels required by state law. Without additional revenue, the BCVWD will not have sufficient resources to sustain operations, fund debt, perform preventative maintenance, and produce capital improvements necessary to ensure reliable, secure and adequate water supply to its customers.

Staff recommends the Board of Directors review the Water Financial Plan and Utility Rate Study and adopt Resolution 2020-___ to set a public hearing for the regular meeting on February 27, 2020 to discuss the proposed rate schedule and receive public testimony and direct staff to mail the required notice per Proposition 218 requirements.

Fiscal Impact

The proposed water revenue adjustments result in the estimated revenue plan below:

FY 2020	FY 2021	FY2022	FY 2023	FY 2024
\$8,633,305	\$9,412,233	\$10,186,696	\$11,007,218	\$11,881,993

Attachments

- Resolution 2020-___: A Resolution of Intent to Increase Rates and Charges for the Users of the Beaumont-Cherry Valley Water District’s Water Services and Systems
- Raftelis Financial Consultants 2019 Water Financial Plan and Utility Rate Study
- Notice of Public Hearing

Report prepared by Lynda Kerney, Administrative Assistant

RESOLUTION 2020-_____

**A RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
TO INCREASE WATER RATES AND SERVICE CHARGES**

WHEREAS, Beaumont-Cherry Valley Water District is obligated by state law to establish rates and set charges sufficient to cover operating expenses, including interest on debts, and to provide funds for replacement or construction of facilities; and

WHEREAS, without additional revenue, the Beaumont-Cherry Valley Water District will not have sufficient resources to sustain operations, pay debt, perform preventative maintenance, and fund capital improvements necessary to ensure reliable, secure and adequate water supply to its residents and businesses; and

WHEREAS, the San Geronio Pass Water Agency has increased the charge for imported water necessary for recharge of the Beaumont Basin and crucial to BCVWD customers both current and future, normally a pass-through charge to customers; and

WHEREAS, Southern California Edison has restructured their rates in 2019 and charge for electric energy necessary to produce and supply water to BCVWD customers, normally a pass-through charge to customers; and

WHEREAS, the District contracted with Raftelis Financial Consultants to produce a water rate study to evaluate current costs and revenue, and to quantify and prioritize the District's maintenance and capital improvement needs; and

WHEREAS, the proposed rates will ensure the health and safety of the community while assuring the District's financial health, an obligation of its Board,

NOW, THEREFORE, BE IT RESOLVED by the Beaumont-Cherry Valley Water District Board of Directors and ordered as follows:

1. The Board of Directors hereby initiates proceedings to adopt the water rates and service charges recommended by the 2019 Water Financial Plan and Utility Rate Study; and
2. The Board of Directors hereby fixes the date of February 27, 2020 at 6:00 p.m. at the District Administrative Office, 560 Magnolia Avenue, Beaumont, CA 92223 as the time and place of the Public Hearing on the proposed water rates and service charges;
3. The Recording Secretary is hereby instructed to provide notice of the proposed water rates and service charges in conformity with Proposition 218;
4. At the Public Hearing, the Board of Directors shall consider all valid objections or protests, if any, to the proposed water rates and service charges in conformance with the attached Protest Procedures (Exhibit A).

ADOPTED this _____ day of _____ by the following vote:

AYES:

NOES:
ABSTAIN:
ABSENT:

ATTEST:

Director John Covington, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District

Director Lona Williams, Secretary to the
Board of Directors of the
Beaumont-Cherry Valley Water District

APPROVED AS TO FORM:

James Markman, Legal Counsel
To the Beaumont-Cherry Valley Water District

EXHIBIT A

Protest Procedures

Written protests will be accepted in person or by regular mail at the BCVWD District Office, 560 Magnolia Avenue, Beaumont, CA 92223 during office hours of 8 a.m. to 5 p.m., Monday through Thursday. Emailed or faxed protests will NOT be accepted.

The content of the written protest should include:

- Printed name of protestor
- Clear indication that the document is a protest
- Residence or Business address or Parcel number (APN) within the BCVWD's service area
- Signature of Protestor

The term "Property Owner", and/or "Customer" as used in this Notice includes any affected person or entity that has a right to lawful possession and/or occupancy of property and who is responsible for payment of water service charges.

Any Property Owner, and/or Customer may appear at the Public Hearing and orally protest the proposed rate increases, or submit to the District, at any time before the end of the Public Hearing, a written protest against the proposed rate increases. Oral protests will not qualify as a protest unless accompanied by a written protest.

Any Property Owner, and/or Customer may submit a protest. Only one protest per address/parcel will be accepted. Protests received prior to the Public Hearing will be opened and tallied. Copies of protests received prior to close of business on February 20, 2020 will be available at the Public Hearing.

For further information or to withdraw a protest, contact Recording Secretary Yolanda Rodriguez at (951) 845-9581. A letter of withdrawal may be required.

To be counted, any written protest must be received by the District not later than the end of the Public Hearing. Protest tabulation will be finalized at the close of the Public Hearing on February 27, 2020.

A majority written protest to the proposed rate increases will exist if, at the end of the Public Hearing, there are written protests submitted by a majority (50 percent plus one) of the Property Owners and Customers subject to the proposed rate increases. California law prohibits the District from increasing rates, fees and charges if the majority of the affected Property Owners and Customers file written protests.

If it is manifestly clear that there is not a majority protest, the Board Secretary will advise the President of the Board that there are insufficient protests to constitute a majority protest without determining the validity of the protests. If the tabulation of protests is close to a majority and requires validation of protests, the Board may continue the matter to a later date after closing public testimony. In such case, protests will be tabulated after the meeting at an announced date and location.

DRAFT



Beaumont-Cherry Valley Water District

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NOTICE OF PUBLIC HEARING – FEB. 27, 2020 at 6 P.M.

NOTICE OF PUBLIC HEARING

CONCERNING PROPOSED CHANGES TO WATER, FIRE and NON-POTABLE (RECYCLED) WATER RATES AND SERVICE CHARGES

Thursday, February 27, 2020 at 6:00 p.m.

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

NOTICE IS HEREBY GIVEN that the Beaumont-Cherry Valley Water District (BCVWD) is considering a water rate and service charge increase. You are receiving this Notice because our records indicate that you are a water customer and/or owner of a property within the Beaumont-Cherry Valley Water District. This Notice describes the proposed increase and explains how you can participate in the ratesetting process.

If adopted, the increased rates will become effective on all rates and charges on any bill where the billing period ends after March 1, 2020, and annually thereafter on January 1, for a period of five years (2020 to 2024).

The public hearing will be conducted per California Constitution Article XIII D, Section 6 (also known as "Proposition 218"). This notice is being sent to all owners and customers of record whose parcels receive water service from Beaumont-Cherry Valley Water District, who would be subject to the proposed rates and charges.

The term "Property Owner", and/or "Customer", as used in this Notice, includes any affected person or entity that has a right to lawful possession and/or occupancy of property and who is responsible for payment of water service charges.

At the date, time and location specified above, the Board of Directors will conduct a Public Hearing to consider proposed increases to water rates and service charges. The proposed adjustments will be applicable to all parcels that receive water service from BCVWD. The Public Hearing will be for hearing public testimony and receiving written protests on the proposed rate increase. Only one protest per parcel is permitted. The Board may continue the hearing without further written notice.

Please refer to the "How Can I Participate?" section of this document for instructions on submitting a formal written protest against the proposed action. You may also appear at the public hearing at the date and time specified above.



Beaumont-Cherry Valley Water District

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NOTICE OF PUBLIC HEARING – FEB. 27, 2020 at 6 P.M.

More information about the proposed rate changes, including the full rate study and a bill estimator tool, is available on the BCVWD website at www.bcvwd.org. Staff are also available to answer questions. You can call 951-845-9581 or email info@bcvwd.org.

Why am I receiving this notice?

BCVWD is proposing a five-year rate adjustment sufficient to pay for the increased cost of water, water supply and delivery systems, and to maintain appropriate debt service coverage levels necessary for anticipated bonds and credit standing, fairly and equitably allocated across all Property Owners and/or Customers.

BCVWD's most recent 5-year rate increase plan was implemented in 2010, making BCVWD due for another rate and fee analysis. A new analysis was conducted by an independent financial expert over the last seven months. Upon request, a copy of the Water Financial Plan and Utility Rate Study may be obtained at the BCVWD District Office located at 560 Magnolia Avenue, Beaumont, California, 92223 or by visiting BCVWD's website at www.bcvwd.org.

What would change?

The proposed rate changes would increase the fixed monthly service charge, volumetric commodity rates, fire service charge and drought rates. Information detailing the increases can be found in the BCVWD Notice of Public Hearing or the BCVWD Water Financial Plan and Utility Rate Study online at www.bcvwd.org.

Why are rate increases necessary?

As a result of a detailed budget analysis, the BCVWD Water Financial Plan and Utility Rate Study revealed the need for new rates based on the following factors:

- 26% increase in the cost of imported water
- Rising electricity costs
- Growing operation and maintenance costs

Should the actual cost of any of these components (excluding the pass-through charges) be less than their projected cost over the five years, the excess revenues will be allocated to the Capital Replacement Reserves for capital improvement projects as shown in the BCVWD Capital Improvement Plan.

BCVWD is dedicated to providing safe and reliable water services in a cost-effective manner, while protecting water resources and the public's health. The proposed changes would ensure sufficient funds for the ongoing operation, repairs and maintenance of BCVWD's facilities, and an adequate long-term water supply for the region.

Did you know?

According to state law, BCVWD cannot charge more than the actual cost of providing water service. As a not-for-profit government agency, BCVWD is not legally allowed to make a profit.



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NOTICE OF PUBLIC HEARING – FEB. 27, 2020 at 6 P.M.

PROPOSED NEW WATER RATES

Understanding your water bill Your water bill is calculated based on a rate structure that includes a fixed monthly service charge based on the size of the customer’s meter and a volumetric commodity charge based on the amount of water actually used by the customer.

The monthly service charge on your bill is used to pay for the costs of service that don’t fluctuate, like pipe and system maintenance, capital projects, distribution, meters and service.

The volumetric charge is used to pay for the amount of water each customer actually uses. The pass-through charges reflect the true cost of imported water and the energy it takes to provide water to your home or business. For single family customers, there are three tiers of use within the volumetric charge and the cost of water increases based on how much you consume.

Your bill also contains pass-through charges for the cost imported water and the cost of energy to pump water.

BCVWD bills most accounts on a bi-monthly basis. This means each bill customers receive includes charges for two months of service.

Proposed Potable and Non-Potable Bi-monthly Meter Service Charges These are the fixed rates charged on each bi-monthly bill based on meter size.

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	\$18.01	\$22.58	\$24.17	\$25.87	\$27.69	\$29.63
3/4"	\$27.02	\$31.13	\$33.31	\$35.65	\$38.15	\$40.83
1"	\$45.03	\$48.24	\$51.62	\$55.24	\$59.11	\$63.25
1 1/2"	\$90.06	\$91.01	\$97.39	\$104.21	\$111.51	\$119.32
2"	\$144.09	\$142.33	\$152.30	\$162.97	\$174.38	\$186.59
3"	\$288.18	\$304.84	\$326.18	\$349.02	\$373.46	\$399.61
4"	\$450.28	\$544.34	\$582.45	\$623.23	\$666.86	\$713.55
6"	\$900.55	\$1,117.43	\$1,195.66	\$1,279.36	\$1,368.92	\$1,464.75
8"	\$1,440.88	\$2,400.46	\$2,568.50	\$2,748.30	\$2,940.69	\$3,146.54
10"	\$2,071.27	\$3,597.95	\$3,849.81	\$4,119.30	\$4,407.66	\$4,716.20
12"	\$2,791.71	\$4,538.84	\$4,856.56	\$5,196.52	\$5,560.28	\$5,949.50

Proposed Potable and Non-Potable Commodity Rates (\$ per ccf – hundred cubic feet, or 748 gallons)

These are the rates for water consumption based on tiers of use. The current and proposed rate structure for the Potable Commodity Rate for Single-Family Residential Customers has three tiers which impose higher rates as the level of consumption increases. The tiers are designed to recover the incremental costs to BCVWD of serving more water to those who place higher demands and greater burdens on BCVWD’s water system and resources.



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Due to the varying consumption needs among all other customers, the Potable and Non-Potable Commodity Rate is a uniform rate per ccf of water delivered during a billing period.

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	16	\$0.66	\$0.71	\$0.76	\$0.82	\$0.88
Tier 2	34	\$0.81	\$0.87	\$0.94	\$1.01	\$1.09
Tier 3	34+	\$1.36	\$1.46	\$1.57	\$1.68	\$1.80
Multi-Family	Uniform	\$1.01	\$1.09	\$1.17	\$1.26	\$1.35
Commercial/Industrial	Uniform	\$0.95	\$1.02	\$1.10	\$1.18	\$1.27
Fire Service	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
Landscape Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Schedule Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Construction	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
Non-Potable	Uniform	\$0.72	\$0.96	\$0.96	\$0.98	\$0.98

Proposed Fire Service Charges

These are the bimonthly fixed rates charged to properties having a separate fire service line based on meter size.

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	\$51.82	\$44.25	\$47.35	\$50.67	\$54.22	\$58.02
6"	\$150.53	\$118.12	\$126.39	\$135.24	\$144.71	\$154.84
8"	\$320.79	\$245.52	\$262.71	\$281.10	\$300.78	\$321.84
10"	\$576.89	\$437.17	\$467.78	\$500.53	\$535.57	\$573.06
12"	\$931.84	\$702.78	\$751.98	\$804.62	\$860.95	\$921.22

Proposed Drought Rates

The Table below shows the drought rate surcharge that would be applied to each commodity rate at a given drought stage. In the event that BCVWD activates water supply drought rates, customers will be notified in advance. Drought rates are generally triggered by the declaration of a specific water shortage by the California Department of Water Resources.

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	\$0.17	\$0.36	\$0.60	\$0.92



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Adjustments to Pass-Through charges:

Provided that any such rates shall not increase by an amount that exceeds the cost of providing water service:

- State Project Water (purchased through the SGPWA): The pass-through charges for State Project Water may be increased as necessary by BCVWD by an amount equal to any increases for the cost of water purchased from the SGPWA upon 30 days' notice.
- SCE Power Charge: To account for increases in BCVWD costs in providing water service, the monthly pass-through service charge may be increased as necessary by BCVWD by an amount equal to any incremental increase imposed on BCVWD for the cost of energy purchased from Southern California Edison upon 30 days' notice.

BCVWD purchases a great deal of its water replenishment supply from the San Geronio Pass Water Agency (SGPWA). The cost of this imported water rose by 26 percent in 2019 and these costs are passed through to customers as a separate charge on the bi-monthly bill.

How will the new rates impact my bill?

If approved, a water bill for a typical single-family residence with a 5/8-inch meter using 34 units of water (25,432 gallons) during a bi-monthly billing period will increase by approximately \$5.57.

Typical Bill Calculation @ 34 ccf Bi-monthly		
Description	Existing Bill	Proposed 3/1/20
Single-Family with 5/8" meter	\$77.51	\$83.08

For an estimate of how this would impact you specifically, visit the BCVWD bill estimator tool online at www.bcvwd.org. Customers can also call 951-845-9581 or email info@bcvwd.org with questions.

How can I participate?

Written protests will be accepted in person or by regular mail at the BCVWD District Office, 560 Magnolia Avenue, Beaumont, CA 92223 during office hours of 8 a.m. to 5 p.m., Monday through Thursday. Emailed or faxed protests will NOT be accepted.

The content of the written protest should include:

- Printed name of protestor
- Clear indication that the document is a protest



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NOTICE OF PUBLIC HEARING – FEB. 27, 2020 at 6 P.M.

- Residence or Business address or Parcel number (APN) within the BCVWD's service area
- Signature of Protestor

Any Property Owner, and/or Customer, may appear at the Public Hearing and orally protest the proposed rate increases, or submit to BCVWD, at any time before the end of the Public Hearing, a written protest against the proposed rate increases. Oral protests will **not** qualify as a protest unless accompanied by a written protest, but the Board of Directors welcomes input from the community during the Public Hearing.

Any Property Owner, and/or Customer, may submit a protest. Only one protest per address/parcel will be accepted. Protests received prior to the Public Hearing will be opened and tallied. Copies of protests received prior to close of business on February 20, 2020 will be available at the Public Hearing.

For further information or to withdraw a protest, contact Recording Secretary Yolanda Rodriguez at (951) 845-9581. A letter of withdrawal may be required.

To be counted, any written protest must be received by BCVWD not later than the end of the Public Hearing. Protest tabulation will be finalized at the close of the Public Hearing on February 27, 2020 or on a date specified by the Board of Directors following the Public Hearing.

This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act, by contacting the Administrative Assistant at (951) 845-9581. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters require different lead times, ranging from five business days to two weeks. Please provide as much advance notice as possible in order to assure availability.

CONTACT: Yolanda Rodriguez (951) 845-9581 info@bcvwd.org

[Community Meeting](#)

An informational Town Hall Meeting will take place at 6 p.m. on Thursday, February 20, 2020, at the BCVWD District Office, located at 560 Magnolia Avenue Beaumont, CA, 92223.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

Water Financial Plan and Utility Rate Study

Final Report / December 31, 2019



December 31, 2019

Yolanda Rodriguez
Director of Finance & Administrative Services
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Subject: Water Financial Plan and Utility Rate Study

Dear Ms. Rodriguez,

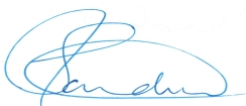
Raftelis is pleased to provide this Water Financial Plan and Utility Rate Study Report for the Beaumont-Cherry Valley Water District. This report presents the analyses, rationale, and methodologies utilized in the study to determine water rates that meet the requirements of California Constitution Article XIII D, Section 6, commonly referred to as Proposition 218.

The study involved a comprehensive review of the District's current water rate structure, long-term financial plan, cost requirements, and alternative rate structures to determine proposed water rates that are in line with the District's policy objectives. The main objectives that informed the study include:

- » Adequately recovering all costs for prudent fiscal management
- » Evaluating alternative rate structures and tier definitions
- » Minimizing customer impacts due to changes in rate structure

It has been a pleasure working with you and we thank you and other District staff for the support provided during this study.

Sincerely,



Sudhir Pardiwala
Executive Vice President



Lauren Demine
Consultant



Corrine Schroll
Consultant

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1. Executive Summary

1.1. System Overview

The Beaumont-Cherry Valley Water District (District) is an independent special district that has both a potable and non-potable water distribution system and serves approximately 19,000 connections, with over 90% of those connections as single-family residences. The District buys State Water Project (SWP) water from the San Geronio Pass Water Agency (SGPWA), has access to unused overlying water rights (within the Beaumont Basin), and has groundwater rights to water from Edgar Canyon. The District has stored water in the Beaumont Basin (Basin) and currently has over 35,000 acre-feet (AF) of water stored in the Basin. The District serves non-potable water which currently is raw water purchased from (SGPWA), recharged into the Beaumont Basin, and subsequently put in the non-potable system. In addition, for the non-potable system, the District will be purchasing recycled water from the City of Beaumont and converting certain potable customers to non-potable water service. 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. In the early 2000s, the District 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 SWP. In the future, storm runoff and possibly highly treated recycled water may be recharged at the facility or a similar facility. With these new water supplies and recharge capabilities, the District's revenue requirement and related expenses are continuing to evolve requiring a long-term financial plan to determine the fiscal impacts to the District and to appropriately establish rates for full cost recovery.

The primary project objectives of the study include:

1. Developing a long-term financial plan that the District may use to evaluate long-term impacts on its revenue requirements, capital needs, and reserves
2. Preparing defensible rates and charges consistent with the cost of providing service
3. Minimizing rate increases while avoiding rate "spikes", setting and maintaining appropriate operation and capital reserves, and maintaining adequate levels of service
4. Designing a rate structure that is responsive to demand fluctuations due to drought and other unforeseen factors through the establishment of pass-throughs and drought rates
5. Meeting external requirements for debt covenants and ensuring adequate capital reinvestment into the water system

1.2. Methodology

The water rates presented in this report were developed using cost of service principles set forth by the American Water Works Association *M1 Manual* titled *Principles of Water Rates, Fees and Charges* (AWWA M1 Manual). Cost of service principles endeavor to distribute costs to customer classes in accordance with the way each class uses the water system. This methodology is described in detail in Sections 4 and 5. The Base-Extra Capacity Method of the AWWA M1 Manual was used to distribute costs to customer classes and tiers. This method separates costs into four main components: (1) base costs, (2) extra capacity costs, (3) customer costs, and (4) fire protection costs. Base costs are costs associated with meeting average daily demand needs and include operations and maintenance costs and capital costs designed to meet average load conditions. Extra capacity costs are costs (both operating and capital costs) associated with meeting peak demand. Customer costs are associated with serving customers, such as meter reading, billing and customer service, etc. Fire protection costs are related solely to the fire protection function of a water system, such as fire hydrants and related mains and valves.

1.3. Proposed Financial Plan

Balancing the need for the District to meet its revenue requirements while mitigating increases to ratepayers' cost for service, Raftelis worked with staff to determine the revenue adjustment schedule in Table 1-1. All revenue adjustments are set for January of each calendar year except CY 2020, which will be effective in March. These adjustments apply only to the District's own rate revenue and do not include potential increases in revenue due to increases in imported water and electrical pass-through rates. Those rates are subject to the changes implemented by the wholesale water supplier or energy provider and the costs, including any rate fluctuations, are entirely passed through to customers. Automatic pass-through adjustments in water rates are allowed through the provisions of Government Code Section 53756 provided that the adjustments are noticed to ratepayers at least 30 days before the effective date.

Table 1-1: Proposed Revenue Adjustments

CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
March	January	January	January	January
1.0%	7.0%	7.0%	7.0%	7.0%

As mentioned in the previous paragraph, the revenue adjustments shown above do not include increases in imported water and power costs which are passed through. However, it should be noted that in the first year (CY 2020) the total effective revenue adjustment, including increases in imported water and power rates that are passed through to customers, is approximately 10%.

Table 1-2 shows the revenues with the proposed revenue adjustments, the projected expenses, along with the net income and calculated debt coverage. As noted above, the District needed to balance its revenue needs with mitigating rate increases for customers. While the proposed financial plan still shows a significant deficit in funding for CY 2020 and CY 2021 (Line 45) due to significant improvement projects, it is able to exceed its required debt coverage ratio of 120 percent in CY 2022 onward (Rows 46 and 47) should it pursue debt funding at that time. The proposed financial plan is discussed further in Section 3.8.

Table 1-2: CY 2019 – CY 2024 Proposed Financial Plan¹

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	\$8,479,519	\$8,633,305	\$9,412,233	\$10,186,696	\$11,007,218	\$11,881,993
2	Potable SGPWA Revenue	\$1,923,431	\$2,700,387	\$3,014,385	\$3,127,120	\$3,242,973	\$3,343,733
3	Potable Power Revenue	\$1,379,853	\$1,344,432	\$1,405,173	\$1,415,801	\$1,423,989	\$1,430,672
4	Non-Potable Supply Revenue	\$369,401	\$751,620	\$649,965	\$673,238	\$698,094	\$724,853
5	Non-Potable Power	\$265,005	\$246,923	\$205,185	\$211,908	\$219,515	\$228,182
6	Other Revenue						
7	Interest Income - General	\$270,828	\$159,651	\$157,592	\$120,584	\$114,825	\$108,015
8	Interest Income - Other	\$53,900	\$54,439	\$54,983	\$55,533	\$56,089	\$56,649
9	Fees	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500
12	Other	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814
13	Miscellaneous	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
14	Total Other Revenue	\$1,192,042	\$1,081,404	\$1,079,889	\$1,043,431	\$1,038,228	\$1,031,979
15	Total Revenue	\$13,609,251	\$14,758,073	\$15,766,831	\$16,658,194	\$17,630,017	\$18,641,410
16	Expenditures						
17	O&M						
18	Potable Water Purchases	\$4,182,474	\$4,344,863	\$4,371,660	\$4,495,346	\$4,619,635	\$4,727,281
21	Non-Potable Water Purchases	\$968,944	\$1,017,381	\$888,813	\$921,412	\$956,468	\$994,442
26	Potable O&M	\$8,243,155	\$9,034,714	\$9,548,373	\$9,778,769	\$10,142,399	\$10,364,568
38	Non-Potable Water O&M	\$0	\$60,415	\$258,896	\$266,663	\$274,663	\$282,903
39	Total O&M	\$13,394,574	\$14,457,372	\$15,067,742	\$15,462,189	\$15,993,165	\$16,369,194
40	Rate Funded Capital Projects	\$522,356	\$7,579,036	\$8,954,349	\$769,641	\$2,440,067	\$2,057,249
41	Debt Service						
42	New Proposed Debt - Capital Replacement	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
43	Total Debt Service	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
44	Total Expenses	\$13,916,929	\$22,036,408	\$24,022,092	\$16,622,139	\$18,823,541	\$18,816,752
45	Net Cashflow	(\$307,678)	(\$7,278,336)	(\$8,255,261)	\$36,055	(\$1,193,524)	(\$175,341)
46	Calculated Debt Coverage Ratio	0%	0%	0%	306%	419%	582%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

¹ Line 21 includes all non-potable water purchases, including recycled water from the City of Beaumont and make-up water.

Figure 1-1 through Figure 1-4 display the financial plan in graphical format. Figure 1-1 shows the dollar value of the revenue adjustments (dark blue bars) for the next five years on the left-hand axis. It also graphs the calculated and required debt coverage ratios, as shown by the broken and solid blue lines respectively, on the right-hand axis.

Figure 1-1: Revenue Adjustments and Debt Coverage

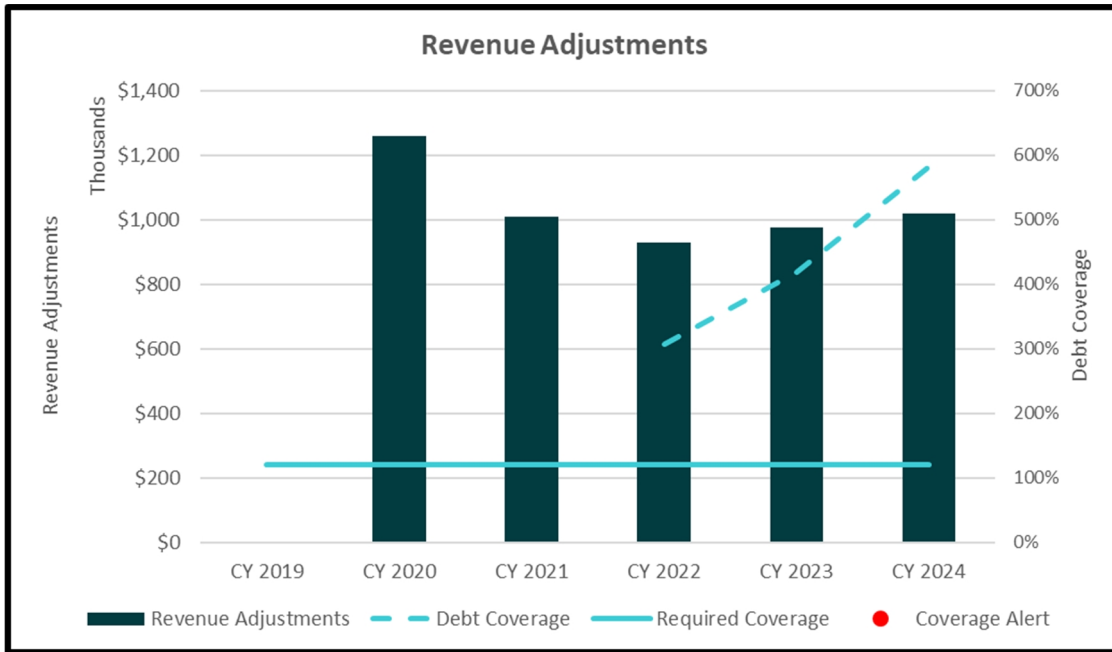


Figure 1-2 graphically illustrates the financial plan, comparing existing and proposed revenues (solid and broken black lines respectively) with projected expenses (bars). The expenses are represented by stacked bars to indicate each expense type's share of total expenses. The net cash flow is shown in yellow.

Figure 1-2: Operating Financial Plan

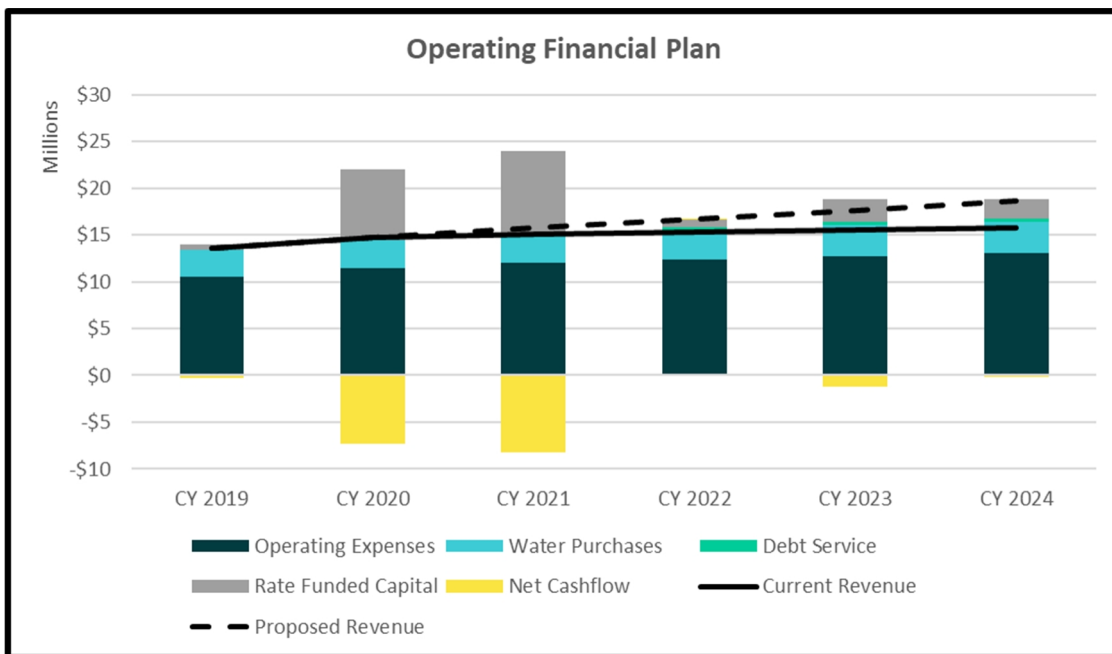


Figure 1-3 and Figure 1-4 show the replacement and expansion Capital Improvement Plans (CIP) using stacked bars that indicate funding by funding mechanism for that year’s projects. Expansion projects will be implemented from development fee revenues as and when growth occurs. The replacement CIP is funded in part by a \$6 million debt issue in CY 2022 (Figure 1-3 illustrates the debt proceeds of \$5.5M). The replacement CIP is funded at 75% of the budgeted replacement CIP to mitigate the impacts of rate increases.

Figure 1-3: Capital Replacement Plan and Funding Sources

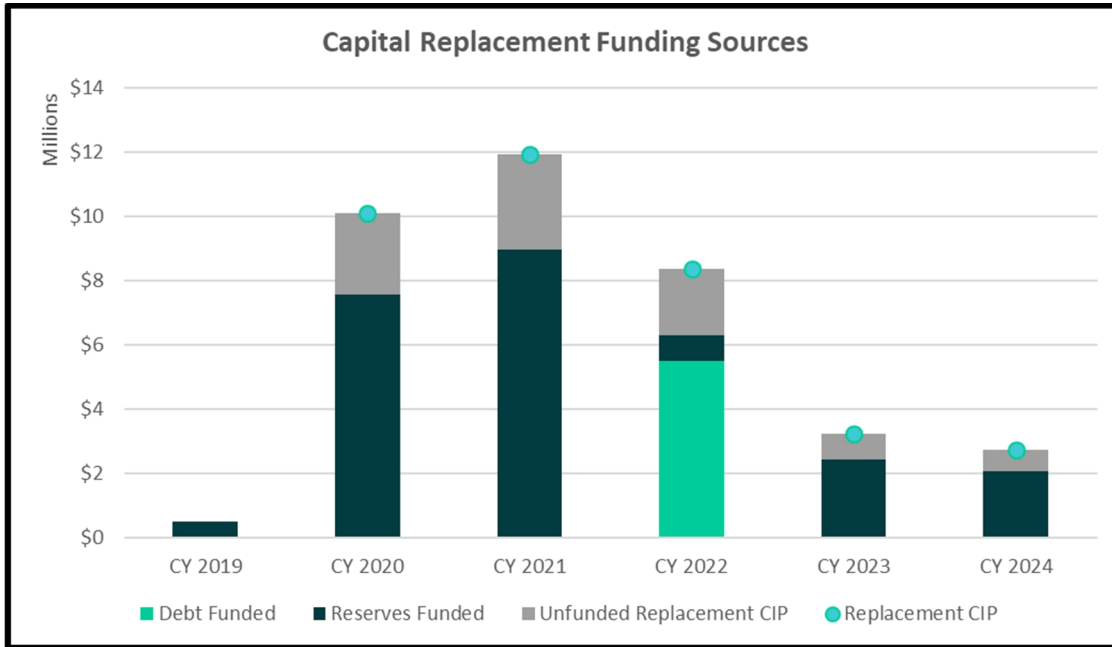
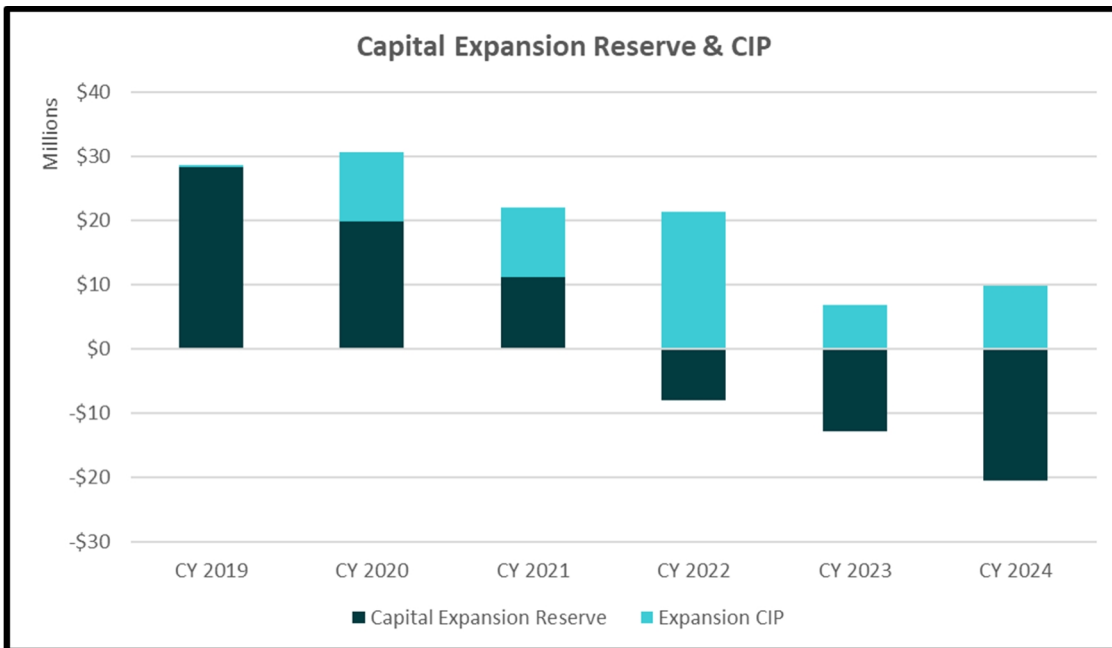


Figure 1-4: Capital Expansion Fund and CIP



1.4. Proposed Potable Water Rate Schedule

The proposed potable and non-potable rates are increased by the revenue adjustments in Table 1-1 to arrive at the 5-year rate schedules shown in in Table 1-3 and Table 1-5. The proposed Fire Service Charges are also escalated according to the rate adjustments in Table 1-1, resulting in the Fire Service Charge Schedule in Table 1-4. For non-fire related use, Fire Service customers also pay a commodity rate (Table 1-5) consisting of the Base Delivery (\$0.48) and Peaking (\$0.69) unit charges and resulting in the \$1.17 CY 2020 rate, which is also escalated by the proposed rate adjustments through CY 2024.

Table 1-3: CY 2020-2024 Proposed Potable and Non-potable Bimonthly Meter Service Charges

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	\$18.01	\$22.58	\$24.17	\$25.87	\$27.69	\$29.63
3/4"	\$27.02	\$31.13	\$33.31	\$35.65	\$38.15	\$40.83
1"	\$45.03	\$48.24	\$51.62	\$55.24	\$59.11	\$63.25
1 1/2"	\$90.06	\$91.01	\$97.39	\$104.21	\$111.51	\$119.32
2"	\$144.09	\$142.33	\$152.30	\$162.97	\$174.38	\$186.59
3"	\$288.18	\$304.84	\$326.18	\$349.02	\$373.46	\$399.61
4"	\$450.28	\$544.34	\$582.45	\$623.23	\$666.86	\$713.55
6"	\$900.55	\$1,117.43	\$1,195.66	\$1,279.36	\$1,368.92	\$1,464.75
8"	\$1,440.88	\$2,400.46	\$2,568.50	\$2,748.30	\$2,940.69	\$3,146.54
10"	\$2,071.27	\$3,597.95	\$3,849.81	\$4,119.30	\$4,407.66	\$4,716.20
12"	\$2,791.71	\$4,538.84	\$4,856.56	\$5,196.52	\$5,560.28	\$5,949.50

Table 1-4: CY 2020 to 2024 Proposed Fire Service Charges

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	\$51.82	\$44.25	\$47.35	\$50.67	\$54.22	\$58.02
6"	\$150.53	\$118.12	\$126.39	\$135.24	\$144.71	\$154.84
8"	\$320.79	\$245.52	\$262.71	\$281.10	\$300.78	\$321.84
10"	\$576.89	\$437.17	\$467.78	\$500.53	\$535.57	\$573.06
12"	\$931.84	\$702.78	\$751.98	\$804.62	\$860.95	\$921.22

Table 1-5: CY 2020-2024 Proposed Potable and Non-potable Commodity Rates (\$/ccf²)

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	16	\$0.66	\$0.71	\$0.76	\$0.82	\$0.88
Tier 2	34	\$0.81	\$0.87	\$0.94	\$1.01	\$1.09
Tier 3	34+	\$1.36	\$1.46	\$1.57	\$1.68	\$1.80
Multi-Family	Uniform	\$1.01	\$1.09	\$1.17	\$1.26	\$1.35
Commercial/Industrial	Uniform	\$0.95	\$1.02	\$1.10	\$1.18	\$1.27
Fire Service	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
Landscape Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Schedule Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Construction	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
Non-Potable	Uniform	\$0.72	\$0.96	\$0.96	\$0.98	\$0.98
State Project Water (SGPWA)		\$0.72	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>
SCE Power Charge (Pumping)		\$0.32	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>
Non-potable Water Supply		\$0.93	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>
Non-potable Water Power		\$0.31	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>

1.4.1. BILL IMPACTS

Figure 1-5 and Figure 1-6 compare the current rates (effective January 1, 2015) versus the proposed CY 2020 rates for two different customer classes. Figure 1-5 shows the impacts of the proposed rates on a hypothetical Single-Family Residential customer with a 5/8” meter at different usage levels. Figure 1-6 shows the impacts on a hypothetical Commercial or Industrial customer with a 2” meter and different levels of consumption.

² One ccf is equal to one-hundred cubic-feet of water or 748.05 gallons

Figure 1-5: CY 2020 Single-Family Residential Bill Impact Analysis

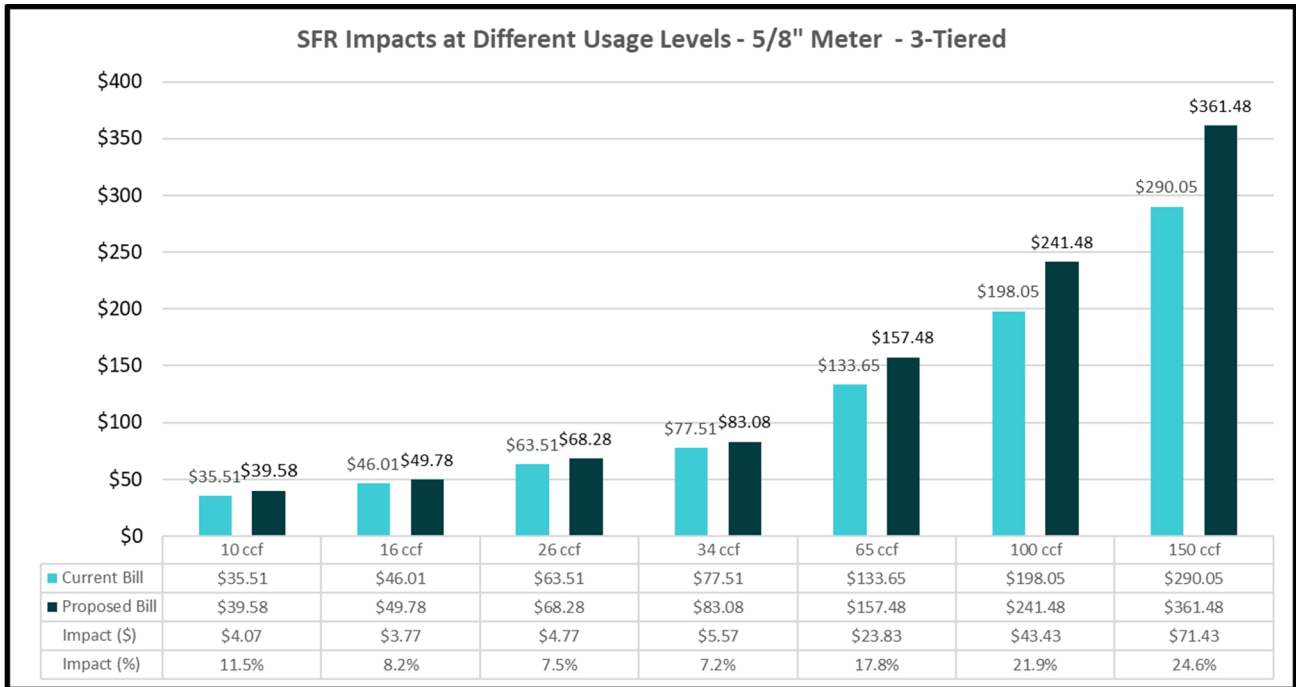
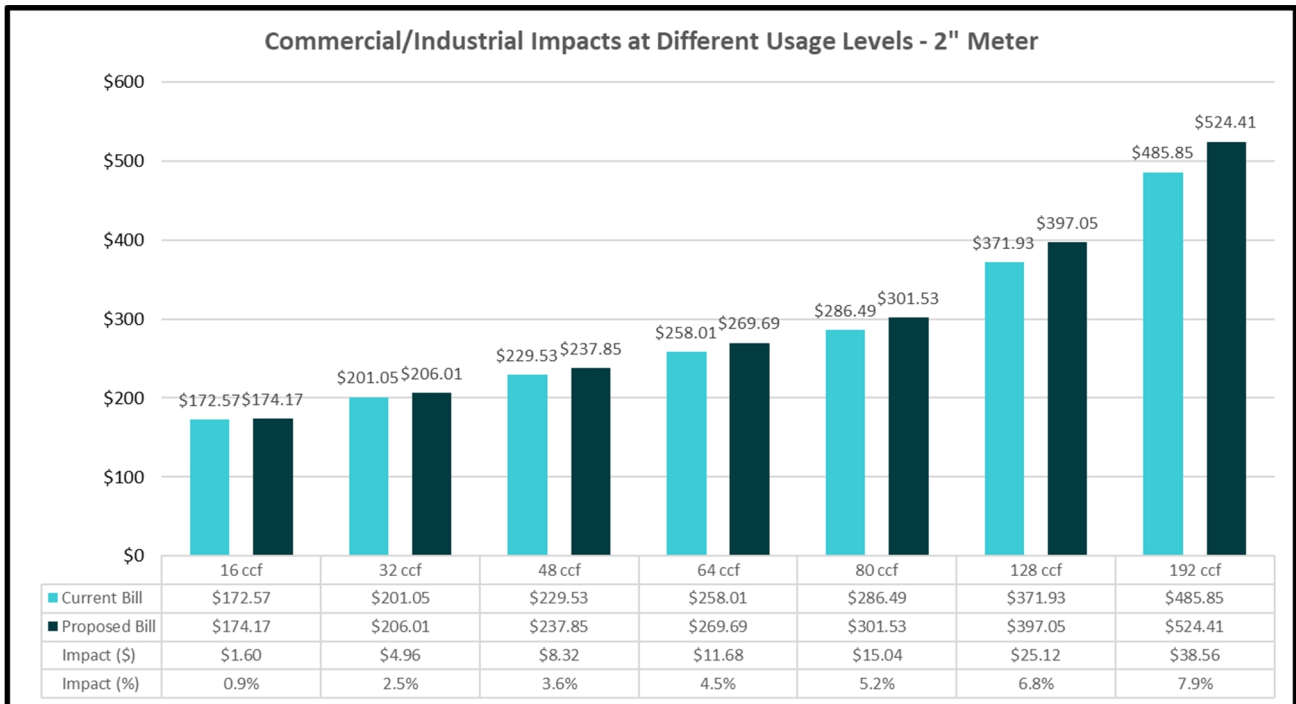


Figure 1-6: CY 2020 Commercial/ Industrial Bill Impact Analysis



1.4.2. PROPOSED POTABLE DROUGHT RATES

In the event that the District activates its water supply drought rates, customers will be notified in advance. The District's drought rates would only be implemented by District Board action. Such action by the District is generally triggered by the declaration of a specific level of water shortage by the California Department of Water Resources (DWR).

Table 1-6 shows the drought rate surcharge that is applied to each potable commodity rate at a given drought stage. If a drought stage is declared at a level intermediate to the stages shown above, the drought surcharges may be prorated linearly. Drought rates are discussed further in Section 5.2.

Table 1-6: Drought Rate Surcharge

	Stage 1	Stage 2	Stage 3	Stage 4
Reduction in Use	10%	20%	30%	40%
Surcharge	\$0.17	\$0.36	\$0.60	\$0.92

2. Study Background

This section of the report discusses and provides the necessary context and background information on the District, regulatory framework, and industry-standard methodology utilized in conducting this study. Additionally, this report is based on the calendar year (CY) 2020 budget, with water use characteristics identified using CY 2018 usage data. Water volumes are expressed in acre feet (AF) or hundred cubic feet (ccf), with the latter used to assess volumetric charges on customers.

2.1. System Overview

The Beaumont-Cherry Valley Water District (District) is an independent special district that has both a potable and non-potable water distribution system and serves approximately 19,000 connections, with over 90% of those connections as single-family residences. The District buys State Water Project (SWP) water from the San Geronimo Pass Water Agency (SGPWA), has access to unused overlying water rights (within the Beaumont Basin), and has groundwater rights to water from Edgar Canyon. The District has stored water in the Beaumont Basin (Basin) and currently has over 35,000 acre-feet (AF) of water stored in the Basin. The District serves non-potable water which currently is raw water purchased from (SGPWA), recharged into the Beaumont Basin, and subsequently put in the non-potable system. In addition, for the non-potable system, the District will be purchasing recycled water from the City of Beaumont and converting certain potable customers to non-potable water service. 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. In the early 2000s, the District Board authorized the purchase of 78.8 acres of land, and in 2006 constructed the Noble Creek Recharge Facility for the recharge of imported water from the SWP. In the future, storm runoff and possibly highly treated recycled water may be recharged at the facility or a similar facility. With these new water supplies and recharge capabilities, the District's revenue requirement and related expenses are continuing to evolve requiring a long-term financial plan to determine the fiscal impacts to the District and to appropriately establish rates for full cost recovery.

The primary project objectives of the study include:

1. Developing a long-term financial plan that the District may use to evaluate long-term impacts on its revenue requirements, capital needs, and reserves
2. Preparing defensible rates and charges consistent with the cost of providing service
3. Minimizing rate increases while avoiding rate “spikes”, setting and maintaining appropriate operations and capital reserves, and maintaining adequate levels of service
4. Designing a rate structure that is responsive to demand fluctuations due to drought and other unforeseen factors through the establishment of pass-throughs and drought rates
5. Meeting external requirements for debt covenants and ensuring adequate capital reinvestment into the water system

2.2. Legal Framework

California Constitution - Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements, as they relate to public water service are as follows:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property related service.
2. Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

As stated in the AWWA M1 Manual, “water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers.” Raftelis follows industry standard rate setting methodologies set forth by the AWWA M1 Manual to ensure this study meets Proposition 218 requirements and establishes rates that do not exceed the proportionate cost of providing water services. The methodology in the M1 Manual is a nationally recognized industry ratemaking standard which courts have recognized as consistent with Proposition 218.

California Constitution Article X, Section 2

California Constitution Article X, Section 2 mandates that water resources be put to beneficial use and that the waste or unreasonable use of water be prevented through conservation. Section 106 of the Water Code declares that the highest priority use of water is for domestic purposes, with irrigation secondary. Thus, management of water resources is part of the property-related service provided by public water suppliers to ensure the resource is available over time. The District currently has inclining tiered (also known as inclining block) water rates. The inclining tier rates must be based on the proportionate costs incurred to provide water to customers to achieve compliance with Proposition 218. Due to heightened interest in water conservation and efficiency of water use, tiered water rates have gained widespread use, especially in relatively water-scarce regions like Southern California. Tiered rates meet the requirements of Proposition 218 as long as they reasonably reflect the proportionate cost of providing service for each tier.

2.3. Rate-Setting Methodology

This water rate study was conducted using industry-standard principles outlined by the AWWA M1 Manual. The process and approach Raftelis utilized in the study to determine water rates is guided by the District’s policy objectives, the current water system and rates, and the legal requirements in California (namely, Proposition 218). The resulting financial plan, cost of service analysis, and rate design process take all factors into consideration and follow five key steps, outlined below, to determine proposed rates that fulfill the District’s objectives, meet industry standards, and comply with relevant regulations.

1. **Financial Plan:** The first study step is to develop a multi-year financial plan that projects the Water Enterprise’s revenues, expenses, capital project financing, annual debt service, and reserve funding. The

financial plan is used to determine the revenue adjustment, which allows the water utility to recover adequate revenues to fund expenses and reserves.

2. **Revenue Requirement Determination:** After completing the financial plan, the rate-making process begins with the determination of the revenue requirement for the test year, also known as the rate-setting year. The test year for this study is CY 2020. The revenue requirement should sufficiently fund the Water Enterprise's operations and maintenance (O&M) costs, annual debt service, replacement Capital Improvement Plan (CIP) costs, and reserve funding as projected based on the water service's CY 2020 budget.
3. **Cost of Service Analysis:** The annual cost of providing water service, or the revenue requirement, is then distributed to customer classes and tiers commensurate with their use of, and burden on, the water system. A cost of service analysis involves the following steps:
 - a. **Functionalize costs** – the different components of the revenue requirement are categorized into functions such as supply, transmission and distribution (T&D), customer service and billing, etc.
 - b. **Allocate to cost causation components** – the functionalized costs are then allocated to cost causation components such as supply, base delivery, peaking, etc.
 - c. **Develop unit costs** – unit costs for each cost causation component are determined using units of service, such as total usage, peaking units, equivalent meters, number of customers, etc. for each component.
 - d. **Distribute cost components** – the cost components are allocated to each customer class and tier using the unit costs in proportion to their demand and burden on the system.

A cost of service analysis considers both the average water demand and peak demand. Peaking costs are incurred during periods of peak consumption, most often coinciding with summer water usage. There are additional capacity-related costs associated with designing, constructing, operating, maintaining, and replacing facilities to meet peak demand. Peak usage patterns impose additional costs on a utility and are used to determine the cost burden of peaking-related facilities.

4. **Rate Design:** After allocating the revenue requirement to each customer class and tier, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize the District's policy objectives. Rates also act as a public information tool in communicating these policy objectives to customers. This process also includes a rate impact analysis and sample customer bill impacts.
5. **Administrative Record Preparation and Rate Adoption:** The final step in a rate study is to develop the administrative record in conjunction with the rate adoption process. This report serves as the administrative record for this study. The administrative record documents the study results and presents the methodologies, rationale, justifications, and calculations used to determine the proposed rates. A thorough and methodological administrative record serves two important functions: maintaining defensibility in a stringent legal environment and communicating the rate adoption process to customers and important stakeholders.

3. Financial Plan

3.1. Key Assumptions

This section describes the assumptions used to project the expenses and reserve targets that determine the District’s revenue requirement. The revenue requirement is the basis for determining the necessary revenue adjustments (i.e., the average increase in rates for the entire District) for each year of the study period. Specific rate changes for individual classes are based on the cost of service and may vary from the average revenue adjustment or rate increase.

The revenue calculated for each of the fiscal years in the financial plan is a function of the number of meters, meter size, account growth, water use, and existing rates. Water demand has been projected (and the supply required to meet this demand) based on actual water use in CY 2018, with adjustments for usage growth in CY 2020 onwards using the inflationary factors in Table 3-1. The District expects to have stable demand during the study period, with no increase on a per account basis as indicated by the 100.0% demand factor for both potable and non-potable water.

Table 3-1: Key Revenue Assumptions

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Revenue Escalation Factors					
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Rate Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income	1.0%	1.0%	1.0%	1.0%	1.0%
Demand Factor					
Potable	100.0%	100.0%	100.0%	100.0%	100.0%
Non-potable	100.0%	100.0%	100.0%	100.0%	100.0%
Account Growth					
Single Family Residential	1.2%	1.2%	1.0%	0.7%	0.6%
Multi-Family Residential	0.0%	0.0%	0.0%	0.0%	0.0%
Irrigation	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Residential	0.0%	0.0%	0.0%	0.0%	0.0%
Non-potable	1.2%	1.1%	1.1%	1.1%	1.1%

To ensure that future costs are reasonably projected, it is necessary to make informed assumptions about inflationary factors and water costs. O&M projections are based on the District’s CY 2020 adopted budget and the projected budgetary increases in subsequent years based on the assumptions shown in Table 3-2. The District uses different inflation factors for different expenditures within the budget.

Table 3-2: Key Cost Escalation Factors

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Escalation Factors					
General	3.0%	3.0%	3.0%	3.0%	3.0%
Salary	8.7%	6.0%	3.0%	3.0%	3.0%
Benefits	7.2%	6.0%	3.0%	3.0%	3.0%
General Utilities	3.0%	3.0%	3.0%	3.0%	3.0%
Power	5.0%	5.0%	5.0%	5.0%	5.0%
Non-Inflated	0.0%	0.0%	0.0%	0.0%	0.0%
Demand Driven Costs					
Fixed	100%	100%	100%	100%	100%
Variable - Potable	101%	101%	101%	101%	100%
Variable - Non-Potable	101%	108%	104%	104%	104%

3.2. Existing Rate Structure and Rates

The District bills every two months (bimonthly), resulting in six total bills per year for most customers. The existing rate structure for potable water consists of a bimonthly fixed charge based on meter size and by customer class. The classes for the potable water meter service charges are:

1. **Domestic/ Commercial/ Non-potable:** Single family residential, single business commercial unit, or non-potable water service unit per meter.
2. **Multiple Residential/ Multiple Commercial:** Residential or commercial customers with multiple units on one meter. For example, an apartment building would fall into this classification.
3. **Outside Service:** Customers located outside the District’s designated service area but are also served by the District.³

Table 3-3: Current Bimonthly Potable Water Meter Service Charges

Meter Size	Domestic/ Commercial/ Non-potable	Multiple Residential/ Multiple Commercial	Outside Service
5/8"	\$18.01	\$12.01	\$24.00
3/4"	\$27.02	\$18.01	\$34.50
1"	\$45.03	\$30.02	\$56.00
1 1/2"	\$90.06	\$60.04	\$108.00
2"	\$144.09	\$96.06	\$170.00
3"	\$288.18	\$192.12	\$316.00
4"	\$450.28	\$300.19	\$524.00
6"	\$900.55	\$600.37	\$1,044.00
8"	\$1,440.88	\$960.59	\$1,668.00
10"	\$2,071.27	\$1,380.85	\$2,396.00
12"	\$2,791.71	\$1,861.14	\$4,476.00

Additionally, all customers pay a commodity rate by customer class on all water consumption. These rates are shown in Table 3-4. Domestic and Multi-Family residential customers pay a two-tiered rate based on consumption

³ There are very few existing Outside Service accounts and no new customers are accepted if they are located outside of the District’s service area.

at each tier level. All other customers pay a uniform rate per ccf consumed. Additionally, the District passes through imported water charges and the cost of power to transmit and distribute water to all customers.

Table 3-4: Current Potable and Non-potable Commodity Rates (\$/ccf)

Commodity Rate	Tier Width (ccf)	CY 2019
	Bi-Monthly	
Domestic (Single-Family Residential)		
Block 1	0-44 ccf	\$0.96
Block 2	45+ ccf	\$1.05
Multi-Family Residential		
Block 1	0-35 ccf	\$0.96
Block 2	36+ ccf	\$0.98
Commercial/Fire Service	Uniform	\$0.99
Multiple Commercial	Uniform	\$0.99
Landscape	Uniform	\$1.15
Schedule Irrigation	Uniform	\$1.01
Construction	Uniform	\$1.15
Non-potable	Uniform	\$1.15
SCE Power Charge		\$0.33
State Project Water		\$0.46

Finally, private fire service lines also pay a fixed charge, shown in Table 3-5. Customers also pay a commodity rate, shown in Table 3-6 and the purchased water and power charge shown in Table 3-4 above for non-fire related water consumption.

Table 3-5: Current Bimonthly Fire Line Charges

Meter Size	CY 2019
Private Fire Lines	
4"	\$51.82
6"	\$150.53
8"	\$320.79
10"	\$576.89
12"	\$931.84

Table 3-6: Current Fire Service Rate (\$/ccf)

	CY 2019
Fire Service Rate	\$0.99

3.3. Account and Usage Projections

Table 3-7 shows the estimated number of water accounts by meter size for CY 2019 through CY 2024. The projections are based on account data provided by the District for CY 2018. The number of accounts is used to forecast the amount of fixed revenue the District will receive from the bimonthly meter service charges. Note that

the Multiple Residential/ Multiple Commercial class is not charged by meter size but by dwelling unit, which is 2/3 the cost of the 5/8" charge (Table 3-3). They have been categorized as 5/8" meters in the table below, which is the total dwelling units. Though this table separates inside and outside District accounts, Raftelis recommends identical rates for both inside- and outside- customers. Table 3-8 shows the projected fire service accounts and hydrants for the study period and Table 3-9 shows the projection of the non-potable meters in the system.

Table 3-7: Potable Water Meters

Customer Class	Meter Size	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable Water Meters							
	5/8"	13,451	13,610	13,764	13,896	13,997	14,080
	3/4"	404	408	413	417	419	422
	1"	4,274	4,323	4,370	4,410	4,441	4,466
	1 1/2"	93	93	94	94	94	94
	2"	179	179	179	179	179	179
	3"	1	1	1	1	1	1
	4"	2	2	2	2	2	2
	6"	0	0	0	0	0	0
	8"	1	1	1	1	1	1
Total Potable Water Meters		18,405	18,617	18,823	18,999	19,134	19,245
Multiple Residential / Multiple Commercial							
	Equivalent Dwelling Units	961	961	961	961	961	961
Total Multiple Residential / Multiple Commercial		961	961	961	961	961	961
Outside Service							
	5/8"	5	5	5	5	5	5
	3/4"	0	0	0	0	0	0
	1"	1	1	1	1	1	1
Total Outside Service		6	6	6	6	6	6

Table 3-8: Total Fire Service Lines and Hydrants

Meter Size	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Private Fire Lines						
4"	72	72	72	72	72	72
6"	22	22	22	22	22	22
8"	47	47	47	47	47	47
10"	15	15	15	15	15	15
12"	12	12	12	12	12	12
Total Private Fire Lines	168	168	168	168	168	168
Public Fire Hydrants	1,900	1,900	1,900	1,900	1,900	1,900

Table 3-9: Non-potable Water Meters

Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Non-potable Water Meters						
5/8"	1	1	1	1	1	1
3/4"	0	0	0	0	0	0
1"	38	38	39	39	40	40
1 1/2"	87	88	89	90	91	92
2"	174	176	178	180	182	184
Total Non-potable Water Meters	300	303	307	310	314	318

Table 3-10 projects the potable and non-potable water consumption by class for the study period based on CY 2018 usage data.

Table 3-10: Potable and Non-potable Water Use by Class (ccf)

Line No.	Customer Class A	CY 2019 B	CY 2020 C	CY 2021 D	CY 2022 E	CY 2023 F	CY 2024 G
1	Single-Family Residential						
2	Block 1	2,598,289	2,629,483	2,659,725	2,685,513	2,705,379	2,721,594
3	Block 2	646,738	654,502	662,030	668,449	673,393	677,429
4	Multi-Family Residential						
5	Block 1	30,559	30,559	30,559	30,559	30,559	30,559
6	Block 2	108,498	108,498	108,498	108,498	108,498	108,498
7	Commercial/Industrial	466,805	466,805	466,805	466,805	466,805	466,805
8	Fire Service	102,242	102,242	102,242	102,242	102,242	102,242
9	Multiple Commercial	0	0	0	0	0	0
10	Landscape Irrigation	84,948	84,948	84,948	84,948	84,948	84,948
11	Schedule Irrigation	20,914	20,914	20,914	20,914	20,914	20,914
12	Construction	122,380	122,380	122,380	122,380	122,380	122,380
13	"No Charge" Accounts	14,351	14,351	14,351	14,351	14,351	14,351
14	Total Potable Usage	4,195,723	4,234,681	4,272,451	4,304,658	4,329,469	4,349,719
15	Total Potable Usage (AF)	9,632	9,721	9,808	9,882	9,939	9,986
16	Total Non-potable Usage	803,045	812,360	879,738	914,724	949,711	984,698
17	Total Non-Potable Usage (AF)	1,844	1,865	2,020	2,100	2,180	2,261

3.4. O&M Expenses

As detailed in Section 2.1, the District's potable water supply consists of local groundwater and imported water purchases. The non-potable water service is currently supplied by imported water purchases, also referred to as make-up water, from SGPWA. However, the District anticipates that it will begin purchasing recycled water from the City of Beaumont in CY 2021. In order to meet demand, the District must purchase sufficient water to account for water lost in the system.

Table 3-11: Projected Potable and Non-potable Water Loss (%)

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Water Loss						
Potable	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Non-potable	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

The relevant water loss factor is applied to the potable and non-potable water usage in Line 15 and Line 17 of Table 3-10 so the District purchases sufficient water to meet its demand after water losses. The resulting water production to meet demand is shown below in Table 3-12. The following equation is used to calculate potable and non-potable water production:

$$\text{Total Sales} / (1 - \text{Water Los}) = \text{Total Water Production}$$

Table 3-12: Projected Water Production to Meet Demand (AF)

	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable	10,884	10,985	11,083	11,166	11,231	11,283
Non-Potable						
Make Up Water	1,862	1,884	939	959	990	1,034
Recycled	0	0	1,101	1,162	1,212	1,250
Total Non-Potable	1,862	1,884	2,040	2,121	2,202	2,283
Total Water Production	12,746	12,868	13,123	13,287	13,433	13,567

Table 3-13 provides the per acre foot water supply costs. These costs include not only the price of imported water, but also the treatment and pumping costs. The cost of recycled water from the City of Beaumont is an estimate based on the District's current coordinated efforts with the City. Note, too, that per Line 13 and Line 14 (Table 3-13), due to a partial year rate change in 2019, 21.8% of potable and non-potable water is multiplied by the CY 2018 water purchase costs while the remainder is calculated using CY 2019 water purchase costs.

Table 3-13: Potable and Non-potable Water Costs (\$/AF)

Line No.		CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Water Unit Cost (\$/AF)							
2	SGPWA Imported Water	\$317	\$399	\$399	\$399	\$399	\$399	\$399
3	Unused Overlying Production Pumping	\$133	\$131	\$131	\$131	\$131	\$131	\$131
4	Edgar Canyon Pumping	\$65	\$68	\$68	\$68	\$68	\$68	\$68
5	Beaumont Basin Pumping	\$133	\$131	\$131	\$131	\$131	\$131	\$131
6	Recycled Water Unit Cost (\$/AF)							
7	City of Beaumont Recycled Water	\$250	\$250	\$250	\$250	\$250	\$250	\$250
8	Make-Up Water (SGPWA)	\$317	\$399	\$399	\$399	\$399	\$399	\$399
9	Recycled Water Treatment	\$0	\$0	\$0	\$22	\$23	\$23	\$24
10	Make-Up Water Treatment	\$0	\$10	\$10	\$10	\$10	\$11	\$11
11	Recycled Water Pumping	\$0	\$62	\$62	\$62	\$62	\$62	\$62
12	Make-Up Water Pumping	\$0	\$145	\$145	\$145	\$145	\$145	\$145
13	% of Usage at prior rate:	0.0%	21.8%	0.0%	0.0%	0.0%	0.0%	0.0%
14	% of Usage at current rate:	100.0%	78.2%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3-14 provides the distribution of water purchases across the different sources. The purchases by source are then multiplied by the costs in Table 3-13 to arrive at the potable and non-potable water supply costs in Table 3-15.

Table 3-14: Potable and Non-potable Water Purchases by Source (AF)⁴

Water Availability & Purchase (AF)	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Potable						
SGPWA Imported Water	7,476	7,520	7,555	7,837	8,128	8,380
Unused Overlying Production	1,905	1,962	2,025	1,826	1,600	1,400
Beaumont Basin (excluding Make Up Water)	9,381	9,482	9,580	9,663	9,728	9,780
Edgar Canyon	1,503	1,503	1,503	1,503	1,503	1,503
Total Potable	10,884	10,985	11,083	11,166	11,231	11,283
Non-Potable						
Make up Water	1,862	1,884	939	959	990	1,034
Recycled Water	0	0	1,101	1,162	1,212	1,250
Toal Non-Potable	1,862	1,884	2,040	2,121	2,202	2,283

Table 3-15 shows the District’s total budgeted and projected O&M expenses for CY 2019 to CY 2024. Expenses are separated according to water service type (potable or non-potable). O&M expenses include staff salary and benefit expenses, water supply costs, administration expenses, equipment, and other miscellaneous costs. Raftelis also projected water supply costs for each source. Raftelis projected future water supply costs using the current rates, the District’s supply mix projections (Table 3-14), projected demand (Table 3-1), and the District’s water loss factor (Table 3-11). To ensure that future costs are reasonably projected, it is necessary to make informed assumptions about inflationary factors and water costs. O&M projections are based on the District’s CY 2020 adopted budget and the projected budgetary increases in subsequent years based on the assumptions shown in Table 3-2. The District uses different inflation factors for different expenditures within the budget.

Table 3-2

⁴ Quantities in this table are rounded to the nearest AF.

Table 3-15: Operating Expenditures Summary

Line No.	A	CY 2019 B	CY 2020 C	CY 2021 D	CY 2022 E	CY 2023 F	CY 2024 G
1	Potable Water Purchases						
2	State Project Water Purchases	\$2,849,213	\$3,000,430	\$3,014,385	\$3,127,120	\$3,242,973	\$3,343,733
3	Potable Pumping Costs	\$1,333,261	\$1,344,432	\$1,357,275	\$1,368,226	\$1,376,662	\$1,383,548
4	Non-Potable Water Purchases						
5	City of Beaumont Recycled Water	\$0	\$0	\$275,159	\$290,425	\$303,033	\$312,449
6	Make-Up Water (SGPWA)	\$709,714	\$751,620	\$374,807	\$382,813	\$395,061	\$412,403
7	Non-potable Water Treatment	\$14,562	\$18,838	\$33,663	\$36,266	\$38,859	\$41,408
8	Non-potable Water Pumping	\$244,668	\$246,923	\$205,185	\$211,908	\$219,515	\$228,182
9	Potable O&M						
10	Board of Directors	\$167,988	\$79,909	\$123,761	\$75,973	\$153,253	\$80,600
11	Engineering	\$569,722	\$693,378	\$741,197	\$762,968	\$785,378	\$808,445
12	Professional Services	\$274,000	\$334,390	\$344,339	\$354,584	\$365,134	\$375,997
13	Finance and Administrative Services	\$2,448,492	\$2,700,662	\$2,843,643	\$2,924,482	\$3,007,746	\$3,093,509
14	Information Technology	\$449,893	\$463,100	\$484,841	\$499,318	\$514,228	\$529,582
15	Human Resources and Risk Management	\$136,732	\$208,046	\$217,928	\$224,465	\$231,199	\$238,135
16	Source of Supply	\$1,136,449	\$1,136,759	\$1,195,066	\$1,231,599	\$1,269,075	\$1,307,581
17	Transmission & Distribution	\$1,992,619	\$2,093,746	\$2,211,523	\$2,277,740	\$2,345,941	\$2,416,183
18	Inspections	\$55,445	\$80,856	\$85,707	\$88,279	\$90,927	\$93,655
19	Customer Service and Meter Reading	\$368,421	\$370,636	\$393,369	\$405,148	\$417,281	\$429,777
20	Maintenance and General Plant	\$643,394	\$873,232	\$907,001	\$934,211	\$962,238	\$991,105
21	Non-Potable Water O&M	\$0	\$60,415	\$258,896	\$266,663	\$274,663	\$282,903
22	Total Expenditures	\$13,394,574	\$14,457,372	\$15,067,742	\$15,462,189	\$15,993,165	\$16,369,194

3.5. Capital Improvement Plan

Table 3-16 details the District’s proposed capital improvement plans for replacement and expansion projects for CY 2019 to CY 2024. Inflated project costs in all years throughout the study period were provided by the District. The replacement CIP represents the infrastructure improvements needed to repair and replace aging infrastructure needed to maintain safe and reliable service to current customers. The expansion CIP represents projects the District will need to undertake to expand the system to meet the demand of new customers that will join the system during the study period.

Raftelis examined different CIP schedules for both the replacement and expansion projects. The District ultimately decided to fund 75% of its planned CIP for each year to minimize impacts on customers. Additionally, the District expects that they will be limited in staff time to accomplish planned improvements, which would reduce these costs from planned. Expansion projects will be funded from capacity fees as they become available based on growth.

Table 3-16: Capital Replacement at 75% of Plan and Expansion Improvement Plans

Line No.	A	CY 2019 B	CY 2020 C	CY 2021 D	CY 2022 E	CY 2023 F	CY 2024 G
1	Percent of CIP to Fund	75%	75%	75%	75%	75%	75%
2	Capital Replacement Projects						
3	Potable Infrastructure Projects	\$147,768	\$3,425,346	\$4,370,885	\$4,029,278	\$576,431	\$569,890
4	Non-Potable Infrastructure Projects	\$0	\$0	\$0	\$0	\$0	\$0
5	Potable Pipeline Replacement Projects	\$33,914	\$1,712,142	\$2,612,590	\$835,641	\$660,376	\$683,643
6	IT Infrastructure Projects	\$242,369	\$1,306,730	\$1,076,988	\$948,417	\$1,028,460	\$803,716
7	Aministrative Projects & Acquisitions	\$10,827	\$147,160	\$28,633	\$30,246	\$0	\$0
8	Vehicle and Equipment Acquisitions	\$87,478	\$62,859	\$120,453	\$270,951	\$0	\$0
9	Engineering and Operations Center (EOC)	\$0	\$750,000	\$570,000	\$0	\$0	\$0
10	Disaster Preparedness Equipment	\$0	\$174,800	\$174,800	\$174,800	\$174,800	\$0
11	Subtotal Capital Replacement Projects	\$522,356	\$7,579,036	\$8,954,349	\$6,289,333	\$2,440,067	\$2,057,249
12							
13	Capital Expansion Projects						
14	Potential Costs for SWP Newsorce Purchase	\$196,574	\$70,286	\$70,286	\$389,732	\$649,553	\$779,465
15	Potable Infrastructure Projects	\$26,216	\$7,022,432	\$5,677,569	\$7,102,339	\$1,892,696	\$4,327,260
16	Non-Potable Infrastructure Projects	\$0	\$925,935	\$2,584,589	\$10,670,725	\$4,002,489	\$1,268,542
17	Potable Pipeline Projects	\$0	\$2,683,303	\$2,541,967	\$3,034,927	\$220,216	\$3,324,313
18	Subtotal Capital Expansion Projects	\$222,790	\$10,701,955	\$10,874,411	\$21,197,724	\$6,764,954	\$9,699,579

3.6. Debt Service

The District does not currently have any debt service obligations. However, the District is considering issuing new debt in CY 2022 to fund its replacement CIP shown in Table 3-16 and to mitigate rate increases to customers, thus the model incorporates the following proposed debt and financing assumptions for a \$6M bond issue. This proposed debt issue provides a balance between rate adjustment levels and moderate debt obligations. Issuing debt not only allows the District to provide a more immediate response to infrastructure needs but also stabilizes the financial impact of such expenses. Rather than requiring significant rate increases in the short term in order to pay as they go (PAYGO), loan repayments are equally spread over a longer period. This supports the District’s ability to provide a more stable rate schedule with generally lower rate increases.

Table 3-17: Proposed Debt

	CY 2022
Debt Assumptions	
Interest	5.0%
Term (# of Years)	30
Issuance Cost	1.5%
Debt Reserve Requirement	6.5%
Debt Issue	\$6,000,000
Debt Proceeds	\$5,519,691
Annual Debt Service	\$390,309
% to Fund Capital Replacement	100%
% to Fund Capital Expansion	0%

3.7. Status Quo Financial Plan

Table 3-18 below shows the financial plan for the District during the study period and under current rates with no adjustments. As shown in Line 45 of this table, the District is unable to meet its expenses, with particularly large deficits in CY 2020 and CY 2021 due to significant capital projects. Additionally, it is unable to meet debt coverage requirements should it issue debt in CY 2022 without increasing rate revenues (Lines 46 and 47 in Table 3-18). The debt coverage ratio indicates the ability of the District is to fund annual debt payments with revenues remaining after payment of operating expenditures. It is the ratio of revenues net of O&M to the total debt service payments in each year.

$$(T \quad R \quad - \quad O \quad E) / (A \quad D \quad P) = \text{Debt Coverage Ratio}$$

$$\frac{L \quad 15 - L \quad 39}{L \quad 42} = L \quad 46$$

Typically bond buyers require a debt coverage ratio of between 1.10 and 1.25.

Table 3-18: CY 2019 – CY 2024 Financial Plan under Current Rates

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	\$8,479,519	\$8,561,956	\$8,709,386	\$8,809,361	\$8,896,206	\$8,974,966
2	Potable SGPWA Revenue	\$1,923,431	\$1,941,352	\$1,958,726	\$1,973,541	\$1,984,954	\$1,994,269
3	Potable Power Revenue	\$1,379,853	\$1,392,709	\$1,405,173	\$1,415,801	\$1,423,989	\$1,430,672
4	Non-Potable Supply Revenue	\$369,401	\$373,686	\$404,679	\$420,773	\$436,867	\$452,961
5	Non-Potable Power	\$265,005	\$268,079	\$290,313	\$301,859	\$313,405	\$324,950
6	Other Revenue						
7	Interest Income - General	\$270,828	\$159,294	\$153,364	\$105,922	\$82,586	\$50,375
8	Interest Income - Other	\$53,900	\$54,439	\$54,983	\$55,533	\$56,089	\$56,649
9	Fees	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500
12	Other	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814
13	Miscellaneous	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
14	Total Other Revenue	\$1,192,042	\$1,081,047	\$1,075,662	\$1,028,769	\$1,005,989	\$974,339
15	Total Revenue	\$13,609,251	\$13,618,829	\$13,843,940	\$13,950,105	\$14,061,410	\$14,152,157
16	Expenditures						
17	O&M						
18	Potable Water Purchases	\$4,182,474	\$4,344,863	\$4,371,660	\$4,495,346	\$4,619,635	\$4,727,281
21	Non-Potable Water Purchases	\$968,944	\$1,017,381	\$902,160	\$939,581	\$977,012	\$1,014,458
26	Potable O&M	\$8,243,155	\$9,034,714	\$9,548,373	\$9,778,769	\$10,142,399	\$10,364,568
38	Non-Potable Water O&M	\$0	\$60,415	\$258,896	\$266,663	\$274,663	\$282,903
39	Total O&M	\$13,394,574	\$14,457,372	\$15,081,089	\$15,480,358	\$16,013,709	\$16,389,209
40	Rate Funded Capital Projects	\$522,356	\$7,579,036	\$8,954,349	\$769,641	\$2,440,067	\$2,057,249
41	Debt Service						
42	New Proposed Debt - Capital Replacement	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
43	Total Debt Service	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
44	Total Expenses	\$13,916,929	\$22,036,408	\$24,035,439	\$16,640,308	\$18,844,085	\$18,836,767
45	Net Cashflow	(\$307,678)	(\$8,417,580)	(\$10,191,499)	(\$2,690,203)	(\$4,782,675)	(\$4,684,611)
46	Calculated Debt Coverage Ratio	0%	0%	0%	-392%	-500%	-573%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

3.8. Proposed Financial Plan

Balancing the need for the District to meet its revenue requirements while mitigating increases to ratepayers' cost of service, Raftelis worked with staff to determine the revenue adjustment schedule in Table 3-19. All revenue adjustments are set for January of each calendar year except CY 2020. These adjustments apply only to the District's own rates and do not include potential increases in imported water and power pass-through rates. Those rates are subject to the changes implemented by the wholesale water supplier or energy provider. Those costs, including any rate fluctuations, are directly passed through in their entirety to customers. Automatic pass-through adjustments in water rates are allowed through the provisions of Government Code Section 53756 provided that the adjustments are noticed to ratepayers at least 30 days before the effective date.

Table 3-19: Proposed Revenue Adjustments

	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
	March	January	January	January	January
	1.0%	7.0%	7.0%	7.0%	7.0%

Table 3-20 incorporates the proposed revenue adjustments into the financial plan. As noted above, the District needs to balance its revenue needs with mitigating rate increases for customers. While the proposed financial plan still shows a significant deficit in funding for CY 2020 and CY 2021 (Table 3-20, Line 45) due to significant improvement projects, it is able to exceed its required debt coverage ratio of 1.20 in CY 2022 onward (Table 3-20, Rows 46 and 47) should it pursue debt funding at that time.

Table 3-20: CY 2019 – CY 2024 Proposed Financial Plan

Line No.	Revenue	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Rate Revenue	\$8,479,519	\$8,633,305	\$9,412,233	\$10,186,696	\$11,007,218	\$11,881,993
2	Potable SGPWA Revenue	\$1,923,431	\$2,700,387	\$3,014,385	\$3,127,120	\$3,242,973	\$3,343,733
3	Potable Power Revenue	\$1,379,853	\$1,344,432	\$1,405,173	\$1,415,801	\$1,423,989	\$1,430,672
4	Non-Potable Supply Revenue	\$369,401	\$751,620	\$649,965	\$673,238	\$698,094	\$724,853
5	Non-Potable Power	\$265,005	\$246,923	\$205,185	\$211,908	\$219,515	\$228,182
6	Other Revenue						
7	Interest Income - General	\$270,828	\$159,651	\$157,592	\$120,584	\$114,825	\$108,015
8	Interest Income - Other	\$53,900	\$54,439	\$54,983	\$55,533	\$56,089	\$56,649
9	Fees	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500	\$736,500
12	Other	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814	\$85,814
13	Miscellaneous	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
14	Total Other Revenue	\$1,192,042	\$1,081,404	\$1,079,889	\$1,043,431	\$1,038,228	\$1,031,979
15	Total Revenue	\$13,609,251	\$14,758,073	\$15,766,831	\$16,658,194	\$17,630,017	\$18,641,410
16	Expenditures	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
17	O&M						
18	Potable Water Purchases	\$4,182,474	\$4,344,863	\$4,371,660	\$4,495,346	\$4,619,635	\$4,727,281
21	Non-Potable Water Purchases	\$968,944	\$1,017,381	\$888,813	\$921,412	\$956,468	\$994,442
26	Potable O&M	\$8,243,155	\$9,034,714	\$9,548,373	\$9,778,769	\$10,142,399	\$10,364,568
38	Non-Potable Water O&M	\$0	\$60,415	\$258,896	\$266,663	\$274,663	\$282,903
39	Total O&M	\$13,394,574	\$14,457,372	\$15,067,742	\$15,462,189	\$15,993,165	\$16,369,194
40	Rate Funded Capital Projects	\$522,356	\$7,579,036	\$8,954,349	\$769,641	\$2,440,067	\$2,057,249
41	Debt Service						
42	New Proposed Debt - Capital Replacemer	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
43	Total Debt Service	\$0	\$0	\$0	\$390,309	\$390,309	\$390,309
44	Total Expenses	\$13,916,929	\$22,036,408	\$24,022,092	\$16,622,139	\$18,823,541	\$18,816,752
45	Net Cashflow	(\$307,678)	(\$7,278,336)	(\$8,255,261)	\$36,055	(\$1,193,524)	(\$175,341)
46	Calculated Debt Coverage Ratio	0%	0%	0%	306%	419%	582%
47	Required Debt Coverage Ratio	120%	120%	120%	120%	120%	120%

Figure 3-1 through Figure 3-4 display the Financial Plan in graphical format. Figure 3-1 shows the dollar value of the revenue adjustments (green bars) for the next five years on the left axis. It also graphs the calculated and required debt coverage ratios, as shown by the broken and solid blue lines respectively, on the right axis. Since debt is proposed to be issued only in 2022 the debt coverage line starts in 2022.

Figure 3-1: Revenue Adjustments and Debt Coverage

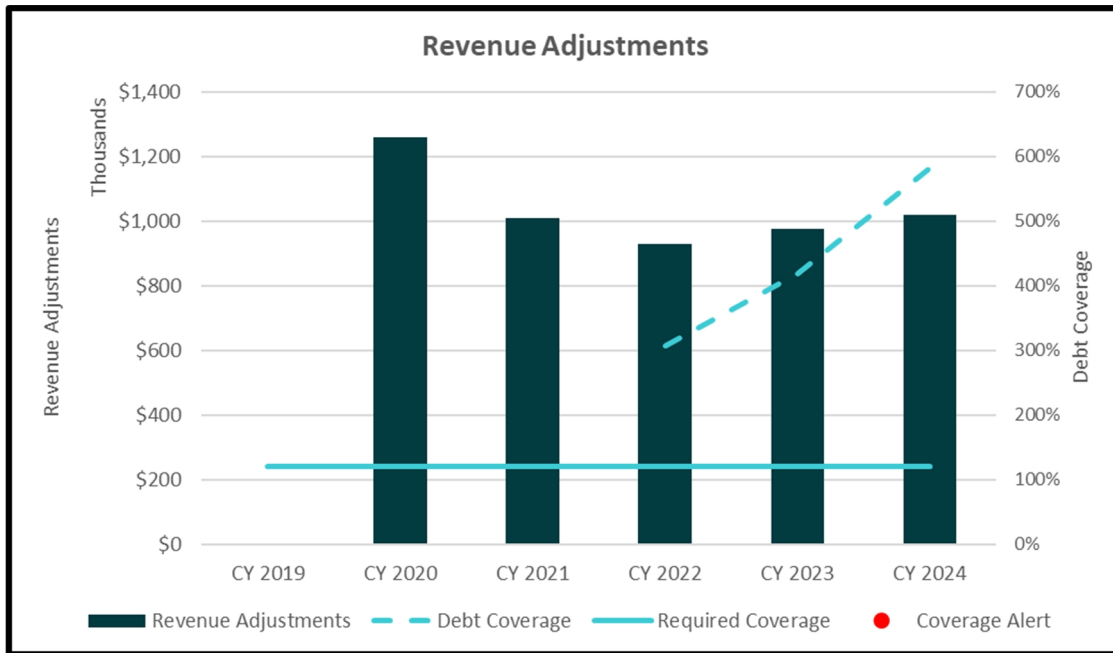


Figure 3-2 graphically illustrates the financial plan, comparing existing and proposed revenues (solid and broken black lines respectively) with projected expenses (bars). The expenses are represented by stacked bars to indicate each expense type’s share of total costs. The net cash flow is shown in yellow and represents the use of reserves in most years to fund CIP.

Figure 3-2: Operating Financial Plan

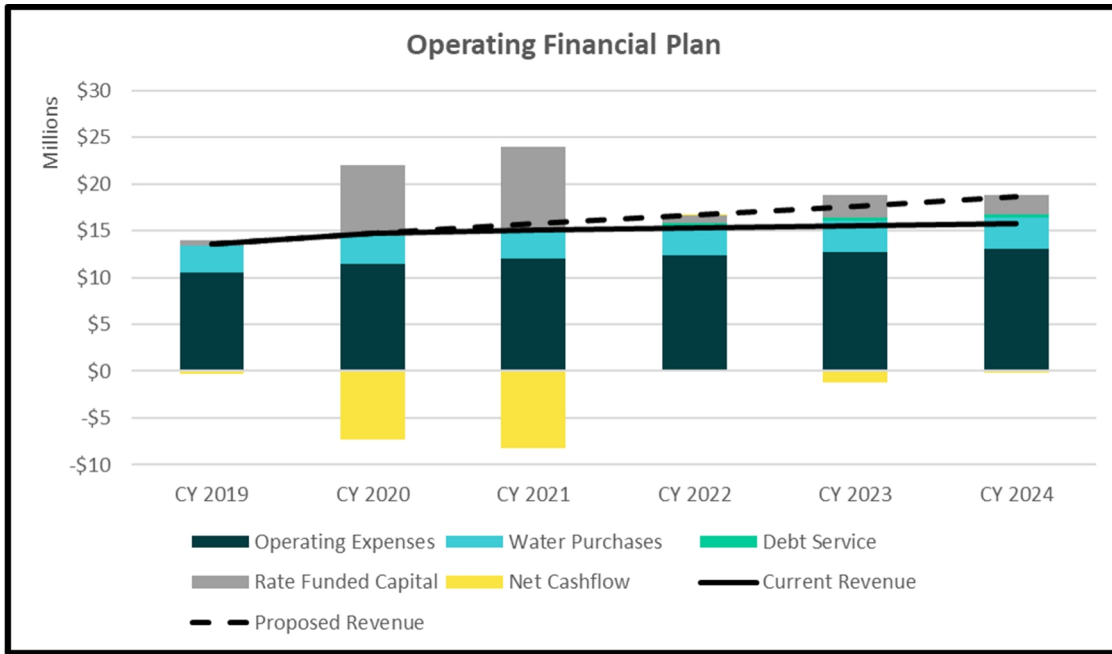


Figure 3-3 and Figure 3-4 show the replacement and expansion CIPs using stacked bars that indicate funding by funding mechanism for that year’s projects. Note that Figure 3-4 shows negative reserves as the model is only funding the total expansion CIP with the conservatively estimated \$2M in capacity fee revenue. The District will only fund capital expansion projects based on actual capacity fee revenue in each year. Essentially, if the District sees less development during the study period than in the last decade, it will not be funding expansion infrastructure projects as originally scheduled under the current CIP.

Figure 3-3: Capital Replacement Plan and Funding Sources

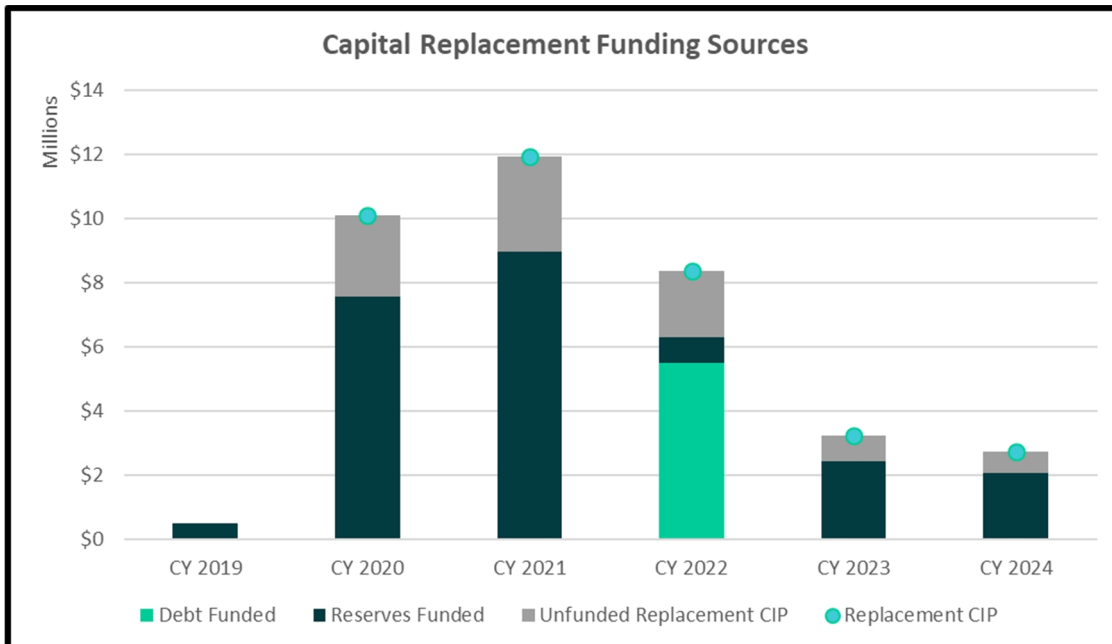
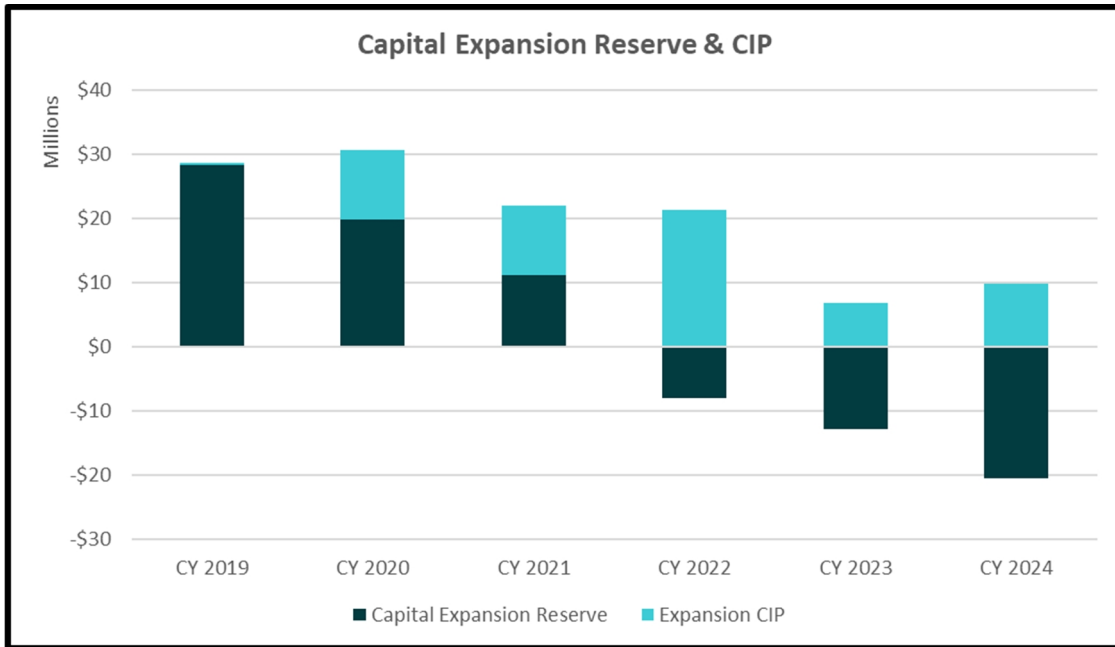


Figure 3-4: Capital Expansion Fund and CIP



3.9. Reserve Policy

3.9.1. RESERVE POLICY OVERVIEW

A reserve policy is a written document that establishes reserve goals/targets. It provides guidelines for sound financial management with an overall long-range perspective to maintain financial solvency and mitigate financial risks associated with revenue instability, volatile capital costs and emergencies. Adopting and adhering to a sustainable reserve policy enhances financial management transparency and helps achieve or maintain a certain credit rating for future debt issues. Reserves can offset unanticipated reductions in revenues, offset fluctuations in costs of providing services, and fiscal emergencies such as revenue shortfalls, asset failure, and natural disaster. Capital reserves set funds aside for replacement of capital assets as they age and for new capital projects to expand service.

The appropriate amount of reserves and reserve types are determined by a variety of factors, such as the size of the operating budget, the amount of debt, the type of rate structure, frequency of customer billing, and risk of natural disaster. The District employs the following reserves and funds:

1. Operating Reserve
2. Capital Replacement Reserve
3. Capital Expansion Fund (Reserves Restricted for Future Capital Commitments)
4. Emergency Reserve
5. Debt Service Reserve

3.9.2. RECOMMENDED RESERVE POLICIES

To enhance financial management transparency and financial risk management, District policy requires, and Raftelis recommends, the Water Fund to maintain these reserves. In addition, should the District decide to issue new debt in CY 2022, Raftelis recommends maintaining a Debt Service Reserve to directly reserve funds for annual payments. The following sections describe Raftelis' recommendations in detail for each reserve.

3.9.2.1. Operating Reserve

The purpose of an operating reserve is to provide working capital to support the operation, maintenance, and administration of the utility. From a risk management perspective, the O&M reserve supports the District's cash flow needs during normal operations and additionally ensures that operations can continue should there be significant events that impact cash flows. As it is unlikely for a utility to perfectly predict the revenues and revenue requirements for each billing period, a reserve set aside to hedge the risk of monthly negative cash positions is prudent in financial planning. Another factor to consider when creating a cash flow reserve is the frequency of billing. A utility that bills once a month would require a lower minimum reserve than a utility that bills bimonthly or once a year.

Raftelis recommends that the District maintain its current policy with a minimum 90 days of operating expenses and a target balance of 180 days to ensure adequate working capital for operating expenses. The District bills bimonthly; thus 180 days provides sufficient working capital to account for when expenses occur, and revenues are collected. Additionally, this accounts for revenues varying seasonally while most expenses remain relatively static.

3.9.2.2. Capital Replacement Reserve

Adequate and timely capital replacement planning is a critical task to ensure reliability and sustainability of the water system. Capital reserves are used to provide funding for capital expenditures due to the capital-intensive nature of the water system. The District currently conducts an annual review to determine maximum and minimum reserve level targets. Raftelis recommends the District adopt a policy using the estimated 5-year average CIP as the target balance. In CY 2020, this average is \$4.0 million.

3.9.2.3. Capital Expansion Fund

The Capital Expansion Fund reserves are restricted for future capital commitments. It is used to finance the necessary capital improvements to expand system capacity to accommodate growth in the District’s customer base. Expansion capital projects are funded through restricted new development facility (capacity) fees. The region has experienced significant growth for the last ten years. However, the District is uncertain if development will maintain its momentum during the study period. Resultantly, the District conservatively estimates that it will receive approximately \$2,000,000 in restricted capacity fees each year that will be added to the reserve’s current balance to fund the proposed expansion CIP defined in this report in Table 3-16. The Expansion CIP will depend on the restricted capacity fee revenue based on growth.

3.9.2.4. Emergency Reserve

The purpose of an emergency reserve is to allow the utility to provide uninterrupted service in a fiscal emergency, natural disaster, or facility failure. An emergency reserve decreases risk by recognizing the high capital costs of the facilities and setting aside adequate funds to restore service after an unanticipated event or replace an essential facility.

Raftelis recommends that the District maintain its existing reserve policy for its Emergency Reserve. The target balance for this reserve is 15% of annual operating expenses. This amounts to \$2.2M to be set aside for emergency use in CY 2020. Although this level of emergency reserve is sufficient for now, the reserve should be re-evaluated periodically to ensure adequate reserves in the event of an emergency in light of rising construction and other costs.

3.9.2.5. Debt Service Reserve

The District is considering issuing debt in CY 2022. Should the District decide to use debt funding, Raftelis recommends that it maintain its Debt Service Reserve by allocating sufficient annual funding of its annual debt service obligations.

3.9.2.6. Recommended Total Reserve Targets

Table 3-21 summarizes the reserve policies proposed by Raftelis for the District. Table 3-22 and Table 3-23 show the projected cash balance and reserve targets for each of the funds for the study period.

Table 3-21: Proposed Reserve Targets

Reserve	Policy
Operating	Minimum: 90 days Target: 180 days
Capital Replacement	5-Year Average CIP
Emergency	15% of Annual Operating Expenses
Debt Service Reserve	One Year of Debt Service

Table 3-22: Operating and Emergency Reserves Projected Targets and Balances

Operating Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	\$3,183,701	\$11,025,065	\$2,769,804	\$2,805,859	\$1,612,334
Rate Revenue	\$13,676,669	\$14,686,942	\$15,614,763	\$16,591,789	\$17,609,432
Other Revenue	\$867,314	\$867,314	\$867,314	\$867,314	\$867,314
Interest Income - General	\$159,651	\$157,592	\$120,584	\$114,825	\$108,015
Interest Income - Other	\$54,439	\$54,983	\$55,533	\$56,089	\$56,649
Total Income	\$14,758,073	\$15,766,831	\$16,658,194	\$17,630,017	\$18,641,410
Total Expenses	\$22,036,408	\$24,022,092	\$16,622,139	\$18,823,541	\$18,816,752
Water to Storage	(\$119,700)	\$0	\$0	\$0	\$0
Transfers from (to) Capital Replacement	\$15,000,000	\$0	\$0	\$0	\$0
Ending Balance	\$11,025,065	\$2,769,804	\$2,805,859	\$1,612,334	\$1,436,993
Target	\$3,614,343	\$3,766,936	\$3,865,547	\$3,998,291	\$4,092,298

Emergency Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	\$2,009,186	\$2,168,606	\$2,260,161	\$2,319,328	\$2,398,975
Transfers from Capital Replacement	\$159,420	\$91,555	\$59,167	\$79,646	\$56,404
Subtotal	\$2,168,606	\$2,260,161	\$2,319,328	\$2,398,975	\$2,455,379
Interest Income	\$20,889	\$22,144	\$22,897	\$23,592	\$24,272
Ending Balance	\$2,168,606	\$2,260,161	\$2,319,328	\$2,398,975	\$2,455,379
Minimum Target	\$2,168,606	\$2,260,161	\$2,319,328	\$2,398,975	\$2,455,379

Table 3-23: Capital Replacement Reserve and Expansion Fund Projected Targets and Balances

Capital Replacement Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	\$21,931,360	\$6,771,940	\$6,680,385	\$6,621,218	\$6,541,571
Transfers from (to) Operating	(\$15,000,000)	\$0	\$0	\$0	\$0
New Debt Proceeds	\$0	\$0	\$5,519,691	\$0	\$0
Debt Funded Capital Replacement Projec	\$0	\$0	(\$5,519,691)	\$0	\$0
Transfers to Emergency	(\$159,420)	(\$91,555)	(\$59,167)	(\$79,646)	(\$56,404)
Ending Balance	\$6,771,940	\$6,680,385	\$6,621,218	\$6,541,571	\$6,485,167
Interest Income	\$143,517	\$67,262	\$66,508	\$65,814	\$65,134
Target	\$4,053,090	\$4,360,069	\$3,285,239	\$1,811,557	\$2,551,336

Capital Expansion Reserve	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Beginning Balance	\$28,299,009	\$19,836,535	\$11,116,118	(\$8,066,433)	(\$12,831,387)
Facilities Charges	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
New Debt Proceeds	\$0	\$0	\$0	\$0	\$0
Debt Service - Expansion	\$0	\$0	\$0	\$0	\$0
Capital Projects	(\$10,701,955)	(\$10,874,411)	(\$21,197,724)	(\$6,764,954)	(\$9,699,579)
Subtotal	\$19,597,055	\$10,962,124	(\$8,081,606)	(\$12,831,387)	(\$20,530,966)
Interest Income	\$239,480	\$153,993	\$15,173	\$0	\$0
Ending Balance	\$19,836,535	\$11,116,118	(\$8,066,433)	(\$12,831,387)	(\$20,530,966)

4. Cost of Service Analysis

4.1. Cost of Service Methodology

A cost of service analysis distributes a utility's revenue requirements (costs) to each customer class equitably. After determining a utility's revenue requirements, the next step in a cost of service analysis is to functionalize its O&M costs, based on the District's current O&M budget:

- a. Administration – overhead costs associated with the management of the utility
- b. Billing – all customer billing costs
- c. Customer Service – represents the costs associated with meter reading, billing and customer and meter service
- d. Supply – represents the cost of producing water from various sources
- e. Production – the costs of producing potable water (e.g. treatment)
- f. Transmission & Distribution – costs associated with transporting water to each metered connection
- g. General - costs not associated with a specific function, rather the overall functioning of the utility
- h. Capital – infrastructure costs
- i. Pumping – the cost of pumping water from the ground or to meters located in higher elevations
- j. Non-potable - all costs relating to the non-potable water service

Capital costs are similarly functionalized based on the assets which include storage, pumping, pipelines, fire hydrants, treatment, administration, meters, equipment, wells, general, and non-potable.

The functionalization of costs allows better allocation of the functionalized costs to the cost causation components. The cost causation components include:

- a. Supply – variable costs associated with providing water supply to all customers
- b. Base Delivery – fixed costs associated with providing service under average conditions
- c. Peaking (maximum day and maximum hour) – costs associated with meeting demand in excess of average use
- d. Fire – costs associated with providing fire protection capacity
- e. Meters – costs associated with maintenance of meters and associated capital costs
- f. Customer – costs incurred to provide meter reading, billing and customer service
- g. General – costs that cannot be allocated directly to any one cost causation

Peaking costs are divided into maximum day and maximum hour demand. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum usage in an hour on the maximum usage day. Different facilities, such as distribution and storage facilities (and the O&M costs associated with those facilities), are designed to meet the peaking demands of customers. Therefore, extra capacity costs include the O&M and capital costs associated with meeting peak customer demand. This method is consistent with the AWWA M1 Manual and is widely used in the water industry to perform cost of service analyses.

4.2. Revenue Requirement Determination

The revenue requirement for the proposed rates will be based on CY 2020, designated the Test Year. Table 4-1 shows the revenue requirement derivation with the total revenue required from rates. The totals shown in the “Operating” and “Capital” columns are the total O&M and capital revenue requirements, respectively, that are to be recovered through rates. The operating costs (Line 9, Table 4-1) flow from Table 3-15. The Debt Service

category (Line 13, Table 4-1) represents both replacement capital projects (from Table 3-16) and any proposed debt. Note there is no debt issuance proposed for CY 2020. Revenue offsets are composed of non-rate revenues, shown in Table 3-20, Lines 7-14. To arrive at the rate revenue requirement, these revenue offsets are subtracted from the combined operating and debt service costs. Since the new rates will go into effect in March 2020, the revenue adjustment is annualized and also adjusted for transfers from reserves. These adjustments are then combined to arrive at the total annual revenue requirement from rates. This is the amount that the District's rates are designed to collect, for a full year, in the "Total" column at Line 25 in Table 4-1 below.

Table 4-1: Revenue Requirement Determination

Line No	Revenue Requirements	Operating	Capital	Total
1	Operating Costs			
2	State Project Water (SPW) Purchases	\$3,000,430		\$3,000,430
3	Potable Pumping Costs	\$1,344,432		\$1,344,432
4	Make-Up Water (SGPWA/SPW)	\$751,620		\$751,620
5	Non-potable Water Treatment	\$18,838		\$18,838
6	Non-potable Water Pumping	\$246,923		\$246,923
7	Potable O&M	\$9,034,714		\$9,034,714
8	Non-Potable Water O&M	\$60,415		\$60,415
9	Subtotal Operating Costs	\$14,457,372	\$0	\$14,457,372
10	Debt Service			
11	Rate Funded Capital Projects		\$7,579,036	\$7,579,036
12	New Proposed Debt - Capital Replacement		\$0	\$0
13	Subtotal Debt Service	\$0	\$7,579,036	\$7,579,036
14	Total Revenue Requirements	\$14,457,372	\$7,579,036	\$22,036,408
15	Less: Revenue Offsets			
16	Interest Income	\$214,090		\$214,090
17	Fees	\$736,500		\$736,500
18	Other	\$85,814		\$85,814
19	Miscellaneous	\$45,000		\$45,000
20	Total Revenue Offsets	\$1,081,404	\$0	\$1,081,404
21	Less: Adjustments			
22	Transfer from (to) Reserves	\$0	\$7,278,336	\$7,278,336
23	Revenue to Annualize Revenue Increa:	(\$14,270)		(\$14,270)
24	Total Adjustments	(\$14,270)	\$7,278,336	\$7,264,066
25	Total Revenue Requirement from Rates	\$13,390,238	\$300,700	\$13,690,939

4.3. Peaking Factors

Water systems are designed to handle maximum day (Max Day) and maximum hour (Max Hour) demands. Different facilities, such as distribution and storage facilities, are designed to meet the peaking demands of customers. Therefore, peaking costs, also known as extra capacity costs, are associated with meeting peak customer demand. Peaking costs are therefore based on Max Day and Max Hour demands.

Table 4-2 shows the system-wide peaking factors used to derive the cost component allocation bases for Base Delivery, Max Day, and Max Hour costs. The Base Delivery, or Base Use is considered average daily demand over one year, which has been normalized to a factor of 1.00 (Column B, Line 1). The Max Day peaking factor (Line 2) indicates that the Max Day demand is 2 times greater than the average daily demand. Similarly, the Max Hour peaking factor (Line 3) shows that the Max Hour demand is 5.78 times greater than average demand. These factors were determined during the development of the District’s 2016 Potable Water System Master Plan.

The percentage allocations of costs are calculated using the equations outlined.

The Base allocation is $1/1 \times 100\% = 100\%$

The Max Day allocation are calculated as follows:

- » Base Delivery: $1 / 2 \times 100\% = 50\%$
- » Max Day: $(2 - 1) / 2 \times 100\% = 50\%$

The Max Hour allocations are calculated as follows:

- » Base Delivery: $1 / 5.78 \times 100\% = 17\%$
- » Max Day: $(2 - 1) / 5.78 \times 100\% = 17\%$
- » Max Hour: $(5.78 - 2) / 5.78 \times 100\% = 65\%$

The Average Max Day / Max Hour allocation averages the Max Day and Max Hour allocations to Base, Max Day, and Max Hour, respectively, and is used to allocate the cost of transmission and distribution which are not identified separately.

Table 4-2: System Peaking Factors

Line No.	Allocation Factor A	System Peaking	Base C	Max Day D	Max Hour E	Total F
		Factor B				
1	Base	1.00	100%	0%	0%	100%
2	Max Day	2.00	50%	50%	0%	100%
3	Max Hour	5.78	17%	17%	65%	100%
4	Average Max Day/Max Hour		34%	34%	33%	100%

Table 4-3 shows the derivation of the peaking factors by customer class and tier, determined by dividing the total maximum monthly usage (Column C) by the average monthly usage (Column D) for each customer class and tier. For this analysis, the classes and tiers used in the proposed rate schedule are employed. These peaking factors are used to allocate the peaking costs to each customer class and tier. See the Rate Derivation section of this report (Section 5) for a detailed discussion of tier widths and the use of peaking factors in determining rates.

Table 4-3: Customer Class Peaking Factors

Line No.	Customer Class	Selected Monthly Tiers (ccf)		Max Month (ccf)	Average Month (ccf)	Peaking Factor
		A	B	C	D	E
1	Single Family					
2	Tier 1		16	126,657	121,513	1.04
3	Tier 2		34	113,715	84,852	1.34
4	Tier 3		34+	203,407	84,408	2.41
5	Multi-Family			21,454	12,460	1.72
6	Commercial/Industrial			67,310	41,828	1.61
7	Fire Service			15,623	9,162	1.71
8	Landscape Irrigation			13,187	7,612	1.83
9	Schedule Irrigation			6,638	3,213	1.83
10	Construction			22,381	10,966	2.04
11	Non-Potable			116,524	68,286	1.71

4.4. Equivalent Meters

To allocate meter-related costs appropriately, the concept of equivalent meters needs to be understood. By using equivalent meters instead of a straight meter count, the analysis accounts for the fact that larger meters impose greater demands on the system and are more expensive to install, maintain, and replace than smaller meters. Equivalent meters are used in calculating meter service costs.

Equivalent meters are based on meter hydraulic capacity. Equivalent meters represent the potential demand on the water system in terms of the base or smallest meter size. A ratio of hydraulic capacity is calculated by dividing large meter capacities by the base meter capacity. The capacity ratio is calculated using the meter capacity in gallons per minute (gpm) provided in the AWWA M1 Manual Principles of Water Rates, Fees and Charges (7th Edition).

The base meter is the smallest meter, in this case, a 5/8-inch meter. The actual number of meters by size is multiplied by the corresponding capacity ratio to calculate equivalent meters. Table 4-4 and Table 4-5 show the equivalent meters for CY 2020 for potable and non-potable water service respectively.

Note that equivalent capacity associated with fire service line accounts and hydrants are calculated separately, with their own hydraulic capacity ratios based on industry standards (Table 4-6). Public fire capacity represents 78% of the total fire capacity:

$$\text{Total Equivalent Hydrants} / (\text{Total Equivalent Hydrants} + \text{Total Equivalent Fire Lines}) = \text{Public Fire Capacity}$$

$$\frac{L \quad 11}{(L \quad 11 + L \quad 6)} = 78\%$$

Table 4-4: Potable Water Equivalent Meters⁵

Potable Meter Size	Capacity (gpm)	AWWA Ratio	Number of Meters	Equivalent Meters
5/8"	20	1.00	13,685	13,685
3/4"	30	1.50	412	619
1"	50	2.50	4,375	10,936
1 1/2"	100	5.00	105	526
2"	160	8.00	193	1,544
3"	350	17.50	1	18
4"	630	31.50	2	63
6"	1,300	65.00	-	-
8"	2,800	140.00	1	140
10"	4,200	210.00	-	-
12"	5,300	265.00	-	-
Total Potable Meters			18,774	27,531

Table 4-5: Non-potable Water Equivalent Meters

Non-Potable Meter Size	Capacity (gpm)	AWWA Ratio	Number of Meters	Equivalent Meters
5/8"	20	1.00	1	1
3/4"	30	1.50	-	-
1"	50	2.50	38	96
1 1/2"	100	5.00	88	440
2"	160	8.00	176	1,408
Total Non-potable Meters			303	1,945

⁵ Equivalent meters are rounded to the nearest whole number

Table 4-6: Equivalent Fire Lines

Line No.	Fire Line Size	Fire Ratio	Number of Lines	Equivalent Lines
1	4"	0.34	72	25
2	6"	1.00	22	22
3	8"	2.13	47	100
4	10"	3.83	15	57
5	12"	6.19	12	74
6	Total Fire Lines		168	279

	Hydrant Size	Fire Ratio	Number of Hydrants	Equivalent Lines
7	4": 1 x 2.5"	0.10	95	10
8	4": 2 x 2.5"	0.20	456	91
9	6": 1 x 4.5", 1 x 2.5"	0.57	152	87
10	6": 1 x 4.5", 2 x 2.5"	0.67	1,197	801
11	Total - Public Fire Hydrants		1,900	988

4.5. Allocation of Costs

As detailed in Section 4.1, functionalizing costs allows for better distribution of costs to the cost causation components. Table 4-7 shows the function categories used in this study in Column A. Column B identifies the chosen rationale for distributing these functionalized costs to the cost causation components. For example, all costs allocated to the Administration function (Column A, Line 1) are all initially allocated to the General cost causation components (Column L, Line 1). Transmission & Distribution costs (Line 6) are based on a modification of the Max Hour allocations shown in Table 4-2 to account for meters in the distribution system. Line 8 shows the distribution of Capital costs based on the District’s total current asset value distributed to the relevant cost allocations.

Table 4-7: Functionalized O&M Cost Distributions to Cost Causation Factors

Line No.	Function A	Rationale B	Supply C	Base			Non-				Total M		
				Delivery D	Max Day E	Max Hour F	Pumping G	Meter H	Customer I	Potable J		Offset K	General L
1	Administration	General										100%	100%
2	Billing	Customer								100%			100%
3	Customer Service	Customer								100%			100%
4	Supply	Supply	100%										100%
5	Production	Max Day		50%	50%								100%
6	Transmission & Distribution	Max Hour		16%	16%	62%		5%					100%
7	General	General										100%	100%
8	Capital	Capital		29%	29%	17%		2%		5%		18%	100%
9	Pumping	Pumping					100%						100%
10	Non-potable	Non-potable									100%		100%

Using Table 4-7 as a guide, all of the operating costs are then allocated based on their related function’s cost allocation distribution. Table 4-8 shows first the percent distributions, then dollar allocations of each O&M cost.

Table 4-8: O&M Cost Allocations

O&M Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
State Project Water Purchases	Supply	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Potable Pumping Costs	Pumping	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Make-Up Water (SGPWA)	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Non-potable Water Treatment	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Non-potable Water Pumping	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%
Board of Directors	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Engineering	Capital	0%	29%	29%	17%	0%	2%	0%	5%	0%	18%	100%
Professional Services	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Finance and Administrative Serv	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Information Technology	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Human Resources and Risk Manag	Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Source of Supply	Production	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Transmission & Distribution	Transmission & Distribution	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
Inspections	Customer Service	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Customer Service and Meter Reac	Customer Service	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	100%
Maintenance and General Plant	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Non-Potable Water Purchases	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%

O&M Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
State Project Water Purchases	Supply	\$3,000,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,430
Potable Pumping Costs	Pumping	\$0	\$0	\$0	\$0	\$1,344,432	\$0	\$0	\$0	\$0	\$0	\$1,344,432
Make-Up Water (SGPWA)	Non-potable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$751,620	\$0	\$0	\$751,620
Non-potable Water Treatment	Non-potable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,838	\$0	\$0	\$18,838
Non-potable Water Pumping	Non-potable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$246,923	\$0	\$0	\$246,923
Board of Directors	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,909	\$79,909
Engineering	Capital	\$0	\$197,962	\$197,962	\$121,169	\$0	\$15,114	\$0	\$34,669	\$0	\$126,503	\$693,378
Professional Services	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$334,390	\$334,390
Finance and Administrative Serv	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700,662	\$2,700,662
Information Technology	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$463,100	\$463,100
Human Resources and Risk Manag	Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208,046	\$208,046
Source of Supply	Production	\$0	\$568,380	\$568,380	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,136,759
Transmission & Distribution	Transmission & Distribution	\$0	\$344,128	\$344,128	\$1,300,803	\$0	\$104,687	\$0	\$0	\$0	\$0	\$2,093,746
Inspections	Customer Service	\$0	\$0	\$0	\$0	\$0	\$80,856	\$0	\$0	\$0	\$0	\$80,856
Customer Service and Meter Reac	Customer Service	\$0	\$0	\$0	\$0	\$0	\$0	\$370,636	\$0	\$0	\$0	\$370,636
Maintenance and General Plant	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$873,232	\$873,232
Non-Potable Water Purchases	Non-potable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,415	\$0	\$0	\$60,415
Total O&M Expenses		\$3,000,430	\$1,110,469	\$1,110,469	\$1,421,972	\$1,344,432	\$200,657	\$370,636	\$1,112,465	\$0	\$4,785,842	\$14,457,372
O&M Allocation		21%	8%	8%	10%	9%	1%	3%	8%	0%	33%	100%

Table 4-9 distributes the functionalized capital asset values to cost causation factors similar to Table 4-7 and Table 4-10 shows the resulting percent and dollar allocations of the different capital assets. Capital costs are allocated based on the system assets because capital costs are incurred to refurbish and replace existing system assets. Using system assets takes a longer-term view of the allocations of capital costs and provides a consistent allocation of costs from year to year even if the capital costs associated with different types of system assets change every year. In valuing the assets, the original cost less depreciation was utilized to account for aging of the assets, thus a decrease in the value. For example, Storage costs are allocated according to Max Day rationale because storage is constructed to meet base and peak day demand. Contrastingly, other costs, such as Meter, Non-potable, General and Administrative costs are allocated 100% to their relevant cost causation factor.

Table 4-9: Functionalized Capital Cost Distributions to Cost Causation Factors

Function	Rationale	Base					Non-				Total	
		Supply	Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Potable	Offset		General
Storage	Max Day		50%	50%	0%							100%
Pumping	Max Day		50%	50%	0%							100%
Pipelines	Avg. Max Day/Hour		34%	34%	33%							100%
Fire Hydrants	Max Hour		17%	17%	65%							100%
Treatment	Max Day		50%	50%	0%							100%
Administration	General										100%	100%
Meters	Meter						100%					100%
Equipment	Transmission & Distribution		16%	16%	62%		5%					100%
Wells	Max Day		50%	50%								100%
General	General										100%	100%
Non-potable	Non-potable								100%			100%

Table 4-10: Capital Cost Allocations

Capital Asset Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
Land	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Pump House Structures	Pumping	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Well Casings & Development	Wells	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Chlorinators	Treatment	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Pumping Equipment	Pumping	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Reservoirs & Tanks	Storage	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	100%
Transmission Mains	Pipelines	0%	34%	34%	33%	0%	0%	0%	0%	0%	0%	100%
Telemetry Equipment	Meters	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Meters & Meter Services	Meters	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%
Fire Hydrants	Fire Hydrants	0%	17%	17%	65%	0%	0%	0%	0%	0%	0%	100%
Buildings & Improvements	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Office Furniture & Equipment	General	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%
Vehicles & Equipment	Equipment	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
General Equipment	Equipment	0%	16%	16%	62%	0%	5%	0%	0%	0%	0%	100%
Non-potable	Non-potable	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%

Capital Asset Allocation	Function	Supply	Base Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
Land	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,335,644	\$7,335,644
Pump House Structures	Pumping	\$0	\$11,073	\$11,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,146
Well Casings & Development	Wells	\$0	\$2,949,796	\$2,949,796	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,899,592
Chlorinators	Treatment	\$0	\$49,845	\$49,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99,690
Pumping Equipment	Pumping	\$0	\$1,507,684	\$1,507,684	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,015,367
Reservoirs & Tanks	Storage	\$0	\$7,711,401	\$7,711,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,422,801
Transmission Mains	Pipelines	\$0	\$20,313,927	\$20,313,927	\$19,739,497	\$0	\$0	\$0	\$0	\$0	\$0	\$60,367,351
Telemetry Equipment	Meters	\$0	\$0	\$0	\$0	\$0	\$7,824	\$0	\$0	\$0	\$0	\$7,824
Meters & Meter Services	Meters	\$0	\$0	\$0	\$0	\$0	\$2,465,173	\$0	\$0	\$0	\$0	\$2,465,173
Fire Hydrants	Fire Hydrants	\$0	\$4,252	\$4,252	\$16,074	\$0	\$0	\$0	\$0	\$0	\$0	\$24,578
Buildings & Improvements	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,137,511	\$13,137,511
Office Furniture & Equipment	General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$359,422	\$359,422
Vehicles & Equipment	Equipment	\$0	\$36,967	\$36,967	\$139,736	\$0	\$11,246	\$0	\$0	\$0	\$0	\$224,916
General Equipment	Equipment	\$0	\$15,576	\$15,576	\$58,876	\$0	\$4,738	\$0	\$0	\$0	\$0	\$94,766
Non-potable	Non-potable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,709,304	\$0	\$0	\$5,709,304
Total Capital Assets		\$0	\$32,600,520	\$32,600,520	\$19,954,183	\$0	\$2,488,981	\$0	\$5,709,304	\$0	\$20,832,577	\$114,186,087
Capital Asset Allocation		0%	29%	29%	17%	0%	2%	0%	5%	0%	18%	100%

The goal of allocating the costs and asset values in Table 4-8 and Table 4-10 is to allocate the total O&M costs and capital assets to the different cost causation components. This results in a percent distribution shown in the last line each of Table 4-8 and Table 4-10. Table 4-11 summarizes those cost allocations in addition to defining the allocation of revenue offsets entirely to the Offset cost causation component.

Table 4-11: Cost Allocation Distribution Summary

Function	Rationale	Supply	Base						Non-		General	Total
			Delivery	Max Day	Max Hour	Pumping	Meter	Customer	Potable	Offset		
O&M	O&M Expenses	21%	8%	8%	10%	9%	1%	3%	8%		33%	100%
Capital	Capital Assets		29%	29%	17%		2%		5%		18%	100%
Offset	Revenue Offsets									100%		100%

4.6. Unit Cost Causation Component Derivations

The goal is to proportionately distribute costs to each user class. To accomplish this, unit costs for each cost causation component are calculated. The first step in this process is to calculate the total number of service units demanded by each class for each cost causation component. This is shown in Table 4-12. The capacity or peaking factor for each customer class was derived in Table 4-3. The total equivalent meters are from Table 4-4, Table 4-5, and Table 4-6. The max day and hour capacities are calculated by multiplying the average daily use by the capacity factor for each class and tier. This results in the total capacity, with extra capacity calculated by subtracting the average daily use from the total capacity for either Max Day or Max Hour.

Table 4-12: Derivation of Cost Causation Component Units of Service

Customer Class	Monthly Tiers (ccf)	Percent in Tier	Annual Use (ccf)	Average Daily Use (ccf/day)	Max Day			Max Hour			Number of Equivalent Meters/Lines	Number of Customers
					Capacity Factor	Total Capacity (ccf/day)	Extra Capacity (ccf/day)	Capacity Factor	Total Capacity (ccf/day)	Extra Capacity (ccf/day)		
Single Family			3,283,985									
Tier 1	16	42%	1,373,941	3,764	1.04	3,915	151	3.01	11,314	7,399		
Tier 2	34	29%	957,531	2,623	1.34	3,515	892	3.87	10,159	6,644		
Tier 3	34+	29%	952,514	2,610	2.41	6,289	3,680	6.96	18,176	11,887		
Multi-Family			139,056	381	1.72	655	274	4.97	1,894	1,238	401	163
Commercial/Industrial			466,805	1,279	1.61	2,058	779	4.65	5,948	3,890	1,894	561
Fire Service			102,242	280	2.04	572	292	5.90	1,652	1,081	279	168
Landscape Irrigation			84,948	233	1.83	426	194	5.29	1,232	806	410	56
Schedule Irrigation			20,914	57	1.83	105	48	5.29	303	198	468	87
Construction			122,380	335	2.04	684	349	5.90	1,978	1,293		
Non-Potable			812,360	2,226	1.71	3,798	1,572	4.93	10,976	7,178	1,945	303
Total			5,032,691	13,788		22,018	6,658		52,656	34,436	29,755	19,252

The calculation of public and private fire service capacity for fire service is shown in Table 4-13. Line 1 assumes the average fire lasts four hours. To fight that fire, fire services needs 5,000 gallons/minute (kgals/minute). Seventy-eight percent of the District's fire costs are allocated to Public Fire due to the public fire hydrant's share of total equivalent fire lines (Table 4-6, Line 11/(Line 6 + Line 11)). Max Day Capacity Demanded for Fire (Table 4-13, Line 4) is then determined by converting 5 kgals/minute to kgals/hour, then multiplying it by the four-hour duration of a typical fire. This is then converted to acre feet (AF). A similar calculation is done for the Max Hour capacity, multiplying the Max Day capacity by 24 hours less the capacity already allocated to Max Day. Public Fire is then allocated 78% each of those capacities.

Table 4-13: Calculation of Fire Service Capacity

Line No.	Fire Estimate	Max Day	Max Hour
1	Hours for Fire	4	
2	Kgals/minute	5	5
3	Cost to Public Fire	78%	78%
4	Capacity Demanded for Fire (ccf)	1,604	8,021
5	Public Fire	1,251	6,257
6	Private Fire	353	1,764
7	Total Fire	1,604	8,021
8	Total Capacity	8,262	42,457

Table 4-14 shows the cost causation component unit cost derivations. The operating revenue requirement shown in Table 4-1, Line 1 is allocated to the cost causation components using the resulting O&M allocation from Table 4-11. Similarly, the capital revenue requirement in Line 2 of Table 4-14 is allocated to the cost causation factors per Table 4-11. General costs in Line 5 of Table 4-14, which cannot be tied to a specific function, are redistributed in proportion to the resulting allocations of the other cost causation components, except Supply and Pumping. The revenue offsets are also distributed accordingly. A portion of Max Hour and Max Day costs are redistributed to the Meter component. Finally, a small portion of non-potable water costs are allocated back to Max Day and Max Hour as potable water customers benefit from the reduction in demand on their water sources resulting from a separate non-potable water service. Based on the Max Day and Max Hour fire demands, a portion of Max Day and Max Hour costs are allocated to Private Fire/Backflow based on its share of these costs. This was calculated based on the proportion of Private Fire Capacity to Total Capacity for Max Day and Max Hour needs.

Table 4-14: Unit Cost Calculation

Line No.	Cost Allocation	Supply	Base Delivery	Max Day	Max Hour	Private Fire/ Backflow	Pumping	Meter	Customer	Non-Potable	Offset	General	Total
1	Operating Revenue Requirement	\$3,003,392	\$1,111,565	\$1,111,565	\$1,423,375		\$1,345,759	\$200,855	\$371,001	\$1,113,563	\$0	\$4,790,566	\$14,471,642
2	Capital Revenue Requirement	\$0	\$85,851	\$85,851	\$52,548			\$6,555	\$0	\$15,035	\$0	\$54,861	\$300,700
3	Revenue Offsets	\$0	\$0	\$0	\$0			\$0	\$0	\$0	(\$1,081,404)	\$0	(\$1,081,404)
4	Total Cost of Service	\$3,003,392	\$1,197,416	\$1,197,416	\$1,475,923	\$0	\$1,345,759	\$207,410	\$371,001	\$1,128,598	(\$1,081,404)	\$4,845,426	\$13,690,939
5	Allocation of General and Offset Costs		\$808,048	\$808,048	\$995,992	\$0	\$0	\$139,966	\$250,362	\$761,608	\$1,081,404	(\$4,845,426)	\$0
6	Allocation to Public Fire			(\$303,746)	(\$364,268)			\$668,014					\$0
7	Allocation to Private Fire			(\$85,655)	(\$102,721)	\$188,376							\$0
8	Allocation of Peak to Meter			(\$808,032)	(\$1,002,463)			\$1,810,494					\$0
9	Allocation of Non-potable			\$44,630	\$55,370					(\$100,000)			\$0
10	Total Adjusted Cost of Service	\$3,003,392	\$2,005,464	\$852,662	\$1,057,832	\$188,376	\$1,345,759	\$2,825,884	\$621,363	\$1,790,205	\$0	\$0	\$13,690,939
11	Unit of Service	4,220,330	4,220,330	6,658	34,436	1,672	4,220,330	165,188	113,691	812,360			
12	Unit	ccf	ccf	ccf/day	ccf/day	equiv. line/yr	ccf	equiv. meter/yr	bills/yr	ccf			
13	Unit Cost	\$0.71	\$0.48	\$128.08	\$30.72	\$112.65	\$0.32	\$17.11	\$5.47	\$2.20			
14	Unit	ccf	ccf	ccf/day	ccf/day	equiv.line/2-mo	ccf	equiv.meter/2-mo	per bi-monthly bill	ccf			

The total adjusted cost of service (Line 10) is divided by the relevant units of service in Line 11 (and from Table 4-12) to calculate the unit cost (Line 13 and Line 14). For example, the unit cost for the Base Delivery component is determined by dividing the total base delivery cost by total water use in ccf, while annual Customer costs are divided by the estimated number of bills in each year. These unit costs will next be used to distribute the cost causation components to the customer classes. Fire service units are from Table 4-6 and annualized by six bills per year.

4.7. Distribution of Cost Causation Components

The final step in the cost of service analysis is to distribute the cost causation components to the user classes using the unit costs derived in Table 4-14, thereby arriving at the cost to serve each customer class. Table 4-15 shows the cost allocation to each class. To derive the cost to serve each class, the unit costs from Table 4-14 are multiplied by the service units shown in Table 4-12 for each customer class and tier. For example, the supply costs for Tier 1 Single Family usage is calculated by multiplying the supply unit cost by that class' annual usage in Tier 1. Similarly, the Customer costs are derived by multiplying the Customer unit cost by the total number of bills by class in each year. Similar calculations yield the total cost to serve each user class, as shown in the last column of Table 4-15. The cost to serve each user class has now been calculated and rates that collect the cost to serve each class can be derived.

Table 4-15: Allocation of Costs to Customer Classes

Customer Class	Supply	Base Delivery	Max Day	Max Hour	Private Fire	Pumping	Meter	Customer	Non-Potable	Offset	Total COS
Single Family							\$2,500,303	\$587,423			\$9,433,778
Tier 1	\$977,763	\$652,885	\$19,284	\$227,287		\$438,116				\$0	
Tier 2	\$681,425	\$455,010	\$114,236	\$204,095		\$305,333					
Tier 3	\$677,855	\$452,626	\$471,262	\$365,142		\$303,733					
Multi-Family	\$98,959	\$66,078	\$35,165	\$38,060		\$44,342	\$41,160	\$5,345			\$329,109
Commercial/Industrial	\$332,201	\$221,822	\$99,784	\$119,486		\$148,853	\$194,353	\$18,396			\$1,134,896
Fire Service	\$72,761	\$48,585	\$37,345	\$33,192	\$188,376	\$32,603		\$5,509			\$418,371
Landscape Irrigation	\$60,453	\$40,367	\$24,783	\$24,747		\$27,088	\$42,083	\$1,836			\$221,357
Schedule Irrigation	\$14,883	\$9,938	\$6,101	\$6,093		\$6,669	\$47,985	\$2,853			\$94,523
Construction	\$87,091	\$58,154	\$44,701	\$39,730		\$39,024					\$268,700
Non-Potable									\$1,790,205		\$1,790,205
Total Cost of Service	\$3,003,392	\$2,005,464	\$852,662	\$1,057,832	\$188,376	\$1,345,759	\$2,825,884	\$621,363	\$1,790,205	\$0	\$13,690,939

5. Rate Design

This section includes the calculation of rates and the results of the study. It also includes bill impacts for different customer classes under the proposed rates. Rates and charges are designed for the study period, CY 2020 to CY 2024. CY 2020's rates and charges will be implemented in March 2020, with all subsequent rate adjustments occurring in January of each year.

5.1. Water Rate Development

5.1.1. DERIVATION OF THE PROPOSED BIMONTHLY FIXED CHARGE

Raftelis proposes that the District retain its schedule of a bimonthly fixed charges by meter size for most customer classes. Table 5-1 shows the derivation of the bimonthly fixed charge, which represents the Meter and Customer cost components determined in Table 4-14. This charge accounts for the fact that even when a customer does not use any water, the District incurs fixed costs related to maintaining the ability to serve each connection.

Meter Component

The meter component consists of costs to the District that vary based on meter size. It reflects the fact that larger meters have the potential to demand more capacity compared to smaller meters. The potential capacity demanded is proportional to the potential flow through each meter size as established by the AWWA hydraulic capacity ratios which are shown in the "Capacity Ratio" column of Table 5-1. The ratios show the potential flow through each meter size compared to the flow through a 5/8-inch meter. The Meter capacity component for larger meters is scaled up using the AWWA capacity ratios shown in the "AWWA Ratio" column. Allocating capacity costs by meter size is a common way to reliably recover the fixed cost of operating the utility.

Customer

The customer component recovers costs associated with meter reading, customer billing and collection as well as customer service costs. These costs are the same for all meter sizes as it costs the same to provide billing and customer services to a small meter as it does a larger meter.

The Meter and Customer components are combined to form the proposed charge by meter size. Table 5-1 also compares the proposed charges with the current charges in both dollars and percent.

Table 5-1: Derivation of the Bi-Monthly Fixed Charges

Bi-Monthly Service Charge	Capacity Ratio	Meter	Customer	Proposed Charge	Current Charge	Difference (\$)	Difference (%)
5/8"	1.00	\$17.11	\$5.47	\$22.58	\$18.01	\$4.57	25%
3/4"	1.50	\$25.66	\$5.47	\$31.13	\$27.02	\$4.11	15%
1"	2.50	\$42.77	\$5.47	\$48.24	\$45.03	\$3.21	7%
1 1/2"	5.00	\$85.54	\$5.47	\$91.01	\$90.06	\$0.95	1%
2"	8.00	\$136.86	\$5.47	\$142.33	\$144.09	-\$1.76	-1%
3"	17.50	\$299.37	\$5.47	\$304.84	\$288.18	\$16.66	6%
4"	31.50	\$538.87	\$5.47	\$544.34	\$450.28	\$94.06	21%
6"	65.00	\$1,111.96	\$5.47	\$1,117.43	\$900.55	\$216.88	24%
8"	140.00	\$2,394.99	\$5.47	\$2,400.46	\$1,440.88	\$959.58	67%
10"	210.00	\$3,592.48	\$5.47	\$3,597.95	\$2,071.27	\$1,526.68	74%
12"	265.00	\$4,533.37	\$5.47	\$4,538.84	\$2,791.71	\$1,747.13	63%

5.1.2. DERIVATION OF THE PROPOSED COMMODITY RATES

5.1.2.1. Unit Cost Definitions

The commodity rates for each class and tier are derived by summing of the unit rates (\$/ccf) for:

1. Supply
2. Base Delivery
3. Peaking
4. Pumping

Supply

Supply costs are those related to the cost of purchasing and producing water. Table 5-2 lists the District's three different supply sources, their available supply, and the total cost associated with each. It then derives the per ccf unit cost.

Table 5-2: Water Supplies and Associated Cost

Water Supply Cost	Edgar Canyon	Unused Overlying	SGPWA	Total Potable
Available Supply (ccf)	577,398	753,800	2,889,133	4,220,330
Total COS	\$0	\$0	\$3,003,392	\$3,003,392
Unit Cost	\$0.00	\$0.00	\$1.04	\$0.71
Rank	1	2	3	

Since the District will be passing through the water supply cost to all customers, the average blended supply cost for all potable water shown in Table 5-2 is used for all potable customers, as shown in Table 5-3.

Table 5-3: Customer Class Water Supply Allocations

Line No.	Customer Class	Annual Use (ccf)	Edgar Canyon	Unused Overlying	SGPWA	Total Use (ccf)	Total Cost	Supply Unit Cost
1	Single Family	3,283,985	449,293	586,557	2,248,134	3,283,985	\$2,337,043	\$0.71
2	Multi-Family	139,056	19,025	24,837	95,195	139,056	\$98,959	\$0.71
3	Commercial/Industrial	466,805	63,865	83,377	319,563	466,805	\$332,201	\$0.71
4	Fire Service	102,242	13,988	18,262	69,993	102,242	\$72,761	\$0.71
5	Landscape Irrigation	84,948	11,622	15,173	58,153	84,948	\$60,453	\$0.71
6	Schedule Irrigation	20,914	2,861	3,735	14,317	20,914	\$14,883	\$0.71
7	Construction	122,380	16,743	21,858	83,778	122,380	\$87,091	\$0.71
8	Total	4,220,330	577,398	753,800	2,889,133	4,220,330	\$3,003,392	\$0.71

Base Delivery

Base Delivery costs are the operating and capital costs associated with delivering water to all customers at a constant average rate of use – also known as serving customers under average daily demand conditions. Therefore, the base delivery rate of \$0.48 (Table 4-15) is spread over all units of water irrespective of customer class or tier.

Peaking

Peaking costs represent the cost of providing Max Day and Max Hour flow capacity to each customer class and are assessed based on total usage. Table 5-4 combines the Max Day and Max hour costs in Table 4-15 into Peaking Costs. These costs are divided by total annual use by class and tier to arrive at the Peaking unit cost for each.

Table 5-4: Peaking Unit Cost by Class and Tier

Customer Class	Annual Use (ccf)	Peaking Costs	Unit Cost
Single Family			
Tier 1	1,373,941	\$246,572	\$0.18
Tier 2	957,531	\$318,331	\$0.33
Tier 3	952,514	\$836,404	\$0.88
Multi-Family	139,056	73,225	\$0.53
Commercial/Industrial	466,805	\$219,271	\$0.47
Fire Service	102,242	\$70,538	\$0.69
Landscape Irrigation	84,948	\$49,530	\$0.58
Schedule Irrigation	20,914	\$12,194	\$0.58
Construction	122,380	\$84,431	\$0.69

Pumping

Finally, the costs to pump water from the ground and to customers is allocated equally across all demand. The rate of \$0.32 was derived in Table 4-14. Table 5-5 shows the proposed commodity rates, combining the four rate components for each customer class. As with the fixed charges, the proposed rates are compared to the current rates in both dollars and percentages.

Table 5-5: Derivation of the Commodity Rates (\$/ccf)

Customer Class	Bi-Monthly Tiers	Supply	Base Delivery	Peaking	Pumping	Proposed Rate	Current Rate	Difference (\$)	Difference (%)
Single Family									
Tier 1	16	\$0.71	\$0.48	\$0.18	\$0.32	\$1.69	\$1.75	-\$0.06	-3%
Tier 2	34	\$0.71	\$0.48	\$0.33	\$0.32	\$1.84	\$1.75	\$0.09	5%
Tier 3	34+	\$0.71	\$0.48	\$0.88	\$0.32	\$2.39	\$1.75	\$0.64	37%
Multi-Family	Uniform	\$0.71	\$0.48	\$0.53	\$0.32	\$2.04	\$1.77	\$0.27	15%
Commercial/Industrial		\$0.71	\$0.48	\$0.47	\$0.32	\$1.98	\$1.78	\$0.20	11%
Fire Service		\$0.71	\$0.48	\$0.69	\$0.32	\$2.20	\$1.78	\$0.42	24%
Landscape Irrigation		\$0.71	\$0.48	\$0.58	\$0.32	\$2.09	\$1.94	\$0.15	8%
Schedule Irrigation		\$0.71	\$0.48	\$0.58	\$0.32	\$2.09	\$1.80	\$0.29	16%
Construction		\$0.71	\$0.48	\$0.69	\$0.32	\$2.20	\$1.94	\$0.26	13%
Non-Potable		\$0.93	\$0.72		\$0.30	\$1.95	\$1.94	\$0.01	1%

5.1.3. PROPOSED POTABLE WATER RATE SCHEDULE

The proposed rates derived in Table 5-1 and Table 5-5 are inflated annually by the proposed revenue adjustments shown in Table 3-19 and shown again below in Table 5-6. The resulting proposed rates for the study period are provided in Table 5-7 and Table 5-8.

Table 5-6: Proposed Rate Adjustments

CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
March	January	January	January	January
1.0%	7.0%	7.0%	7.0%	7.0%

Table 5-7: CY 2020-2024 Proposed Bimonthly Charges

Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
5/8"	\$18.01	\$22.58	\$24.17	\$25.87	\$27.69	\$29.63
3/4"	\$27.02	\$31.13	\$33.31	\$35.65	\$38.15	\$40.83
1"	\$45.03	\$48.24	\$51.62	\$55.24	\$59.11	\$63.25
1 1/2"	\$90.06	\$91.01	\$97.39	\$104.21	\$111.51	\$119.32
2"	\$144.09	\$142.33	\$152.30	\$162.97	\$174.38	\$186.59
3"	\$288.18	\$304.84	\$326.18	\$349.02	\$373.46	\$399.61
4"	\$450.28	\$544.34	\$582.45	\$623.23	\$666.86	\$713.55
6"	\$900.55	\$1,117.43	\$1,195.66	\$1,279.36	\$1,368.92	\$1,464.75
8"	\$1,440.88	\$2,400.46	\$2,568.50	\$2,748.30	\$2,940.69	\$3,146.54
10"	\$2,071.27	\$3,597.95	\$3,849.81	\$4,119.30	\$4,407.66	\$4,716.20
12"	\$2,791.71	\$4,538.84	\$4,856.56	\$5,196.52	\$5,560.28	\$5,949.50

Table 5-8: CY 2020-2024 Proposed Commodity Rates

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Single Family						
Tier 1	16	\$0.66	\$0.71	\$0.76	\$0.82	\$0.88
Tier 2	34	\$0.81	\$0.87	\$0.94	\$1.01	\$1.09
Tier 3	34+	\$1.36	\$1.46	\$1.57	\$1.68	\$1.80
Multi-Family	Uniform	\$1.01	\$1.09	\$1.17	\$1.26	\$1.35
Commercial/Industrial	Uniform	\$0.95	\$1.02	\$1.10	\$1.18	\$1.27
Fire Service	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
Landscape Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Schedule Irrigation	Uniform	\$1.06	\$1.14	\$1.22	\$1.31	\$1.41
Construction	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
State Project Water (SGPWA)		\$0.72	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>
SCE Power Charge (Pumping)		\$0.32	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>

5.1.4. BILL IMPACTS

Figure 5-1 and Figure 5-2 compare the current rates (effective January 1, 2015) versus the proposed CY 2020 rates for two different customer classes. Figure 5-1 shows the impacts of the proposed rates on a hypothetical Single-Family Residential customer with a 5/8” meter at different usage levels. Figure 5-2 shows the impacts on a hypothetical Commercial or Industrial customer with a 2” meter and different levels of consumption.

Figure 5-1: Single-Family Residential Bill Impact Analysis

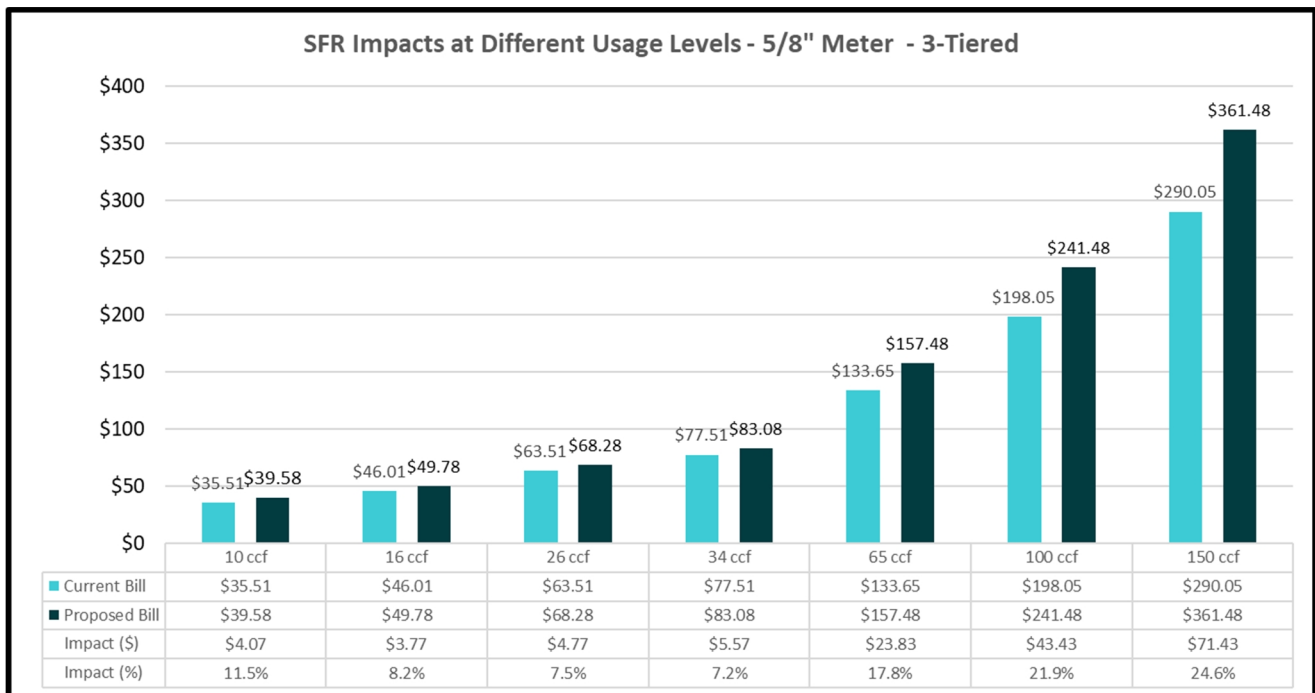
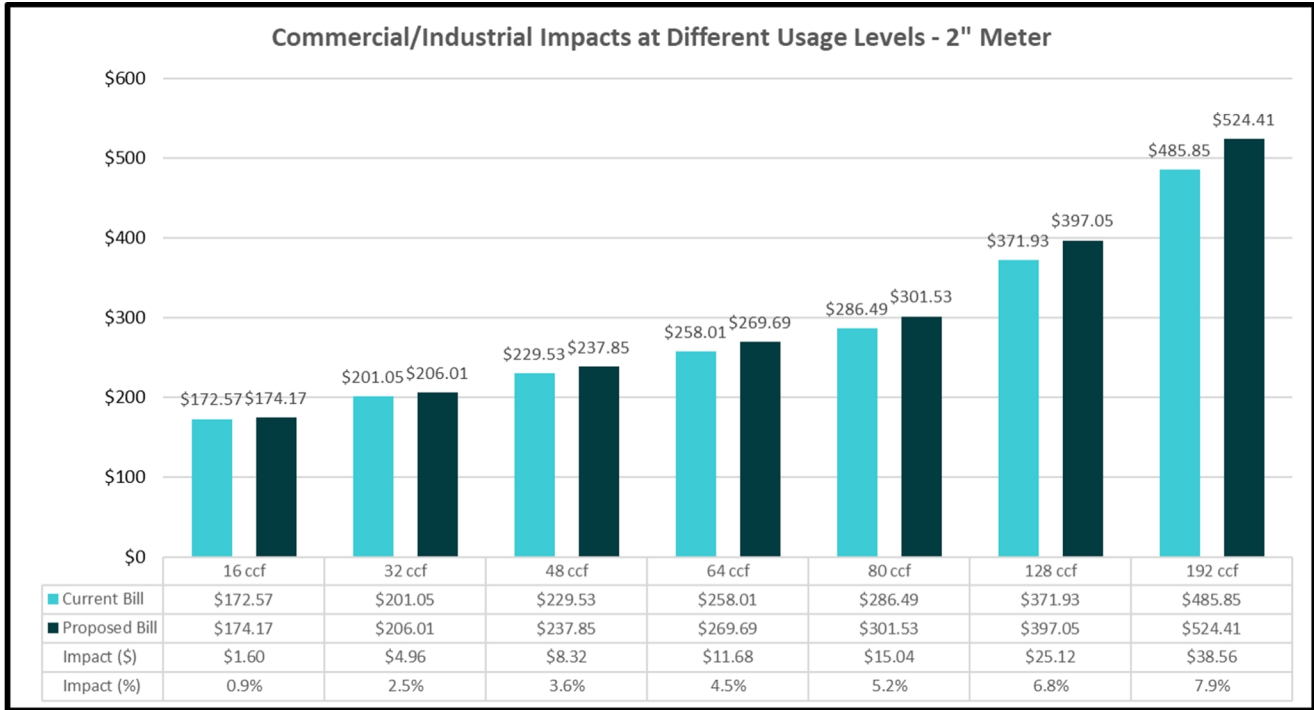


Figure 5-2: Commercial/ Industrial Bill Impact Analysis



5.2. Drought Rates

5.2.1. DROUGHT RATE BACKGROUND

Consistent with its water supply shortage response plan, the District can establish drought rates to:

1. Recover lost revenue due to decreased consumption during a drought
2. Encourage water conservation to meet the desired conservation goals for each drought stage.

Drought rates help send a conservation signal to maximize the probability that the District will meet its target use, escape penalties and meet its costs. Drought rates help the District recoup lost revenues when District customers curtail their water consumption during periods of drought.

In the event that the District activates its water supply drought rates, customers will be notified in advance. The District's drought rates would only be implemented by District Board action. Such action by the District is generally triggered by the declaration of a specific level of water shortage by the California Department of Water Resources (DWR).

Revenue Collection During a Drought

During a drought, the District's revenue requirement (costs) decreases along with revenue. However, the District's revenue decreases more than its costs. The majority of the District's costs are fixed (salaries, benefits, debt service, etc.) and since a portion of the fixed costs are collected through the variable commodity rates, the District suffers a net revenue loss with reduced sales. Drought rates are required to recover lost revenue to cover its fixed costs. The District's drought revenue requirement is lower than its non-drought revenue requirement because, as the District serves less water, it also purchases and treats less water, thereby saving the associated costs.

Customer Bills During a Drought

Provided that customers cutback their water use in line with the drought cutback goal, their total water bill should be lower than their bill during "normal" water/rainfall years. Conversely, those that do not cutback consumption will face higher charges.

5.2.2. POTABLE DROUGHT RATE CALCULATIONS

The first step in calculating drought rates is to estimate the cutback in potable water use from each customer class. Raftelis estimated the cutback in use by using District customer use data and estimating various percent cutbacks for each tier at each stage of reduction. Table 5-9 shows the estimated cutbacks, in percent and volume, for each class and tier. The resulting total cutback in ccf and percent for each drought level are shown on the last two rows of the table.

Table 5-9: Estimated Potable Demand Reductions

Customer Class	Normal Conditions	Reductions by Class (%)				Reductions by Class (ccf)			
		Stage 1	Stage 2	Stage 3	Stage 4	Stage 1	Stage 2	Stage 3	Stage 4
Single Family									
Tier 1 16 ccf	1,373,941	2%	4%	7%	10%	1,346,462	1,318,983	1,277,765	1,236,547
Tier 2 34 ccf	957,531	10%	25%	40%	50%	861,778	718,148	574,518	478,765
Tier 3 34+ ccf	952,514	25%	43%	56%	76%	714,385	542,933	419,106	228,603
Multi-Family	139,056	5%	10%	15%	20%	132,104	125,151	118,198	111,245
Commercial/Industrial	466,805	5%	10%	15%	20%	443,465	420,125	396,784	373,444
Fire Service	102,242	0%	0%	0%	0%	102,242	102,242	102,242	102,242
Landscape Irrigation	84,948	20%	40%	60%	75%	67,958	50,969	33,979	21,237
Schedule Irrigation	20,914	5%	10%	15%	20%	19,868	18,822	17,777	16,731
Construction	122,380	0%	20%	65%	80%	122,380	97,904	42,833	24,476
Total Potable Consumption	4,220,330					3,810,642	3,395,277	2,983,203	2,593,291
% Reduction						10%	20%	29%	39%

Table 5-10 shows the calculation of the drought rate for each stage. Line 3 shows the total revenue under the proposed non-drought commodity rates to generate the total revenue under each stage without the drought surcharge. Line 4 provides the revenue loss in each stage compared to under normal conditions. Line 8 calculates the cost to supply the total consumption at each stage. While the District loses revenue with each deduction, it also saves in purchased water costs. These savings by stage are shown in Line 9. The Net Costs (Line 10) result from subtracting the cost savings from the revenue lost. This is the total additional revenue that the reduced demand must also generate in order to sustain revenues under normal conditions. Those net costs are then divided by the total consumption under each stage (Line 1) to arrive at the drought rate for each.

Table 5-10: Potable Drought Rate Calculation⁶

Line No.	Customer Class	Normal Conditions	Stage 1	Stage 2	Stage 3	Stage 4
1	Total Potable Consumption	4,220,330 ccf	3,810,642 ccf	3,395,277 ccf	2,983,203 ccf	2,593,291 ccf
2	% Reduction		10%	20%	29%	39%
3	Commodity Revenues	\$8,283,298	\$7,372,867	\$6,478,216	\$5,615,441	\$4,759,249
4	Revenue Loss		\$910,431	\$1,805,082	\$2,667,857	\$3,524,049
5	Potable Sales, AF	9,689	8,748	7,794	6,848	5,953
6	% Losses	11.5%	11.5%	11.5%	11.5%	11.5%
7	Potable Purchases, AF	10,948	9,885	8,807	7,738	6,727
8	Purchase Costs	\$3,003,392	\$2,711,837	\$2,416,243	\$2,122,992	\$1,845,511
9	Cost Savings		\$291,554	\$587,148	\$880,400	\$1,157,880
10	Net Costs		\$618,877	\$1,217,934	\$1,787,457	\$2,366,169
11	Drought Rate		\$0.17	\$0.36	\$0.60	\$0.92

Every single commodity rate will be increased by the drought rate shown above at each stage. For a reduction in use intermediate to the reductions shown the drought rate surcharge should be linearly prorated. For example, a 15% reduction would require a drought surcharge of \$0.27 per ccf.

⁶ The percent reduction in Line 2 is rounded to the nearest whole percent and the drought rate in Line 11 is rounded to the nearest penny.

Table 5-11 shows the CY 2020 rates for all classes and tiers with the drought surcharges from Table 5-11, Line 11 added for each stage.

Table 5-11: Potable Rate Schedule with Drought Rate Surcharges

Customer Class	Normal Conditions	Stage 1 10%	Stage 2 20%	Stage 3 30%	Stage 4 40%
Single Family					
Tier 1 16 ccf	\$1.70	\$1.87	\$2.06	\$2.30	\$2.62
Tier 2 34 ccf	\$1.85	\$2.02	\$2.21	\$2.45	\$2.77
Tier 3 34+ ccf	\$2.40	\$2.57	\$2.76	\$3.00	\$3.32
Multi-Family	\$2.05	\$2.22	\$2.41	\$2.65	\$2.97
Commercial/Industrial	\$1.99	\$2.16	\$2.35	\$2.59	\$2.91
Fire Service	\$2.21	\$2.38	\$2.57	\$2.81	\$3.13
Landscape Irrigation	\$2.10	\$2.27	\$2.46	\$2.70	\$3.02
Schedule Irrigation	\$2.10	\$2.27	\$2.46	\$2.70	\$3.02
Construction	\$2.21	\$2.38	\$2.57	\$2.81	\$3.13

5.3. Non-potable Water Rate Development

Table 5-12 projects the non-potable water meters by meter size according to the inflation factors in Table 3-1. Non-potable water customers pay the same bimonthly meter service charges as potable water customers. Table 5-13 shows the calculation of the non-potable water commodity rate. The projected meters by meter size in CY 2020 are multiplied by their corresponding bimonthly meter charges in Table 5-7, then by six bimonthly bills per year to arrive at the total CY 2020 revenue from the bimonthly meter service charges (Line 2, Table 5-13). This is subtracted from the total revenue requirement (Line 1, Table 5-13) from Table 4-14, Line 10, to arrive at the total commodity rate revenue requirement (Line 3, Table 5-13). This then is divided by total non-potable water consumption (Line 4, Table 5-13) to arrive at the proposed CY 2020 rate in Line 5 (Table 5-13).

Table 5-12: Total Non-potable Water Accounts

Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Non-potable Water Meters						
5/8"	1	1	1	1	1	1
3/4"	0	0	0	0	0	0
1"	38	38	39	39	40	40
1 1/2"	87	88	89	90	91	92
2"	174	176	178	180	182	184
Total Non-potable Water Meters	300	303	307	310	314	318

Table 5-13: Non-potable Water Commodity Rate Calculation⁷

Line No.		CY 2020
1	Total Non-potable Water Revenue Requirement	\$1,790,205
2	Total Revenue from Fixed Charges	\$209,638
3	Total Commodity Rate Revenue Requirement	\$1,580,568
4	Total Non-potable Water Consumption	812,360
5	Proposed CY 2020 Non-potable Water Commodity Rate	\$1.95

This resulting rate is shown in Table 5-14 and divided into its three components: non-potable base, water supply, and power. Note that the operating costs increase with the purchase of recycled water in CY 2021 and beyond; however, the pass-through supply and pumping rates will decrease in CY 2021 and beyond.

Table 5-14: CY 2020 to CY 2024 Proposed Non-potable Water Commodity Rates

Customer Class	Monthly Tiers (ccf)	March 2020	January 2021	January 2022	January 2023	January 2024
Non-Potable	Uniform	\$0.72	\$0.96	\$0.96	\$0.98	\$0.98
Non-potable Water Supply		\$0.93	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>
Non-potable Water Power		\$0.31	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>	<i>Pass-Through</i>

⁷ Values are rounded

5.4. Fire Service

The bimonthly fire service charges consist of the Fire unit charge and the Customer unit charge (Table 4-14). As with the potable and non-potable customers, all fire line sizes are equally charged the Customer unit cost. The Fire component varies in cost based on the size of the fire line drawing water in an emergency. It is based on a 6” fire line with the Fire unit charge multiplied by the respective capacity ratio of the different fire line sizes. Table 5-15 then compares the proposed and current charges as with the previous charges.

Table 5-15: Derivation of Bimonthly Fire Service Charges

Bi-Monthly Fire Service Charge	Capacity Ratio	Fire	Customer	Proposed Charge	Current Charge	Difference (\$)	Difference (%)
4"	0.34	\$38.78	\$5.47	\$44.25	\$51.82	-\$7.57	-15%
6"	1.00	\$112.65	\$5.47	\$118.12	\$150.53	-\$32.41	-22%
8"	2.13	\$240.05	\$5.47	\$245.52	\$320.79	-\$75.27	-23%
10"	3.83	\$431.70	\$5.47	\$437.17	\$576.89	-\$139.72	-24%
12"	6.19	\$697.31	\$5.47	\$702.78	\$931.84	-\$229.06	-25%

The proposed Fire Service Charges are also escalated according to the rate adjustments in Table 5-6, resulting in the Fire Service Charge Schedule below.

Table 5-16: CY 2020 to 2024 Proposed Fire Service Charges

Fire Meter Size	Current Charge	March 2020	January 2021	January 2022	January 2023	January 2024
4"	\$51.82	\$44.25	\$47.35	\$50.67	\$54.22	\$58.02
6"	\$150.53	\$118.12	\$126.39	\$135.24	\$144.71	\$154.84
8"	\$320.79	\$245.52	\$262.71	\$281.10	\$300.78	\$321.84
10"	\$576.89	\$437.17	\$467.78	\$500.53	\$535.57	\$573.06
12"	\$931.84	\$702.78	\$751.98	\$804.62	\$860.95	\$921.22

Fire Service customers also pay a commodity rate consisting of the Base Delivery (\$0.48) and Peaking (\$0.69) unit charges and resulting in the \$1.17 CY 2020 rate, which is also escalated by the proposed rate adjustments through CY 2024. Additionally, the rate will recover the cost of supply and power.

Table 5-17: CY 2020 to CY 2024 Proposed Fire Service Commodity Rates

Customer Class	Monthly Tiers	March 2020	January 2021	January 2022	January 2023	January 2024
Fire Service	Uniform	\$1.17	\$1.26	\$1.35	\$1.45	\$1.56
State Project Water (SGPWA)		\$0.72	Pass-Through	Pass-Through	Pass-Through	Pass-Through
SCE Power Charge (Pumping)		\$0.32	Pass-Through	Pass-Through	Pass-Through	Pass-Through



**Beaumont-Cherry Valley Water District
Special Board Meeting
January 7, 2020**

Item 5

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
SUBJECT: **Authorization of General Manager to extend a Contract for Public Relations and Community Outreach Consulting Services with CV Strategies for a One-Year Term in an Amount Not-to-Exceed \$100,000**

Staff Recommendation

Authorize the General Manager to extend a contract for Public Relations and Community Outreach Consulting services with CV Strategies for a one-year term (2020 calendar year) in an amount not-to-exceed \$100,000.

Background

At a Special Meeting on October 2, 2018, the Board directed staff to prepare an RFP in a cafeteria style to submit to public relations consultants. After reviewing responses to the RFP, the Board approved a one-year contract with CV Strategies in a first year amount not-to-exceed \$100,000.

The CV Strategies proposal included preparation of all Proposition 218 compliance documents for the District, including the required notices. Focused more on public relations rather than marketing, the proposal showed an understanding of the District's needs and goals. CV Strategies has community outreach experience and offered a unique approach with training customer service representatives and District spokespersons to properly communicate with the public.

Over the past year, BCVWD staff has worked with CV Strategies in improving the District's presence as well as in preparation for a Proposition 218 rate action process. Accomplishments include improvements to the District's website with emphasis on transparency, social media presence, monitoring and response, and consistent messaging.

At the September 26, 2019 meeting of the Board of Directors, President Covington appointed members to an Ad Hoc Communications Committee. During discussion of the CV Strategies contract renewal at the Budget Workshop on December 5, 2019, President Covington tasked the Committee with determining a not-to-exceed amount for the contract extension and directed staff to bring back the contract in January 2020.

The Ad Hoc Communications Committee met on December 12, 2019 and reviewed a cafeteria-style scope of work. The Committee recommends a one-year term contract renewal for an amount not-to-exceed \$100,000.

Summary

With the ongoing Proposition 218 process and target date for a public hearing on potential implementation of new water rates and fees, the role of CV Strategies is still important to the District. The Ad Hoc Communications Committee recommends continuation of the contract through the 2020 calendar year to assure continued and comprehensive public outreach activities,



assistance with Proposition 218 noticing and other compliance matters, and ongoing communications efforts.

District staff identifies CV Strategies future 2021 services as well as 2020 performance activities will again be reviewed with the Board in late 2020 for consideration of further contract extensions.

Fiscal Impact

Not-to-Exceed \$100,000 during contract term January 2020 to December 2020.

Attachments

Attachment A - Contract

Attachment B - Scope of Work excerpt taken from the November 21, 2018 Technical Proposal for Public Relations and Community Outreach Consulting Services

Attachment C - Accomplishments

ATTACHMENT A - CV STRATEGIES CONTRACT

**AGREEMENT BETWEEN
BEAUMONT-CHERRY VALLEY WATER DISTRICT
AND CONSULTANT
FOR
PROFESSIONAL SERVICES**

This Agreement made and entered into this 14th day of January, 2019, by and between **BEAUMONT-CHERRY VALLEY WATER DISTRICT**, a California Irrigation (Special) District, hereinafter referred to as **DISTRICT**, and **CV Strategies**, hereinafter referred to as **CONSULTANT**.

DISTRICT:

Beaumont-Cherry Valley Water District
P.O. Box 2037
560 Magnolia Avenue
Beaumont, CA 92223

Fax: (951) 845 0159

Attention: Dan Jagers, General Manager

CONSULTANT:

CV Strategies
73700 Dinah Shore Drive, Unit 402
Palm Desert, CA 92211

Phone# (760) 641-0739

Attention: Erin Gilhuly, President
Email: erin@cvstrat.com

Witnesseth that in consideration of the mutual promises as hereinafter contained, the parties do mutually agree as follows:

1. SCOPE OF SERVICES

CONSULTANT shall furnish all labor, materials, equipment, and supplies and shall perform all work necessary or incidental to performing project services for DISTRICT. The project services are generally described as **Public Relations and Community Outreach Consulting Services**, as described in Attachment I: "CONSULTANT Services and Fees". Such services shall be performed by CONSULTANT as an independent contractor.

2. GENERAL CONDITIONS

This Agreement contains the entire Agreement between DISTRICT and CONSULTANT relating to the project and the provision of services to the project. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by both DISTRICT and CONSULTANT.

DISTRICT and CONSULTANT agree to cooperate with each other in order to fulfill their responsibilities and obligations under this Agreement. Both DISTRICT and CONSULTANT shall endeavor to maintain good working relationships among members of the project team.

3. TERM OF AGREEMENT

The term of this Agreement shall be from the date this Agreement is made and entered, as first written above, until terminated as provided herein. CONSULTANT recognizes that the services required by the DISTRICT are dependent upon the timely performance of CONSULTANT's services. Specific periods of time for rendering services or specific dates by which services are to be completed are outlined in "CONSULTANT Services and Fees", Attachment I.

4. COMPENSATION

CONSULTANT shall be compensated for services performed under this Agreement in accordance with "CONSULTANT Services and Fees", included in Attachment I. Payment for services shall be computed upon the basis of the actual services provided. The amounts in Attachment I shall not be exceeded without DISTRICT's prior written authorization.

5. INVOICING AND PAYMENT

CONSULTANT shall invoice DISTRICT for services performed and DISTRICT will pay CONSULTANT within sixty (60) days of receipt of invoice.

6. OWNERSHIP OF PRODUCT

CONSULTANT agrees that all data and information generated in the performance of this Agreement and data and information which are specified to be delivered or which are, in fact, delivered pursuant to this Agreement shall be and remain the sole property of DISTRICT.

CONSULTANT shall deliver all data and information to DISTRICT upon request and in any event upon the completion of all services hereunder or the termination or expiration hereof, whichever shall first occur, and shall be fully responsible for the care and protection thereof until such delivery. Except as otherwise provided in this Agreement, said documents shall be delivered to DISTRICT without additional cost to DISTRICT.

7. STANDARDS AND LIABILITY

The services provided by CONSULTANT under this Agreement, including findings, recommendations, and professional advice, shall be based on practices and procedures customary in CONSULTANT'S profession. CONSULTANT asserts that it will employ the current standard of care in performing its services.

8. SUBCONTRACTING

Performance of this Agreement may not be subcontracted in whole or in part without the prior written consent of DISTRICT.

9. SUCCESSORS AND ASSIGNS

This Agreement is to be binding on the heirs, successors, and assignees of the parties hereto, but is not to be assigned by either party without first obtaining the written consent of the other party hereto.

10. CHANGES

DISTRICT, within the general scope of this Agreement may, at any time, by written notice to CONSULTANT, issue additional instructions, require additional services, or direct the omission of services covered by this Agreement. In such event, an equitable adjustment in fee and/or term will be made, provided any claim for such an adjustment is made within thirty (30) days of the receipt of said written notice.

11. TERMINATION

This Agreement may be terminated in whole or part in writing by either party in the event of substantial failure by the other party in fulfilling its obligations under this Agreement, through no fault of the terminating party: Provided, that no such termination may be effected unless the other party is given (1) at least fourteen (14) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, itemizing the reasons therefor, and (2) an opportunity to consult with the terminating party prior to termination to establish a reasonable period to fulfill its obligations.

If during the term of this Agreement, DISTRICT determines that the CONSULTANT is not faithfully abiding by any term or condition contained herein, DISTRICT may notify CONSULTANT in writing of such defect or failure to perform, giving CONSULTANT a fourteen (14) day notice thereafter in which to perform said specified services or cure specified deficiencies. If CONSULTANT has not performed specified services or cured specified deficiencies within the time specified, such shall constitute a breach of this Agreement, and DISTRICT may, by written notice to CONSULTANT, terminate immediately this Agreement. Thereafter, neither party shall have any further duties, obligations, responsibilities, or rights under this Agreement. In said event, CONSULTANT shall be entitled to the reasonable value of its services performed from the beginning of the period in which the breach occurs up to the day it received DISTRICT's notice of termination, less any amounts for damages to DISTRICT from such breach. In no event, however, shall CONSULTANT be entitled to receive in excess of the total compensation set forth in Attachment I.

12. INDEPENDENCE OF DISTRICT

CONSULTANT shall perform services in accordance with the terms and conditions of this Agreement as an independent contractor and shall be responsible for the means and methods used in performing services under this Agreement.

13. LEGAL REQUIREMENTS

CONSULTANT shall secure all licenses or permits required by law and shall comply with all ordinances, laws, orders, rules, and regulations pertaining to its services hereunder.

14. LAWS AND VENUE

This agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California.

15. INSURANCE

CONSULTANT agrees and shall submit evidence to DISTRICT before beginning services under this Agreement that CONSULTANT has procured and shall maintain Comprehensive General Liability, Comprehensive Automobile Liability, and Professional Liability insurance coverage, with limits at or above those described below; Workers' Compensation and Employer's Liability insurance will be procured and maintained as required by the laws of the State of California. Any insurance on a "claims made" basis shall be maintained for at least three (3) years after completion of the services.

Prior to commencement of services, CONSULTANT shall provide DISTRICT with certificates of insurance evidencing required insurance coverages. Such certificates shall be issued by insurance carrier(s) acceptable to DISTRICT and shall be endorsed to include: (1) DISTRICT as additional insured on the Comprehensive General Liability Policy; (2) waiver of subrogation against DISTRICT on the Workers Compensation Policy; and (3) thirty (30) days prior written notice of cancellation or material change in any of the coverages.


MINIMUM REQUIRED INSURANCE

- | | |
|--|--|
| 1. Workers Compensation | - Statutory |
| Employer's Liability | - \$1,000,000 each accident
- \$1,000,000 each employee
- \$1,000,000 policy limit |
| 2. Comprehensive General & Contractual Liability | |
| Bodily Injury | } - \$1,000,000 per occurrence
- \$1,000,000 in the aggregate |
| Property Damage | |
| Personal Injury, with employment exclusion deleted | - \$1,000,000 in the aggregate |

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on the day and year first above written.

CV Strategies

ATTEST:

(Consultant)
By: 
(Signature)
Title: Eric Giltuly / President
(Print Name/Title)
Date: 1/15/2019

Secretary

BEAUMONT-CHERRY VALLEY

WATER DISTRICT

By: 

Dan Jagers
General Manager



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/16/19

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER WILLIAM YOUNGBLOOD INSURANCE 35-400 Bob Hope Dr. Suite 107 Rancho Mirage, CA 92270	CONTACT NAME:		
	PHONE (A/C No. Ext):	(760) 770-2827	FAX (A/C No.): (760) 770-0447
	E-MAIL ADDRESS:	Bill@insurancesuperstore.net	
INSURED CV STRATEGIES, INC. 73-700 Dinah Shore Unit 402 PALM DESERT, CA 92211 (760) 776-1766	INSURER(S) AFFORDING COVERAGE		NAIC#
	INSURER A:	USLI: AM Best "A++"	25895
	INSURER B:	HARTFORD: AM Best "A+	30104
	INSURER C:		
	INSURER D:		
	INSURER E:		


COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDC INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			CX 2551292	9/26/2018	9/26/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			CX 2551292	9/26/2018	9/26/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED. RETENTION \$			XL 1573038	6/16/2018	6/16/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NM) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	72 WEC DX2148	3/05/2018	3/05/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Errors and Omissions	Y		CX 2551292	9/26/2018	9/26/2019	\$2,000,000 Occ \$2,000,000 Agg

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Thirty (30) days prior written notice of cancellation or material change in any of the coverages.

Certificate holder is named as additional insured with respect to Professional Liability.

CERTIFICATE HOLDER Beaumont-Cherry Valley Water District PO Box 2037 560 Magnolia Avenue Beaumont, CA 92223	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
REQUEST FOR PROPOSALS
FOR
PUBLIC RELATIONS AND COMMUNITY OUTREACH
SERVICES**

**Beaumont-Cherry Valley Water District
560 Magnolia Ave
Beaumont, California 92223
(951) 845-9581**

**RFP Posting Date
October 25, 2018**

**RFP Due Date
November 21, 2018
At 4:00 P.M.**

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Attachments

Exhibit A: Beaumont-Cherry Valley Water District Professional Services Agreement

I. INTRODUCTION AND INSTRUCTIONS TO PROPOSERS

A. INTRODUCTION

Beaumont-Cherry Valley Water District (District or BCVWD) invites qualified firms/consultants to submit proposals for public relations and community outreach services from qualified firms (Proposers) to assist with the preparation of various marketing products and community outreach services such as press releases, brochures, illustrations, videos and informational documents as described in the Scope of Work.

B. BACKGROUND

The Beaumont-Cherry Valley Water District (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. Beaumont-Cherry Valley Water District is a California Special District that provides potable and non-potable water service within its 28 square mile service area.

The District is located in the foothills of the San Bernardino Mountains, approximately 75 miles east of Los Angeles along interstate 10. With a service area encompassing approximately 28 square miles, the District provides potable water and non-potable water service to over 48,000 residents within the City of Beaumont and the unincorporated Community of Cherry Valley, in Riverside and San Bernardino Counties in Southern California.

The District is governed by a five-member Board of Directors elected at-large to four year terms by BCVWD's constituents. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors.

C. OVERVIEW OF CURRENT COMMUNICATIONS METHODS

The District uses a variety of tools and methods to communicate with its constituents. These tools include printed publications, websites, and social media platforms. The following locations are maintained by the District's Information Technology Department:

Website - <https://bcvwd.org>

Twitter - <https://twitter.com/bcvwd92223>

YouTube - <https://www.youtube.com/channel/UC8w8BHEVEPxSWGxNn-iA-AA>

Several tools are utilized to monitor the traffic on the District's website and social media platforms. These include, but are not limited to, Google Analytics, tracking cookies, and IP address logging.

D. PROJECT SUMMARY AND DESIRED QUALIFICATIONS

The District seeks a professional public relations/marketing/consulting firm with experience

creating a unique brand/identity, memorable message development and effective communication through multiple media formats to broad and diverse audiences to provide public relations and community outreach services.

Proposals will be accepted from firms that demonstrate competence and experience in all areas of expertise required by the scope of services, including but not limited to: community outreach, social media management, brand/identity creation, public relations, message development and delivery, event communication and prioritizing multi-phased communication campaigns.

Firms should also demonstrate competence in graphic and oral communication to large and diverse groups and expertise in facilitating consensus from multiple public and private interests. Finally, the selected firm must be able to demonstrate the ability to coordinate, deliver and manage the District's message to the news media, Internet and social media. Of particular importance is the ability to develop a PR/Community Outreach Campaign to increase positive perceptions of the District.

E. TENTATIVE TIME SCHEDULE

October 25, 2018	Initial distribution of RFP package
November 1, 2018	Deadline for submission of questions
November 8, 2018	Estimated District response to questions
November 21, 2018	Proposal closing date and time of 4:00 P.M. PT
November 28, 2018	Conduct finalist interviews
December 12, 2018	Anticipated date for approval/award by Board of Directors

F. INSTRUCTIONS TO PROPOSERS AND PROCEDURES FOR SUBMITTAL

Inquiries and questions concerning the contract terms and conditions contained within this Request for Proposal must be received in writing by 4:00 p.m. on November 1, 2018 to yolanda.rodriquez@bcvwd.org or the address below:

Beaumont-Cherry Valley Water District
Yolanda Rodriguez, MPA
Director of Finance and Administrative Services
560 Magnolia Ave
Beaumont, CA 92223
(951) 845-9581 Ext. 224

To ensure that written requests are received and answered in a timely manner, email correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used. Proposers shall not contact other District personnel with any questions or clarifications concerning this RFP.

1. **Closing Date:** All proposals must be received by 4:00 p.m. local time on Wednesday, November 21, 2018.
2. **Proposals:** Please submit one (1) original unbound copy clearly marked as "original" on the outside cover and contain an original signature, and five (5) bound copies in a sealed envelope marked – **Technical Proposal for BCVWD Public Relations and**

Community Outreach Services, and one (1) digital copy in PDF format to the address below.

3. **Not to Exceed Cost Estimate:** Please submit one (1) original unbound copy, and five (5) copies in a sealed envelope separate from the Technical Proposal marked **Cost Proposal for BCVWD Public Relations and Community Outreach** and one (1) digital copy in PDF format to the address below:

Beaumont-Cherry Valley Water District
Attn: Yolanda Rodriguez, Director of Finance & Administrative Services
560 Magnolia Ave
Beaumont, CA 92223

4. Proposals must be valid for a period of 120 calendar days from the Closing Date and Time for Receipt of Proposals. No Proposal may be withdrawn after the submission date.
5. All Proposals shall be submitted on standard 8.5 x 11 inch paper. All pages should be numbered and identified sequentially by section. Proposals must be tabbed and indexed in accordance with the information requested in Section II. ***It is imperative that all Proposers responding to the RFP comply exactly and completely with the instructions set forth herein.*** All responses to this RFP shall be word processed (except where otherwise provided or noted), concise, straightforward and must fully address each requirement and question. Although not a substitute for complete written response, additional material, such as technical documents, may be referenced in any response, if the material is included in the same section as additional information.
6. Information in Proposals shall become public property and subject to disclosure laws. All Proposals shall become the property of the District. The District reserves the right to make use of any information or ideas in the Proposals.
7. By submitting a Proposal, the Proposer represents that it has thoroughly examined and become familiar with the work required under the RFP and that it is capable of providing and performing quality work to achieve the District's objectives.
8. The District shall not, in any event, be liable for any pre-contractual expenses incurred by Proposers in the preparation of their Proposal. Pre-contractual expenses are defined as expenses incurred by the Proposer and include:
 - a. preparing its Proposal in response to this RFP;
 - b. submitting the Proposal to the District;
 - c. negotiating with the District any matter related to the Proposer's Proposal; and
 - d. any other expenses incurred by the Proposer prior to the date of award and execution, if any, of the Agreement.
9. Each Proposer must submit its Proposal in strict accordance with all requirements of this RFP and compliance must be stated in the Proposal. Deviations, clarifications, and/or exceptions must be clearly identified and listed separately as alternative items for the District's consideration.

10. After the Closing Date and Time for Receipt of Proposals, evaluation and proposal clarification will commence. No proposals received after the closing date and time will be considered.
11. Proposers judged most responsive to the District's requirements may be asked to give a presentation of their Proposal including on-site demonstration to the District staff. Selected Proposers should be prepared to make their presentation within five calendar days after notification and be prepared to discuss all aspects of their Proposals in detail, including technical questions regarding the Proposal. No Proposer shall be allowed to alter or amend its Proposal through the use of the presentation process.
12. In the event the District deems it necessary to clarify or make any changes to this RFP, these changes shall be made in the form of a written addendum authorized and issued only by the District.
13. The District reserves the right to negotiate modifications with any Proposer as necessary to serve the best interest of the District. Any Proposal may be rejected if it is conditional, incomplete or deviates from specifications in this request. The District reserves the right to waive, at its discretion, any procedural irregularity, immaterial defects or other improprieties, which the District deems reasonably correctable or otherwise not warranting rejection of the Proposal. Any waiver will not excuse a proponent from full compliance.
14. Proposers shall describe their approach to the Scope of Work and indicate itemized costs in separate attachments.
15. The District reserves the right to:
 - a. Negotiate the final Agreement with any Proposer(s) as necessary to serve the best interest of the District;
 - b. Withdraw this RFP at any time without prior notice and, furthermore, makes no representations that any contract will be awarded to any Proposer responding to this RFP; or
 - c. Award its total requirement to one Proposer or to apportion those requirements among two or more Proposers as the District may deem to be in its best interest.

In addition, negotiations may or may not be conducted with Proposers; therefore, the Proposal submitted should contain the Proposer's most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

16. A Professional Services Agreement will be proposed for execution. The District's standard Professional Services Agreement is attached (Exhibit A). It may be modified to incorporate other pertinent Articles/Terms and Conditions set forth in this RFP, including those added by addendum, and to reflect the Proposer's offer or the outcome of negotiations, if any, conducted with the Proposer. The Proposer's exceptions to the terms and conditions of the proposed agreement, or the Proposer's inability to comply with any of the provisions of the proposed agreement, are to be declared in the Proposal.

II. PROPOSAL RESPONSE REQUIREMENTS

A. RESPONSE ITEMS

Five (5) copies of the proposal should be submitted in a binder format. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content with sufficient detail to allow for accurate evaluation and comparative analysis. Do not include any irrelevant or marketing information.

Responses must provide the information listed below. The information should be provided in order it is requested and include the section and sub-sections number(s) and statement/question in your response. Describe alternate approaches to the requested services where feasible or additional services offered or recommended which may not be specifically requested but could be of benefit to the District.

1. Cover Letter

- i. All Proposals must be accompanied by a cover letter, signed by an individual authorized to bind the proposing entity. **An unsigned Proposal submission is grounds for rejection.**

2. Firm and Staff Profile

- i. Describe the firm's approach to the project. The proposal should set forth a detailed work plan for completing tasks including a tentative schedule with milestones and product deliverables.
- ii. Provide a description and samples of your firm's prior experience and qualifications in providing advertising, marketing, media, and communication services to municipalities, special districts and/or other governmental entities.
- iii. Identify the proposed Project Manager and key project team members and responsibilities. Provide a brief resume for each person outlining their credentials and experience. Provide base operations of each team member and indicate what, if any, subcontractors are routinely used as part of your operations. In the event of proposed staff changes, the District will require that replacement staff meet the same level of qualifications and equivalent rates as the staff submitted. The Beaumont-Cherry Valley Water District reserves the right to approve or reject replacements.
- iv. A minimum of three references from agencies to whom the firm/individual has provided services comparable to the services identified and described in this RFP.

3. Project Understanding

- i. Provide your general understanding of the District's media and communication

needs. Identify any potential challenges or special concerns that may be encountered in performing the scope of services.

4. Other Supporting Information

- i. Include any other information you feel to be relevant to the selection of your firm or the makeup of the project team.

B. CERTIFICATE OF INSURANCE

The Proposer will be required to maintain insurance coverage throughout the course of the Professional Services Agreement, and shall provide BCVWD with evidence of said coverage as set forth in the Professional Services Agreement. The requirement is subject to change and modification pursuant to review by the District's Legal Counsel. Please review contract language and insurance requirements prior to submitting proposal and note any proposed exceptions to the Agreement tenets in your proposal. The District's Professional Services Agreement is attached. (Exhibit A).

C. VALIDITY OF PROPOSAL

The Proposer shall state the length of time for which the submitted Proposal shall remain valid. The District requires a period of at least 120 calendar days.

D. CERTIFICATION OF UNDERSTANDING

The District assumes no responsibility for any understanding or representation made by any of its officers or agents during or prior to the execution of any Agreement resulting from this RFP unless:

1. Such understanding or representations are expressly stated in the agreement; and
2. The Agreement expressly provides that the responsibility therefore is assumed by the District. Representations made, but not so expressly stated and for which liability is not expressly assumed by the District in the Agreement, shall be deemed only for the information of the Proposer.

E. STATEMENT OF PAST CONTRACT DISQUALIFICATIONS

The Proposer shall state whether it, or any of its officers or employees who have a proprietary interest in it, has ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of the violation of law, a safety regulation, or for any other reason, including but not limited to financial difficulties, project delays, or disputes regarding work or product quality, and if so, explain the circumstances.

F. RESOURCES TO BE PROVIDED BY THE DISTRICT

The Proposer must list any resources, District assistance, or other items expected to be provided by the District.

G. FEE PROPOSAL

Proposals shall include a description of the types of services to be provided, the total cost for the project, including fees, reimbursable and estimated number of hours, and hourly billing rate to be spent on each major task.

Once the contract has been awarded, a proposer will not be permitted to charge the District for any service performed pursuant to the terms and conditions of the contract that is not clearly identified in terms of cost and detail within the proposer's proposal to the District. The only exceptions to this limitation will be if the District specifically requests an additional service that is not identified in the RFP or in the proposer's proposal and the parties amend the contract.

Proposers are encouraged to propose alternatives to the listed requirements that will reduce cost and enhance service. The District will evaluate these alternatives on an individual basis.

Alternative services should be listed separately. All services listed must be priced, even though an alternative service has been proposed.

III. CONTRACT TERMS

The successful firm will enter into a Professional Services Agreement with the District for an initial term of one (1) year (December 2018 through December 2019). After the initial term, the District may grant up to three (3) one-year extensions based upon mutual consent and in accordance with approved budgets and specific task approvals by the Board of Directors.

IV. SCOPE OF WORK

A. NATURE OF SERVICES REQUIRED

The District is seeking a cost effective approach for community outreach and communication with its customers. The following shall act only as a general preliminary Scope of Services to generally communicate the District's expectations. Firms should identify any additional services required to meet District's expectations, price them, and explain them in their response. It is at the District's discretion which services will be required.

Account Management

- Execute a weekly strategy discussion with designated District contact(s) by phone.
- Monitor local and national publications and online alerts for stories about Beaumont/Cherry Valley area.
- Provide Spanish and other language translation services for targeted communication pieces.
- Develop and manage a 12-month calendar for District communications and a related plan for executing on that plan.
- Provide leadership and direction for the implementation and maintenance of a Beaumont-Cherry Valley Water District strategic communication plan that keeps the public and the workforce highly informed, engages the public in local government, and manages media relations.
- Champion, manage, and monitor the use of all forms of communication including social media

platforms, the district's media channels, print materials, and other communication methods that are available or might become available in the future.

- Provide recommendations and/or strategies as deemed appropriate to enhance the District's image, messaging and brand identity.
- Provide crisis communication counsel as necessary.
- Concept development, including quality graphic design.
- Develop original copy (text), copywriting and editing. This may also include Spanish and other languages marketing collateral.

Community Outreach

- Develop a monthly digital news platform to educate and advise subscribers on District's issues, meetings, events, programs, services and/or projects on a monthly basis.
- Work with District partners and influencers to gather news about Beaumont-Cherry Valley Water District for distribution via social media, e-news platform or District website.
- Develop news releases, media advisories, articles, website content and fact sheet for District events, initiatives, projects, and services.
- Community outreach to involve public engagement and facilitation of the Proposition 218 process for setting water rates and fees, water quality reporting, graphic design, and media production.
- Examine existing and upcoming programs and initiatives of the District and develop strategies for promoting these efforts to the community.

Public Relations

- Enhance the District's public media outlets; to include, providing strategic support for communication projects, initiatives, and campaigns designed to advance the District's vision, mission, image and branding.
- Develop public relations strategies to raise public and community awareness of District's upcoming Centennial Celebration in 2019.
- Create messaging to drive interaction and build excitement through sharing relevant content and providing opportunities to interact with the programs/services. Draft and edit news releases, media advisories, informational matter and distributing to designated media outlets upon direction and approval by the District's General Manager or designee.
- Develop public relations strategies to raise public and community awareness of District's matters upon direction and approval by the District's General Manager and Board of Directors.
- Develop a communication strategy, electronic material, and mailing notices in compliance of Proposition 218 based on draft rate adjustments provided by the District.
- Develop a series of new customer on-boarding engagement email messages and content about the District services, meetings, and service options.
- Develop strategies for countering misinformation and misconceptions.
- Tracking and responding to stories, events, crisis, in the media that may benefit the District from a response on behalf of the District, upon direction and approval by the District's General Manager or designee.

Social Media

- Work with District's IT Department to develop a concrete email marketing and geo-targeting strategy using tools like: YouTube and Twitter.
- Provide District staff with guidance on email marketing best practices and emails as a key

source for social media content. Identify appropriate imagery to use, where possible to aid the work impact and reach of social media posts.

- Build messaging that can be used in various channels including social media and paid traditional media to geo-target key audiences through timely/relevant channels to drive awareness, create an emotional connection and educate on key actions, and drive traffic to the website.

Multi-Media

- Produce 1 - 3 monthly videos in Spanish and English that, in 30 seconds to a minute, address community water issues, public information explanation or event promotion. Assist District Staff in adding videos to its social media channels.

B. PROPOSED COST

Provide the total cost for the project, including fees, reimbursables, and number of hours estimated to be spent on each major work task. Beaumont-Cherry Valley Water District shall not, in any event be liable for any pre-contractual expenses incurred by respondents in preparation of the proposals, and respondents shall not include any such expenses as part of their proposal. Beaumont-Cherry Valley Water District shall also not be responsible for any associated fees with regard to insurance, licenses, or taxes.

V. PROPOSAL EVALUATION CRITERIA

Proposals that meet the requirements specified in this RFP will be evaluated based on the following criteria:

1. Cost-effectiveness and a demonstrated effort to be cost-conscious.
2. Proposal price.
3. Step by step approach to the engagement and detailed schedule for completion.
4. Completeness and responsiveness of the proposal submitted.
5. Experience as related to media relations, marketing and social media management.
6. Documented prior experience in handling project(s) of similar size and scope.
7. Demonstrated ability to meet deadlines.
8. Business integrity and reputation in the industry relevant to scope of services.
9. Proven prior experience, as confirmed by references.
10. Proven skill and reputation, including timeliness and demonstrable results, as confirmed by references.
11. Meets qualifications set forth in this RFP.
12. The proposal deemed most advantageous to the Beaumont-Cherry Valley Water District will be awarded the contract (even though it may not be the proposal with the lowest proposed fee). The District reserves the right to select portions of the proposal based on the fee quoted and the District's need for each major task.

Exhibit A

DISTRICT'S PROFESSIONAL SERVICES AGREEMENT

A **sample** of the District's Professional Services Agreement is provided for review (attached). Submission of a Proposal is the Contractor's willingness to accept the terms of the agreement.

Please specifically identify each and every term of the agreement that your firm/consultant is unwilling to accept and the reason therefore.

ATTACHMENT B - SCOPE OF WORK

G. FEE PROPOSAL

Proposals shall include a description of the types of services to be provided, the total cost for the project, including fees, reimbursable and estimated number of hours, and hourly billing rate to be spent on each major task.

Once the contract has been awarded, a proposer will not be permitted to charge the District for any service performed pursuant to the terms and conditions of the contract that is not clearly identified in terms of cost and detail within the proposer's proposal to the District. The only exceptions to this limitation will be if the District specifically requests an additional service that is not identified in the RFP or in the proposer's proposal and the parties amend the contract.

Proposers are encouraged to propose alternatives to the listed requirements that will reduce cost and enhance service. The District will evaluate these alternatives on an individual basis.

Alternative services should be listed separately. All services listed must be priced, even though an alternative service has been proposed.

III. CONTRACT TERMS

The successful firm will enter into a Professional Services Agreement with the District for an initial term of one (1) year (December 2018 through December 2019). After the initial term, the District may grant up to three (3) one-year extensions based upon mutual consent and in accordance with approved budgets and specific task approvals by the Board of Directors.

IV. SCOPE OF WORK

A. NATURE OF SERVICES REQUIRED

The District is seeking a cost effective approach for community outreach and communication with its customers. The following shall act only as a general preliminary Scope of Services to generally communicate the District's expectations. Firms should identify any additional services required to meet District's expectations, price them, and explain them in their response. It is at the District's discretion which services will be required.

Account Management

- Execute a weekly strategy discussion with designated District contact(s) by phone.
- Monitor local and national publications and online alerts for stories about Beaumont/Cherry Valley area.
- Provide Spanish and other language translation services for targeted communication pieces.
- Develop and manage a 12-month calendar for District communications and a related plan for executing on that plan.
- Provide leadership and direction for the implementation and maintenance of a Beaumont-Cherry Valley Water District strategic communication plan that keeps the public and the workforce highly informed, engages the public in local government, and manages media relations.
- Champion, manage, and monitor the use of all forms of communication including social media

platforms, the district's media channels, print materials, and other communication methods that are available or might become available in the future.

- Provide recommendations and/or strategies as deemed appropriate to enhance the District's image, messaging and brand identity.
- Provide crisis communication counsel as necessary.
- Concept development, including quality graphic design.
- Develop original copy (text), copywriting and editing. This may also include Spanish and other languages marketing collateral.

Community Outreach

- Develop a monthly digital news platform to educate and advise subscribers on District's issues, meetings, events, programs, services and/or projects on a monthly basis.
- Work with District partners and influencers to gather news about Beaumont-Cherry Valley Water District for distribution via social media, e-news platform or District website.
- Develop news releases, media advisories, articles, website content and fact sheet for District events, initiatives, projects, and services.
- Community outreach to involve public engagement and facilitation of the Proposition 218 process for setting water rates and fees, water quality reporting, graphic design, and media production.
- Examine existing and upcoming programs and initiatives of the District and develop strategies for promoting these efforts to the community.

Public Relations

- Enhance the District's public media outlets; to include, providing strategic support for communication projects, initiatives, and campaigns designed to advance the District's vision, mission, image and branding.
- Develop public relations strategies to raise public and community awareness of District's upcoming Centennial Celebration in 2019.
- Create messaging to drive interaction and build excitement through sharing relevant content and providing opportunities to interact with the programs/services. Draft and edit news releases, media advisories, informational matter and distributing to designated media outlets upon direction and approval by the District's General Manager or designee.
- Develop public relations strategies to raise public and community awareness of District's matters upon direction and approval by the District's General Manager and Board of Directors.
- Develop a communication strategy, electronic material, and mailing notices in compliance of Proposition 218 based on draft rate adjustments provided by the District.
- Develop a series of new customer on-boarding engagement email messages and content about the District services, meetings, and service options.
- Develop strategies for countering misinformation and misconceptions.
- Tracking and responding to stories, events, crisis, in the media that may benefit the District from a response on behalf of the District, upon direction and approval by the District's General Manager or designee.

Social Media

- Work with District's IT Department to develop a concrete email marketing and geo-targeting strategy using tools like: YouTube and Twitter.
- Provide District staff with guidance on email marketing best practices and emails as a key

source for social media content. Identify appropriate imagery to use, where possible to aid the work impact and reach of social media posts.

- Build messaging that can be used in various channels including social media and paid traditional media to geo-target key audiences through timely/relevant channels to drive awareness, create an emotional connection and educate on key actions, and drive traffic to the website.

Multi-Media

- Produce 1 - 3 monthly videos in Spanish and English that, in 30 seconds to a minute, address community water issues, public information explanation or event promotion. Assist District Staff in adding videos to its social media channels.

B. PROPOSED COST

Provide the total cost for the project, including fees, reimbursables, and number of hours estimated to be spent on each major work task. Beaumont-Cherry Valley Water District shall not, in any event be liable for any pre-contractual expenses incurred by respondents in preparation of the proposals, and respondents shall not include any such expenses as part of their proposal. Beaumont-Cherry Valley Water District shall also not be responsible for any associated fees with regard to insurance, licenses, or taxes.

V. PROPOSAL EVALUATION CRITERIA

Proposals that meet the requirements specified in this RFP will be evaluated based on the following criteria:

1. Cost-effectiveness and a demonstrated effort to be cost-conscious.
2. Proposal price.
3. Step by step approach to the engagement and detailed schedule for completion.
4. Completeness and responsiveness of the proposal submitted.
5. Experience as related to media relations, marketing and social media management.
6. Documented prior experience in handling project(s) of similar size and scope.
7. Demonstrated ability to meet deadlines.
8. Business integrity and reputation in the industry relevant to scope of services.
9. Proven prior experience, as confirmed by references.
10. Proven skill and reputation, including timeliness and demonstrable results, as confirmed by references.
11. Meets qualifications set forth in this RFP.
12. The proposal deemed most advantageous to the Beaumont-Cherry Valley Water District will be awarded the contract (even though it may not be the proposal with the lowest proposed fee). The District reserves the right to select portions of the proposal based on the fee quoted and the District's need for each major task.

Beaumont-Cherry Valley Water District Outreach Plan Update – 12/04/2019

Proposal Tasks	Completed Items	Additional Deliverables
<p>Account Management</p> <p><i>Provide ongoing communications support to unify and grow the Beaumont-Cherry Valley Water District brand</i></p>	<ul style="list-style-type: none"> ✓ Kick-off meeting ✓ Assessment of existing materials ✓ Brand analysis ✓ Ongoing updates and meetings with BCWD staff ✓ Board of Directors presentations ✓ Media monitoring ✓ Outreach plan ✓ Outreach calendar ✓ Message themes ✓ Strategic communications counsel 	<ul style="list-style-type: none"> + Additional strategy meetings + Board engagement and feedback activities
<p>Community Outreach</p> <p><i>Actively develop and seize opportunities to increase positive perceptions of the District</i></p>	<ul style="list-style-type: none"> ✓ Newsletter ✓ Content ✓ Graphic design ✓ Customer engagement <ul style="list-style-type: none"> • Bill insert • BCVWD fact sheet • Conservation pocket guide • Social media outreach • Community event support 	<ul style="list-style-type: none"> + Designed, 8-page newsletter for print with Centennial and community outreach spreads and detailed articles + Rate Study talking points + Rates Study web update + Rates education planning + Emergency alerts outreach strategy
<p>Public Relations</p> <p><i>Deploy messaging campaigns that convey the benefits and goals of the District's strategic initiatives</i></p>	<ul style="list-style-type: none"> ✓ Meetings and event support ✓ Website support ✓ Media relations <ul style="list-style-type: none"> • Media advisory • Ongoing media strategy ✓ Strategic support ✓ Centennial message <ul style="list-style-type: none"> • Centennial logo • Centennial banner 	<ul style="list-style-type: none"> + Added focus on SEO activities and enhanced digital presence + Board engagement and feedback activities + Water Quality Report support + Water Quality Report postcard + Detailed web article development

	<ul style="list-style-type: none"> • Centennial celebration media advisory and event support 	<ul style="list-style-type: none"> + Community engagement strategy support
<p>Social Media/Digital Marketing</p> <p><i>Utilize digital communication platforms to share important messages and build trust with customers and stakeholders</i></p>	<ul style="list-style-type: none"> ✓ Social media policy ✓ Facebook account creation ✓ Social media calendar ✓ Social media content ✓ Social media monitoring ✓ Graphic design ✓ Audience engagement ✓ Digital performance tracking 	<ul style="list-style-type: none"> + Social media customer review strategy support
<p>Multimedia</p> <p><i>Create engaging videos and digital content to drive awareness of and interest in the District and its programs</i></p>	<p>On hold</p>	

<p>In Progress Priorities Identified August 2019</p>	
<ul style="list-style-type: none"> • Newsletter • Social media management • Board meeting support • Board Communications Committee 	<ul style="list-style-type: none"> • Rates Education and Support <ul style="list-style-type: none"> ○ Outreach plan ○ Prop 218 Notice ○ Message deck and FAQs ○ Customer service training ○ Bill estimator ○ Community Advisory Committee ○ Town Hall Meetings ○ Public Hearing



**Beaumont-Cherry Valley Water District
Special Board Meeting
January 7, 2020**

Item 6

STAFF REPORT

TO: Board of Directors
FROM: Dan Jagers, General Manager
SUBJECT: **Confirmation of Duties of the Ad Hoc Communications Committee**

Staff Recommendation

Action is at the pleasure of the Board President. Direct staff as desired.

- Consider the suggested duties of the Ad Hoc Communications Committee
- Consider a sunset date for Committee activities

Background

At the August 22, 2019 meeting of the Board of Directors, the District's public relations consultant, CV Strategies, recommended the establishment of a Communications Committee to allow the Board to give input and be involved in communication activities.

The BCVWD Policies and Procedures Manual, Part II Section 3A reads:

Ad Hoc Committees. The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

Ad Hoc committees are generally formed to provide support to the Board of Directors and participate in specific issues facing the District. Ad Hoc committees are dissolved once the specific task is completed.

At the September 26, 2019 meeting of the Board of Directors, President Covington appointed members to an Ad Hoc Communications Committee. Duties of the Committee were not delineated at that time.

Summary

The Committee met on December 12, 2019 and established the attached suggested Committee duties. The duties of the Committee are at the direction of the Board President and as an Ad Hoc, are limited to an advisory capacity.

An Ad Hoc committee may not act independently to direct staff or consultants. If desired, the President may establish, by formal action, a fully empowered, Brown Act compliant Standing Committee to provide oversight and minimal direction to the public relations consultant, with ultimate oversight by the full Board of Directors.



Fiscal Impact

None.

Attachments

Suggested duties of the Ad Hoc Communications Committee as developed at the meeting of December 12, 2019.

Ad Hoc Communications Committee

Suggested Duties identified at the meeting of December 12, 2019

1. The Committee will meet monthly or as needed at a time and place to be determined by the members with or without a representative of CV Strategies, the District's contracted public relations consultant.
2. The Committee will review activities completed by CV Strategies and determine progress on the scope of work as included in the Board-approved CV Strategies contract.
3. The Committee may make suggestions to advance the goals of the District's public relations efforts within the framework of the scope of work.
4. The Committee will strive to maintain adherence to the approved budget and maximize accomplishments within the approved budget.
5. The Committee will make monthly reports to the full Board of Directors at a regular meeting.
6. The Committee may meet to discuss unforeseen activities that may need to be communicated to the public and may utilize CV Strategies.